

Asia Fixed Income Daily

09 June 2023

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Overnight Bond Markets

- **US RATES:** Treasuries reversed from initial weakness with the 10Y yields trading down from a high of 3.82% to 3.70% after a higher than expected Initial Jobless Claims print at +261K versus +235K consensus and +233K prior, the highest since Nov 2021

Priced Overnight

- **US:** Ally Financial priced USD850M 6NC5 at 6.992%
- **EUROPE:** EDF priced USD1.5B Sub PerpNC10 at 9.125%. Natwest Group priced USD1.25B 6NC5 at 5.808%. Svenska priced USD700M 3Y at 5.25% (99.896) and USD1B 5Y at 5.50% (99.556). Santander priced USD500M 6NC5 at 6.565%
- **ASIA:** Endeavour Energy priced AUD400M 7Y at 6.061%. Henderson Land priced CNH300M 2Y at 3.20% and CNH425M 3Y at 3.25%. CICT priced SGD400M 7Y at 3.938%

Asia Credit Today

- **NEW ISSUES SO FAR:** Nil
- **NEW MANDATE:** Nil

Credit/Rating News

- **Coinbase Global** outlook cut to negative by Moody's
- **US Foods Inc** upgraded to B2 from B3 by Moody's, outlook stable
- **Argentina** local currency rating cut to SD (Selective Default) from CCC- by S&P, outlook negative. Argentina announced a peso-debt exchange aimed at pushing maturities from Jun to Sep beyond this year's elections into 2024 and 2025 by offering a mix of inflation-linked and dual (inflation- and exchange rate-linked) peso-denominated securities. In line with the peso-debt exchanges conducted in Jan and Mar, S&P considers this transaction distressed based on the likelihood of conventional default-absent participation of creditors--given the sovereign's pronounced macroeconomic vulnerabilities and limited ability to extend maturity and place paper in the local market without reliance on exchanges. The foreign currency rating is affirmed at CCC- with a negative outlook reflecting risks surrounding pronounced economic imbalances and policy uncertainties before and after the 2023 national elections
- **Tacora Resources Inc** cut to D from CCC- by S&P
- **Mallinckrodt PLC** CCC ratings on negative watch by S&P

Source: Bloomberg, unless otherwise stated.

U.S. Treasury	Close	Chg (bp)	31/12/2022	YTD (bp)
2Y UST	4.52%	-3.9	4.43%	9
5Y UST	3.86%	-8.2	4.00%	-15
10Y UST	3.72%	-7.8	3.88%	-16
30Y UST	3.89%	-5.9	3.97%	-8
2-10 Curve	-79.59	-4.0	-55.72	-24
2-30 Curve	-62.95	-2.0	-46.81	-16
5-10 Curve	-14.24	0.5	-12.91	-1
10Y Tips	1.52	-6.7	1.58%	-6

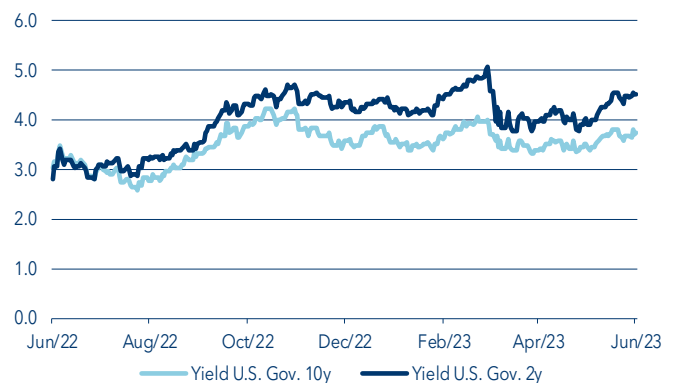
European Government	Close	Chg (bp)	31/12/2022	YTD (bp)
10Y UK	4.23%	-1.8	3.66%	57
10Y France	2.95%	-5.9	3.11%	-16
10Y Germany	2.40%	-5.2	2.56%	-16
10Y Italy	4.18%	-9.8	4.70%	-52
10Y Spain	3.40%	-7.2	3.65%	-25
10Y Portugal	3.12%	-4.1	3.58%	-46
10Y Switzerland	0.95%	1.6	1.58%	-64
10Y Greece	3.67%	-9.5	4.56%	-89

Asia Pacific Government	Last	Chg (bp)	31/12/2022	YTD (bp)
10Y Japan	0.43%	-0.2	0.41%	2
10Y Australia	3.95%	-5.8	4.05%	-10
10Y New Zealand	4.50%	-6.0	4.47%	3
10Y China	2.70%	-0.1	2.83%	-13
10Y Singapore	2.94%	-3.0	3.08%	-14

Credit Indices (Spread)	Last	Change	31/12/2022	YTD
Asia IG	127	0.6	140	-14
Asia HY	970	-1.6	1047	-77
US IG	137	1.0	130	7
US HY	427	5.0	469	-42
EM	343	5.0	339	4
AT1 Coco	473	2.1	456	17
iTraxx Asia IG 5Y CDS	116	-4	132	-16
iTraxx EUR Main 5Y CDS	77	-0.3	91	-14
iTraxx EUR Crossover 5Y CDS	410	-1.6	474	-64
CDX US IG 5Y CDS	71	-1.2	82	-11
CDX US HY 5Y CDS	442	-7.6	484	-42

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Historical Yield U.S. Government Bonds





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