

Asian Credit Daily12 March 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-6bps lower, belly tenors trading 6bps lower and 10Y trading 5bps lower.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, BACR 5.4%-PERP, BNP 3.95% '35s, BPCEGP 4.6% '35s, EQIX 3.5% '30s, GUOLSP 4.35%-PERP, ANZ 3.75% '34s.
- On Tuesday, Rio Tinto Plc priced USD9bn in U.S. investment-grade bonds to finance its recent acquisition of Arcadium Lithium Plc, the deal was across eight tranches, including 40-year bonds that offer a yield of 1.33 percentage points above Treasuries, as reported by a source familiar with the deal. Investors submitted orders exceeding USD50bn at the peak indicating strong demand, according to Bloomberg.
- In other news, Bloomberg reported that cash-strapped developer Parkview Group reportedly has until March 17 to avert a possible default on a USD940mn loan associated with a prominent mall complex in Beijing.
- Bloomberg Asia USD Investment Grade spreads traded flat at 74bps while Bloomberg Asia USD High Yield spreads widened by 3bps to 402bps. (Bloomberg, OCBC)

Credit Summary:

- **GuocoLand Ltd ("GUOL"):** GUOL announced that it has entered a SGD367.1mn green club facility loan for the development of the Faber Walk site. The facility was raised under GUOL's Green Finance Framework.
- **Lendlease Global Commercial REIT ("LREIT"):** LREIT will redeem SGD200mn LREIT 5.25%-PERP on the first call date, 11 April 2025.

Credit Headlines

GuocoLand Ltd (“GUOL”)

- **Going green:** GUOL announced that it has entered a SGD367.1mn green club facility loan for the development of the Faber Walk site. The facility was raised under GUOL’s Green Finance Framework.
- **Committed to developing sustainable developments:** The Faber Walk site was awarded to a GuocoLand-led consortium (comprising GuocoLand Ltd, TID Pte. Ltd. and Hong Leong Holdings Limited) in November 2024 with the top bid of SGD349.9mn (SGD900.0 psf ppr). The development will comprise 399 residential units across nine low-rise blocks on a 25,795.4 sqm land plot and will secure the Building and Construction Authority’s Green Mark Platinum (Super Low Energy) award with Maintainability badge when completed, GUOL’s third development to attain the award.
- **GUOL may potentially gear up:** As recently mentioned following the awarding of the River Valley Green (Parcel B) by URA for SGD627.8mn in mid-February 2025, we think net gearing levels may increase to ~90% (end-1HFY2025: 71%) having already replenished its land bank with successful tenders for land (together with JV partners) including Margaret Drive (460 units, SGD460mn bid), Faber Walk (400 units, SGD400mn bid) and Tengah Garden Avenue (860 units, SGD675mn bid). (Company, OCBC)

Lendlease Global Commercial REIT (“LREIT”)

- LREIT will redeem SGD200mn LREIT 5.25%-PERP on the first call date, 11 April 2025.
- On 19 February 2025, LREIT issued SGD120mn LREIT 4.75%-PERP (callable on 28 February 2028) to refinance part of the LREIT 5.25%-PERP. The remaining SGD80mn gap is most likely debt funded. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
11 Mar	Fujian Shishi State-owned Capital Operation Group Co Ltd	Fixed	USD	143	3Y	5.30%
11 Mar	Chengdu Airport Xingcheng Investment Group Co Ltd	Social, Fixed	USD	250	3Y	5.20%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	12-Mar	1W chg (bps)	1M chg (bps)		12-Mar	1W chg	1M chg
iTraxx Asiax IG	73	4	1	Brent Crude Spot (\$/bbl)	69.9	0.9%	-7.0%
				Gold Spot (\$/oz)	2,915	-0.1%	0.4%
iTraxx Japan	52	2	0	CRB Commodity Index	303	0.6%	-2.8%
iTraxx Australia	75	5	10	S&P Commodity Index - GSCI	550	0.0%	-3.4%
CDX NA IG	55	6	8	VIX	26.9	14.5%	69.4%
CDX NA HY	106	-1	-2	US10Y Yield	4.27%	0bp	-35bp
iTraxx Eur Main	57	4	5				
iTraxx Eur XO	309	21	23	AUD/USD	0.629	-0.7%	0.2%
iTraxx Eur Snr Fin	61	4	3	EUR/USD	1.091	1.1%	5.1%
iTraxx Eur Sub Fin	106	7	4	USD/SGD	1.330	0.1%	1.8%
				AUD/SGD	0.837	0.8%	1.6%
USD Swap Spread 10Y	-44	-2	-5	ASX200	7,768	-4.6%	-9.0%
USD Swap Spread 30Y	-77	0	-6	DJIA	41,433	-2.6%	-6.6%
				SPX	5,572	-3.6%	-7.9%
China 5Y CDS	49	3	1	MSCI Asiax	724	-0.7%	1.5%
Malaysia 5Y CDS	49	2	5	HSI	23,859	1.1%	9.2%
Indonesia 5Y CDS	80	2	5	STI	3,817	-2.1%	-1.5%
Thailand 5Y CDS	46	2	3	KLCI	1,503	-3.9%	-6.2%
Australia 5Y CDS	12	1	2	JCI	6,546	2.6%	-1.5%
				EU Stoxx 50	5,310	-1.4%	-1.8%

Source: Bloomberg

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