

Asian Credit Daily5 March 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 6bps lower, belly tenors trading 6-7bps lower and 10Y trading 6bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, ACAFP 4.25% '35s, AVSING 3.375% '31s, BACR 5.4%-PERP, OLGSP 5.375%-PERP.
- Per Bloomberg, New World Development Co Ltd (“New World”) announced that it will expedite the sales of several projects, including Southside Phase 5, a luxury residential development on Castle Road in Mid-Levels, and another project in Kai Tak. Additionally, the company is entering into agreements with CR Land, China Merchants Shekou, and Shenzhen Investment Holdings to investigate development opportunities in the Northern Metropolis, as stated in their announcement. This comes after news that New World will be offloading non-core assets and cut costs while also increasing sales guidance for mainland China.
- On February 28, Indian bonds experienced the highest net buying by global investors in a year, with global funds purchasing a net total of USD1.4bn in debt, according to data from the Securities and Exchange Board of India. This marked the largest influx since June 28, 2023, and represented the fourth consecutive day of buying as reported by Bloomberg.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 72bps while Bloomberg Asia USD High Yield spreads remained flat at 401bps. (Bloomberg, OCBC)

Credit Summary:

- **Hotel Properties Ltd (“HPL”):** HPL is purchasing The Intercontinental Auckland for NZD180mn (~SGD138.5mn), subject to a net working capital adjustment.

Credit Headlines

Hotel Properties Ltd (“HPL”)

- **Purchasing New Zealand Hotel for NZD180mn:** HPL is purchasing The Intercontinental Auckland for NZD180mn (~SGD138.5mn), subject to a net working capital adjustment. The hotel comprises 139 rooms, which can be expanded to 196 rooms by repurposing the current office space, according to Stephen Lau, chairman of HPL Hotels and Resorts.
- **Entry into New Zealand:** The acquisition will allow HPL to expand its hotel portfolio in New Zealand. The hotel is a freehold property located on the corner of Quay Street and Queen Street, facing the Auckland Harbour in New Zealand
- **To take on more debt:** The transaction is funded by way of a third-party loan financing and internal resources. As covered in our OCBC Asian Credit Daily – 280225, credit metrics of HPL remain somewhat weak with net gearing at 73%, gross profit insufficient to cover expenses including financing, and operating cashflows remaining insufficient to cover capex, finance cost and dividends while HPL is meanwhile looking to redevelop its Orchard properties. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
04 Mar	Meiji Yasuda Life Insurance Co	Fixed, Subordinated	USD	2100	30.25NC10.25	6.10%
04 Mar	Knowledge City Guangzhou Investment Group Co Ltd	Fixed	USD	450	3Y	5.40%
04 Mar	Shenwan Hongyuan International Finance Ltd (guarantor: Shenwan Hongyuan Securities Co Ltd)	FRN	USD	300	3Y	SOFR+63bps
04 Mar	Elect Global Investments Ltd (guarantor: Hysan Development Co.)	Perpetual, Subordinated	USD	750	PerpNC5.5	7.20%

Mandates:

- Equinix Asia Financing Corporation Pte. Ltd. (guarantor: Equinix Inc) may issue SGD denominated 5Y or 7Y Senior Unsecured Green bonds.

Key Market Movements

	5-Mar	1W chg (bps)	1M chg (bps)		5-Mar	1W chg	1M chg
iTraxx Asiax IG	70	3	-7	Brent Crude Spot (\$/bbl)	70.9	-2.2%	-4.9%
				Gold Spot (\$/oz)	2,910	-0.3%	1.4%
iTraxx Japan	50	0	-2	CRB Commodity Index	301	-1.7%	-2.6%
iTraxx Australia	70	5	1	S&P Commodity Index - GSCI	550	-1.8%	-3.2%
CDX NA IG	50	1	2	VIX	23.5	21.0%	36.6%
CDX NA HY	107	0	-1	US10Y Yield	4.25%	0bp	-17bp
iTraxx Eur Main	55	3	1				
iTraxx Eur XO	295	13	5	AUD/USD	0.626	-0.7%	-0.4%
iTraxx Eur Snr Fin	59	3	-1	EUR/USD	1.062	1.3%	2.1%
iTraxx Eur Sub Fin	102	5	-2	USD/SGD	1.340	-0.1%	0.7%
				AUD/SGD	0.839	0.6%	1.0%
USD Swap Spread 10Y	-43	-1	2	ASX200	8,110	-1.6%	-3.6%
USD Swap Spread 30Y	-77	-3	1	DJIA	42,521	-2.5%	-4.6%
				SPX	5,778	-3.0%	-4.3%
China 5Y CDS	48	2	-10	MSCI Asiax	713	-3.8%	0.7%
Malaysia 5Y CDS	48	4	2	HSI	23,200	-2.5%	12.6%
Indonesia 5Y CDS	79	4	2	STI	3,890	-0.5%	2.0%
Thailand 5Y CDS	45	3	1	KLCI	1,567	-2.1%	-1.2%
Australia 5Y CDS	11	0	0	JCI	6,380	-3.1%	-9.2%
				EU Stoxx 50	5,387	-1.1%	2.2%

Source: Bloomberg

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