CreditSights

S & SEA Corporates: Currency Risk Exposure

19 Jul 2022, 2:33 PM

Executive Summary

- **The currencies of India, Indonesia and the Philippines, have depreciated sharply against the US $ in the last 1-1.5 months. These three countries account for the bulk of corporate $ bond issuance from South and South East Asia, making up nearly a quarter of the Asia ex-Japan investment grade $ index and over a third of the high yield index.**

- **We attribute the weakness in $/INR, $/IDR and $/PHP primarily to the faster pace of US Fed rate hikes as compared to the Asian benchmark rates, prompting a shift to $ assets relative to the Asian currencies.** $/INR and $/PHP are very close to their all-time lows.

- **Our team at Fitch Solutions expects continued weakness in the INR but PHP to stabilise for the year ahead.** Elevated energy prices and real interest rate differentials could exert further weakness in INR, while the Philippines' widening current account and tightening global monetary conditions may induce slight PHP downward pressures.

- **Fitch Solutions also anticipates recent weakness in the IDR to abate soon.** While tight credit conditions could spur depreciation, we believe it is negated by expectations for high commodity prices to favour Indonesia's current account balance and an impending 50 bp rate hike by Bank Indonesia before year-end.

- **We analyzed the currency risks faced by the S&SEA corporates on the back of the sharp currency depreciation.** We looked at the foreign exchange (FX) risks emanating from the companies' operations, their $ borrowings and their FX hedging strategies to mitigate the risk.

- **The corporate $ bond issuers we cover have experienced FX volatility in the past and most have taken steps to mitigate their currency risk.** However, a few corporates have left a portion of the risk unhedged, or have hedges that are out-of-money (OTM) at the current exchange rates.

- **Kawasan Industri Jababeka, Pakuwon Jati, Adani Ports & SEZ (APSEZ), Bharti Airtel, Reliance Industries, JSW Steel and Greenko Energy have not fully hedged their $ debt exposure.**

- **Alam Sutera and PLDT have not fully hedged their $ debt exposure nor have they hedged it effectively at the current FX rates.**

- **Some companies have an operational currency mismatch – wherein they derive a majority of their revenues in local currency but a majority of their costs are pegged to the $. PLN, SMC Global Power, SMC, BPCL and IOC not only face operational currency mismatches, but they have not fully hedged their $ debt exposure too.** Japfa Comfeed faces an operational currency mismatch, but has managed to hedge the $/IDR currency risk on its $ bond.

- **Having said that, some companies have manageable currency risks, in our view.** These are Lippo Karawaci (which has also hedged the coupons on its 2026 $ bond), Agung Podomoro Land (principal hedged, but $ coupons not hedged), Globe Telecom, ReNew Power, Adani Green Energy Ltd (AGEL), Azure Power and Delhi International Airport (DIAL). In addition, BUMA, Indika Energy, Pertamina, Vedanta and Jubilant Pharma do not face material FX risks due to natural hedging (for example their revenues and debt are both denominated in $).

- **The tables below show the foreign currency revenues and costs of S&SEA corporate issuers, as well as their foreign exchange hedging strategies.** We also summarise their sensitivity to currency movements, in terms of pre-tax or net profit, as disclosed in their latest financial statements. Indian companies do not divulge the FX rates at which their exposures are hedged.

Relative Value

The Investment Grade (IG) credits under our coverage which face material currency risk should be able to weather through the FX headwinds owing to their large size and superior credit quality. The FX depreciation would have manageable impacts on the overall credit profile of the IG companies. **Hence, we are inclined to retain our existing recommendations on the IG credits. We have Market perform recommendations on Pertamina, PLN, APSEZ, Bharti Airtel, IOC, Reliance Industries, PLDT; Outperform recommendations on SMC and Globe Telecom and an Underperform recommendation on BPCL.**

We are upgrading our recommendation on Azure Power to Outperform from Market perform, with a 6-9 month horizon**.** The Indian renewable independent power producer does not face material FX risks, has an operating history of over a decade and is backed by reputable Canadian pension funds CDPQ and OMERS which ensure an equity funding backstop and access to bank loans. Half of its counterparty profile is made up of central government-backed entities as well as commercial and industrial customers, both of which typically make payments in a timely manner (LTM F1H22 days sales outstanding: 125 days). Its 2 outstanding $ bonds (Dec-24 and Aug-26) are both issued out of Restricted Group (RG) structures where cash flows of the projects within the RG are directly used to service the respective bond's coupons and principal. Its 2 bonds have sold off over the past few months largely due to weak market sentiment and trade at attractive levels on a yield basis (8.2%-9%) for green bonds of a well-run, growing renewable power company. That being said, its leverage remains high and interest cover poor, considering it is an infra company in its growth stages.

Azure Power: Major $ Bonds Outstanding

Issuer	Coupon	Maturity	First Call	Amt Out. ($ mn)	Bond Ratings	Mid Price	Mid YTW	Reco.
Azure Power Solar Energy	5.650%	24-Dec-24	24-Sep-22	350	Ba1/ NR/ BB	94.8	8.1%	Outperform
Azure Power Energy	3.575%	19-Aug-26	19-Aug-23	399	Ba2/ NR/ BB+	83.5	8.6%	

Note: data as at 18 July 2022. Source: Bloomberg, CreditSights.

Though credits such as Pakuwon Jati, JSW Steel and Greenko Energy face currency depreciation risks, we maintain their recommendations at Outperform, since they are fundamentally strong, good-quality credits and should be able to absorb FX losses. JSW Steel and Pakuwon can absorb a steep 45% and 43% depreciation from the previous financial year-end levels in $/INR and $/IDR exchange rates respectively before their previous year's profit is wiped out due to FX losses; while Greenko which was already loss-making could rely on its equity base to cover losses. Furthermore, their bond yields have widened substantially, making their bond valuations look attractive for a 6-9 month investment horizon.

Alam Sutera is extremely exposed to $/IDR depreciation risk but its suppressed bond prices [2024: mid price $65.4, 2025: $55.6] already reflect the risk; so we maintain it at a Hold recommendation. We maintain our existing recommendations on the rest of the S&SEA credits under coverage, either because we think the FX risks are manageable or because the impact from currency depreciation is in-line with our existing views on the respective credits or since bond valuations already reflect the risks.

Please see the Appendix for the relevant scatter charts.

