ASIA-PACIFIC EQUITIES

BOOKRUNNERS: 1/1/2013 TO 11/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs	51	14,481.37	10.0
2	UBS	81	13,468.49	9.3
3	Nomura	65	10,267.47	7.1
4	Morgan Stanley	67	8,757.72	6.0
5	JP Morgan	34	7,358.17	5.1
6	Daiwa Securities Group	34	5,331.23	3.7
7	Citigroup	35	4,359.80	3.0
8	Deutsche Bank	41	4,143.79	2.9
9	Credit Suisse	36	3,840.23	2.6
10	Sumitomo Mitsui Finl Grp	36	3,728.63	2.6
	Total	**1,443**	**145,116.16**	

Including all domestic and international deals and rights issues

Source: Thomson Reuters SDC code: C04a1r

ASIA-PACIFIC (EX JAPAN) EQUITIES

BOOKRUNNERS: 1/1/2013 TO 11/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	UBS	73	12,502.24	11.5
2	Goldman Sachs	44	10,671.89	9.8
3	JP Morgan	27	5,196.42	4.8
4	Morgan Stanley	45	4,324.78	4.0
5	Deutsche Bank	40	4,095.65	3.8
6	Credit Suisse	36	3,840.23	3.5
7	Citigroup	32	3,574.81	3.3
8	Citic	29	3,065.98	2.8
9	BofA Merrill Lynch	24	3,022.23	2.8
10	Macquarie Group	32	2,887.65	2.7
	Total	**1,288**	**108,540.69**	

Including all domestic and international deals and rights issues

Source: Thomson Reuters SDC code: C04a2r

ALL INTERNATIONAL ASIAN COVERTABLES

BOOKRUNNERS: 1/1/2013 TO 11/10/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	JP Morgan	5	1,733.30	16.8
2	Nomura	9	1,126.74	10.9
3	Credit Suisse	3	942.16	9.1
4	Goldman Sachs	7	825.37	8.0
5	UBS	6	734.11	7.1
6	Daiwa Securities Group	7	726.59	7.0
7	Citigroup	7	709.33	6.9
8	Mizuho FG	5	676.87	6.5
9	Deutsche Bank	4	598.18	5.8
10	Barclays	1	376.30	3.6
	Total	**44**	**10,347.90**	

Including exchangeables.

Source: Thomson Reuters SDC code: M10

Malaysian sovereign wealth fund KHAZANAH NASIONAL secured a negative yield on its latest exchangeable sukuk deal, which was upsized in full to S$600m (US$484m).

The deal launched at S$500m with an upsize option of S$100m, and was 4 times subscribed at the increased size. It priced with a yield of negative 0.25%, from guidance of 0% to negative 0.25%, and with an exchange premium of 17%, from guidance of 10%–17%.

This is the first equity-linked deal with a negative yield from Asia ex-Japan since Khazanah's last deal, a US$357.8m sukuk exchangeable into shares of Parkson Retail, which priced in March last year.

Around 110 accounts participated, with demand split evenly between outrights and hedge funds. Demand was also split evenly between Asia and Europe, despite ambiguity about a EU rule implemented in July this year.

A directive on alternative investment funds was intended to help regulate collective investment undertakings which raise capital from a number of investors, but since sukuk deals are issued through offshore vehicles and have different elements that can be substituted, the bookrunners were not comfortable to market to jurisdictions which had not clarified the rules.

"The framework is intended for funky collateralised mortgage-type instruments, not sukuk," said one equity-linked banker. "The UK and Switzerland have done a lot of work and are quite clear that sukuk do not fall under AIF." This meant that the UK accounted for practically all of the European bid.

The sukuk exchange into shares of IHH Healthcare, which is listed in Malaysia and Singapore, and if exchanged would account for a 3.8% stake, out of Khazanah's 45% holding. This was Khazanah's first equity-linked deal in Singapore dollars. The sukuk deal has a tenor of five years with an investor put at the end of the third year.

Standard Chartered provided asset swap of around S$100m at 140bp, partly as a reference point for investors, since Khazanah's old exchangeable into Parkson was seen with a credit spread of around 190bp–200bp, and partly for bragging rights. It was unlikely that the deal would have struggled without it.

Deutsche Bank facilitated stock borrow from Khazanah's holding of up to 60% of the underlying shares at a cost of 50bp. At the final terms, with stock skid assumed at 5%, implied volatility was 19.6% and the bond floor was 92.8.

CIMB, *Deutsche Bank* and *Standard Chartered* were joint bookrunners. Yesterday's ECM briefing stated incorrectly that one of the banks was lead-left, but all banks had equal status.

The sukuk deal was quoted at 101.5–102 today. It was issued through Indah Capital.

HYUNDAI ROTEM has priced its IPO at the top of guidance for a deal size of W622bn (US$586m), making it the largest South Korean float of the year.

This is the largest Korean IPO since Samsung Life completed its W4.88trn deal in April 2010, as several sizeable offerings have been either postponed or pulled since then.

The rolling stock manufacturer sold 27m shares, of which 21m were primary and 6m sold by Morgan Stanley unit MSPE Metro Investment. The price was set at W23,000 each, the top of the W21,000–W23,000 guidance.

Bank of America Merrill Lynch, *Deutsche Bank*, *KDB Daewoo Securities* and *Woori Investment* were the global co-ordinators.

