

Asian Credit Daily

24 June 2024

Market Commentary:

- The SGD SORA curve traded lower last Friday, with short tenors trading 1-2bps lower, belly tenors trading 2bps lower and 10Y trading 1bps lower.
- Flows in SGD corporates were heavy, with flows in UBS 5.6%-PERP, HSBC 5.25%-PERP, GESP 3.928% '39s, SOCGEN 8.25%-PERP, UBS 5.75%-PERP, MFCCN 4.275% '34s.
- Kaisa Group Holdings Ltd. ("Kaisa") on Monday, will be facing a court hearing in Hong Kong to prevent liquidation. Despite numerous delays since the initial petition to wind up the company was filed nearly 11 months ago, Kaisa is now required to demonstrate advancements in creating plans to restructure its debt. Failure to do so may result in the court ordering the company to sell off its assets in order to repay its creditors. Kaisa currently holds over USD11bn in outstanding dollar securities, which is one of the largest debts of its kind.
- Bloomberg Asia USD Investment Grade widened by 1bps to 82bps while Bloomberg Asia USD High Yield remained flat at 496bps. (Bloomberg, OCBC)

Credit Summary:

- **ABN Amro Bank N.V. ("ABN"), HSBC Holdings PLC ("HSBC"):** ABN is reportedly looking to acquire HSBC's German wealth management unit.

Credit Headlines:**ABN Amro Bank N.V. ("ABN"), HSBC Holdings PLC ("HSBC")**

- ABN is reportedly looking to acquire HSBC's German wealth management unit. Per German financial newspaper Boersen-Zeitung, buying the HSBC business would add about EUR26bn to ABN's assets under management which was EUR216bn at the end of 2023 according to its annual report.
- This acquisition follows the recently announced acquisition of Hauck Aufhäuser Lampe ("HAL") from Fosun International. HAL is another German business with the private bank acquisition including EUR26bn in assets under management and loans of EUR2bn. HAL will be combined with ABN's existing German private banking entity, Bethmann Bank, to solidify ABN's top three position in German wealth management with combined assets under management of around EUR70bn. The cost of this acquisition from Fosun International Ltd. is EUR672mn.
- This transaction, if confirmed, aligns with ABN's plans to expand in wealth management and balance the reliance on lending revenue which is expected to decline as interest rates fall. Similarly for HSBC, any deal would be in line with its focus on reallocating capital to more profitable businesses and regions. (Bloomberg, Boersen-Zeitung, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
21 Jun	Bank of China Ltd of Qatar Financial Centre	FRN	USD	140	3Y	SOFR+62bps	N.A
21 Jun	China Construction Bank (New Zealand) Limited (Guarantors: China Construction Bank Corp)	FRN	USD	120	3Y	SOFR+60bps	N.A

Mandates:

- Bangkok Bank Pcl is planning to issue USD10Y Fixed.

Key Market Movements

	24-Jun	1W chg (bps)	1M chg (bps)		24-Jun	1W chg	1M chg
iTraxx Asiax IG	100	-1	7	Brent Crude Spot (\$/bbl)	85.0	0.9%	3.5%
				Gold Spot (\$/oz)	2,321	0.1%	-0.6%
iTraxx Japan	54	-1	5	CRB Commodity Index	293	-0.8%	-0.4%
iTraxx Australia	70	-1	6	S&P Commodity Index - GSCI	579	0.7%	-0.5%
CDX NA IG	53	0	4	VIX	13.2	10.6%	10.6%
CDX NA HY	106	0	-1	US10Y Yield	4.25%	-3bp	-22bp
iTraxx Eur Main	62	-1	11				
iTraxx Eur XO	326	-3	37	AUD/USD	0.663	0.3%	0.0%
iTraxx Eur Snr Fin	73	0	15	EUR/USD	1.069	-0.4%	-1.4%
iTraxx Eur Sub Fin	129	-1	25	USD/SGD	1.355	-0.3%	-0.4%
				AUD/SGD	0.899	-0.5%	-0.4%
USD Swap Spread 10Y	-40	0	-3	ASX200	7,748	0.6%	0.3%
USD Swap Spread 30Y	-77	0	-3	DJIA	39,150	1.3%	0.2%
				SPX	5,465	0.6%	3.0%
China 5Y CDS	67	0	6	MSCI Asiax	698	0.9%	1.0%
Malaysia 5Y CDS	46	-2	1	HSI	17,875	-0.3%	-3.9%
Indonesia 5Y CDS	78	0	5	STI	3,301	0.1%	-0.5%
Thailand 5Y CDS	45	0	2	KLCI	1,590	-1.1%	-1.8%
Australia 5Y CDS	13	0	-4	JCI	6,901	1.0%	-4.4%
				EU Stoxx 50	4,907	1.4%	-2.5%

Source: Bloomberg

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