

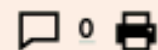
Nissan bonds: the comfort of strangers

Carmaker is tempting fate with 10-year dollar bond but Tokyo has given it a confidence boost



Nissan is seeking to raise dollar funds because it is burning through cash and gets a rough reception in the Japanese debt market © AP

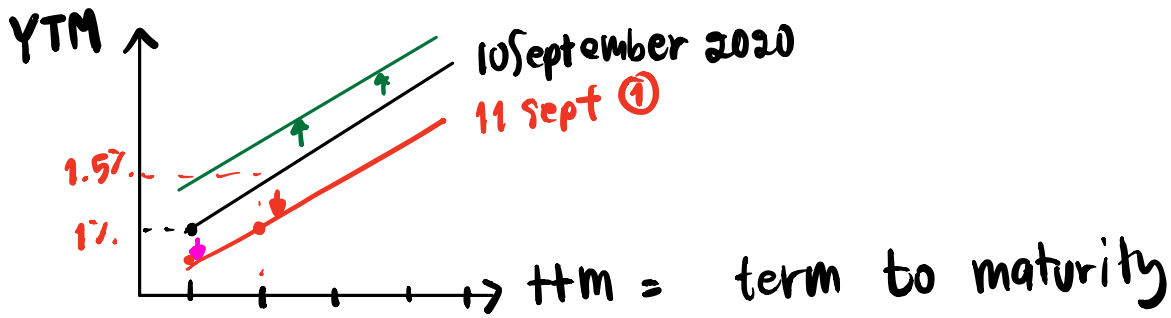
SEPTEMBER 10 2020



Tokyo cynics say Nissan likes foreign investors because they do not fully realise how much trouble it is in. The carmaker has started the sale of its first dollar bond since its alliance with Renault began in 1999. It is right to diversify funding sources.

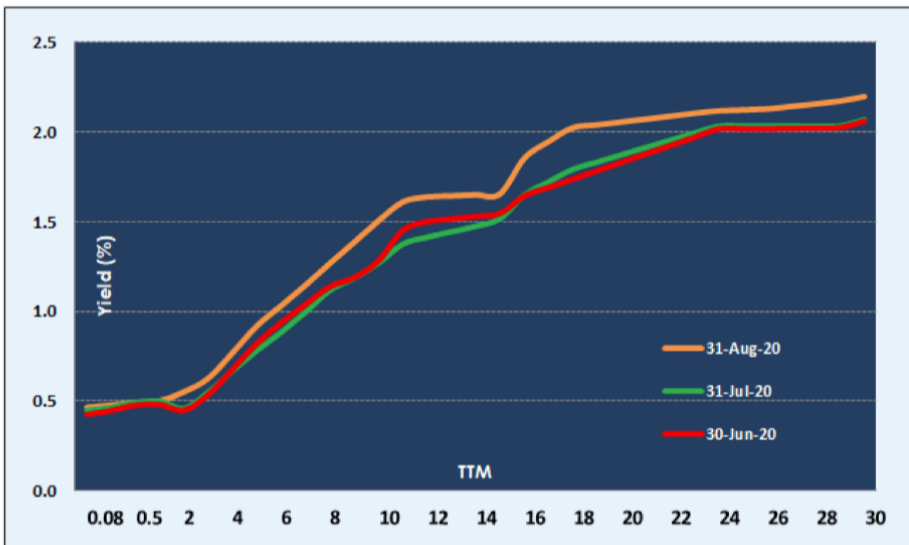
Nissan has been rocked by pay scandals, disputes with Renault and the spectacular flight of former boss Carlos Ghosn from Japanese justice. Its results have been poor and it looks in weak shape to weather the switchover to electric vehicles. The group is tempting fate with a 10-year bond issue.

Initial guidance points to a yield of up to 450 basis points over US Treasuries on the offering, whose size is unspecified so far. The premium for the three-year dollar bond would be 325 basis points. Those juicy returns compare with three-year yen notes priced to yield 115 basis points over Japanese government bonds in July. The same month, S&P cut Nissan's rating to just shy of junk.



