

Market Commentary:

- The SGD SORA OIS curve traded lower last Friday with shorter tenors trading 7-8bps lower, belly tenors trading 6-8bps lower and 10Y trading 6bps lower.
- Flows in SGD corporates were heavy, with flows in ANZ 3.75% '34s, BACR 5.4%-PERP, HSBC 4.75% '34s, HSBC 5.25%-PERP, GUOLSP 4.35%-PERP.
- China Citic Bank International Ltd. ("China Citic Bank") has sued Logan Group Co. for HKD652mn (~USD83.9mn) over a loan defaulted on in 2023, as reported by Bloomberg. The claim includes HKD588mn in principal, HKD64mn in interest, and additional costs, according to a writ filed in Hong Kong's High Court. Logan secured the loan from China Citic Bank in 2021 and defaulted in October 2023.
- Japan's 38 local governments are set to issue JPY62.8bn in green bonds next Friday, testing investor demand for eco-friendly financing. This offering is vital for Japan's goal of achieving net zero greenhouse gas emissions by 2050, especially as the greenium in the market declines. Over the past decade, Japanese issuers have raised nearly USD100bn through green bonds, but issuance fell last year, making the upcoming sale a crucial indicator of investor interest.
- Bloomberg Asia USD Investment Grade spreads traded flat at 71bps while Bloomberg Asia USD High Yield spreads tightened by 5bps to 388bps. (Bloomberg, OCBC)
- There were no notable issuances in the Asiadollar and Singdollar markets last Friday.

Credit Summary:

- **Industry Outlook – Singapore Property, GuocoLand Ltd ("GUOL"):** Strong sales at Lentor Central Residences. Aurelle of Tampines sold well too, however, Aurea sold just 23 out of 188 units at SGD3,005 psf (take up rate of 12.2%).
- **BNP Paribas SA ("BNPP"):** BNPP Chief Executive Officer ("CEO") Jean-Laurent Bonnafé is seeking a new three-year term to 2028 which will require approval at BNPP's shareholder meeting in May.
- **Singapore Telecommunications Ltd ("SingTel"), Lendlease Group ("LLC"):** With LLC subscribing for 49% stake in Singtel Comcentre property, SingTel announced that its gain on dilution of equity interest in the property is ~SGD1.2bn.

Credit Headlines

Industry Outlook – Singapore Property

GuocoLand Ltd (“GUOL”)

- **Strong sales at Lentor Central Residences:** 477-unit Lentor Central Residences sold 93.3% of the units at an average price of SGD2,200 psf. According to EdgeProp, 90% of the buyers are Singaporeans while permanent residents and foreigners accounted for the remaining 10%, and buyers are said to be predominantly owner-occupiers. The strong sales are not surprising, with GUOL earlier guiding for the launch to be met with strong interest (refer to OCBC Asian Credit Daily – 28 January 2025).
- **Aurelle of Tampines sold well too**, with 682 out of 760 units sold at an average price of SGD1,766 psf.
- **However, Aurea sold just 23 out of 188 units at SGD3,005 psf (take up rate of 12.2%).** We think this could indicate that demand for Core Central Region projects at higher price points may remain lacklustre. (Business Times, EdgeProp, OCBC)

BNP Paribas SA (“BNPP”)

- BNPP Chief Executive Officer (“CEO”) Jean-Laurent Bonnafe is seeking a new three-year term to 2028 which will require approval at BNPP’s shareholder meeting in May. BNPP will also be seeking approval to raise the CEO age limit past the 65-year-old retirement age and raise the retirement age for Chairman Jean Lemierre to 79 from 76. Mr Bonnafe and Mr Lemierre are 63 and 74 currently and have held their respective roles since 2011 and 2014.
- The extension of Mr Bonnafe’s current 13-year term is to allow time to find a successor as well as continue the execution of BNPP’s current strategic plan. This is centred on its Commercial & Personal Banking in France business within its Commercial and Personal Banking division.
- In particular, the Personal Finance strategic plan has been extended to 2028 and includes the recent 100% acquisition of Axa Investment Managers that management view as a major strategic turning point for BNPP’s Insurance, Wealth and Asset Management business. (Company, Bloomberg, OCBC)

Singapore Telecommunications Ltd (“SingTel”)

Lendlease Group (“LLC”)

- **SingTel to receive SGD1.6bn for SingTel Comcentre with SGD1.2bn gain:** With LLC subscribing for 49% stake in Singtel Comcentre property, SingTel announced that its gain on dilution of equity interest in the property is ~SGD1.2bn. Under the agreement, Lendlease will pay SingTel the land cost of SGD1.6bn on completion of the subscription, as covered in our OCBC Asian Credit Daily on 1 June 2022.
- There is no disclosure of the capital that has already been invested on the Comcentre redevelopment project from LLC’s side. The project is expected to have an end value of AUD3.4bn (SGD2.86bn). (Company, OCBC)

Mandates:

- New Zealand Local Government Funding Agency Limited may issue a USD500mn 3Y WNG bond.

Key Market Movements

	10-Mar	1W chg (bps)	1M chg (bps)		10-Mar	1W chg	1M chg
iTraxx Asiax IG	69	1	-6	Brent Crude Spot (\$/bbl)	70.0	-2.2%	-7.7%
				Gold Spot (\$/oz)	2,911	0.6%	0.1%
iTraxx Japan	50	1	-1	CRB Commodity Index	303	0.4%	-2.9%
iTraxx Australia	71	4	4	S&P Commodity Index - GSCI	551	0.3%	-3.4%
CDX NA IG	51	1	3	VIX	23.4	19.1%	47.8%
CDX NA HY	107	0	-1	US10Y Yield	4.28%	12bp	-22bp
iTraxx Eur Main	55	2	2				
iTraxx Eur XO	296	10	7	AUD/USD	0.631	1.4%	0.6%
iTraxx Eur Snr Fin	58	1	-1	EUR/USD	1.085	3.4%	5.2%
iTraxx Eur Sub Fin	101	2	-2	USD/SGD	1.331	1.2%	1.8%
				AUD/SGD	0.840	-0.2%	1.3%
USD Swap Spread 10Y	-43	-2	-1	ASX200	7,960	-3.5%	-6.2%
USD Swap Spread 30Y	-78	-2	-2	DJIA	42,802	-2.4%	-3.8%
				SPX	5,770	-3.1%	-4.9%
China 5Y CDS	47	0	-6	MSCI Asiax	737	3.2%	2.7%
Malaysia 5Y CDS	47	1	2	HSI	24,025	4.4%	11.6%
Indonesia 5Y CDS	77	0	1	STI	3,907	-0.1%	0.8%
Thailand 5Y CDS	44	1	0	KLCI	1,550	-1.4%	-2.5%
Australia 5Y CDS	12	2	1	JCI	6,573	0.8%	-1.1%
				EU Stoxx 50	5,468	0.1%	2.1%

Source: Bloomberg

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