

## Daily Credit Snapshot

### Market Commentary

- US equities ended the final trading session of the first half of the year on a positive note, supported by continued strength in the technology sector. Investors largely looked beyond lingering geopolitical uncertainties as incoming economic data reinforced confidence in the resilience of the US economy and labour market. Although layoffs increased by 41,000 to 1.708 million, overall layoff activity remains low by historical standards. At the same time, employee turnover continues to moderate. Resignations rose only modestly by 22,000 to 3.065 million, while the quits rate—a key indicator of worker confidence closely monitored by policymakers—remained unchanged at 1.9%. However, signs of softening beneath the surface are becoming increasingly evident. The Conference Board's latest consumer survey showed that the proportion of respondents who view jobs as "hard to get" climbed sharply to 22.5% in June from 19.8% in May, reaching its highest level since January 2021. Meanwhile, the share of consumers who consider jobs "plentiful" was broadly unchanged at 24.9%. Consequently, the labour market differential—a closely watched measure of employment conditions—narrowed significantly to 2.4 from 5.0 previously, indicating a gradual cooling in labour market sentiment. On the monetary policy front, Cleveland Fed President Beth Hammack adopted a relatively hawkish stance, stating that she sees limited evidence that current interest rates are materially restraining economic activity. She noted that policymakers should remain open to the possibility of further rate hikes if necessary to bring inflation sustainably back to the Federal Reserve's 2% target, particularly given that inflation has remained elevated for the past five years. Nevertheless, she emphasized that future policy decisions will remain data-dependent and assessed on a meeting-by-meeting basis.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-3bps lower, belly tenors trading 2-3bps lower and the 10Y tenor trading 3bps lower.
- Flows in SGD corporates were heavy, with flows in BACR 4.65%-PERP, OLGSPSP 5.375%-PERP, STANLN 4.3%-PERP.
- US Investment Grade spreads traded flat at 74bps, and US High Yield spreads tightened by 7bps to 270bps. Bloomberg Global Contingent Capital Index tightened by 6bps to 214bps.
- Bloomberg Asia USD Investment Grade tightened by 1bps to 55bps, and Asia USD High Yield spreads also tightened by 10bps to 354bps. (Bloomberg, OCBC).

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## Credit Summary:

Company	Ticker	Description
Industry Outlook – Singapore Residential Property	-	<ul style="list-style-type: none"> <li>• <b>Residential price growth is slowing:</b> URA flash estimates showed private residential prices rising 0.5% q/q in 2Q2026, moderating from +0.9% q/q in 1Q2026.</li> <li>• <b>Price momentum is concentrated at the top end:</b> Non-landed private residential prices declined 0.1% q/q in 2Q2026, reversing from +1.3% q/q in 1Q2026, dragged by softer prices in the OCR (-0.2% q/q; 1Q2026: +2.2% q/q) and RCR (-1.4% q/q; 1Q2026: +0.8% q/q). HDB resale prices also declined for a second consecutive quarter, falling 0.3% q/q in 2Q2026 after a 0.1% q/q decline in 1Q2026. By contrast, higher-end segments remained resilient, with CCR prices rising 2.0% q/q and landed property prices increasing 2.6% q/q in 2Q2026.</li> <li>• <b>Elevated land supply should remain a moderating factor.</b> The government continues to sustain a high and steady supply of private housing through the GLS Programme. The 4,745 private residential units to be launched in 2H2026 are more than 50% above the past 10-year annual average, which likely contributed to slower overall price growth and should remain a moderating factor. We will publish a more detailed analysis of the Singapore residential property outlook in our Credit Outlook 2H2026 later this week. (MND, URA, HDB, OCBC)</li> </ul>
Lenovo Group Ltd	Lenovo	<ul style="list-style-type: none"> <li>• Lenovo disclosed that it has signed long-term supply agreements for storage products with the "Big Three" manufacturers: Micron, Samsung, and SK Hynix. Management believes the company is well-positioned amid the increasing tightness of global memory supply, having successfully secured adequate components.</li> <li>• This supply chain advantage has also helped Lenovo secure more cloud server solution contracts. Specifically, two major customers recently signed contracts totalling RMB 200 billion for next year, already double of the segment's original revenue target.</li> </ul> <p>Latest report: Credit Update – 29 May 2026</p>
Lendlease Group	LLCAU	<ul style="list-style-type: none"> <li>• LLCAU announced the commencement of its joint venture ("JV") with The Crown Estate to accelerate the master planning and land entitlement of a scaled portfolio of high-quality UK development assets.</li> <li>• This transaction releases ~AUD115mn of project capital, in addition to a ~AUD50mn deposit received previously. The profit on JV formation, recognised in FY2027, reflects a modest gain on sale relative to project book values of the transferred assets. Additional capital recycling and profits within Development are expected to be realised following an anticipated second phase of project transfers and from development management rights that are targeted for 1HFY2027 subject to satisfaction of conditions precedent. (Company)</li> </ul> <p>Latest report: Credit Update – 08 June 2026</p>

