

Asia Fixed Income Daily

23 September 2021

Overnight Bond Markets

- **US RATES:** Treasuries bear flattened on a hawkish FOMC as Powell indicated taper could begin as soon as November and end by mid 2022, setting the stage for Fed Funds lift off thereafter, provided labour market remains strong

Priced Overnight

- **Europe:** BAT priced EUR1B PerpNC5.25 at 3% (99.412) and EUR1B PerpNC8 at 3.75% (99.154). Linde priced EUR700M 5Y at 0% (100.562), EUR500M 12Y at 0.375% (99.649) and EUR700M 30Y at 1.0% (99.485). La Banque Postale priced EUR750M AT1 Coco Perpnc7 at 3%. ING priced EUR1.5B 7NC6 at 0.375% (99.286)

Asia Credit Today

- **NEW ISSUES SO FAR:** A1 BOC Sydney Branch 3Y Green Bond at T+70bp. A1 CCB International (Holdings) 5Y at T+100bp. B3 Jiayuan International Group tap of its 11% 2024 at 13.25%. Unrated Housing Development Corporation (letter of support from Ministry of Finance, Maldives) 3Y Senior Sustainability Bond at 13%
- **NEW MANDATES:** NH Investment & Securities Co USD 5Y. Gansu Province Electric Power Investment Group USD Senior

Credit/Rating News

- **Unibail-Rodamco-Westfield** IDR rating affirmed at BBB+ but senior unsecured cut to BBB+ from A- by Fitch, outlook negative as Fitch's unsecured sector uplift no longer applies to the company's debt.
- **GoI** upgraded to B- from CCC+ by Fitch reflecting a reduction in its short term refinancing risks due to the recent conclusion of its liability management strategy and its improved liquidity position

Source: Bloomberg, unless otherwise stated.

U.S. Treasury	Close	Chg (bp)	31/12/2020	YTD (bp)
2Y UST	0.24%	2.1	0.12%	12
5Y UST	0.85%	2.1	0.36%	49
10Y UST	1.30%	-2.1	0.92%	39
30Y UST	1.81%	-4.8	1.65%	16
2-10 Curve	106.23	1.2	79.01	27
2-30 Curve	156.96	0.9	152.05	5
5-10 Curve	44.86	0.5	55.08	-10
10Y Tips	-0.97	0.1	-1.09%	-11

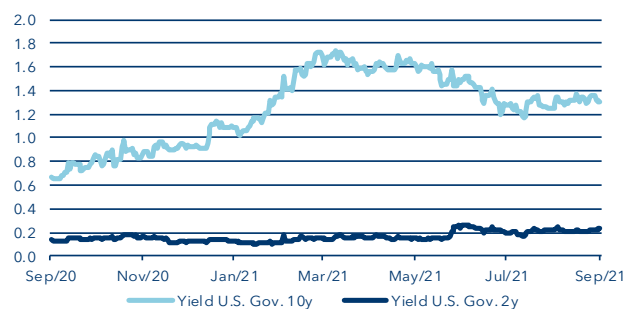
European Government	Close	Chg (bp)	31/12/2020	YTD (bp)
10Y UK	0.80%	-0.8	0.19%	61
10Y France	0.01%	-0.9	-0.34%	35
10Y Germany	-0.33%	-0.7	-0.57%	25
10Y Italy	0.66%	-3.2	0.54%	12
10Y Spain	0.31%	-1.2	0.04%	27
10Y Portugal	0.21%	-2.8	0.03%	19
10Y Switzerland	-0.28%	-1.3	-0.58%	30
10Y Greece	0.73%	-1.1	0.62%	11

Asia Pacific Government	Last	Chg (bp)	31/12/2020	YTD (bp)
10Y Japan	0.04%	-0.3	0.02%	2
10Y Australia	1.24%	-1.3	0.97%	27
10Y New Zealand	1.91%	-2.8	0.99%	92
10Y China	2.87%	0.6	3.14%	-27
10Y Singapore	1.43%	0.0	0.83%	60

Credit Indices (Spread)	Last	Change	31/12/2020	YTD
Asia IG	126	-0.8	150	-24
Asia HY	957	-6.2	644	313
US IG	86	0.0	96	-10
US HY	280	-7.0	360	-80
EM	296	0.0	281	15
AT1 Coco	285	-4.0	370	-85
iTraxx Asia IG 5Y CDS	85	-4	57	28
iTraxx EUR Main 5Y CDS	49	-1.3	48	2
iTraxx EUR Crossover 5Y CDS	242	-5.9	242	0
CDX US IG 5Y CDS	51	-1.7	50	2
CDX US HY 5Y CDS	277	-7.7	293	-16

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Historical Yield U.S. Government Bonds



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