

Asian Credit Daily

20 June 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 1-3bps lower, belly tenors as well as the 10Y tenor trading 4bps lower.
- Flows in SGD corporates were heavy, with flows in UBS 5.6%-PERP, HSBC 5.25%-PERP, UBS 4.85%-PERP, UBS 5.75%-PERP, MFCCN 4.275% '34s, HSBC 4.75% '34s, BNP 5.9%-PERP, BPCEGP 5% '34s, GESB 3.928% '39s, OCBCSP 4.5%-PERP.
- According to Reuters, the chairman of Kaisa Group, visited Shenzhen to hold discussions with officials in order to obtain regulatory approval for a restructuring of offshore debt.
- There was no updated data on Bloomberg Asia USD Investment Grade and High Yield spreads amidst the market closure for Juneteenth National Independence Day in the US. (Bloomberg, OCBC)

Credit Summary:

- **Wing Tai Holdings Ltd ("WINGTA"):** WINGTA placed a SGD464mn (SGD1,325 psf) bid for a luxury residential site in Singapore's River Valley area. There are two bids for the site with WINGTA's bid higher than the bid of SGD445mn (SGD1,271 psf) by Hong Leong Investment Holdings.
- **Olam Group Limited ("OG"):** The Australian Consumer and Competition Commission ("ACCC") in a statement has outlined preliminary competition concerns in relation to the proposed acquisition of Namoi Cotton Limited ("Namoi") by Olam Agri Holdings Limited ("Olam Agri", ~64.6%-owned subsidiary of OG).

Credit Headlines:**Wing Tai Holdings Ltd (“WINGTA”)****Industry Outlook – Singapore Property**

- WINGTA placed a SGD464mn (SGD1,325 psf) bid for a luxury residential site in Singapore’s River Valley area. There are 2 bids for the site with WINGTA’s bid higher than the bid of SGD445mn (SGD1,271 psf) by Hong Leong Investment Holdings.
- WINGTA has only one major development project, The LakeGarden Residences, at this juncture. This is a 306-unit condo located at Yuan Ching Road with an expected completion date of 2027. As of 20 June 2024, URA data showed 119 out of 306 units (38.9%) have been sold since its launch in August 2023.
- **No bid for Upper Thomson Road, first ever in >20Y:** A separate land sale in Upper Thomson attracted no bid. While fewer bids have been submitted in recent tenders, this is the first time in over 20Y that a government land sale site attracted no bidder, according to The Business Times. We note that this site required long-stay service apartments to be included, as well as biodiversity-sensitive designs and environmental safeguards to be included. A nearby site in Upper Thomson Road, which does not require long-stay service apartments to be included, drew only one bid in April 2024 at SGD780mn (SGD905 psf ppr). (Company, URA, OCBC)

Olam Group Limited (“OG”)

- The Australian Consumer and Competition Commission (“ACCC”) in a statement has outlined preliminary competition concerns in relation to the proposed acquisition of Namoi Cotton Limited (“Namoi”) by Olam Agri Holdings Limited (“Olam Agri”, ~64.6%-owned subsidiary of OG).
- OG is in a bidding war with Louis Dreyfus Co. (“LDC”) for Namoi and ACCC has also similarly announced competition concerns over LDC’s proposed acquisition of LDC. (ACCC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
19 Jun	Legend Fortune Limited	FRN	USD	100	3Y	SOFR+65bps	N.A
19 Jun	Chang Development International Ltd (Guarantor: Changchun Urban Development & Investment Holdings Group Co Ltd)	Fixed	USD	230	3Y	6.8%	7.2% area
19 Jun	Bank of China Ltd/Johannesburg	FRN	USD	300	3Y	SOFR+58bps	SOFR+105bps area
19 Jun	CapitaLand Treasury Limited (Guarantor: Capitaland Group Pte Ltd)	Fixed	SGD	275	7Y	3.8%	4% area

Mandates:

- The Bank of East Asia Ltd. is planning to issue USD 10NC5 subordinated notes that qualify as Tier 2 capital and loss absorbing instruments.

Key Market Movements

	20-Jun	1W chg (bps)	1M chg (bps)		20-Jun	1W chg	1M chg
iTraxx Asiax IG	98	3	8	Brent Crude Spot (\$/bbl)	85.1	2.9%	1.7%
				Gold Spot (\$/oz)	2,336	1.4%	-3.7%
iTraxx Japan	53	2	5	CRB Commodity Index	296	1.0%	0.7%
iTraxx Australia	70	4	7	S&P Commodity Index - GSCI	582	1.0%	-0.9%
CDX NA IG	53	2	4	VIX	12.5	3.7%	4.1%
CDX NA HY	106	0	-1	US10Y Yield	4.25%	1bp	-19bp
iTraxx Eur Main	63	6	12				
iTraxx Eur XO	327	21	41	AUD/USD	0.667	0.5%	0.1%
iTraxx Eur Snr Fin	71	7	14	EUR/USD	1.074	0.1%	-1.1%
iTraxx Eur Sub Fin	130	10	27	USD/SGD	1.351	0.0%	-0.3%
				AUD/SGD	0.901	-0.5%	-0.3%
USD Swap Spread 10Y	-40	0	-4	ASX200	7,761	0.2%	-1.3%
USD Swap Spread 30Y	-77	0	-3	DJIA	38,835	0.2%	-2.9%
				SPX	5,487	2.1%	3.5%
China 5Y CDS	67	2	8	MSCI Asiax	705	1.6%	0.3%
Malaysia 5Y CDS	46	0	2	HSI	18,417	1.7%	-6.2%
Indonesia 5Y CDS	76	4	7	STI	3,298	-0.3%	-0.5%
Thailand 5Y CDS	44	2	3	KLCI	1,592	-1.0%	-2.2%
Australia 5Y CDS	13	0	-3	JCI	6,748	-1.6%	-7.1%
				EU Stoxx 50	4,885	-3.0%	-3.7%

Source: Bloomberg

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