

Bonds Daily

ABGSC Daily Report - Bonds

Kistefos: Semi-annual report released

This morning, Kistefos released its semi-annual report. Of key importance is any communication regarding a potential dividend distribution. In Kistefos, up to 50% of the consolidated net profit can be distributed under the bond agreement. Since the strong vessel sales in Viking Supply Ships (fully consolidated) during H2 '18 it was expected that the consolidated accounts would allow for a significant dividend.

This morning we can see that the consolidated net profit in the group came in at NOK 1,788m allowing Mr. Sveaas flexibility to potentially distribute almost NOK 900m. As far as we can see from the report no comments are made regarding dividend distributions which means we most likely will have to wait until the 2018 annual report is released towards the end of April.

Stock market	Today	1D	1M	3M	YTD
OSE	813	-0.2%	2%	7%	10%
OMX	1,596	0.3%	1%	10%	14%
SBX	1,051	0.4%	1%	11%	14%
OSX	94	0.0%	-5%	7%	14%
VIX	13	0.0%	-14%	-47%	-45%

High Yield Indices (Spread)	Today	1D	1M	3M	YTD
Itraxx Xover 5Y	270	-2bp	-31bp	-73bp	-92bp
HYG US	405	1bp	-4bp	-64bp	-125bp
BUHYEN	390	2bp	-13bp	-59bp	-140bp
ABG HY index	480	480bp	77bp	n.a.	n.a.

Interest Rates Basis points	Today	1D	1M	3M	YTD
NIBOR 3M	137	1.0bp	9.0bp	9.0bp	12.0bp
NIBOR 3Y SWAP	170	0.5bp	6.0bp	1.0bp	9.8bp
NIBOR 5Y SWAP	181	0.5bp	3.5bp	-5.5bp	7.5bp
STBOR 3M	-4	1.3bp	3.0bp	17.1bp	8.8bp
STBOR 3Y SWAP	20	1.5bp	0.8bp	2.6bp	3.7bp
STBOR 5Y SWAP	43	1.6bp	-0.8bp	-7.0bp	-0.9bp
US L3M	263	1.1bp	-5.8bp	-17.8bp	-16.9bp
US LIBOR 3Y SWAP	249	-2.6bp	-10.9bp	-31.7bp	-7.6bp
US LIBOR 5Y SWAP	247	-3.1bp	-11.3bp	-33.3bp	-6.8bp

Advanzia: Strong quarter

Advanzia delivered its Q4 figures on Friday evening. Net interest income came in at EUR 56.7m, 12% above our EUR 50.5m estimate. Loan losses was a little higher than expected at EUR 17.3m vs. our EUR 12.7m estimate, but the P&L is helped by a EUR 4.7m value adjustment, of we had EUR -4.6m i.e. a delta of EUR 9.3m. This gives net profit of EUR 20.9m, 44% above our EUR 14.5m estimate. Capital adequacy ratio (incl. interim profits) is now 16.9% (regulatory requirement 11%), helped by basically no dividend distributions. All in all a strong quarter from Advanzia.

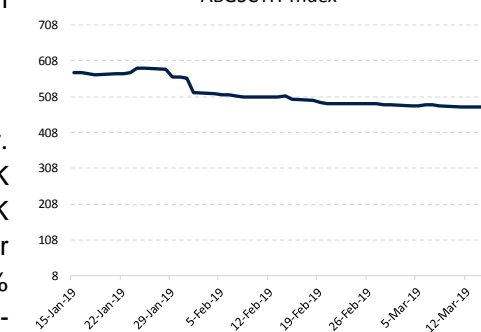
Currencies	Today	1D	1M	3M	YTD
USD/NOK	8.53	0%	-1%	-1%	-2%
EUR/NOK	9.66	0%	-1%	-2%	-2%
SEK/NOK	0.92	0%	-1%	-3%	-4%

Commodities	Today	1D	1M	3M	YTD
Oil - Brent (USD/bbl)	67.2	0%	1%	13%	22%

Shipping Rates	Today	1D	1M	3M	YTD
Baltic Dry Bulk	730	8%	-43%	-48%	-43%
Baltic Tank (Dirty)	735	0%	-41%	-48%	-27%
Baltic Tank (Clean)	606	0%	-25%	-57%	-9%

Source: Bloomberg

ABGSC HY Index



Source: ABG Sundal Collier

DSV Miljø: Absent winter and fuel costs impact Q3

DVS Miljø reported Q3, which were somewhat below the previous year. Revenues were DKK 1014m (-0.8% y-o-y) while Gross Profit was DKK 154m (-3.75% y-o-y) and EBITDA before special items came in at DKK 62m (-6%). Soil, Waste & Water performed ahead of the previous year with revenues of DKK 247m (+12% y-o-y) and EBITDA of 37m (+27% y-o-y), while Transportation reported revenues of DKK 727m -5% y-o-y and EBITDA of DKK 9m (-59% y-o-y), while Raw Materials were fairly in line with last year. The figures reflect decreased activity in the western part of Denmark compared to last year, and a largely absent winter causing limited activity in winter services. Transportation also continues to be affected by increased fuel costs and lower SEK/DKK exchange rate. DSVM reported NIBD/EBITDA of 5.3x, up 5.1x q-o-q. At the end of the quarter, DSVM had NIBD of DKK 151m, with cash of DKK 85m in cash in addition to undrawn credit facilities of DKK 100m.

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Reported corporate HY bonds traded in Oslo at Friday 15 March 2019

Issuer	Ticker	Volume	Price		Time to maturity	Yield	change
			06/03/2019	Credit spread			
DNO01	DNO01	3.2m	103.38	329	1.3	6.1%	0.0%
Genel Energy Finance L 14/19 7,50% USD C	GENEL01 PRO	1.6m	104.00	602	3.8	8.6%	0.5%
Höegh LNG Holdings Ltd. 17/22 FRN C	HLNG03	70.0m	100.13	496	2.9	6.2%	0.1%
Navigator Holdings Ltd 17/21 7,75% USD C	NAVIG02 PRO	5.0m	97.25	669	1.9	9.6%	-0.8%
Okea AS 17/20 7,50% USD C	OKEA01	4.2m	103.88	333	1.7	6.1%	0.8%

Source: ABG Sundal Collier, company data

Analyst certification

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When evaluating the credit risk of the issuer, we look at credit ratios, management and corporate strategy, business risk, industry risk and management risk appetite. Further, we look at dividend and financial policies. From this analysis and after an assessment of the asset values as well as any potential structural subordination, ABG Sundal Collier also estimates the company's default probability and the bond's recovery rate.

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All prices are as of market close on 01 March, 2019 unless otherwise noted.

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