India FX Risks: Operational Currency Exposure and FX Risk Management

Company	Industry	Revenues by Currency	Costs by Currency	FX Hedges	FX Sensitivity	Latest PBT
Adani Ports and SEZ (APSEZ)	Ports	Mostly INR	Mostly INR	Hedged 1% of its $3.9 bn dollar debt with foreign currency forwards. Mild natural hedging (14% of revenues in $/EUR/JPY).	A 1% depreciation in $/INR would reduce profit before tax by INR 2.9 bn (FY21: INR 2.3 bn).	FY22 PBT: INR 55 bn
Bharti Airtel	Telecom	Mostly INR	Mostly INR	Hedged 50% of its $3.8 bn dollar debt with foreign currency forwards.	A 5% depreciation in $/INR would reduce profit before tax by INR 17.1 bn (FY20: INR 8 bn).	FY22 PBT: INR 125 bn
BPCL	Oil and Gas	Mostly INR	Mostly $	Hedged 3% of its $2.4 bn dollar debt with foreign currency forwards.	A 3% depreciation in $/INR would reduce profit before tax by INR 7 bn (FY20: INR 10 bn).	FY22 PBT: INR160 bn
Indian Oil Corporation (IOC)	Oil and Gas	Mostly INR	Mostly $	No material hedging of its $3.6 bn dollar debt.	A 5% depreciation in $/INR would reduce profit before tax by INR 34.8 bn (FY20: INR 41.8 bn).	FY22 PBT: INR 343 bn
Reliance Industries (RIL)	Diversified	~50% in $	~50% of costs in $	Some degree of natural hedging and $905 mn of foreign currency forwards to hedge its $7.8 bn dollar debt.	A 1% depreciation in $/INR would reduce profit before tax by INR 2.4 bn (FY20: INR 750 mn). Figures are on a standalone basis due to lack of disclosure.	FY22 PBT: INR 841 bn
JSW Steel	Metals and Mining	Mostly INR, but pegged to global $ prices	~65% of costs pegged to $, rest in INR.	Some degree of natural hedging. Hedged 27% of its $5.2 bn dollar debt with call spread options.	A 1% depreciation in $/INR would reduce profit before tax by INR 6.6 bn (FY21: INR 5.2 bn)	FY22 PBT: INR 297 bn
Tata Steel	Metals and Mining	~36% in EUR, ~57% in INR, ~7% in Others; but prices pegged to global $ prices	~Half in $, rest in INR, GBP, EUR	Some degree of natural hedging. Fully hedged its $2.7 bn dollar debt with foreign currency forwards and call spread options.	A 10% depreciation in $/INR would reduce profit before tax by INR 10.9 bn (FY21: INR 11.9 bn)	FY22 PBT: INR 502 bn
Jubilant Pharma	Pharma	Mostly in $ & CAD	Split across $, INR and CAD	Natural hedging.	A 1% depreciation in $/INR would increase profit before tax by $1.3 mn (FY20: $450 thousand)	FY21 PBT: $107 mn
Vedanta Resources	Metals and Mining	Mostly $	Mostly INR	Natural hedging. Only short-term net exposures are hedged through foreign currency swaps.	A 10% depreciation in $/INR would reduce profit before tax by $129 mn (FY20: $177 mn)	FY22 PBT: $4.1 bn
Delhi International Airport (DIAL)	Airports	Mostly INR, some non-aero revenues in $	Mostly INR	Fully hedged its $1 bn dollar debt with call spread options in the range of INR 66.85 to INR 102.25.	A 5% depreciation in $/INR would reduce profit before tax by INR 29 mn (FY21: INR 51 mn)	FY22 PBT: INR 278 mn
Adani Green Energy (AGEL)	Renewable Energy	Mostly INR	Mostly INR	Fully hedged its $2.1 bn dollar debt with foreign currency forwards.	A 1% depreciation in $/INR would increase profit before tax by INR 70 mn (FY21: Nil).	FY22 PBT: INR 5.5 bn
Azure Power	Renewable Energy	Mostly INR	Mostly INR	Hedged 96% of its $1 bn dollar debt with call spread options.	n.a.	FY21 PBT: - INR 3.9 bn
Greenko Energy	Renewable	Mostly INR	Mostly INR	Hedged 46% of its $4.6 bn dollar debt with call spread	n.a.	FY21 PBT:

Greenko Energy	Energy	Mostly INR	Mostly INR	dollar debt with call spread options.	n.a.	- $155 mn
ReNew Power	Renewable Energy	Mostly INR	Mostly INR	Fully hedged its $2.5 bn dollar debt with foreign currency forwards and call spread options.	A 5% depreciation in $/INR would have no material effect on profit before tax (FY20: No material effect)	FY22 PBT: - INR12.2 bn

Note: FX hedge and FX sensitivity details are as of end-FY21 for Bharti, BPCL, IOC, RIL, Jubilant Pharma, Vedanta, Azure Power, Greenko and ReNew Power, due to lack of disclosure.
Source: Company data, CreditSights

Most of the Indian IG corporates have fairly weak hedging measures in place. APSEZ, Bharti Airtel and RIL have only partially hedged their $ debt exposures, while BPCL and IOC have little to no hedging measures in place. Yet we take comfort in the strong credit profiles of the Indian IG issuers, which we believe should allow them to weather the FX headwinds. For the Indian HY corporates, we see that most face lowered FX risks. AGEL, Azure Power, ReNew Power and DIAL have largely hedged their $ debt exposures, while Jubilant Pharma, JSW Steel, Tata Steel and Vedanta enjoy the benefits of natural hedging on account of their $ revenues. Only renewable firm Greenko has partial hedging measures in place with only 46% of its $ debt hedged.

