

Asian Credit Daily10 January 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday, with shorter tenors trading 1bps lower, and belly tenors trading 1bps lower to flat and the 10Y remained flat.
- Flows in SGD corporates were heavy, with flows in ACAFP 4.25% '35s, HSBC 5.25%-PERP, BNP 5.9%-PERP, STANLN 5.3%-PERP, BACR 5.4%-PERP, ANZ 3.75% '34s.
- China Vanke Co. Ltd ("VANKE") is facing an unprecedented wave of debt as concerns about its liquidity rise amid a prolonged downturn in the property market. According to Bloomberg, VANKE has ~USD4.9bn in yuan-and dollar-denominated bonds maturing or eligible for redemption in 2025.
- Chinese developer Country Garden Holdings Co. Ltd ("COGARD") proposed new terms with key banks that would slash its debt and lower borrowing costs, as the defaulted property firm inches toward an offshore restructuring per Bloomberg.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 75bps while Bloomberg Asia USD High Yield spreads widened by 3bps to 413bps. (Bloomberg, OCBC)

Credit Summary:

- **UBS Group AG ("UBS"):** UBS is expected to pay "at least hundreds of millions of dollars" to resolve violations by Credit Suisse related to a previous agreement with the Department of Justice (DOJ) concerning American clients who avoided paying taxes.

Credit Headlines:

UBS Group AG ("UBS")

- UBS is expected to pay "at least hundreds of millions of dollars" to resolve violations by Credit Suisse related to a previous agreement with the Department of Justice (DOJ) concerning American clients who avoided paying taxes.
- A settlement might be reached as early as this week. Prosecutors are evaluating how to penalize Credit Suisse after its 2023 acquisition by UBS, which could be one of the last major actions by the DOJ under the outgoing Biden administration's commitment to crack down on repeat corporate offenders.
- In 2014, Credit Suisse pleaded guilty to aiding thousands of Americans in tax evasion, paying USD2.6 billion to U.S. authorities. The settlement included a USD1.33 billion criminal fine, half the maximum allowed, and mandated the closure of remaining accounts involved.
- UBS aims to resolve Credit Suisse's lingering issues, including allegations of hosting more Nazi-affiliated clients during World War II than disclosed, and a legal dispute with Georgian billionaire Bidzina Ivanishvili, recently sanctioned by the US for allegedly undermining democracy and exposing his country to Russian influence. (Wall Street Journal, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
09 Jan	Resona Bank Ltd	Fixed	USD	300	3Y	T+67bps
09 Jan	CLP Power HK Finance Ltd (guarantor: CLP Power Hong Kong Ltd)	Sub Fixed Rate Reset	USD	500	PerpNC5.25	MS+100.5bps

Mandates:

- Hyundai Capital Services Inc may issue a USD denominated 3Y Fixed and/or FRN bond.
- AmBank M Bhd may issue USD denominated 3Y and/or 5Y Senior Unsecured bonds.

Key Market Movements

	10-Jan	1W chg (bps)	1M chg (bps)		10-Jan	1W chg	1M chg
iTraxx Asiax IG	80	2	12	Brent Crude Spot (\$/bbl)	77.4	1.2%	7.2%
				Gold Spot (\$/oz)	2,678	1.4%	-0.6%
iTraxx Japan	51	0	-1	CRB Commodity Index	297	0.2%	2.4%
iTraxx Australia	71	2	7	S&P Commodity Index - GSCI	558	0.8%	3.5%
CDX NA IG	50	2	3	VIX	18.1	0.8%	27.4%
CDX NA HY	108	0	-1	US10Y Yield	4.70%	10bp	47bp
iTraxx Eur Main	57	1	4				
iTraxx Eur XO	310	3	17	AUD/USD	0.619	-0.4%	-2.9%
iTraxx Eur Snr Fin	64	0	4	EUR/USD	1.028	-0.2%	-2.3%
iTraxx Eur Sub Fin	113	2	7	USD/SGD	1.370	0.0%	-2.1%
				AUD/SGD	0.848	0.4%	0.9%
USD Swap Spread 10Y	-49	2	0	ASX200	8,294	0.5%	-1.2%
USD Swap Spread 30Y	-84	1	-2	DJIA	42,635	0.2%	-3.6%
				SPX	5,918	0.6%	-1.9%
China 5Y CDS	62	-2	1	MSCI Asiax	695	-0.9%	-4.2%
Malaysia 5Y CDS	50	2	7	HSI	19,082	-3.4%	-6.1%
Indonesia 5Y CDS	80	2	8	STI	3,789	-0.3%	-0.6%
Thailand 5Y CDS	44	0	5	KLCI	1,603	-1.6%	-0.4%
Australia 5Y CDS	12	1	1	JCI	7,104	-0.8%	-4.7%
				EU Stoxx 50	5,018	2.0%	1.3%

Source: Bloomberg

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