

Asian Credit Daily

14 June 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 0-6bps lower, belly tenors trading 6-7bps lower and 10Y trading 7bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, MFCCN 4.275% '34s, TMGSP 5.25% '27s, HSBC 4.75% '34s, OCBCSP 3.9%-PERP, SINTEC 5%-PERP.
- An Adani Group's subsidiary, which oversees a significant Australian coal port, has secured a private credit loan of approximately AUD500mn (USD333mn). The company North Queensland Export Terminal Pty Ltd. got the loan from Farallon Capital Management and King Street Capital Management.
- Bloomberg Asia USD Investment Grade and High Yield spreads remained flat at 80bps and 500bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **BNP Paribas SA ("BNPP"), Groupe BPCE ("BPCE"):** BNPP and BPCE announced plans to establish a strategic partnership project for processing all card payments for BNPP and BPCE card holders and merchants in Europe. Per the announcement, this would account for 17 billion transactions making it the top card processor in France and top three in Europe.
- **Mapletree Logistics Trust ("MLT"):** Mapletree Logistics Trust Management Ltd (MLT's REIT Manager) announced that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of MLT) has entered into an agreement with an unrelated third party for the proposed sale of 119 Neythal Road in Singapore.
- **Singapore Telecommunications Ltd ("SingTel"):** In response to the Australia Communications and Media Authority ("ACMA") Federal Court proceedings in relation to the cyber-attack in September 2022, Optus Mobile is not able to determine the quantum of penalties.

Credit Headlines:**BNP Paribas SA (“BNPP”), Groupe BPCE (“BPCE”)**

- BNPP and BPCE announced plans to establish a strategic partnership project for processing all card payments for BNPP and BPCE card holders and merchants in Europe. Per the announcement, this would account for 17 billion transactions making it the top card processor in France and top three in Europe.
- This is the second co-operation between the two French banks following Partecis, an electronic banking partnership with a common IT platform to manage electronic transactions that was established in 2005.
- Under the partnership, BNPP and BPCE will create a target business model in the form of a joint venture under an exclusive agreement that will create a common processor with a technological platform covering operations, back office and development and will integrate other technological standards for payments. (Company, OCBC)

Mapletree Logistics Trust (“MLT”)

- Mapletree Logistics Trust Management Ltd (MLT’s REIT Manager) announced that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of MLT) has entered into an agreement with an unrelated third party for the proposed sale of 119 Neythal Road in Singapore.
- This is a small transaction with a sale price of SGD13.8mn, though comes a day after yesterday’s announcement of a small property sale in Xi’an, China. (Company, OCBC)

Singapore Telecommunications Ltd (“SingTel”)

- **Potential penalties in relation to cyber-attack:** In response to the Australia Communications and Media Authority (“ACMA”) Federal Court proceedings in relation to the cyber-attack in September 2022, Optus Mobile is not able to determine the quantum of penalties. We note that in a separate case by ACMA, Optus was fined AUD1.5mn for failing to upload the information of close to 200,000 customers between January 2021 and September 2023 to a database used by emergency services.
- **Impact on customers:** Optus is aware that ~10,200 customers have had their personal information published on the internet.
- **Reported to be setting up data centre in Johor:** Separately, as reported by The Edge Malaysia, SingTel (via its regional data centre business Nxera) is reportedly in talks with Malaysian authorities to set up a data centre in Iskandar Puteri. (Company, The Edge Malaysia, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
13 Jun	State Bank of India of London	FRN	USD	100	3Y	SOFR+95bps	N.A
13 Jun	Zhongyuan Zhicheng Co Ltd (Guarantor: Zhongyuan Yuzi Investment Holdings Group Co Ltd)	Fixed, Sustainability	USD	500	3Y	5.9%	6.45% area
13 Jun	Wuhan Urban Construction Group Co Ltd	Fixed, Sustainability	USD	500	3Y	5.7%	6.05% area
13 Jun	Mapletree Treasury Services Ltd (Guarantor: Mapletree Investments Pte Ltd)	Fixed	SGD	200	12Y	3.688%	3.85% area

Key Market Movements

	14-Jun	1W chg (bps)	1M chg (bps)		14-Jun	1W chg	1M chg
iTraxx Asiax IG	96	0	-2	Brent Crude Spot (\$/bbl)	82.1	3.1%	-0.4%
				Gold Spot (\$/oz)	2,307	0.6%	-2.2%
iTraxx Japan	51	0	1	CRB Commodity Index	296	1.1%	2.9%
iTraxx Australia	65	0	1	S&P Commodity Index - GSCI	577	1.4%	0.3%
CDX NA IG	51	1	0	VIX	11.9	-5.1%	-11.0%
CDX NA HY	107	0	0	US10Y Yield	4.26%	-18bp	-18bp
iTraxx Eur Main	57	5	4				
iTraxx Eur XO	306	17	5	AUD/USD	0.663	0.7%	0.0%
iTraxx Eur Snr Fin	64	6	4	EUR/USD	1.074	-0.6%	-0.7%
iTraxx Eur Sub Fin	120	17	11	USD/SGD	1.351	0.1%	0.0%
				AUD/SGD	0.896	-0.5%	0.0%
USD Swap Spread 10Y	-40	-2	-3	ASX200	7,722	-1.3%	-0.1%
USD Swap Spread 30Y	-77	-1	-2	DJIA	38,647	-0.6%	-2.3%
				SPX	5,434	1.5%	3.6%
China 5Y CDS	65	0	3	MSCI Asiax	694	0.4%	0.9%
Malaysia 5Y CDS	47	0	2	HSI	18,113	-1.7%	-5.0%
Indonesia 5Y CDS	72	1	1	STI	3,325	-0.2%	0.3%
Thailand 5Y CDS	42	-1	-1	KLCI	1,610	-0.5%	0.3%
Australia 5Y CDS	13	--	-4	JCI	6,832	-2.1%	-3.6%
				EU Stoxx 50	4,936	-2.6%	-2.9%

Source: Bloomberg

Macro Research

Selena Ling
Head of Strategy & Research
LingSSSelena@ocbc.com

Tommy Xie Dongming
Head of Greater China Research
XieD@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau
Cindykeung@ocbcwh.com

Herbert Wong
Hong Kong & Macau
HerberhtWong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
LavanyaVenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
Ahmad.Enver@ocbc.com

Jonathan Ng
ASEAN Economist
JonathanNg4@ocbc.com

Ong Shu Yi
ESG Analyst
ShuyiOng1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Rates Strategist
FrancesCheung@ocbc.com

Christopher Wong
FX Strategist
ChristopherWong@ocbc.com

Credit Research

Andrew Wong
Credit Research Analyst
WongVKAM@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
EzienHoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
WongHongWei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
MengTeeChin@ocbc.com

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