

Asian Credit Daily

26 June 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 0-2bps lower, belly tenors trading 2bps lower and 10Y trading 3bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, UBS 5.6%-PERP, ACAFP 4.85% '33s, HSBC 5.3% '34s, TMGSP 5.25% '27s, BNP 4.75% '34s, CMZB 6.5% '34s.
- Chinese developers have been granted additional time for debt restructuring following the adjournment of hearings on their winding-up at a Hong Kong court. While the judge emphasized the need for further progress in these cases, the court has allowed Chinese developer Kaisa Group Holdings Ltd. an extended period of seven weeks to develop a debt restructuring plan, thereby preventing liquidation for now.
- Bloomberg Asia USD Investment Grade widened by 1bps to 83bps while Bloomberg Asia USD High Yield tightened by 1bps to 497bps. (Bloomberg, OCBC)

Credit Summary:

- **Olam Group Ltd (“OG”)**: OG announced that its food, feed and fibre operating group, Olam Agri has obtained a USD550mn revolving credit facility.
- **Keppel Infrastructure Trust (“KIT”), Keppel Ltd (“KEP”)**: Keppel Infrastructure Fund Management Pte Ltd (“KIFM”) in its capacity as trustee-manager of KIT announced that Keppel Merlimau Cogen Pte Ltd (“KMC”, 51% owned by KIT and 49% owned by Keppel Energy Pte Ltd (in turn wholly-owned by KEP)), has obtained a sustainability linked loan (“SLL”) facility.

Credit Headlines:**Olam Group Ltd (“OG”)**

- OG announced that its food, feed and fibre operating group, Olam Agri has obtained a USD550mn revolving credit facility. The borrowers are Olam Global Agri Pte. Ltd. and Olam Global Agri Treasury Pte. Ltd. with a tenor of three years.
- The facility is initially guaranteed by OG which will transfer to Olam Agri upon the demerger of Olam Agri. (Company)

Keppel Infrastructure Trust (“KIT”)**Keppel Ltd (“KEP”)**

- Keppel Infrastructure Fund Management Pte Ltd (“KIFM”) in its capacity as trustee-manager of KIT announced that Keppel Merlimau Cogen Pte Ltd (“KMC”, 51% owned by KIT and 49% owned by Keppel Energy Pte Ltd (in turn wholly-owned by KEP)), has obtained a sustainability linked loan (“SLL”) facility. The proceeds from the SLL will be used to early refinance KMC’s existing SGD700mn loan due on 30 June 2027 where SGD612.5mn remains outstanding.
- The SLL is an amortising loan with step-up principal amortisation, payable every six months.
- While the tenor of the new SLL is not provided, we expect this to better match KMC’s new capacity tolling agreement which has been extended from 2030 to 2040. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
25 Jun	Perusahaan Penerbit SBSN Indonesia III	Fixed	USD	750	5Y	5.1%	5.4% area
25 Jun	Perusahaan Penerbit SBSN Indonesia III	Fixed	USD	1,000	10Y	5.2%	5.5% area
25 Jun	Perusahaan Penerbit SBSN Indonesia III	Green, Fixed	USD	600	30Y	5.5%	5.8% area
25 Jun	China Great Wall International Holdings VI Ltd (Guarantor: China Great Wall AMC International Holdings Co Ltd)	Fixed	USD	200	3.5Y	T+195bps	T+240bps area
25 Jun	China Great Wall International Holdings VI Ltd (Guarantor: China Great Wall AMC International Holdings Co Ltd)	Fixed	USD	300	PerpNC3	7.15%	7.7% area
25 Jun	Sumitomo Corp	Fixed	USD	500	5Y	T+80bps	T+105bps area
25 Jun	Sumitomo Corp	Fixed	USD	500	10Y	T+110bps	T+125bps area

Mandates:

- SoftBank Group Corp is planning to issue USD 5Y, 7Y notes.
- Mitsubishi Corporation is planning to issue USD Benchmark 5Y and/or 10Y Bonds.

Key Market Movements

	26-Jun	1W chg (bps)	1M chg (bps)		26-Jun	1W chg	1M chg
iTraxx Asiax IG	101	3	9	Brent Crude Spot (\$/bbl)	85.1	0.0%	3.6%
				Gold Spot (\$/oz)	2,316	-0.5%	-1.5%
iTraxx Japan	54	1	5	CRB Commodity Index	292	-0.3%	-0.8%
iTraxx Australia	71	2	8	S&P Commodity Index - GSCI	577	0.0%	-0.7%
CDX NA IG	54	1	5	VIX	12.8	0.7%	7.6%
CDX NA HY	106	0	-1	US10Y Yield	4.26%	4bp	-20bp
iTraxx Eur Main	61	-1	10				
iTraxx Eur XO	320	-7	33	AUD/USD	0.667	-0.1%	0.2%
iTraxx Eur Snr Fin	71	0	13	EUR/USD	1.071	-0.3%	-1.3%
iTraxx Eur Sub Fin	128	-3	24	USD/SGD	1.354	-0.3%	-0.4%
				AUD/SGD	0.903	-0.2%	-0.6%
USD Swap Spread 10Y	-40	0	-3	ASX200	7,760	-0.1%	0.4%
USD Swap Spread 30Y	-78	-1	-4	DJIA	39,112	0.9%	0.1%
				SPX	5,469	-0.1%	3.1%
China 5Y CDS	68	2	8	MSCI Asiax	696	-1.3%	0.7%
Malaysia 5Y CDS	47	1	2	HSI	17,935	-2.7%	-3.6%
Indonesia 5Y CDS	79	3	7	STI	3,322	0.5%	0.2%
Thailand 5Y CDS	45	1	3	KLCI	1,587	-0.8%	-2.0%
Australia 5Y CDS	13	0	-4	JCI	6,883	2.2%	-4.7%
				EU Stoxx 50	4,936	0.4%	-2.0%

Source: Bloomberg

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