Indonesia FX Risks: Operational Currency Exposure and FX Risk Management						
Company	Industry	Revenues by Currency	Costs by Currency	FX Hedges	FX Sensitivity	Latest PBT/PAT
Agung Podomoro Land	Real Estate	Mostly IDR	Mostly IDR	Fully hedged its $300 mn 2024 bond with call spread options in the range of IDR 15,000 to IDR 20,000.	n.a.	FY21 PBT: - IDR 96 bn
Alam Sutera	Real Estate	Mostly IDR	Mostly IDR	Hedged 67% of its $422 mn bonds with call spread options in the range of IDR 9,400 to IDR 15,750. 93% of the hedges (from IDR 9,400 to IDR 15,000) are out of the money.	A 5% depreciation in $/IDR would reduce profit before tax by IDR 278 bn (FY20: IDR 323 bn).	FY21 PBT: IDR 159 bn
Jababeka	Real Estate	Mostly IDR	Mostly IDR	Hedged 67% of its $300 mn 2023 bond with call spread options in the range of IDR 13,700 to IDR 15,700.	A 5% depreciation in $/IDR would reduce profit after tax by IDR 166 bn (FY20: IDR 171 bn).	FY21 PAT: IDR 88 bn
Lippo Karawaci	Real Estate	Mostly IDR	Mostly IDR	Fully hedged its $837 mn bonds with call spread options in the range of IDR 15,000 to IDR 17,500. Also hedged coupons on its $417 mn, 2026 $ bond with call spread options in the range of IDR 13,300 to IDR 15,500.	A 10% depreciation in $/IDR would reduce profit before tax by IDR 1.2 tn (FY20: IDR 1.1 tn).	FY21 PBT: - IDR 1.1 tn
Pakuwon Jati	Real Estate	Mostly IDR	Mostly IDR	Hedged 63% of its $400 mn 2028 bond with call spread options in the range of IDR 15,000 to IDR 17,000.	A 1% depreciation in $/IDR would reduce profit after tax by IDR 37 bn (FY20: IDR 135 bn).	FY21 PAT: IDR 1.6 tn
Bukit Makmur (BUMA)	Coal	Mostly $	Mostly IDR	Natural hedging.	A 5% depreciation in $/IDR would increase profit before tax by $0.5 mn (FY20: $7.6 mn).	FY21 PBT: $8 mn
Indika Energy	Coal	Mostly $	Mostly IDR	Natural hedging.	A 3% depreciation in $/IDR would increase profit after tax by $5.2 mn	FY21 PAT: $207 mn
Japfa Comfeed	Poultry	Mostly IDR	~35% in $	Fully hedged its $350 mn 2026 bond with call spread options in the range of IDR 14,430 to IDR 16,650.	A 5% depreciation in $/IDR would reduce profit before tax by IDR 15.6 bn (FY20: IDR 2.9 bn).	FY21 PBT: IDR 2.8 tn
Pertamina	Oil and Gas	~80% in $	Mostly $	Natural hedging and $143 mn of foreign currency forwards.	A 1% depreciation in $/IDR would reduce profit after tax by $30 mn (FY20: $25 mn).	FY21 PAT: $2.2 bn
Perusahaan Listrik Negara (PLN)	Power Generation	All IDR	~45% of fuel costs in $	Hedged 6% of its foreign currency debt (comprising 78% $, 13% JPY, 10% EUR) with foreign currency forwards.	A 10% depreciation in $/IDR would reduce profit after tax by IDR 21.4 tn (FY20: IDR 21.5 tn).	FY21: IDR 13.2 tn

Note: FX hedge and FX sensitivity details are as of end-FY21.
Source: Company data, CreditSights

The Indonesian corporates under our coverage maintain varying degrees of $ debt hedging measures. Agung Podomoro Land and Lippo Karawaci have fully hedged their $ bonds with call spread options that are in-the-money, while BUMA, Indika Energy and Pertamina enjoy natural hedging benefits. Jababeka and Pakuwon

Jati have hedged a major portion of their $ debts, while some portion is still left unhedged. On the flipside, **Alam Sutera faces material FX fluctuation risks** as almost all of its outstanding hedges are out-of-the-money, while PLN has starkly weak hedging measures in place (only 6% of $ debt is hedged).

Philippines FX Risks: Operational Currency Exposure and FX Risk Management

Company	Industry	Revenues by Currency	Costs by Currency	FX Hedges	FX Sensitivity	Latest PBT/PAT
Globe Telecom	Telecom	Mostly PHP	Mostly PHP	Hedged 96% of its $1.1 bn dollar debt with cross currency swaps and call spread options.	A 0.9% depreciation in $/PHP would reduce profit before tax by PHP 1.3 bn (FY20: PHP 1.1 bn).	FY21 PBT: PHP 29 bn
Petron Corporation	Oil & Gas	~55% in PHP ~32% in MYR ~13% in $	~53% in $	Hedged 4% of its $2.2 bn dollar debt with cross currency swaps and call spread options in the range of PHP 47.00 to PHP 57.00.	A 1% depreciation in $/PHP would reduce profit before tax by PHP 790 mn (FY20: PHP 1.2 bn).	FY21 PBT: PHP 7 bn
PLDT	Telecom	Mostly PHP	Mostly PHP	Hedged 50% of its $820 mn dollar debt with cross currency swaps and call spread options in the range of PHP 48.64 to PHP 55.28. Of which, it hedged 97% of its $300 mn 2031 bond in the range of PHP 49.61 to PHP 55.28, but its $300 mn 2050 bond is fully unhedged.	A 1% depreciation in $/PHP would reduce profit after tax by PHP 1.4 bn (FY20: PHP 870 mn).	FY21 PAT: PHP 27 bn
San Miguel Corporation	Diversified	~74% in PHP ~16% in MYR ~10% in Others	Substantial portion in $, no breakdown	Hedged 88% of its $500 mn perp with cross currency swaps and call spread options.	A 1% depreciation in $/PHP would reduce profit before tax by PHP 5 bn (FY20: PHP 3.2 bn).	FY21 PBT: PHP 66 bn
SMC Global Power	Power Generation	Mostly PHP	Mostly $	Hedged 3% of its $5.7 bn dollar debt with call spread options in the range of PHP 52.95 to PHP 56.15.	A 1% depreciation in $/PHP would reduce profit before tax by PHP 2.1 bn (FY20: PHP 358 mn).	FY21 PBT: PHP 18 bn

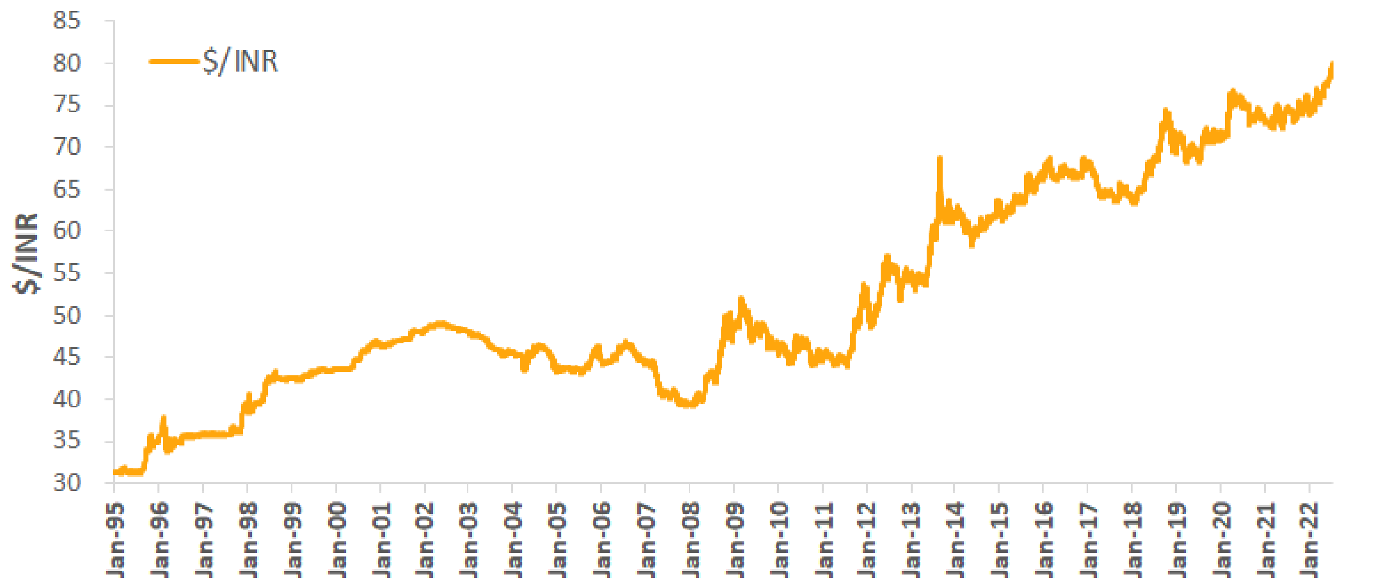
Note: FX hedge and FX sensitivity details are as of end-FY21.
Source: Company data, CreditSights

