

Asian Credit Daily

18 June 2024

Market Commentary:

- The SGD SORA curve traded lower on Friday, with short tenors trading 2-4bps lower, belly tenors trading 4bps lower and 10Y trading 4bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, MFCCN 4.275% '34s, BNP 5.9%-PERP, OLGSP 5.375%-PERP, MAPLSP 3.688% '36s.
- China Vanke Co Ltd has announced that it will fulfil its obligation to pay the coupon on its 3.9% onshore bond on June 19th.
- Bloomberg reported that a Chinese financial news outlet backed by the PBOC has intensified its cautionary statements, as a surge in debt purchasing has resurfaced. According to the report, funds that invest in bonds will face challenges in maintaining the high returns, which have surpassed 10% in certain instances this year.
- Bloomberg Asia USD Investment Grade remained flat at 80bps, while Asia USD High Yield tightened by 1bps to 495bps. (Bloomberg, OCBC)
- There are no Asiadollar mandates for today.

Credit Summary:

- **Mapletree Pan Asia Commercial Trust ("MPACT"):** MPACT Management Ltd, as manager of MPACT, announced that MPACT has entered into a SGD130mn term loan facility. (Company)
- **UBS Group AG ("UBS"):** UBS is offering investors in the Greensill Supply Chain Funds a voluntary redemption at 90% of the net asset value on 25 February 2021. This liability was acquired by UBS as part of the government driven acquisition of Credit Suisse Group AG ("CS") by UBS with the supply chain funds once offered by CS and now managed as part of UBS's Non-Core and Legacy portfolio.

Credit Headlines:**Mapletree Pan Asia Commercial Trust (“MPACT”)**

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- As a reminder, CS chose to liquidate four supply chain finance funds worth USD10bn following the collapse of supply chain financier Greensill Capital (“GC”). The last reported total cash position under the Greensill Supply Chain Funds in March 2023 was USD7.4bn out of total assets under management at the time of suspension of USD10.0bn. Of this amount, USD6.8bn had been returned to investors with the remainder subject to legal proceedings and insurance claims.
- Under the offer, UBS has offered to buy back units or shares in the Credit Suisse Supply Chain Finance Funds from fund investors with accepted offers to be redeemed net of any payments made to the fund investors since 25 February 2021.
- UBS AG is expected to record a USD900mn provision in 2Q2024. UBS has previously guided an expectation of ~USD4bn from litigation, regulatory matters and related liabilities related to the CS acquisition.
- Per UBS’s statement, the offer is not expected to have a material effect on the financial results or CET1 capital of UBS or UBS AG on a standalone basis.
- The offer commenced Monday 17 June and will end on 31 July. (Company, Bloomberg, Reuters, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
17 Jun	Shinhan Capital Co., Ltd.	FRN	USD	300	3Y	SOFR+100bps	N.A
14 Jun	CDL Properties Ltd.	Fixed	SGD	200	3Y	3.6%	N.A

Key Market Movements

	18-Jun	1W chg (bps)	1M chg (bps)		18-Jun	1W chg	1M chg
iTraxx Asiax IG	101	5	11	Brent Crude Spot (\$/bbl)	84.2	2.8%	0.3%
				Gold Spot (\$/oz)	2,324	0.3%	-4.2%
iTraxx Japan	55	4	7	CRB Commodity Index	293	0.6%	-0.2%
iTraxx Australia	71	6	8	S&P Commodity Index - GSCI	577	0.8%	-1.7%
CDX NA IG	53	2	5	VIX	12.8	0.1%	6.3%
CDX NA HY	106	0	-1	US10Y Yield	4.26%	-14bp	-16bp
iTraxx Eur Main	63	8	13				
iTraxx Eur XO	329	26	43	AUD/USD	0.661	0.1%	-0.8%
iTraxx Eur Snr Fin	73	9	16	EUR/USD	1.073	-0.1%	-1.2%
iTraxx Eur Sub Fin	131	15	27	USD/SGD	1.353	0.0%	-0.4%
				AUD/SGD	0.894	0.0%	0.5%
USD Swap Spread 10Y	-40	-1	-6	ASX200	7,776	0.3%	-0.5%
USD Swap Spread 30Y	-76	-1	-5	DJIA	38,778	-0.2%	-3.1%
				SPX	5,473	2.1%	3.2%
China 5Y CDS	67	3	9	MSCI Asiax	692	1.0%	-1.4%
Malaysia 5Y CDS	48	2	4	HSI	17,998	-1.0%	-8.0%
Indonesia 5Y CDS	78	6	8	STI	3,312	-0.3%	0.0%
Thailand 5Y CDS	45	2	4	KLCI	1,615	0.0%	-0.1%
Australia 5Y CDS	13	0	-4	JCI	6,735	-2.4%	-8.0%
				EU Stoxx 50	4,880	-2.7%	-3.6%

Source: Bloomberg

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