

Asian Credit Daily

24 July 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short and belly tenors trading 1-2bps lower and 10Y trading 1bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 4.75% '34s, HSBC 5.25%-PERP, MFCCN 4.275% '34s, OLAMSP 4% '26s, UBS 5.6%-PERP, DB 5% '26s, DBSSP 3.98%-PERP.
- Per Bloomberg, Asiadollar high yield bonds are continuing to perform well in July and are expected to maintain their positive momentum in the coming months. The global economy appears to be robust enough to support a favorable outlook for this asset class. According to a Bloomberg high yield index, these Asiadollar bonds have generated total returns of 12% YTD, with excess returns reaching 9.9%. China Vanke Co Ltd ("VANKE") announced that it will pay the coupon on its 3.1% RMB bond on 24 July 2024.
- Bloomberg Asia USD Investment Grade tightened by 1bps to 82bps while Bloomberg Asia USD High Yield widened by 2bps to 469bps. (Bloomberg, OCBC)

Credit Summary:

- **Julius Baer Group Ltd ("JBG"):** JBG has announced the appointment of Stefan Bollinger as Chief Executive Officer.

Credit Headlines:**Julius Baer Group Ltd (“JBG”)**

- JBG has announced the appointment of Stefan Bollinger as Chief Executive Officer. Mr Bollinger will commence no later than 1 February 2025 and replaces Nic Dreckmann who was previously deputy Chief Executive Officer and Chief Operations Officer but appointed as interim Chief Executive Officer in early February following the stepping down of Philipp Rickenbacher by mutual agreement with the board on the release of JBG’s FY2023 results. FY2023 witnessed a material drop in net profit from higher loan loss provisions with net profit down 52% y/y to CHF454mn reflecting CHF606mn in net credit losses driven by exposures in the private debt business as first mentioned in November 2023.
- Mr Bollinger is currently a partner at Goldman Sachs and Co-Head Private Wealth Management for Europe, Middle East and Africa.
- An immediate impact to JBG’s business is unlikely given the long notice period but does address a degree of management uncertainty which existed since February 2024. This has not impacted JBG’s 2024 performance with some constructive trends in the interim management statement for the four months ended 30 April 2024 that confirms its fundamentals for the time being. JBG has also recently announced the appointment of Dr Patrick Prinz as head of Bank Julius Baer’s Swiss market and a new Chief Executive Office for Bank Julius Bär Deutschland AG.
- JBG is scheduled to announce 1H2024 results tomorrow (25 July 2024). (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
23 Jul	Zhongsheng Group Holdings Ltd	Fixed	USD	600	3.5Y	T+198bps	T+235bps area

Mandates:

- There were no new Asiadollar mandates yesterday.

Key Market Movements

	24-Jul	1W chg (bps)	1M chg (bps)		24-Jul	1W chg	1M chg
iTraxx Asiax IG	94	-2	-6	Brent Crude Spot (\$/bbl)	81.3	-4.5%	-5.5%
				Gold Spot (\$/oz)	2,406	-2.1%	3.1%
iTraxx Japan	50	1	-3	CRB Commodity Index	280	-2.0%	-4.9%
iTraxx Australia	64	1	-8	S&P Commodity Index - GSCI	551	-2.3%	-5.3%
CDX NA IG	50	0	-4	VIX	14.7	11.6%	10.4%
CDX NA HY	107	0	1	US10Y Yield	4.25%	9bp	2bp
iTraxx Eur Main	53	0	-7				
iTraxx Eur XO	293	1	-26	AUD/USD	0.661	-1.8%	-0.8%
iTraxx Eur Snr Fin	61	1	-9	EUR/USD	1.085	-0.8%	1.1%
iTraxx Eur Sub Fin	110	0	-16	USD/SGD	1.346	-0.4%	0.5%
				AUD/SGD	0.889	1.5%	1.3%
USD Swap Spread 10Y	-43	0	-3	ASX200	7,958	-1.2%	2.9%
USD Swap Spread 30Y	-80	-2	-3	DJIA	40,358	-1.5%	2.4%
				SPX	5,556	-2.0%	2.0%
China 5Y CDS	62	-1	-6	MSCI Asiax	694	-2.4%	-0.1%
Malaysia 5Y CDS	42	0	-5	HSI	17,469	-1.5%	-3.1%
Indonesia 5Y CDS	72	-2	-6	STI	3,446	-1.3%	4.0%
Thailand 5Y CDS	41	1	-4	KLCI	1,626	-0.5%	2.3%
Australia 5Y CDS	12	0	-1	JCI	7,314	1.2%	6.2%
				EU Stoxx 50	4,917	-0.6%	-0.7%

Source: Bloomberg

Macro Research

Selena Ling

Head of Research & Strategy
lingssselena@ocbc.com

Herbert Wong

Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Jonathan Ng

ASEAN Economist
jonathanng4@ocbc.com

Tommy Xie Dongming

Head of Asia Macro Research
xied@ocbc.com

Lavanya Venkateswaran

Senior ASEAN Economist
lavyanavenkateswaran@ocbc.com

Ong Shu Yi

ESG Analyst
shuyiong1@ocbc.com

Keung Ching (Cindy)

Hong Kong & Macau Economist
cindyckeung@ocbc.com

Ahmad A Enver

ASEAN Economist
ahmad.enver@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA

Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong

FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong

Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo

Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei

Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee

Credit Research Analyst
mengteechin@ocbc.com

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