Hedging measures are mixed for the Philippine corporates too under our coverage. Globe Telecom and SMC (on a standalone basis) have sufficiently hedged their $ debts via swaps and call spread options. However, SMC's $ debt issuing subsidiaries **Petron and SMC Global Power have significantly inadequate $ debt hedging measures in place.** While PLDT has substantially hedged its 2031 $ bond, the hedges are all currently out-of-the-money, and its 2050 $ bond is completely unhedged.

From a historical perspective, several Indonesian companies fell into distress during the Asian Financial Crisis (AFC) due to severe currency risks, which were largely unhedged. Many companies were not able to service or repay their foreign currency debt, in the face of a sharp depreciation in the $/IDR, leading to a default on their debt. In the last decade, Indonesian tiremaker Gajah Tunggal (not under coverage) frequently faced debt servicing issues owing to its elevated currency risk exposure. Alam Sutera has from time to time, seen sharp bond price declines owing to inadequate and ineffective currency hedges. On the other hand, the Indian issuers have largely escaped falling into distress due to FX issues, since a few of them are large, well-established issuers and a few others benefit from natural currency hedging due to $ revenues from commodities. The Philippine companies also have not fallen into distress due to FX problems, since the companies are owned and supported by large, long-standing conglomerates.

$/INR Exchange Rate

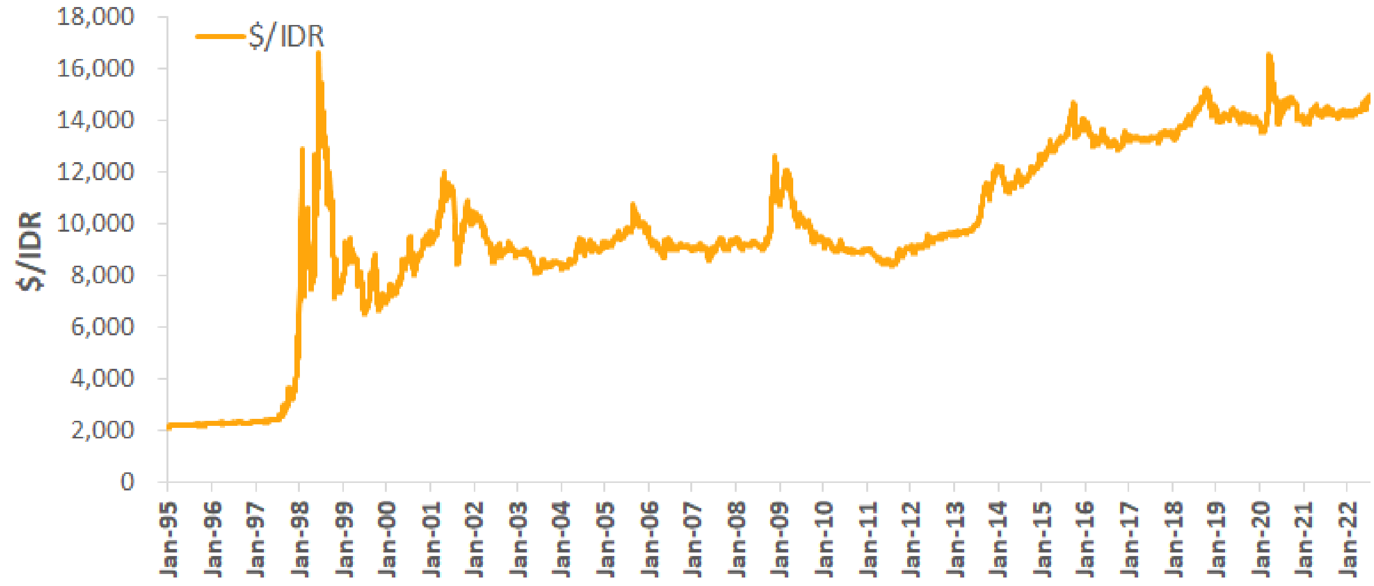
$/INR has depreciated sharply to reach its near all-time low



Note: Data is from 1 January 1995 to18 July 2022.
Source: Bloomberg, CreditSights.

