

**Asian Credit Daily**

13 December 2024

**Market Commentary:**

- The SGD SORA OIS curve traded higher yesterday, with shorter tenors trading flat to 2bps higher, belly tenors trading 3-4bps higher and the 10Y trading 5bps higher.
- Flows in SGD corporates were moderate, with flows in TMGSP 4.65% '29s, HSBC 5.25%-PERP.
- Guangzhou R&F Properties Co. received a temporary reprieve from efforts to liquidate one of its subsidiaries, as a Hong Kong court postponed the hearing date. Additionally, a Hong Kong court dismissed a liquidation case against the Chinese developer Leading Holdings after the winding-up petition was retracted.
- A major creditor group of the defaulted Chinese construction firm Sino-Ocean Group Holding Ltd. has presented an updated restructuring proposal to a UK court, as reported by a legal representative during a call with certain creditors, according to sources familiar with the situation.
- Bloomberg Asia USD Investment Grade spreads tightened to 1bps to 75bps while Bloomberg Asia USD High Yield spreads tightened by 5bps to 441bps. (Bloomberg, OCBC)
- There were no new Asiadollar mandates yesterday.

**Credit Summary:**

- **Singapore Post Ltd ("SingPost"):** SingPost acquired the remaining 2.9% stake of Australian assets, Freight Management Holdings Pty Ltd ("FMH"), for ~AUD9.5mn (SGD8.4mn).
- **Qantas Airways Ltd ("Qantas"):** More than 500 Qantas engineers have gone on strike, starting 3.30AM local time today (Friday) and will not return to work until 7.30AM local time on Saturday.

**Credit Headlines:****Singapore Post Ltd ("SingPost")**

- SingPost acquired the remaining 2.9% stake of Australian assets, Freight Management Holdings Pty Ltd ("FMH"), for ~AUD9.5mn (SGD8.4mn). Previously FMH's management held the 2.9% as part of the compensation scheme to reward their contribution to the performance and success of FMH.
- Post this acquisition, SingPost will own a 100% stake of FMH.
- On 2 December, SingPost agreed to sell FMH at an enterprise value of AUD1.02bn. (Company, OCBC)

**Qantas Airways Ltd ("Qantas")**

- **Engineers on strike:** More than 500 Qantas engineers have gone on strike, starting 3.30AM local time today (Friday) and will not return to work until 7.30AM local time on Saturday. The Qantas Engineers' Alliance is requesting for an upfront 15% pay rise with 5% increase in pay per year.
- **No delay for now:** Australian airports reported that they were operating as normal, with 97% of flights departing on time as at 8.30AM. (Bloomberg, ABC News)

**New Issues:**

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
12 Dec	Xichang Haihe Cultural Tourism Investment Development Co Ltd (guarantor: Sichuan Development Financing Guarantee Co Ltd)	Fixed	USD	100	3Y	7%

**Key Market Movements**

	13-Dec	1W chg (bps)	1M chg (bps)		13-Dec	1W chg	1M chg
iTraxx Asiax IG	70	1	-3	Brent Crude Spot (\$/bbl)	73.4	3.2%	1.5%
				Gold Spot (\$/oz)	2,688	2.1%	4.5%
iTraxx Japan	52	-1	0	CRB Commodity Index	293	2.4%	4.6%
iTraxx Australia	63	0	-2	S&P Commodity Index - GSCI	543	2.2%	2.2%
CDX NA IG	47	0	-1	VIX	13.9	2.8%	-0.7%
CDX NA HY	109	0	0	US10Y Yield	4.32%	17bp	-13bp
iTraxx Eur Main	53	0	-1				
iTraxx Eur XO	294	4	-1	AUD/USD	0.636	-0.5%	-1.9%
iTraxx Eur Snr Fin	60	1	0	EUR/USD	1.046	-1.0%	-1.0%
iTraxx Eur Sub Fin	107	2	1	USD/SGD	1.348	-0.4%	-0.4%
				AUD/SGD	0.858	0.0%	1.5%
USD Swap Spread 10Y	-49	-1	2	ASX200	8,279	-1.7%	1.0%
USD Swap Spread 30Y	-83	-3	0	DJIA	43,914	-1.9%	-0.1%
				SPX	6,051	-0.4%	1.1%
China 5Y CDS	61	-1	-2	MSCI Asiax	727	0.7%	2.2%
Malaysia 5Y CDS	43	0	2	HSI	20,038	0.9%	1.1%
Indonesia 5Y CDS	72	0	0	STI	3,817	0.5%	2.6%
Thailand 5Y CDS	39	0	1	KLCI	1,607	-0.4%	-0.3%
Australia 5Y CDS	11	1	-2	JCI	7,362	-0.3%	0.7%
				EU Stoxx 50	4,966	0.3%	4.8%

*Source: Bloomberg*

## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavyanavenkateswaran@ocbc.com](mailto:lavyanavenkateswaran@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathannq4@ocbc.com](mailto:jonathannq4@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyionq1@ocbc.com](mailto:shuyionq1@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongvkam@ocbc.com](mailto:wongvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!