

## Asian Credit Daily

14 January 2025

## Market Commentary:

- The SGD SORA OIS curve traded higher yesterday, with shorter tenors trading 6-7bps higher, and belly tenors trading 8-9bps higher and the 10Y traded 7bps higher.
- Flows in SGD corporates were heavy, with flows in ACAFP 4.25% '35s, BACR 5.4%-PERP, HSBC 5.25%-PERP, BACR 7.3%-PERP, STANLN 5.3%-PERP, STHSP 3.95%-PERP, BPCEGP 5% '34s, INCINS 3.1% '50s.
- Per Bloomberg, bondholders of Sunac China Holdings Ltd (“Sunac”) have approved a restructuring proposal for the company's 7% RMB-denominated bond last Friday, as reported by sources familiar with the situation. However, Sunac still needs to obtain bondholders' approval to restructure one remaining note out of a total of ten onshore notes.
- The Board of Directors of First REIT Management Limited (First REIT’s REIT Manager) announced that it has received a preliminary non-binding letter of intent from PT Siloam International Hospitals Tbk (“Siloam”) to acquire First REIT’s portfolio of hospital assets in Indonesia.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 73bps while Bloomberg Asia USD High Yield spreads widened by 3bps to 404bps. (Bloomberg, OCBC)

## Credit Summary:

- **First Real Estate Investment Trust ("FIRT"):** FIRT has received a preliminary non-binding letter of intent from PT Siloam International Hospitals Tbk ("SILOAM") to acquire FIRT's portfolio of hospital assets in Indonesia.
- **Singapore Post Ltd ("SingPost"):** SingPost's ex-CEO Mr. Vincent Phang Heng Wee has resigned from his role as non-executive, non-independent director.

## Credit Headlines:

### First Real Estate Investment Trust (“FIRT”)

- FIRT has received a preliminary non-binding letter of intent from PT Siloam International Hospitals Tbk (“SILOAM”) to acquire FIRT’s portfolio of hospital assets in Indonesia.
- While details of the offer price is not disclosed, this is likely positive for credit holders. Per FIRT’s 2.0 growth strategy, FIRT aims to increase portfolio in developed markets to >50% AUM (end-2023: 25%) by 2025.
- This disposal will benefit credit holders in term of business risk (better stability from developed markets), revenue concentration risk (40.1% from SILOAM), geographical concentration risks (74.5% of AUM in Indonesia), related parties transaction risks (40.1% and 34.2% revenue contribution from SILOAM and LK respectively).
- Based on our calculations, 13 out of 15 FIRT’s assets in Indonesia are tenanted to SILOAM. The carrying value of these 13 assets amounted to SGD692mn as of 31 December 2023, accounting for 58.8% of FIRT’s total assets as of 30 September 2024. (Company, OCBC)

## A PORTFOLIO OF 32 PROPERTIES COMPRISING HOSPITALS, NURSING HOMES, AND HEALTHCARE-RELATED ASSETS ACROSS ASIA

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST



Source: Company

### Singapore Post Ltd (“SingPost”)

- SingPost’s ex-CEO Mr. Vincent Phang Heng Wee has resigned from his role as non-executive, non-independent director. (Company)

**New Issues:**

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
13 Jan	Commonwealth Bank of Australia (guarantors: Perpetual Corporate Trust Ltd/Australia and in its capacity as trustee of CBA Covered Bond Trust)	Covered Fixed-to-FRN bond	USD	1500	5Y	SOFR MS+69bps
13 Jan	Korea Housing Finance Corporation ("KHFC")	Social, Fixed	USD	500	5Y	T+63bps
13 Jan	Korea Housing Finance Corporation ("KHFC")	Social, FRN	USD	300	5Y	SOFR Equiv+90bps
13 Jan	BPCE SA	Subordinated bond (Tier 2)	SGD	300	10NC5	4.60%

**Mandates:**

- The Great Eastern Life Assurance Company Limited may issue USD denominated subordinated perpetual AT1 capital securities.
- Vedanta Resources Finance II PLC (guarantors: Vedanta Resources Ltd, Twin Star Holdings Ltd and Welter Trading Ltd) may issue a USD denominated 5.5NC2.5 and/or 8.25NC3 bond.
- Health & Happiness H&H International Holdings Ltd. may issue a USD denominated senior bond.

**Key Market Movements**

	14-Jan	1W chg (bps)	1M chg (bps)		14-Jan	1W chg	1M chg
iTraxx Asiax IG	83	6	11	<b>Brent Crude Spot (\$/bbl)</b>	80.6	4.6%	8.2%
				<b>Gold Spot (\$/oz)</b>	2,669	0.8%	0.6%
iTraxx Japan	51	0	-1	<b>CRB Commodity Index</b>	309	3.4%	5.1%
iTraxx Australia	75	7	10	<b>S&amp;P Commodity Index - GSCI</b>	576	3.4%	5.5%
CDX NA IG	52	2	4	<b>VIX</b>	19.2	19.0%	39.0%
CDX NA HY	107	-1	-1	<b>US10Y Yield</b>	4.76%	7bp	36bp
iTraxx Eur Main	59	4	6				
iTraxx Eur XO	319	17	22	<b>AUD/USD</b>	0.619	-0.7%	-2.9%
iTraxx Eur Snr Fin	66	4	6	<b>EUR/USD</b>	1.025	-0.9%	-2.5%
iTraxx Eur Sub Fin	117	7	10	<b>USD/SGD</b>	1.369	-0.4%	-1.4%
				<b>AUD/SGD</b>	0.847	0.3%	1.5%
<b>USD Swap Spread 10Y</b>	-48	1	1	<b>ASX200</b>	8,231	-0.7%	-0.8%
<b>USD Swap Spread 30Y</b>	-83	0	0	<b>DJIA</b>	42,297	-1.0%	-3.5%
				<b>SPX</b>	5,836	-1.8%	-3.6%
<b>China 5Y CDS</b>	61	-2	0	<b>MSCI Asiax</b>	675	-4.1%	-6.5%
<b>Malaysia 5Y CDS</b>	52	4	8	<b>HSI</b>	19,308	-0.7%	-3.3%
<b>Indonesia 5Y CDS</b>	83	6	10	<b>STI</b>	3,783	-1.2%	-0.7%
<b>Thailand 5Y CDS</b>	46	3	6	<b>KLCI</b>	1,593	-2.3%	-1.0%
<b>Australia 5Y CDS</b>	11	0	1	<b>JCI</b>	6,981	-1.4%	-4.7%
				<b>EU Stoxx 50</b>	4,954	-0.7%	-0.3%

Source: Bloomberg

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