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ASIA CREDIT DAYBOOK: Bund Sell-Off Won't Curtail Europe Interest

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By Tanya Angerer
(Bloomberg) –

Sell-off in bunds is unlikely to curtail European interest in Asian credit, says Dilip Parameswaran, head of Asia Investment Advisors.

* “European funds that invest in Asia credit are used to higher yields and a different risk profile,” says Parameswaran. “A 20bp-30bp shift in bunds will not have much effect on European demand of Asian credit especially after Draghi reiterated his commitment to QE”

* European investment in Asia's new issues is 19.3% ytd vs 20.2% in 2014: Asia Investment Advisors

* Asian Euro Bond Pipeline: Indonesia finished meetings, Haitong finishes roadshow on Monday, Axis Bank starts meetings on Monday

* Asia USD/EUR Pipeline

* S&P 500 futures -0.1% at 2,100.00 at 7:28am HK; cash closed at +0.2% at 2,108.86

* Brent crude -0.9% at \$65.11/bbl

* Treasury yields declined from YTD highs, trailing steeper declines for most euro zone yields; UST yields reached session lows after demand was strong for \$13b 30Y reopening

* 10Y yield declined as much as 10bps from Wednesday's YTD high close, reaching session low in late trading; 30Y yield declined as much as 11.1bps

* USTs gained despite May retail sales report that topped median estimates for ex-auto sales in Bloomberg survey, though short maturities lagged as report supported case for Fed liftoff this year

* Most euro zone 10Y yields closed lower by at least 8bps, while Greece led steeper declines for peripheral yields, falling nearly 40bps despite failure to come to terms with creditors at meeting in Brussels

* June 11 closing levels:

* 2Y -1.19bp to 0.7131%

* 3Y -2.92bps to 1.1144%

* 5Y -5.96bps to 1.7257%

* 7Y -8.58bps to 2.1247%

* 10Y -10.66bps to 2.3772%

* 30Y -11.99bps to 3.0957%

ASIA RECAP

* China Great Wall Asset Management sells \$1b 3Y bonds at tk, IPT +180bp area

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* IN DEPTH: China Great Wall AM to sell 2nd SBLC-backed bond

* Vista Land sells \$300m 7Y bonds at 7.45%, IPT 7.75% area

* IN DEPTH: Haitong Plans 1st EUR bond as margin financing grows

* IN DEPTH: Kookmin plans Korea's 1st covered since new regs

* Surya Semesta Internusa plans to sell \$200m debut dollar bonds

* Mongolia to sell \$350m in sovereign bonds: PM spokesman

* Distressed funds try Mauritius courts to chase Indonesian debts

RATINGS

* S&P upgrades Banglalink to BB- from B+

* S&P revises Noble Group's outlook to negative from stable

* Fitch downgrades China Shanshui Cement Group to B+ from BB-

- * Fitch questions HSBC's focus toward Asia, signals downgrade risk
- * Moody's upgrades Pakistan's FC Issuer to B3 from CAA1