

Strong appetite for high-yield mining bond

By. Hudson Locket

A \$265m bond from Indonesia's Indika Energy met with overwhelming demand and priced at the tightest levels by a miner in Southeast Asia for five years, according to bankers on the deal.

High quality global journalism requires investment. The deal, led by Citigroup and JP Morgan, suggests returning investor appetite for the sector, which has floundered in recent years as commodity prices slumped.

The five-year bonds were sold with a coupon of 6.875 per cent and bids for the deal peaked at \$1.2bn following an aggressive roadshow that covered both the US and Asia. Pricing tightened 55 basis points from initial guidance of 7.5 per cent to bring the yield to 6.95 per cent.

Source:

<https://www.ft.com/content/ebe61ef8-1593-3a7a-aada-abcb5955de97>