

**Asian Credit Daily**

12 June 2024

**Market Commentary:**

- The SGD SORA curve traded lower yesterday, with short and belly tenors trading 2bps lower and 10Y trading 1bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, GESP 3.928% '39s, BNP 4.75% '34s, TMGSP 5.25% '27s, HSBC 4.75% '34s, LLOYDS 5.25% '33s, UBS 5.75%-PERP, AIA 5.1%-PERP, HSBC 5.25% '32s, STSP 3.3%-PERP.
- According to Bloomberg, the decline in home prices in Hong Kong is approaching its fifth consecutive year, marking the longest period of decline since the SARS crisis over twenty years ago.
- China Evergrande New Energy Vehicle Group Limited (“Evergrande NEV”, a subsidiary of the defaulted China Evergrande Group) has disclosed in an exchange filing that certain Chinese local government agencies have instructed its undisclosed subsidiaries to repay approximately RMB1.9bn of incentives and subsidies within a 15-day period. These unidentified local government agencies have also decided to terminate three agreements with Evergrande NEV subsidiaries. As a result, Evergrande NEV is at risk of losing land rights for certain plants, while some buildings and equipment will be utilized for repaying the incentives.
- There are no Asiadollar mandates for today.

**Credit Summary:**

- **UBS Group AG ("UBS"):** UBS announced the completion of the move to a single Intermediate Holding Company in the United States as planned. This follows the merger of parent banks UBS AG and Credit Suisse AG on 31 May 2024.

## Credit Headlines:

### UBS Group AG (“UBS”)

- UBS announced the completion of the move to a single Intermediate Holding Company in the United States as planned. This follows the merger of parent banks UBS AG and Credit Suisse AG on 31 May 2024.
- The next priority will be the merger of Credit Suisse (Schweiz) AG and UBS Switzerland AG to be completed in 3Q2024 and as early as 1<sup>st</sup> July. Both are subject to regulatory approval. (Company, OCBC)

**New Issues:**

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
07 Jun	Kunming Anju Group Co. Ltd.	Fixed	USD	100	1.5Y	8%	N.A
11 Jun	Manulife Financial Corp.	Fixed, Tier 2	SGD	500	10NC5	4.275%	4.6%

**Key Market Movements**

	12-Jun	1W chg (bps)	1M chg (bps)		12-Jun	1W chg	1M chg
iTraxx Asiax IG	96	0	-3	Brent Crude Spot (\$/bbl)	82.2	4.8%	-0.7%
				Gold Spot (\$/oz)	2,314	-1.8%	-1.0%
iTraxx Japan	51	0	-1	CRB Commodity Index	293	2.3%	1.1%
iTraxx Australia	65	0	0	S&P Commodity Index - GSCI	573	2.3%	-0.7%
CDX NA IG	51	1	--	VIX	12.9	-2.4%	2.4%
CDX NA HY	107	0	0	US10Y Yield	4.40%	13bp	-9bp
iTraxx Eur Main	55	4	3				
iTraxx Eur XO	303	12	5	AUD/USD	0.661	-0.5%	0.1%
iTraxx Eur Snr Fin	64	5	4	EUR/USD	1.074	-1.2%	-0.5%
iTraxx Eur Sub Fin	116	11	6	USD/SGD	1.353	-0.3%	0.1%
				AUD/SGD	0.894	0.3%	0.0%
USD Swap Spread 10Y	-38	-1	0	ASX200	7,713	-0.3%	-0.5%
USD Swap Spread 30Y	-75	0	1	DJIA	38,747	0.1%	-1.9%
				SPX	5,375	1.6%	2.9%
China 5Y CDS	65	1	1	MSCI Asiax	685	0.4%	0.6%
Malaysia 5Y CDS	46	0	0	HSI	17,863	-3.1%	-5.8%
Indonesia 5Y CDS	72	0	1	STI	3,305	-0.7%	0.4%
Thailand 5Y CDS	43	0	-1	KLCI	1,615	0.4%	0.9%
Australia 5Y CDS	13	0	-4	JCI	6,835	-1.6%	-3.6%
				EU Stoxx 50	4,965	0.2%	-2.4%

Source: Bloomberg

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