$/IDR Exchange Rate

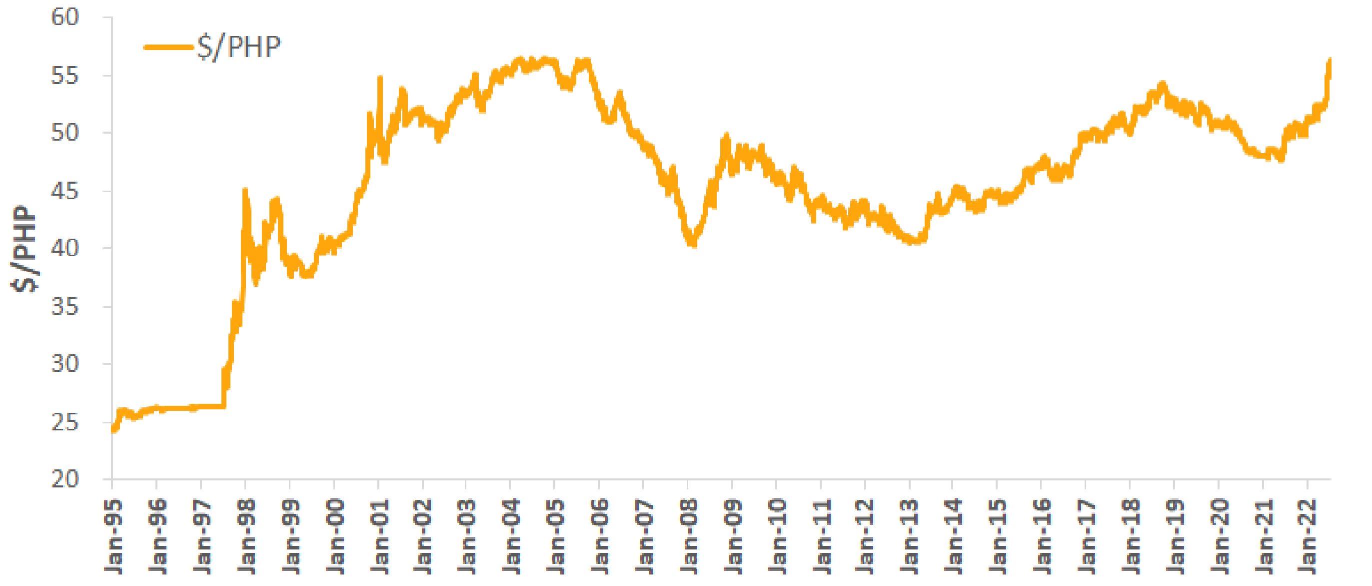
$/IDR has depreciated sharply



Note: Data is from 1 January 1995 to18 July 2022.
Source: Bloomberg, CreditSights.

$/PHP Exchange Rate

$/PHP has depreciated sharply to reach its near all-time low

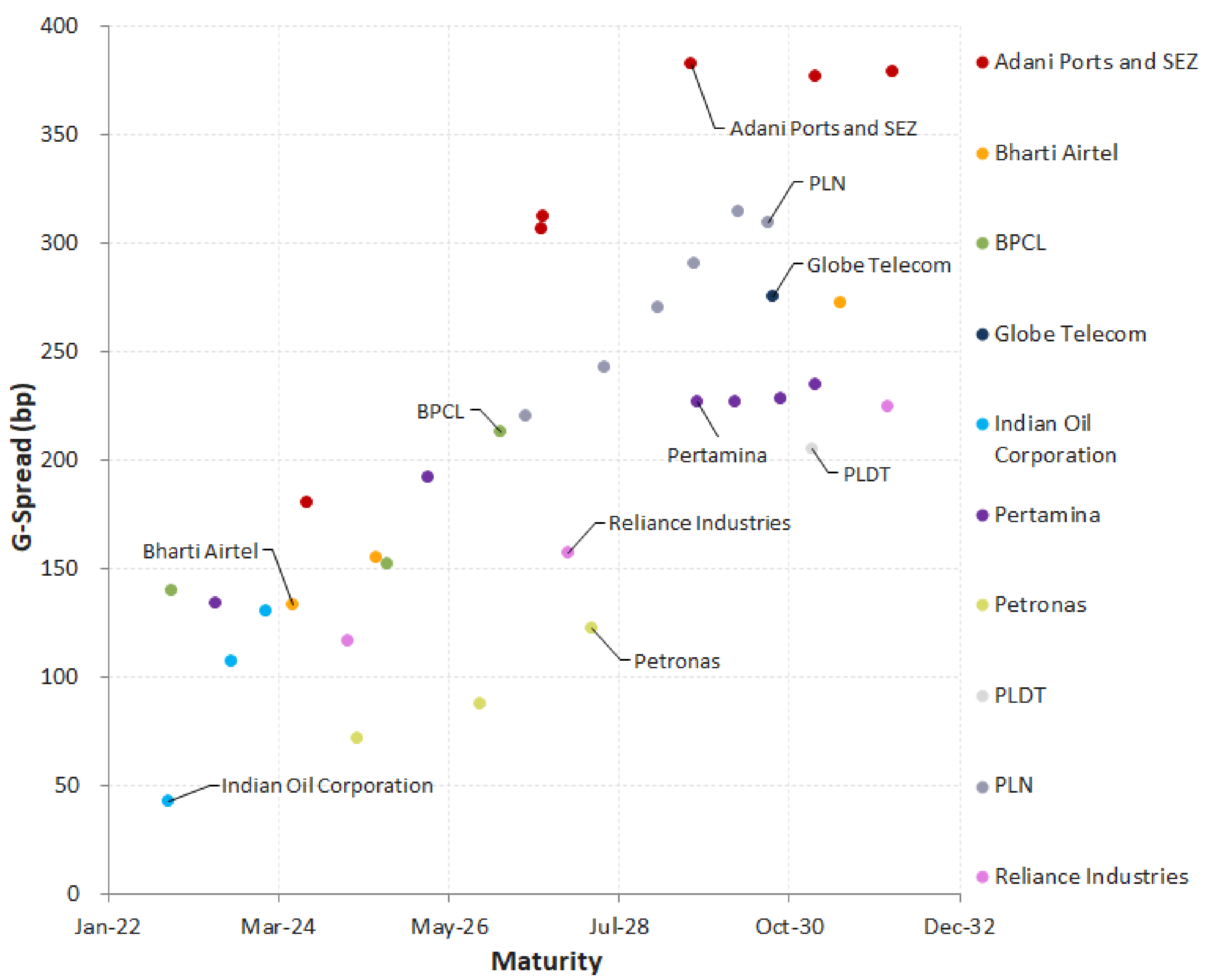


Note: Data is from 1 January 1995 to18 July 2022.
Source: Bloomberg, CreditSights.

