

Asian Credit Daily4 March 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower, belly tenors and 10Y trading 1bps lower.
- Flows in SGD corporates were heavy, with flows in GUOLSP 4.35%-PERP, HSBC 5.25%-PERP, OLGSP 5.375%-PERP, BACR 5.4%-PERP.
- Per Bloomberg, New World Development Co Ltd ("New World")'s NWDEVL 6.15% perpetual bond increased by 10 cents to ~69 cents per dollar, marking its largest daily rise since it was issued. Additionally, several of New World's dollar bonds gained at least 2 cents across the board on Monday morning. This comes after CEO Echo Huang committed to reducing costs and divesting HKD\$26bn in non-core assets, while also raising the company's sales forecast for mainland China to RMB14bn for the year.
- According to sources familiar with the situation, Chinese developer Country Garden has once again enlisted Houlihan Lokey and CICC as financial advisers for the company's offshore debt restructuring, as reported by Bloomberg.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 71bps while Bloomberg Asia USD High Yield spreads widened by 2bps to 401bps. (Bloomberg, OCBC)

Credit Summary:

- **Keppel Ltd ("KEP"):** KEP-sponsored open-ended infrastructure fund, Keppel Core Infrastructure Fund ("KCIF"), has bought a 39%-stake in the Keppel Merlimau Cogen Plant ("KMC") from KEP.

Credit Headlines

Keppel Ltd (“KEP”)

- KEP-sponsored open-ended infrastructure fund, Keppel Core Infrastructure Fund (“KCIF”), has bought a 39%-stake in the Keppel Merlimau Cogen Plant (“KMC”) from KEP. This is KCIF’s first asset.
- KMC was originally held by KEP and Keppel Infrastructure Trust (“KIT”, sponsored by KEP”) on a 49:51 basis and KIT will continue to hold a 51%-interest in KMC. The remaining 10%-interest will be retained by KEP.
- KMC is a 1300 MW combined-cycle gas turbine power plant which supplies ~14% of Singapore’s electricity needs. No price details were provided in the announcement although we note that KMC is a sizeable asset for KIT. (Business Times, Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	3Y	T+60bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	5Y	T+75bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	FRN	USD	1000	5Y	SOFR+99bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	10Y	T+90bps
03 Mar	Bocom Leasing Management Hong Kong Co Ltd (Keepwell Provider: Bank of Communications Financial Leasing Co Ltd)	Green, FRN	USD	500	3Y	SOFR+67bps
03 Mar	Bocom Leasing Management Hong Kong Co Ltd (Keepwell Provider: Bank of Communications Financial Leasing Co Ltd)	FRN	USD	500	5Y	SOFR+77bps
03 Mar	Rudong County Mintai Urban and Rural Construction Engineering Co Ltd (guarantor: Rudong County Jinxin Transportation Engineering Construction Investment Co Ltd)	Fixed	USD	100	3Y	6.30%
03 Mar	American Honda Finance Corp	Fixed	USD	650	3Y	T+65bps
03 Mar	American Honda Finance Corp	FRN	USD	400	3Y	SOFR+82bps
03 Mar	American Honda Finance Corp	Fixed	USD	500	5Y	T+85bps
03 Mar	American Honda Finance Corp	Fixed	USD	500	10Y	T+105bps

Mandates:

- Central Nippon Expressway Company Limited, wholly owned by the Japanese Government, may issue USD denominated 1Y FXD Notes.
- Meiji Yasuda Life Insurance Co may issue USD denominated 30.25NC10.25 Callable Subordinated bonds.
- Knowledge City (Guangzhou) Investment Group Co., Ltd. may issue USD denominated Senior Unsecured bonds.
- Shenwan Hongyuan Group Co Ltd (guarantor: Shenwan Hongyuan Securities Co., Ltd.) may issue USD denominated Senior Unsecured bonds.
- Hysan Development Co Ltd may issue USD denominated Subordinated Guaranteed Perpetuals.
- Union Bank of the Philippines may issue up to USD800mn or equivalent in foreign currencies.

Key Market Movements

	4-Mar	1W chg (bps)	1M chg (bps)		4-Mar	1W chg	1M chg
iTraxx Asiax IG	68	-2	-8	Brent Crude Spot (\$/bbl)	71.2	-2.4%	-6.5%
				Gold Spot (\$/oz)	2,886	-1.0%	1.5%
iTraxx Japan	49	0	-1	CRB Commodity Index	300	-2.6%	-2.9%
iTraxx Australia	67	0	-1	S&P Commodity Index - GSCI	550	-3.0%	-3.1%
CDX NA IG	51	2	2	VIX	22.8	20.0%	32.4%
CDX NA HY	107	-1	-1	US10Y Yield	4.14%	-16bp	-37bp
iTraxx Eur Main	53	0	-1				
iTraxx Eur XO	286	-3	-5	AUD/USD	0.620	-2.2%	-0.8%
iTraxx Eur Snr Fin	57	0	-3	EUR/USD	1.048	-0.3%	1.0%
iTraxx Eur Sub Fin	99	0	-7	USD/SGD	1.346	-0.7%	0.5%
				AUD/SGD	0.835	1.6%	1.4%
USD Swap Spread 10Y	-42	-1	4	ASX200	8,176	-0.9%	-2.4%
USD Swap Spread 30Y	-76	-1	5	DJIA	43,191	-0.6%	-3.1%
				SPX	5,850	-2.2%	-3.1%
China 5Y CDS	47	0	-9	MSCI Asiax	714	-2.1%	2.9%
Malaysia 5Y CDS	46	1	0	HSI	22,625	-1.8%	8.8%
Indonesia 5Y CDS	78	1	1	STI	3,898	-0.5%	2.0%
Thailand 5Y CDS	43	1	-1	KLCI	1,562	-0.4%	-0.2%
Australia 5Y CDS	10	-1	0	JCI	6,427	-2.4%	-9.1%
				EU Stoxx 50	5,541	1.6%	5.2%

Source: Bloomberg

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