

Bonds Daily

ABGSC Daily Report - Bonds

Golden Ocean raises USD 100m in equity and acquires two modern capsized vessels

GOGL today that it has acquired two modern capsized vessels from Hemen Holdings at a purchase price of USD 43m per vessel. The transaction is financed with 50% sellers credit at L3M + 300bp, in addition to 9m in cash and USD 34m of newly issued common shares. Post transaction, Hemen and affiliates will control 34.2% of the company's equity. In addition, the company announced today that it has commenced an equity offering for the issue of USD 66m in new shares (in addition to the USD 34m to Hemen). The company, following the transactions, is expected to be able to terminate the the covenant waivers related to the company's recourse debt, which will remove restrictions on acquisitions, new debt and dividend payments. The waiver on the non-recourse debt from the March 2017 transactions will remain.

Teekay LNG to issue USD 125m of Preferred Equity

Y'day Teekay LNG announced a public offering of 6,000,000 8.5% series B fixed-to-floating rate cumulative redeemable perpetual preferred units at USD25/unit. The distributions will be payable as fixed 8.5% coupon up until October 2027, thereafter L3M+624bp.

DNO: Iraq has taken control of Kirkuk

According to Al Jazeera, Iraqi armed forces has taken full control of Kirkuk following advanced on the region this weekend. According to the article this move was without opposition from Kurdish forces. The Kurdish region of Iraq produces about 600kb/d, of about half from the Kirkuk field. With shortfall of revenues from this field it seems challenging for KRG to fund both government spending and pay oil producers its entitlements. Of core NAV of DNO given 2/3 payments from Q2'18 is NOK 9.2/sh. We find the current risk of operating in Iraq is at a very high level.

Kistefos: Increasing ownership in NextGenTel to 25.02%

Based on the close price yesterday the cash outflow is NOK 90.4m. As of H1 '17 the cash balance in Kistefos was NOK 343m.

Stock market	Today	1D	1M	3M	YTD
OSE	722.4	-0.1%	4%	11%	15%
SBX	990.8	-0.3%	3%	3%	12%
OSX	122.5	-0.1%	-9%	-9%	-35%
VIX	10.1	0.1%	0%	8%	-15%

High Yield Indices (Spread)

Itraxx Xover 5Y	242	-1bp	21bp	6bp	-39bp
Itraxx Xover 3Y	163	-3bp	19bp	8bp	-44bp
BHYUEN	479	-4bp	-42bp	-57bp	-16bp
HYG US	386	12bp	3bp	17bp	-3bp
ABG HY index	416	-1bp	1bp	-92bp	-346bp

Interest Rates Basis points

NIBOR 3M	84	0bp	4bp	1bp	-29bp
NIBOR 3Y SWAP	123	0bp	4bp	-2bp	-12bp
NIBOR 5Y SWAP	148	-2bp	4bp	-5bp	-8bp
US L3M	135	0bp	3bp	4bp	35bp
US LIBOR 3Y SWAP	191	6bp	15bp	20bp	24bp
US LIBOR 5Y SWAP	204	6bp	13bp	15bp	10bp

Currencies

USD/NOK	7.90	0%	1%	-1%	-8%
EUR/NOK	9.32	0%	0%	0%	3%
SEK/NOK	0.97	0%	-1%	0%	3%

Commodities

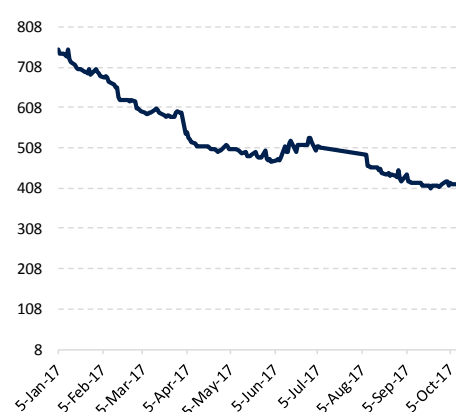
Oil - Brent (USD/bl)	57.8	1%	4%	20%	2%
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Shipping Rates

Baltic Dry Bulk	1523.0	3%	9%	56%	57%
Baltic Tank (Dirty)	913.0	1%	23%	39%	-13%
Baltic Tank (Clean)	551.0	-2%	-4%	0%	-36%

Source: Bloomberg

ABGSC HY Index



Source: ABG Sundal Collier

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Corporate HY bonds traded in Oslo at Monday 16 October 2017

Issuer	Ticker	Volume	Price		Time to maturity	Yield
			16/10/2017	Credit spread		
Aker ASA 12/22 FRN	AKER09	1.0m	109.75	284	4.9	3.7%
Aker ASA 15/20 FRN	AKER13	0.5m	103.50	213	2.6	3.0%
Aker Solutions ASA 12/19 FRN	AKSO02	2.0m	103.88	220	2.0	3.0%
B2Holding ASA 16/21 FRN EUR C	B2H02	1.0m	108.94	309	4.0	2.8%
BW Offshore Limited 14/19 FRN	BWO03	3.0m	93.65	565	3.4	6.5%
Color Group AS 16/20 FRN	COLG13	1.0m	105.75	285	3.2	3.7%
Det Norske Oljeselskap ASA 13/20 FRN	DETNOR02	7.0m	117.13	255	2.7	3.4%
DigiPlex Fet AS 14/19 FRN C	DIPLO1	1.0m	102.30	196	1.7	2.8%
DNO ASA 15/20 8,75% USD C	DNO01	2.0m	98.50	755	2.7	9.6%
DOF Subsea AS 17/22 9,50% USD	DOFSUB08	0.8m	91.25	1,017	4.4	12.5%
Exmar Netherlands BV 14/17 FRN	EXMAR01	1.0m	93.38	1,494	1.7	15.8%
Fred Olsen Energy ASA 14/19 FRN	FOE05	25.0m	56.25	4,839	1.4	49.2%
Genel Energy Finance L 14/19 7,50% USD C	GENEL01 PRO	1.6m	91.63	1,187	1.6	14.0%
Ocean Yield ASA 16/21 FRN C	OCY04	4.5m	102.50	381	3.9	4.7%
Stolt-Nielsen Limited 14/21 FRN	SNI05	1.0m	99.38	355	3.4	4.4%
Stolt-Nielsen Limited 15/20 FRN	SNI06	2.0m	101.38	352	2.5	4.4%
Songa Offshore SE 11/16 FRN C	SONG04	24.5m	103.56	402	3.1	5.5%
Scatec Solar ASA 15/18 FRN	SSO01 G	3.0m	104.10	271	1.1	3.6%
Teekay Offshore Partners L.P. 14/19 FRN	TOP05	2.0m	99.38	475	1.3	5.6%
Norsk Gjenvinning 14/19 FRN C	VVH01	5.0m	99.73	541	1.7	6.3%
Wilh. Wilhelmsen ASA 13/18 FRN	WWI22	10.0m	100.80	115	0.7	2.0%

Source: ABG Sundal Collier, company data

Analyst certification

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All prices are as of market close on 16 October, 2017 unless otherwise noted.

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