APPENDIX: RELATIVE VALUE

South and Southeast Asia: Selected Investment Grade Corporate $ Bonds

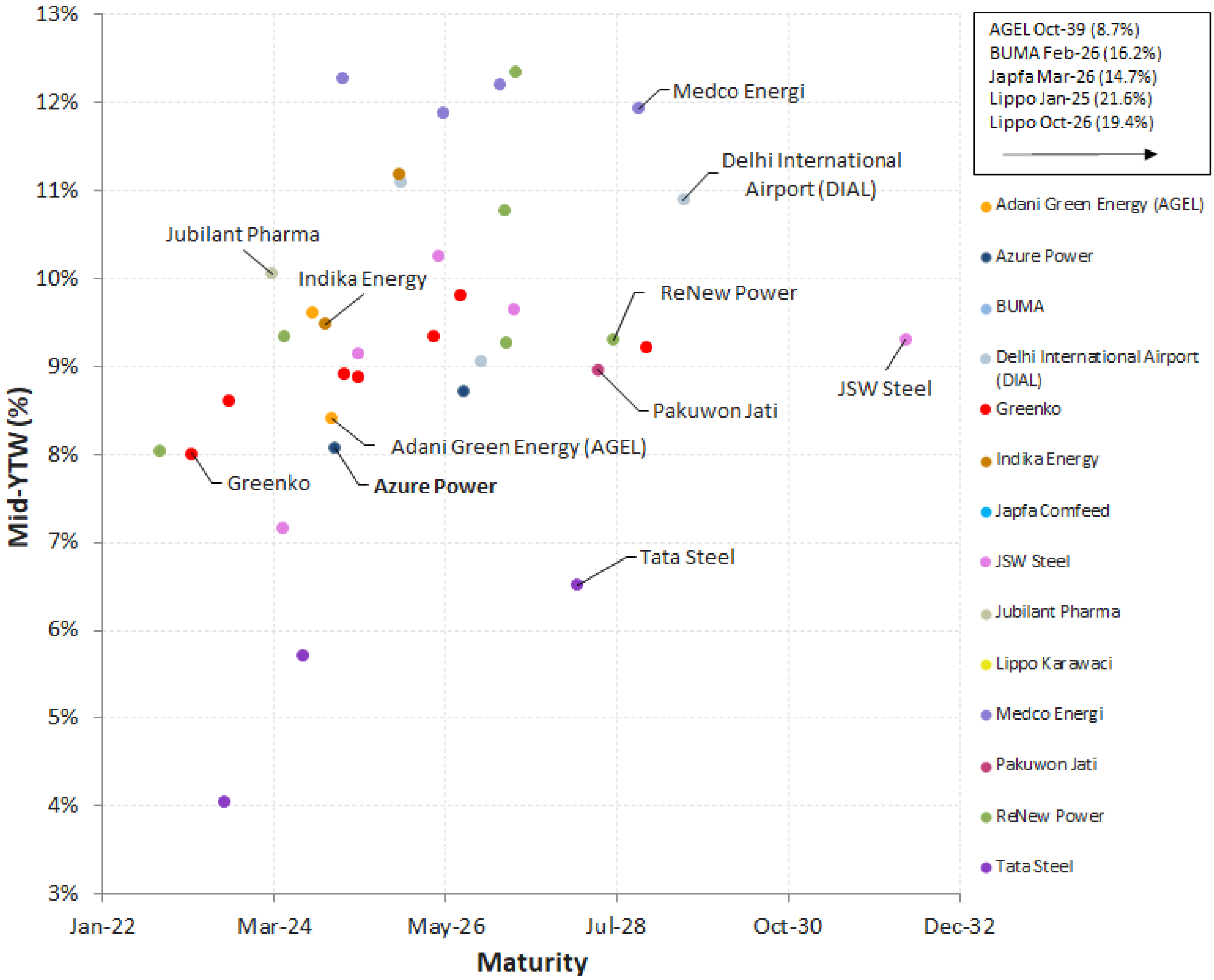
We expect the IG corporates to be able to weather the FX headwinds



Note: Data as at 18 July 2022. Source: Bloomberg, FactSet, CreditSights.

South and Southeast Asia: Selected High Yield Corporate $ Bonds

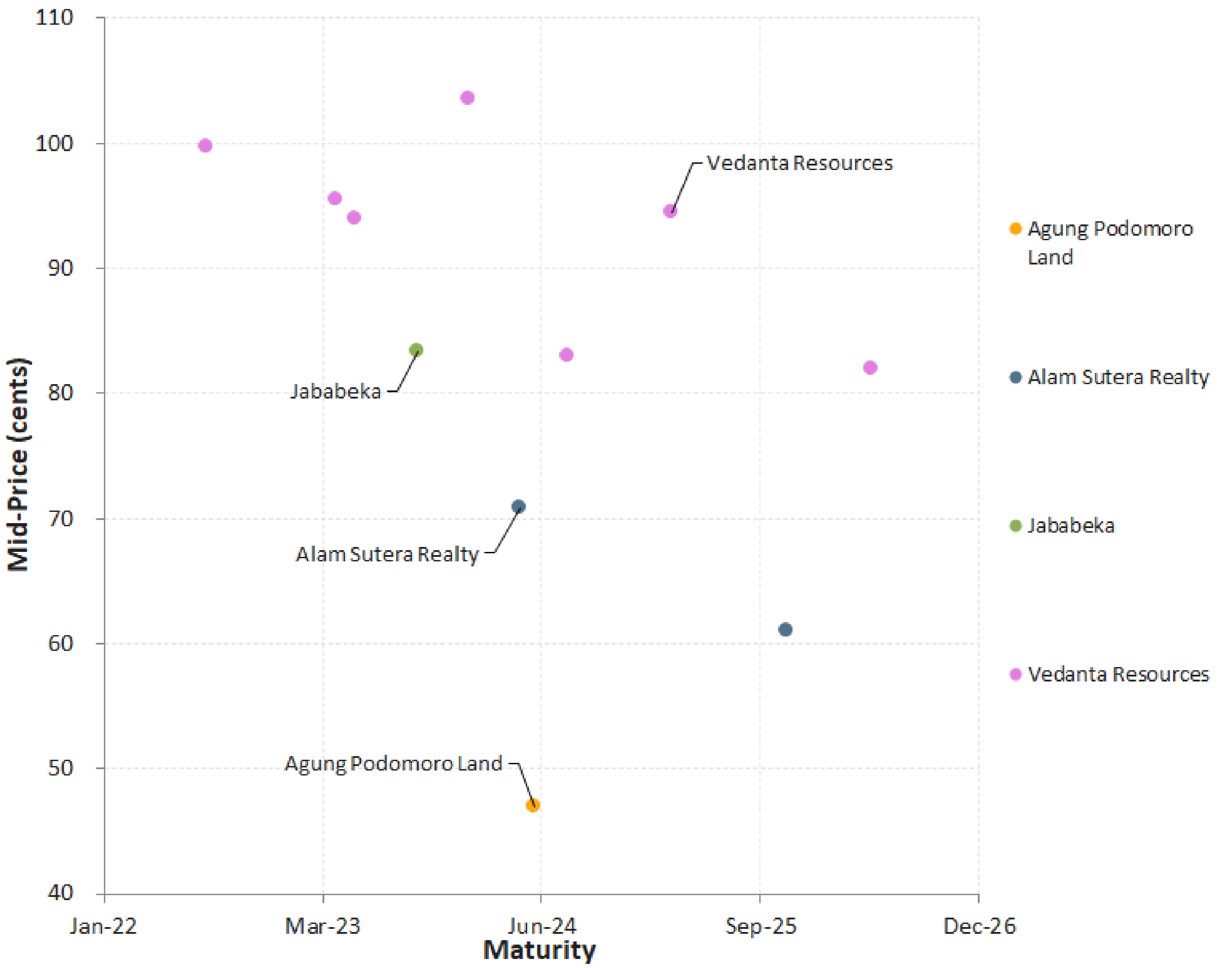
Azure faces low material FX risks; we upgrade the name to Outperform from Market perform.



