

## Asian Credit Daily

10 June 2024

**Market Commentary:**

- The SGD SORA curve traded lower last Friday, with short tenors trading 1-3bps lower, belly tenors trading 2bps lower and 10Y trading 2bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, HSBC 4.75% '34s, HSBC 5.3% '33s, HSBC 5.3% '34s, BNP 5.9%-PERP, UBS 5.75%-PERP, HSBC 5.25% '32s, GESP 3.928% '39s, BNP 4.75% '34s, OCBCSP 4.05%-PERP, UOBSP 5.25%-PERP.
- Agile Group Holdings Ltd ("Agile"), a Chinese developer, has announced in a filing with the Hong Kong exchange on Friday night that it has enlisted the assistance of financial and legal advisors to handle its offshore debt. The company has appointed Alvarez & Marsal Corporate Finance Ltd. as its financial advisor and Sidley Austin as its legal advisor.
- Bloomberg Asia USD Investment Grade tightened by 3bps to 76bps while Asia USD High Yield tightened by 15bps to 484bps. (Bloomberg, OCBC)
- There were no notable bond issuers in the Asiadollar and Singdollar market last Friday.
- There are no Asiadollar mandates for today.

**Credit Summary:**

- **Singapore Airlines Ltd ("SIA"):** SIA and Cathay Pacific Airways Ltd ("Cathay") have signed a memorandum of understanding ("MOU") to collaborate on a broad range of sustainability initiatives aimed at advocating for the development and use of sustainable aviation fuel ("SAF") in the Asia-Pacific region.

## Credit Headlines:

### Singapore Airlines Ltd (“SIA”)

- SIA and Cathay Pacific Airways Ltd (“Cathay”) have signed a memorandum of understanding (“MOU”) to collaborate on a broad range of sustainability initiatives aimed at advocating for the development and use of sustainable aviation fuel (“SAF”) in the Asia-Pacific region.
- This includes raising public awareness, advocating for supportive policies in the region and promoting the creation of a standard global accounting and reporting framework to ensure the transparency and verifiability of emission reductions from the use of the fuel.
- SIA and Cathay will also explore potential opportunities for joint procurement of SAF at selected locations, aimed at boosting SAF production and supporting wider adoption in the airline industry.
- The airlines will also focus on exchange of best practices to speed up development and implementation of sustainable solutions in their operations. (Company)

**Key Market Movements**

	10-Jun	1W chg (bps)	1M chg (bps)		10-Jun	1W chg	1M chg
iTraxx Asiax IG	96	1	-6	Brent Crude Spot (\$/bbl)	79.7	1.7%	-3.7%
				Gold Spot (\$/oz)	2,296	-2.3%	-2.7%
iTraxx Japan	51	1	-1	CRB Commodity Index	290	-0.1%	0.1%
iTraxx Australia	65	0	0	S&P Commodity Index - GSCI	564	-1.5%	-2.2%
CDX NA IG	50	1	0	VIX	12.2	-5.4%	-2.6%
CDX NA HY	107	0	0	US10Y Yield	4.45%	6bp	-5bp
iTraxx Eur Main	51	0	-1				
iTraxx Eur XO	289	-2	-10	AUD/USD	0.658	-1.6%	-0.4%
iTraxx Eur Snr Fin	59	1	-1	EUR/USD	1.077	-1.2%	0.0%
iTraxx Eur Sub Fin	104	0	-5	USD/SGD	1.353	-0.5%	0.1%
				AUD/SGD	0.890	1.2%	0.5%
USD Swap Spread 10Y	-38	-1	-1	ASX200	7,860	2.1%	1.4%
USD Swap Spread 30Y	-75	-1	0	DJIA	38,799	0.3%	-1.8%
				SPX	5,347	1.3%	2.4%
China 5Y CDS	64	3	0	MSCI Asiax	691	0.8%	1.5%
Malaysia 5Y CDS	46	0	0	HSI	18,367	1.6%	-3.1%
Indonesia 5Y CDS	71	0	-1	STI	3,339	-0.3%	1.5%
Thailand 5Y CDS	43	0	-1	KLCI	1,616	1.2%	0.9%
Australia 5Y CDS	13	-4	-4	JCI	6,898	-1.0%	-2.7%
				EU Stoxx 50	5,051	1.4%	-0.7%

Source: Bloomberg

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