<p>Frasers Centrepoint Trust</p>	<p>FCTSP</p>	<ul style="list-style-type: none"> <li>• <b>Selling White Sands for SGD467mn</b>, which represents 8.4% premium to its independent valuation of SGD431.0mn. The asset was acquired for SGD428.0mn in October 2020, as part of the AsiaRetail Fund (“ARF”) portfolio. The buyer is Growth Capital Pte Ltd, an unrelated third party purchaser.</li> <li>• <b>Limited earnings impact:</b> White Sands contributed SGD11.1mn of NPI in 1HFY2026, accounting for less than 7% of FCTSP’s total NPI. The asset was also the smallest property in the portfolio, representing just 5.3% of total portfolio valuation as at 30 September 2025. The divestment is expected to generate a net gain of SGD32.4mn.</li> <li>• <b>Portfolio quality remains intact:</b> Following the divestment, FCTSP will retain a diversified portfolio of suburban retail assets comprising CausewayPoint, Century Square, Hougang Mall, NEX (50% effective interest), Northpoint City, Tampines 1, Tiong Bahru Plaza and Waterway Point (50% effective interest).</li> <li>• <b>To deleverage while providing balance sheet flexibility:</b> Proceeds of the divestment is expected to be used to repay debt. On a pro forma basis, aggregate leverage is expected to improve from 40.0% to 36.5%, creating additional debt headroom for future acquisitions and asset enhancement opportunities. (Company, OCBC)</li> </ul> <p>Latest report: Credit Update – 10 July 2025</p>
<p>HSBC Holdings PLC</p>	<p>HSBC</p>	<ul style="list-style-type: none"> <li>• Reuters reported that Emirates NDB is said to be in talks to acquire HSBC’s Turkish banking unit, a market which HSBC has been trying to exit for about 11 years.</li> <li>• This remains part of HSBC’s strategy to exit non-core assets and redeploy capital into HK, UK and Asia wealth business.</li> </ul> <p>Latest report: Credit Update – 4 September 2025</p>



## New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD500mn and USD550mn respectively (prior day: USD10.65bn and USD7.35bn).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
30 Jun	Nanyang Technological University	Fixed	SGD	350	15	2.42%
30 Jun	Valuemax Group Ltd	Fixed	SGD	80	3	4%
30 Jun	Panasonic Holdings Corp	Fixed	USD	500	10	T + 95bps

## Mandates:

- There were no notable mandates today.

## Key Market Movements

	1-Jul	1W chg (bps)	1M chg (bps)		1-Jul	1W chg	1M chg
iTraxx Asiax IG	68	-1	-3	Brent Crude Spot (\$/bbl)	73.3	-0.7%	-22.9%
				Gold Spot (\$/oz)	3,983	-0.4%	-11.2%
iTraxx Japan	60	0	1	CRB Commodity Index	354	-0.5%	-8.4%
iTraxx Australia	68	-1	-4	S&P Commodity Index - GSCI	619	0.5%	-13.0%
CDX NA IG	51	-0	0	VIX	16.5	-15.6%	2.5%
CDX NA HY	108	0	-0	US10Y Yield	4.47%	7bp	1bp
iTraxx Eur Main	52	-0	-2				
iTraxx Eur XO	244	-3	-18	AUD/USD	0.689	-0.2%	-3.8%
iTraxx Eur Snr Fin	54	0	-2	EUR/USD	1.140	0.4%	-2.0%
iTraxx Eur Sub Fin	89	1	-3	USD/SGD	1.296	0.1%	-1.3%
				AUD/SGD	0.892	0.3%	2.6%
USD Swap Spread 10Y	-42	-1	-2	ASX200	8,727	-0.9%	-0.0%
USD Swap Spread 30Y	-74	-3	-2	DJIA	52,319	1.3%	2.4%
				SPX	7,499	1.8%	-1.3%
China 5Y CDS	37	-1	-3	MSCI Asiax	1,143	-0.6%	-3.1%
Malaysia 5Y CDS	38	-1	3	HSI	22,881	-2.0%	-12.1%
Indonesia 5Y CDS	89	-1	0	STI	5,171	-0.9%	2.6%
Thailand 5Y CDS	41	-2	-7	KLCI	1,670	-0.7%	-0.8%
Australia 5Y CDS	13	0	-1	JCI	5,624	-4.4%	-8.2%
				EU Stoxx 50	6,328	1.6%	4.9%

Source: Bloomberg

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