Note: Data as at 18 July 2022. Source: Bloomberg, FactSet, CreditSights.

South and Southeast Asia: Selected Stressed/Distressed Corporate $ Bonds

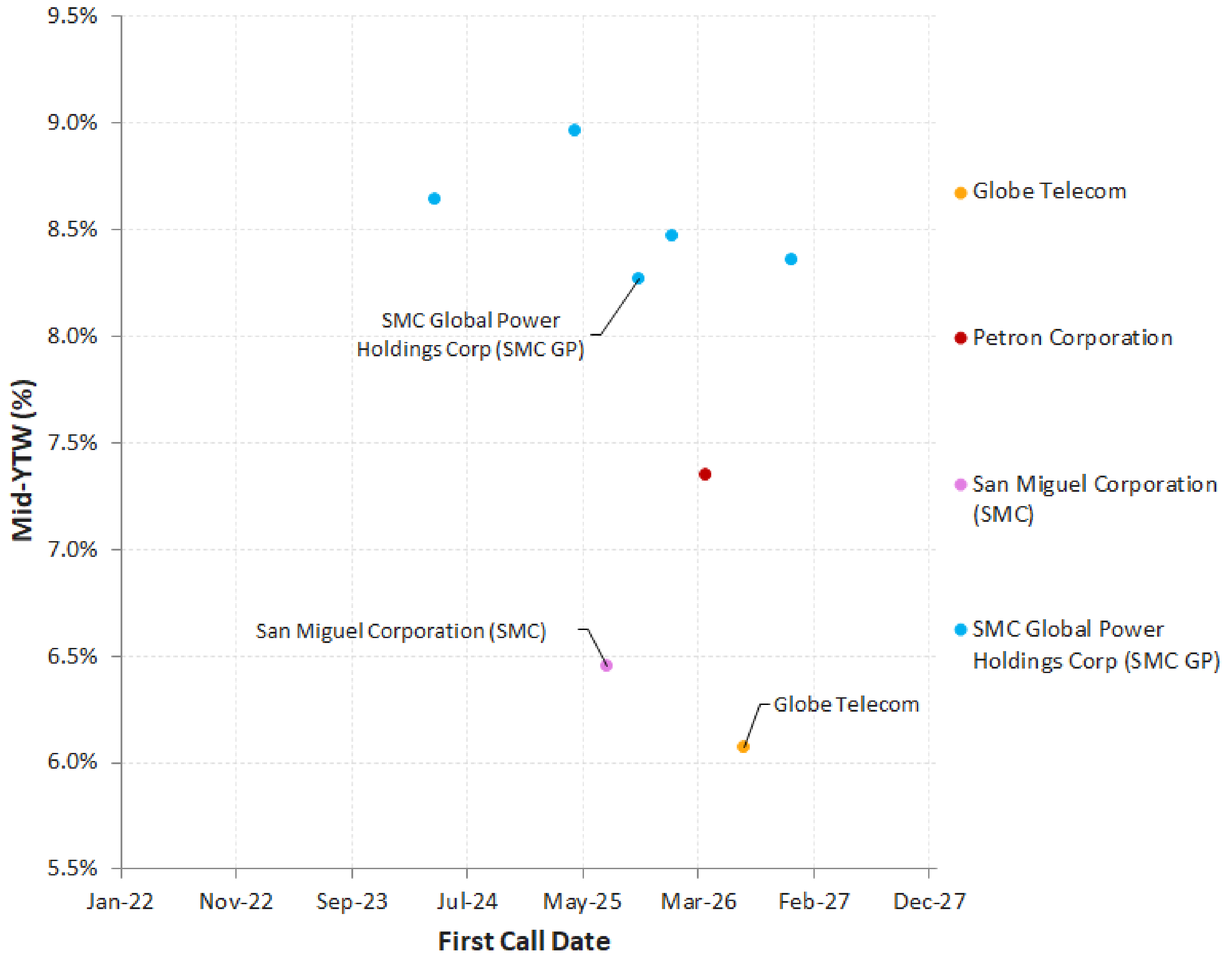
Alam Sutera's material $/IDR depreciation risk is aptly reflected in its bond prices



Note: Data as at 18 July 2022. Source: Bloomberg, FactSet, CreditSights.

Philippines: Selected Perpetual Corporate $ Bonds

SMC and Globe Telecom seem attractive



Note: Data as at 18 July 2022. Source: Bloomberg, FactSet, CreditSights.