ตารางที่ 3 อัตราผลตอบแทนพันธบัตรรัฐบาล

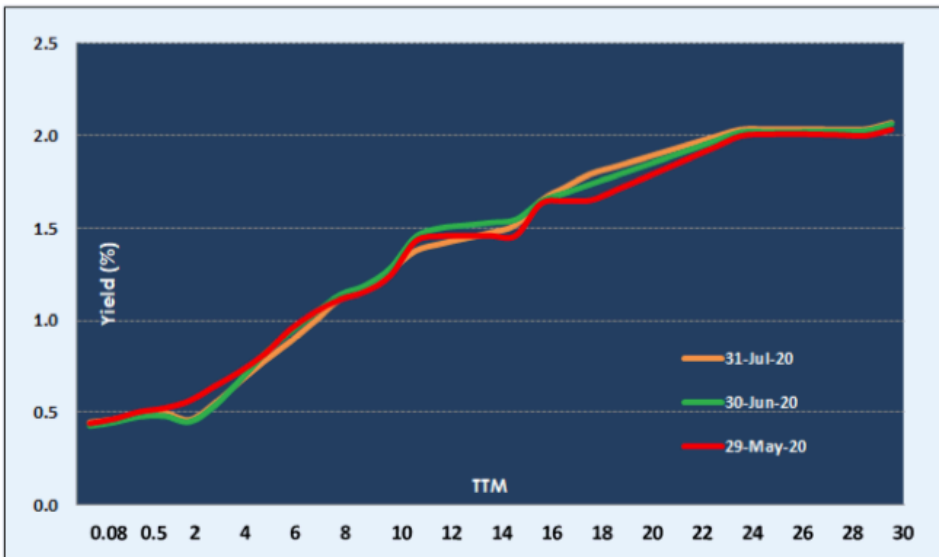
AUG - JUL



อายุของพันธบัตร	31-ส.ค.-63 (%)	31-ก.ค.-63 (%)	เปลี่ยนแปลง (bp)
1 Mth.	0.47	0.45	↑ 2
3 Mth.	0.48	0.46	↑ 1
6 Mth.	0.49	0.49	↑ 0
1 Yr.	0.50	0.50	↑ 0
2 Yr.	0.55	0.46	↑ 9
3 Yr.	0.63	0.55	↑ 8
5 Yr.	0.92	0.78	↑ 14
7 Yr.	1.15	1.00	↑ 15
10 Yr.	1.51	1.27	↑ 24
12 Yr.	1.64	1.41	↑ 22
14 Yr.	1.65	1.47	↑ 17
18 Yr.	2.02	1.79	↑ 23
19 Yr.	2.04	1.83	↑ 21
20 Yr.	2.06	1.87	↑ 18
28 Yr.	2.16	2.03	↑ 12
30 Yr.	2.20	2.07	↑ 13

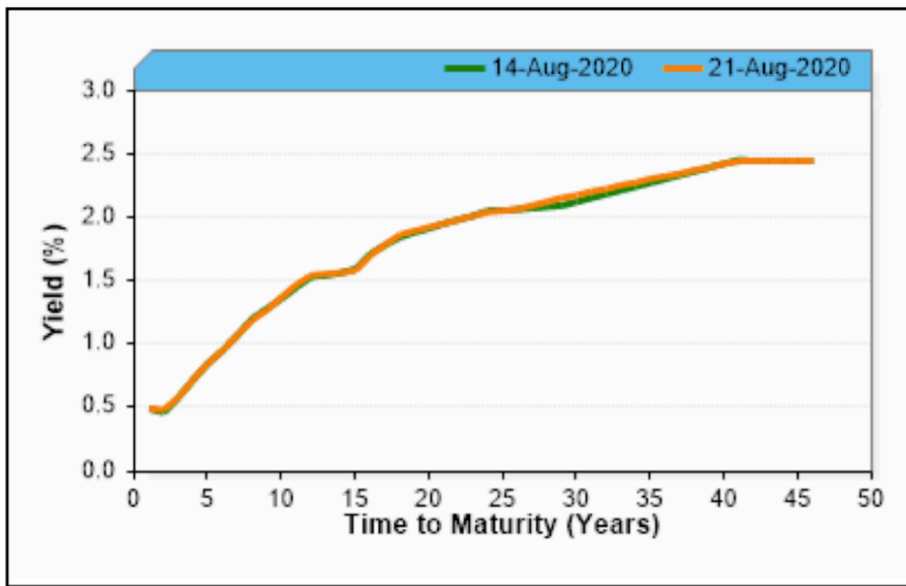
ตารางที่ 3 อัตราผลตอบแทนพันธบัตรรัฐบาล

JUL - JUN



อายุของพันธบัตร	31-ก.ค.-63 (%)	30-มิ.ย.-63 (%)	เปลี่ยนแปลง (bp)
1 Mth.	0.45	0.43	↑ 2
3 Mth.	0.46	0.45	↑ 2
6 Mth.	0.49	0.48	↑ 1
1 Yr.	0.50	0.48	↑ 2
2 Yr.	0.46	0.45	↑ 1
3 Yr.	0.55	0.54	↑ 1
5 Yr.	0.78	0.82	↓ -4
7 Yr.	1.00	1.04	↓ -4
10 Yr.	1.27	1.28	↓ -1
12 Yr.	1.41	1.50	↓ -9
14 Yr.	1.47	1.53	↓ -5
18 Yr.	1.79	1.74	↑ 5
19 Yr.	1.83	1.78	↑ 5
20 Yr.	1.87	1.83	↑ 4
28 Yr.	2.03	2.02	↑ 1
30 Yr.	2.07	2.06	↑ 1

2.1 ThaiBMA Government Bond Yield Curve (Aug 14 & Aug 21, 2020)



2.2 ThaiBMA Interpolation Yield (%)

Term	This Week	Last Week	Chg.(bp)
1 YR.	0.50	0.50	0
2 YR.	0.49	0.47	2
3 YR.	0.59	0.59	0
5 YR.	0.86	0.86	0
7 YR.	1.08	1.08	0
10 YR.	1.38	1.37	1
12 YR.	1.55	1.54	1
15 YR.	1.59	1.60	-1
18 YR.	1.87	1.85	2
19 YR.	1.90	1.89	1
20 YR.	1.93	1.92	1
21 YR.	1.96	1.96	0
25 YR.	2.06	2.06	0
27 YR.	2.10	2.08	2
28 YR.	2.13	2.09	4
29 YR.	2.16	2.10	6

