

Asian Credit Daily12 July 2024

Market Commentary:

- The SGD SORA curve traded mostly flat yesterday, with short tenors trading ~1bps lower while belly tenors and 10Y traded flat.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, UBS 5.6%-PERP, TD 5.7%-PERP, UBS 5.6%-PERP, BNP 4.75% '34s, TMGSP 5.25% '27s.
- Logan Group Co Ltd, a Chinese developer, has stated that it is actively engaged in negotiations with its offshore creditors, with the aim of achieving a comprehensive management of its offshore debts. The company also mentioned that adjustments to payment arrangements for the principal and interest of 21 onshore corporate bonds and asset-backed securities issued by its Shenzhen unit have been approved through voting at the bondholders' meeting. Moreover, over 92% of the total outstanding principal amount of the existing notes have already agreed to the creditor support agreement.
- Bloomberg Asia USD Investment Grade spreads widened by 2bps to 83bps while Bloomberg Asia USD High Yield spreads widened by 8bps to 501bps. (Bloomberg, OCBC)

Credit Summary:

- **ANZ Group Holdings Ltd / Australia & New Zealand Banking Group Ltd ("ANZ"):** ANZ has reportedly hired external lawyers to investigate possible irregularities in government bond trading within its markets business.
- **Mapletree Pan Asia Commercial Trust ("MPACT"):** MPACT Management Ltd as manager of MPACT announced that MPACT and its subsidiary have entered into a HKD600mn term loan facility.
- **Mapletree Investments Pte Ltd ("MAPL"):** The Business Times reported that MAPL is selling an eight-storey office building at 20 Harbour Drive to an entity linked to Keppel Education Asset Fund ("KEAF", a pan-Asia value-added education real estate fund) for SGD160mn.

Credit Headlines:**ANZ Group Holdings Ltd / Australia & New Zealand Banking Group Ltd (“ANZ”)**

- ANZ has reportedly hired external lawyers to investigate possible irregularities in government bond trading within its markets business. Per the Australian Financial Review, ANZ overstated the traded value of Australian government bonds by more than AUD50bn over a one year period. This may have influenced ANZ’s selection as deal manager by the Australian Office of Financial Management, for the sale of government bonds.
- A key focus of ANZ’s investigations include allegations of inappropriate employee conduct and suspected market manipulation that is related to the Australian Securities and Investments Commission’s (“ASIC”) separate investigation into ANZ’s 10-year Treasury sale in 2023 and its role as risk manager.
- We continue to monitor these developments. (AFR, Bloomberg, Company, OCBC)

Mapletree Pan Asia Commercial Trust (“MPACT”)

- MPACT Management Ltd as manager of MPACT announced that MPACT and its subsidiary have entered into a HKD600mn term loan facility. The facility is guaranteed by DBS Trustee Limited in its capacity as trustee of MPACT. (Company)

Mapletree Investments Pte Ltd (“MAPL”)

- The Business Times reported that MAPL is selling an eight-storey office building at 20 Harbour Drive to an entity linked to Keppel Education Asset Fund (“KEAF”, a pan-Asia value-added education real estate fund) for SGD160mn. Reportedly, KEAF has been exploring the possibility of converting this property into an international school campus.
- Separately, MAPL and Marriot International have signed an agreement to operate MAPL’s existing hotel and serviced apartments in District 1 of Ho Chi Minh City, as well as introduce the “JW Marriot” brand to the city. The existing hotel will be converted into JW Marriott Hotel & Suites Saigon and the rebranded property is slated to open in September 2024. (Company, Business Times)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
11 Jul	Bayfront Infrastructure Management Pte Ltd	FRN (Class A1)	USD	208.7	19Y / NC3.9yr	SOFR+140bps	NA
11 Jul	Bayfront Infrastructure Management Pte Ltd	FRN (Class A1-SU)	USD	145	19Y/ NC3.9yr	SOFR+137.5bps	NA
11 Jul	Bayfront Infrastructure Management Pte Ltd	FRN (Class B)	USD	76.8	19Y / NC8.7yr	SOFR+180bps	NA
11 Jul	Bayfront Infrastructure Management Pte Ltd	FRN (Class C)	USD	32	19Y/ NC10.3yr	SOFR+350bps	NA
11 Jul	First Abu Dhabi Bank PJSC	Green Formosa FRN	USD	800	5Y	SOFR+105bps	NA

Mandates:

- Mirae Asset Securities Co. is planning to issue a USD Reg S only senior unsecured bond with a 3- or 3.5Y Tenor.

Key Market Movements

	12-Jul	1W chg (bps)	1M chg (bps)		12-Jul	1W chg	1M chg
iTraxx Asiax IG	91	-2	-5	Brent Crude Spot (\$/bbl)	85.6	-1.1%	3.6%
				Gold Spot (\$/oz)	2,409	0.7%	3.6%
iTraxx Japan	48	-2	-4	CRB Commodity Index	290	-1.2%	-1.6%
iTraxx Australia	61	-3	-6	S&P Commodity Index - GSCI	574	-2.2%	-0.4%
CDX NA IG	49	-1	-1	VIX	12.9	6.9%	7.3%
CDX NA HY	107	0	0	US10Y Yield	4.23%	-5bp	-9bp
iTraxx Eur Main	53	-1	-1				
iTraxx Eur XO	288	-8	-5	AUD/USD	0.676	0.1%	1.4%
iTraxx Eur Snr Fin	59	-2	-2	EUR/USD	1.087	0.2%	0.5%
iTraxx Eur Sub Fin	107	-2	-3	USD/SGD	1.344	0.3%	0.2%
				AUD/SGD	0.908	0.2%	-1.1%
USD Swap Spread 10Y	-44	-1	-6	ASX200	7,951	1.6%	3.1%
USD Swap Spread 30Y	-79	1	-4	DJIA	39,754	1.1%	2.7%
				SPX	5,585	0.9%	3.0%
China 5Y CDS	56	-4	-8	MSCI Asiax	721	1.7%	4.9%
Malaysia 5Y CDS	40	-2	-6	HSI	18,197	2.2%	1.4%
Indonesia 5Y CDS	70	-4	-1	STI	3,490	2.3%	5.5%
Thailand 5Y CDS	39	-2	-2	KLCI	1,620	0.2%	0.7%
Australia 5Y CDS	13	0	0	JCI	7,344	1.2%	7.2%
				EU Stoxx 50	4,976	-0.2%	-1.2%

Source: Bloomberg

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