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CREDITSIGHTS APAC OUTLOOK CONFERENCE

Rates, (Election) Results and Resilience

October 1st, 2024

APAC OUTLOOK CONFERENCE
SINGAPORE

Asia Strategy Wrap with Picks n Pans

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11:55 a.m. – 12:10pm



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Environment Reasonable But Near-Term Risks Remain

Positive Developments

- ✓ US: Growth still ok
- ✓ Asia ex-China: Still decent growth levels
- ✓ China: More supportive policy environment
- ✓ US-China relations: Ongoing dialogue
- ✓ Inflation in Asia: Coming under control
- ✓ Corporate credit quality: Holding up
- ✓ Bank credit quality: Strong results
- ✓ Asian elections: Mostly continuity
- ✓ Oil prices: Moving south
- ✓ LCY markets: Strong funding conditions
- ✓ Technicals: High redemptions in AEJ, high US MM cash balance

Challenges

- ✗ US slowdown/recession
- ✗ Israel-Hamas conflict widens
- ✗ US presidential elections
- ✗ Heavy Treasury supply
- ✗ US-China relations take a turn for the worse
- ✗ Chinese consumer confidence
- ✗ Asia IG continues to trade tighter than US IG, affecting fund flows

2025 Supply Considerations

\$192 bn of calls/maturities in AEJ; we expect \$120 bn of refinancing and \$20-30 bn of new/other issuers in the market

	Usual Suspects	Refinancers	Unclear/Unlikely	Add'l Segments
Financials	Korean policy + commercial Chinese Big 5 BOCAVI CCAMCL	AT1: RCBC, BBL, KBANK, CHOHIN T2: BTN, BNKEA Snr: Shriram, Mandiri, FEH	AT1: DBS, BCHINA, ICBCAS, BNKEA Snr: UBPPM, ZhongAn Online	Indian NBFIs Taiwanese insurers
East Asia Corp	Korean quasis + corporates	Sands China PetroChina SPIC Three Gorges HK Land	Geely Greentown Lenovo	LGFVs – if approval process made easier
S&SEA Corp & Sovereigns	Indon+Phils sov Vedanta	Tower Bersama SMCGP Greenko Jollibee Medco	AC Energy Bharti Airtel ICTSI Reliance	

A wide spectrum of choices for investors

	<4.5%	4.5-5%	5-5.5%	5.5-6%	>6%
Financials	Korean Bk Snr	CCAMCL 27 SHINCA 29 SHINFN 28 SMBCAC 29	WOORIB AT1 NIPLIF'54 T2 MYLIFE'54 T2 SMBCAC 34 ANZ AT1 WSTP AT1	BBLTB '36 T2 KBANK '31 T2 BBNIJ 26 T2 FUKOKU PerpT2 ASAMLI PerpT2 QBE'46 T2 MQGAU AT1	FRESHK 27/28 FWDGHD 29 T2 HDFCB AT1 SHIFLIN 28 Snr MUTHIN 28 Snr
East Asia Corp	KORELE 26/27 KOROIL 26/27 KORGAS 28/29 KOHNPW 28/29 HYNMTR 27	HYNMTR 29 HYUELE 27/29 LGENSO 27/29 TENCNT 30 HKLSP 30/31/33 CKHH 34 WREICL 30 HYSAN 27	BABA 31 TENCNT 31 HYUELE 33 LGENSO 34 WB 30 NANFUN 28	CHIOLI 34,35	GSHIAV 25 CNSHAN 6.5 Perp CHIOIL 26 BTSDf 26 YUEXIU 26 HYSAN 4.1 Perp NANFUN 5 Perp MGMCHI 31
S&SEA Corp		IDASAL 28,30 RILIN 32	ADSEZ 29 DIALIN 29 ICBPIJ 31	ADSEZ 31/32 PLNIJ 48/49	SMCGP VEDLN 28

Italics: HY or Crossover credit

And To Wrap Up, Key Pans

A combination of issuers, sectors and specific bonds

	Sectors	Names
Financials	Chinese JSBs HK Banks 2 nd Tier Philippine Banks	Cathay Life China Orient AMC
East Asia Corp	China Property HY	Xiaomi LG Electronics
S&SEA Corp	--	Adani Green ReNew Power Greenko 26-28 Pertamina Geothermal BPCL PLDT 50 PLN ex 48/49 Reliance 45/62

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