South and Southeast Asia: Selected Investment Grade Corporate $ Bonds								
Issuer	**Coupon**	**Maturity**	**Amount Out. ($ mn)**	**Bond Ratings**	**Mid Price**	**G-spread (bp)**	**Mid YTW (%)**	**Reco.**
Adani Ports and SEZ (APSEZ)	3.375%	24-Jul-24	650	Baa3/ BBB-/ BBB-	96.9	188	5.0%	Market perform
Adani Ports and SEZ (APSEZ)	4.000%	30-Jul-27	500	Baa3/ BBB-/ BBB-	90.9	304	6.1%	
Adani Ports and SEZ (APSEZ)	4.200%	4-Aug-27	750	Baa3/ BBB-/ BBB-	91.5	310	6.2%	
Adani Ports and SEZ (APSEZ)	4.375%	3-Jul-29	750	Baa3/ BBB-/ BBB-	86.7	375	6.8%	
Adani Ports and SEZ (APSEZ)	3.100%	2-Feb-31	500	Baa3/ BBB-/ BBB-	76.3	379	6.8%	
Adani Ports and SEZ (APSEZ)	3.828%	2-Feb-32	300	Baa3/ BBB-/ BBB-	79.1	387	6.9%	
Adani Ports and SEZ (APSEZ)	5.000%	2-Aug-41	450	Baa3/ BBB-/ BBB-	78.4	370	7.1%	
Bharat Petroleum Corp. (BPCL)	4.625%	25-Oct-22	500	Baa3/NR/BBB-	100.2	152	4.0%	Underperform
Bharat Petroleum Corp. (BPCL)	4.000%	8-May-25	500	Baa3/NR/BBB-	98.1	159	4.7%	
Bharat Petroleum Corp. (BPCL)	4.375%	18-Jan-27	600	Baa3/NR/BBB-	96.7	212	5.2%	
Bharti Airtel	5.350%	20-May-24	550	Baa3/BBB-/BBB-	101.5	132	4.5%	Market perform
Bharti Airtel	4.375%	10-Jun-25	1,000	Baa3/BBB-/BBB-	98.9	163	4.8%	
Bharti Airtel	3.250%	3-Jun-31	750	Baa3/BBB-/BBB-	83.3	268	5.7%	
Network i2i (Bharti)	5.650%	Perpetual	1,000	NR/BB/BB	91.7	632	9.5%	
Network i2i (Bharti)	3.975%	Perpetual	500	NR/BB/BB	80.0	726	10.4%	
Globe Telecom	2.500%	23-Jul-30	300	NR/NR/NR	79.5	270	5.7%	Outperform
Globe Telecom	3.000%	23-Jul-35	300	NR/NR/NR	71.5	313	6.2%	
Globe Telecom	4.200%	Perpetual	600	NR/NR/NR	93.4	297	6.1%	
Indian Oil Corporation	4.100%	15-Oct-22	400	Baa3/NR/BBB-	100.3	8	2.7%	Market perform
Indian Oil Corporation	5.750%	1-Aug-23	500	Baa3/NR/BBB-	101.7	89	4.0%	
Indian Oil Corporation	4.750%	16-Jan-24	587	Baa3/NR/BBB-	100.6	122	4.4%	
Pertamina	4.300%	20-May-23	1,615	Baa2/BBB/BBB	100.0	124	4.3%	Market perform
Pertamina	1.400%	9-Feb-26	1,000	Baa2/NR/BBB	88.4	188	5.0%	
Pertamina	3.650%	30-Jul-29	750	Baa2/NR/BBB	91.0	213	5.2%	
Pertamina	3.100%	21-Jan-30	500	Baa2/NR/BBB	86.9	218	5.2%	
Pertamina	3.100%	27-Aug-30	650	Baa2/NR/BBB	86.0	221	5.2%	
Pertamina	2.300%	9-Feb-31	900	Baa2/NR/BBB	79.6	228	5.3%	
Pertamina	6.500%	27-May-41	500	Baa2/BBB/BBB	98.4	328	6.6%	
Pertamina	6.000%	3-May-42	1,222	Baa2/BBB/BBB	93.0	323	6.6%	
Pertamina	5.625%	20-May-43	1,433	Baa2/BBB/BBB	88.3	328	6.7%	
Pertamina	6.450%	30-May-44	1,500	Baa2/BBB/BBB	97.1	335	6.7%	
Pertamina	6.500%	7-Nov-48	750	Baa2/BBB/BBB	97.1	349	6.7%	
Pertamina	4.700%	30-Jul-49	750	Baa2/NR/BBB	79.9	303	6.2%	
Pertamina	4.175%	21-Jan-50	1,000	Baa2/NR/BBB	74.4	290	6.1%	
Pertamina	4.150%	25-Feb-60	800	Baa2/NR/BBB	69.5	313	6.3%	
Petronas	3.500%	18-Mar-25	1,500	A2/A-/BBB+	99.0	76	3.9%	Market perform
Petronas	7.625%	15-Oct-26	500	A2/A-/BBB+	114.4	78	3.9%	
Petronas	2.112%	23-Mar-28	600	A2/A-/BBB+	89.6	112	4.2%	
Petronas	3.500%	21-Apr-30	2,250	A2/A-/BBB+	94.1	136	4.4%	
Petronas	2.480%	28-Jan-32	1,250	A2/A-/BBB+	85.1	143	4.4%	
Petronas	4.500%	18-Mar-45	1,500	A2/A-/BBB+	94.9	153	4.9%	
Petronas	4.550%	21-Apr-50	2,750	A2/A-/BBB+	95.4	165	4.9%	
Petronas	4.800%	21-Apr-60	1,000	A2/A-/BBB+	98.1	177	4.9%	
Petronas	3.404%	28-Apr-61	1,750	A2/A-/BBB+	74.1	175	4.9%	
PLDT	2.500%	23-Jan-31	300	Baa2/BBB+/NR	83.0	196	5.0%	Market perform
PLDT	3.450%	23-Jun-50	300	Baa2/BBB+/NR	74.5	199	5.2%	
PLN	4.125%	15-May-27	1,500	Baa2/NR/BBB	95.4	213	5.2%	
PLN	5.450%	21-May-28	1,000	Baa2/NR/BBB	100.5	228	5.4%	
PLN	5.375%	25-Jan-29	500	Baa2/BBB/BBB	98.7	255	5.6%	
PLN	3.875%	17-Jul-29	700	Baa2/BBB/BBB	89.4	268	5.7%	
PLN	3.375%	5-Feb-30	500	Baa2/BBB/BBB	84.1	298	6.0%	

PLN	3.000%	30-Jun-30	500	Baa2/BBB/BBB	81.6	291	5.9%	Market perform
PLN	7.875%	29-Jun-37	288	Baa2/BBB/BBB	110.4	356	6.8%	
PLN	5.250%	24-Oct-42	1,000	Baa2/BBB/BBB	83.3	338	6.8%	
PLN	5.250%	15-May-47	500	Baa2/BBB/BBB	80.4	363	6.9%	
PLN	6.150%	21-May-48	1,000	Baa2/BBB/BBB	89.5	378	7.0%	
PLN	6.250%	25-Jan-49	500	Baa2/BBB/BBB	90.2	384	7.1%	
PLN	4.875%	17-Jul-49	700	Baa2/BBB/BBB	75.9	362	6.8%	
PLN	4.375%	5-Feb-50	500	Baa2/BBB/BBB	71.8	340	6.6%	
PLN	4.000%	30-Jun-50	1,000	Baa2/BBB/BBB	67.6	335	6.5%	
Reliance Industries	4.125%	28-Jan-25	1,000	Baa2/BBB+/BBB+	99.5	118	4.3%	Market perform
Reliance Industries	3.667%	30-Nov-27	800	Baa2/BBB+/BBB+	96.2	140	4.5%	
Reliance Industries	2.875%	12-Jan-32	1,500	Baa2/BBB+/BBB+	82.8	222	5.2%	
Reliance Industries	6.250%	19-Oct-40	500	Baa2/BBB+/BBB+	110.1	203	5.4%	
Reliance Industries	4.875%	10-Feb-45	750	Baa2/BBB+/BBB+	92.8	209	5.4%	
Reliance Industries	3.625%	12-Jan-52	1,750	Baa2/BBB+/BBB+	71.9	243	5.6%	
Reliance Industries	3.750%	12-Jan-62	750	Baa2/BBB+/BBB+	70.9	244	5.6%	

Note: Data as at 19 July 2022. Source: Bloomberg, CreditSights.

Fitch Solutions Key Currency Forecasts

	2021A	Spot	2022E	2023E	2024E
USD/INR	73.92	79.94	78.00	81.00	83.43
USD/IDR	14,308	14,992	14,600	14,800	15,096
USD/PHP	49.25	56.36	52.30	53.00	56.25

Note: Data as at 19 July 2022. Source: Fitch Solutions, Bloomberg, CreditSights.

We would like to thank Koh Yi Qian for his contributions in preparing this report.

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