Hefei-based HUISHANG BANK plans to start pre-marketing its proposed Hong Kong IPO of US$1bn–$1.2bn on Monday. The city commercial lender secured listing approval from SEHK, according to two sources.

Pre-marketing is scheduled to run for a week. A roadshow will be launched in the week of October 28.

BOC International, *Citic Securities International*, *JP Morgan*, *Morgan Stanley* and *UBS* are leading the transaction. Among others on the syndicate are Bank of America Merrill Lynch, BoCom International, China Everbright Capital, CICC, Citigroup, Haitong International Securities, HSBC, ICBC International and Nomura.

Beijing-based Chinese on-line classified advertising website 58.COM has started bookbuilding for its NYSE IPO of up to US$165m. The company is selling 11m ADRs at an indicative price range of US$13–$15 each, or at a 2014 P/E of 22.6–26. The deal will price on October 30.

If the float crosses the finish line, it will be the largest Chinese listing in the US this year. *Credit Suisse*, *Citigroup* and *Morgan Stanley* are the leads on the transaction.

Chinese social network game developer BOYAA INTERACTIVE also plans to start pre-marketing for its planned US$100m–$150m Hong Kong IPO next Monday. *Credit Suisse* and *China Renaissance Capital* are the joint bookrunners. Chinese cloud-based game developer Forgame listed in Hong Kong earlier. Shares of the company have risen 20% since listing.

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SBI HOLDINGS, which has interests in financial services, asset management and bio-technology, priced a zero-coupon convertible bond at the aggressive end of terms to raise ¥30bn (US$306m).

The four-year bond was offered at 102.5 and issued and redeemed at par. The conversion premium was set at 19.9% over the October 17 close, the issuer-friendly end of the 10%–20% guidance.

Daiwa Capital Markets was sole bookrunner and lead manager.

Half of the proceeds will be used in its financial services business, including ¥8.5bn to acquire PCA Life Insurance. Around ¥5bn will be used in its asset management business, ¥2bn in the bio-technology business and ¥8bn to redeem bonds and loans. The issuer is rated BBB (R&I).

The INDIAN GOVERNMENT is considering revising downwards the target of raising Rs400bn (US$6.5bn) from the disinvestment of stakes in state-owned companies in 2013–2014.

The broad market fall and trade union opposition to some stake sales have forced the likely downward revision. The government has so far raised Rs13bn through divestments from state-owned companies this financial year. Additionally, it also plans to raise Rs140bn from selling a stake in private companies but has not sold any shares yet.

"The revision looks inevitable. The government wanted to raise Rs150bn through the Coal India and Rs70bn through the Indian Oil stake sales. Those appear quite difficult now," a government source said. The government will take a decision on the likely revised target next month.

At the current market capitalisation, the 5% stake in Coal India will fetch a maximum Rs89bn. The government was initially planning to sell a 10% stake in the company, but cut the size following opposition from the trade unions.

At the current prices, the 10% stake sale in Indian Oil will raise a maximum Rs47bn, down from the Rs68bn the government could have raised when the sale was announced in June.

Downward revisions of targets are nothing new. For the year 2012–13 the target was revised to Rs240bn from Rs300bn, and the government ended the year with record sales of Rs239.5bn.

XCMG CONSTRUCTION MACHINERY is looking to launch its proposed issue of six-year CBs of up to Rmb2.5bn (US$408m) as soon as next week, according to two sources.

The unsecured CBs will carry a coupon of not more than 2.5%. *Morgan Stanley Huaxin Securities* is arranging the transaction. Proceeds will be used for three machinery plants and a R&D project.

QPE Funds Management has sold down its 23.2% stake in retirement home operator SUMMERSET GROUP HOLDINGS for NZ$155m (US$131m).

Major shareholder QPE sold 50m shares, its entire stake, at NZ$3.10 per share, a discount of just 1.3% to the October 17 close.

A range of institutional and retail investors domestically and offshore bought the shares. The deal was managed by *First NZ Capital*, *Macquarie*, *Craigs Investment Partners* and *Forsyth Barr*.

COCKATOO COAL has launched a A$153m (US$147m) equity raising in three parts. SK Networks and Noble Group will subscribe to A$50m and A$43m, respectively, making them the equal largest shareholders of Cockatoo. There will also be a placement of A$60m to institutional and sophisticated investors, which has been cornerstoned by Harum Energy Australia with a minimum A$20m commitment.

SK Networks and Noble will pay A$0.05 per share, while investors in the placement will pay A$0.045. The latter gives discounts of 23.7% to the October 16 close and 11.0% to TERP.

Credit Suisse is sole lead manager and bookrunner for the equity raising.

SUMMIT ASCENT has raised HK$539m (US$70m) through a top-up placement. The base deal comprised 49m shares and an option to increase the deal size to 53.5m shares, up 4.9m, was fully exercised. The shares were sold at a fixed price of HK$10 each, or at a discount of 16.4% to the pre-deal spot.

There is a 120-day lock-up period on the company and its controlling shareholders. *Deutsche Bank* was the sole bookrunner.

Shares of Malaysia's WESTPORTS HOLDINGS debuted 6% higher at M$2.65 (US$0.82) on Bursa Malaysia from its IPO price of M$2.50. *Credit Suisse*, *Goldman Sachs* and *Maybank* were the three joint global co-ordinators and also the bookrunners with *Bank of America Merrill Lynch*, *HSBC* and *RHB*.