

Asian Credit Daily9 January 2025

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday, with shorter tenors trading 0-2bps higher, and belly tenors trading 3bps higher and the 10Y trading 4bps higher.
- Flows in SGD corporates were heavy, with flows in ACAFP 4.25% '35s, BACR 5.4%-PERP, HSBC 5.25%-PERP, STANLN 5.3%-PERP, ANZ 3.75% '34s, MAPLSP 3.7%-PERP, UBS 5.6%-PERP, ARTSP 5% '26s, BNP 3.95% '35s, GESP 3.928% '39s, ACAFP 3.8% '31s
- Yields on 10Y Chinese sovereign bonds have tumbled in recent weeks to all-time lows, creating an unprecedented 300bps gap with US peers, despite a slew of economic stimulus measures, with investors piling into bets on a deflationary spiral mirroring Japan's in the 1990s.
- Shanghai Fosun High Technology, a subsidiary of Fosun, is exploring the possibility of raising up to RMB1bn through a 238-day bond, according to sources familiar with the situation.
- Bloomberg Asia USD Investment Grade spreads remained flat at 76bps while Bloomberg Asia USD High Yield spreads widened by 2bps to 410bps. (Bloomberg, OCBC)

Credit Summary:

- There are no credit headlines for today.

New Issues:

| Date | Issuer | Description | Currency | Size (mn) | Tenor | Final Pricing |
|--------|--|-------------|----------|-----------|-------|---------------|
| 08 Jan | Airport Authority HK | Fixed | USD | 1300 | 3.5Y | T+45bps |
| 08 Jan | Airport Authority HK | Fixed | USD | 1850 | 5.5Y | T+50bps |
| 08 Jan | Airport Authority HK | Fixed | USD | 1000 | 10Y | T+55bps |
| 08 Jan | Republic of Indonesia | Fixed | USD | 900 | 5Y | T+83.30bps |
| 08 Jan | Republic of Indonesia | Fixed | USD | 1100 | 10Y | T+95.70bps |
| 08 Jan | Chouzhou International Investment Ltd (guarantor: Yiwu State-owned Capital Operation Co Ltd) | Fixed | USD | 400 | 3Y | 4.80% |
| 08 Jan | Huaibei City Construction Investment Holding Group Co Ltd (SBLC Provider: Huishang Bank Corporation Limited) | Fixed | USD | 150 | 3Y | 5.00% |

Mandates:

- Korea Housing Finance Corporation is looking to issue USD 3Y and/or 5Y denominated Senior Unsecured Social bonds.
- Resona Bank Ltd is planning to issue USD 3Y Fixed Rate bonds.

Key Market Movements

| | 9-Jan | 1W chg (bps) | 1M chg (bps) | | 9-Jan | 1W chg | 1M chg |
|----------------------------|-------|-----------------|-----------------|---------------------------------------|--------|--------|--------|
| iTraxx Asiax IG | 79 | -1 | 10 | Brent Crude Spot (\$/bbl) | 75.9 | -0.1% | 5.2% |
| | | | | Gold Spot (\$/oz) | 2,658 | 0.0% | -0.1% |
| iTraxx Japan | 51 | -1 | -1 | CRB Commodity Index | 297 | 0.2% | 2.9% |
| iTraxx Australia | 69 | 0 | 5 | S&P Commodity Index - GSCI | 553 | 0.6% | 2.9% |
| CDX NA IG | 50 | 0 | 2 | VIX | 17.7 | 2.0% | 24.8% |
| CDX NA HY | 108 | 0 | -1 | US10Y Yield | 4.67% | 11bp | 47bp |
| iTraxx Eur Main | 58 | 1 | 4 | | | | |
| iTraxx Eur XO | 310 | 3 | 19 | AUD/USD | 0.621 | 0.0% | -3.6% |
| iTraxx Eur Snr Fin | 64 | 1 | 5 | EUR/USD | 1.032 | 0.5% | -2.2% |
| iTraxx Eur Sub Fin | 113 | 2 | 8 | USD/SGD | 1.368 | 0.2% | -2.0% |
| | | | | AUD/SGD | 0.849 | 0.1% | 1.7% |
| | | | | | | | |
| USD Swap Spread 10Y | -48 | 1 | 0 | ASX200 | 8,299 | 1.2% | -1.5% |
| USD Swap Spread 30Y | -84 | 1 | -3 | DJIA | 42,635 | 0.2% | -3.6% |
| | | | | SPX | 5,918 | 0.6% | -1.9% |
| China 5Y CDS | 63 | -3 | 1 | MSCI Asiax | 699 | -0.1% | -3.1% |
| Malaysia 5Y CDS | 49 | 0 | 6 | HSI | 19,354 | -1.4% | -5.2% |
| Indonesia 5Y CDS | 79 | -1 | 7 | STI | 3,872 | 1.9% | 2.0% |
| Thailand 5Y CDS | 44 | 0 | 5 | KLCI | 1,606 | -1.6% | -0.3% |
| Australia 5Y CDS | 12 | 1 | 2 | JCI | 7,092 | -1.0% | -4.7% |
| | | | | EU Stoxx 50 | 4,996 | 2.1% | 0.2% |

Source: Bloomberg

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavyanavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathannq4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyionq1@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, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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