

**Asian Credit Daily**14 October 2024

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**Market Commentary:**

- The SGD SORA OIS curve traded lower last Friday, with shorter tenors trading 6bps lower, belly tenors trading 5-6bps lower and 10Y trading 5bps lower.
- Flows in SGD corporates were heavy, with flows in STANLN 5.3%-PERP, HSBC 5.25%-PERP, BNP 3.95% '35s, TD 5.7%-PERP, INCINS 3.1% '50s.
- Per Bloomberg, investors once again increased their holdings of Chinese onshore corporate bonds as stocks experienced their worst week since July. Traders reported that yields on most RMB company notes dropped by approximately 10bps on Friday, mitigating the impact of what would have been the country's worst weekly decline in junk debt market since 2022.
- Bloomberg Asia USD Investment Grade spreads remained flat at 79bps while Bloomberg Asia USD High Yield spreads remained flat at 481bps. (Bloomberg, OCBC)
- There was no notable issuance in the Asiadollar but one issuance from Singdollar market last Friday.
- There was no new Asiadollar mandate last Friday.

**Credit Summary:**

- **CapitaLand Ascendas REIT ("CLAR"):** CLAR has entered into a sale and purchase agreement today for the sale of 21 Jalan Buroh in Singapore to GDS IDC Services Pte. Ltd. for a sale consideration of SGD112.8mn.
- **Lendlease Group ("LLC"):** Mr. John Gillam will become the Chairman of LLC on 15 November 2024, taking over the planned retirement of current Chairman, Mr. Michael Ullmer.

**Credit Headlines:****CapitaLand Ascendas REIT (“CLAR”)**

- CLAR has entered into a sale and purchase agreement today for the **sale of 21 Jalan Buroh in Singapore** to GDS IDC Services Pte. Ltd. for a sale consideration of SGD112.8mn.
- The **selling price is substantially higher than the independent market valuations of SGD67.5mn** as of 1 July 2024 and acquisition price of SGD58.4mn (bought in June 2006).
- The net proceeds after divestment costs are expected to be SGD102.9mn. On a pro-forma basis, the aggregate leverage as of 30 June 2024 would improve to 37.4% from 37.8%. The net property income (“NPI”) from the property in 2023 was SGD4.6mn, equivalent to 0.45% of CLAR’s total NPI in 2023. (Company, OCBC)

**Lendlease Group (“LLC”)**

- Mr. John Gillam will become the Chairman of LLC on 15 November 2024, taking over the planned retirement of current Chairman, Mr. Michael Ullmer.
- Mr Gillam is an accomplished executive and non-executive director with extensive commercial and leadership experience. He is a former Chair of CSR Limited, which followed a successful 20-year executive career with Wesfarmers. He is currently Chair of Nufarm Limited, the VetPartners Group and BlueFit Pty Limited, and he also serves as a Director of the Clontarf Foundation.
- Mr. Gilliam will play an important role to achieve LLC’s strategic restructuring, including (1) recycling AUD4.5bn of net capital, (2) focusing on Australia Development, Australia Construction, and international Investment segments. (Company, OCBC)

## New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
11 Oct	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	200	1Y	3.35%	NA

**Key Market Movements**

	14-Oct	1W chg (bps)	1M chg (bps)		14-Oct	1W chg	1M chg
iTraxx Asiax IG	72	0	-25	Brent Crude Spot (\$/bbl)	77.9	-3.7%	8.8%
				Gold Spot (\$/oz)	2,645	0.1%	2.4%
iTraxx Japan	50	0	-1	CRB Commodity Index	291	-0.9%	6.3%
iTraxx Australia	65	1	2	S&P Commodity Index - GSCI	560	-1.2%	7.8%
CDX NA IG	52	-2	2	VIX	20.5	6.5%	23.6%
CDX NA HY	107	0	0	US10Y Yield	4.10%	7bp	45bp
iTraxx Eur Main	57	-2	3				
iTraxx Eur XO	308	-6	18	AUD/USD	0.673	-0.4%	-0.3%
iTraxx Eur Snr Fin	65	-2	3	EUR/USD	1.092	-0.5%	-1.9%
iTraxx Eur Sub Fin	115	-3	7	USD/SGD	1.307	-0.2%	-0.9%
				AUD/SGD	0.879	0.2%	-0.5%
USD Swap Spread 10Y	-47	5	-1	ASX200	8,250	0.5%	1.8%
USD Swap Spread 30Y	-82	6	1	DJIA	42,864	1.2%	3.6%
				SPX	5,815	1.1%	3.4%
China 5Y CDS	61	-1	2	MSCI Asiax	757	-2.5%	9.2%
Malaysia 5Y CDS	39	0	1	HSI	21,171	-6.9%	23.7%
Indonesia 5Y CDS	69	1	1	STI	3,588	-0.3%	0.7%
Thailand 5Y CDS	35	0	-1	KLCI	1,638	0.2%	-0.8%
Australia 5Y CDS	12	0	0	JCI	7,540	0.5%	-3.5%
				EU Stoxx 50	5,004	1.0%	3.3%

Source: Bloomberg

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