

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-4bps lower, belly tenors trading 2-3bps lower and 10Y trading 2bps lower.
- Flows in SGD corporates were heavy, with flows in AITSP 4.4%-PERP, SCISP 3.55% '46s, BACR 5.4%-PERP, AIA 3.58% '35s, FCTSP 3.98%-PERP, SUNSP 4.48%-PERP, PRUFIN 3.8% '35s, SPOST 4.35%-PERP, STSP 3.3%-PERP, AAREIT 4.7%-PERP.
- Adrian Cheng resigned as non-executive director and vice-chairman of New World Development Co. effective July 1 to focus on public service and personal matters. Mr Cheng previously stepped down as CEO in September 2024.
- In financing as per Bloomberg, Sunac China has been actively seeking new financing or additional capital through multiple channels while Guangzhou R&F continues to seek new sources of financing to address its upcoming financial obligations.
- In debt restructuring, Agile group is collaborating with advisers to develop its offshore debt restructuring plan, aiming for an agreement with most key offshore creditors by the end of 2025.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 75bps and Bloomberg Asia USD High Yield spreads widened by 5bps to 454bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Industry Outlook – Singapore Property:** Resale prices inched up by 0.9% q/q for HDB and 0.5% q/q for private residential in 2Q2025, according to flash estimates by HDB and URA respectively.
- **Standard Chartered PLC (“StanChart”):** Liquidators for 1Malaysia Development Berhad (“1MDB”), Malaysia’s sovereign wealth fund, have filed a claim for USD2.7bn against StanChart in the High Court of Singapore. The claim relates to shortfalls in anti-money laundering checks and processes that should have identified multiple intrabank transfers during 2009 and 2013.

Credit Headlines

Industry Outlook – Singapore Property

- **Resale prices inched up** by 0.9% q/q for HDB and 0.5% q/q for private residential in 2Q2025, according to flash estimates by HDB and URA respectively.
- **Divergence in price growth between regions:** For private residential, prices rose more in Core Central Region (+2.3% q/q), followed by Outside Central Region (+0.3% q/q) and Rest of Central Region (-1.1% q/q).
- **Transaction volumes have fallen q/q:** Private transaction volumes in April till mid June 2025 totaled 4,340 units, which is lower than 7,261 units that were transacted in 1Q2025. This is likely due to decline in the number of launches.
- **Price growth in-line with expectations.** In total, private residential prices rose 1.3% in YTD2025 (till mid-June 2025). This is in-line with our expectations for private residential prices to increase by 2-4% in the whole of 2025.

Standard Chartered PLC (“StanChart”)

- Liquidators for 1Malaysia Development Berhad (“1MDB”), Malaysia’s sovereign wealth fund, have filed a claim for USD2.7bn against StanChart in the High Court of Singapore. The claim relates to shortfalls in anti-money laundering checks and processes that should have identified multiple intrabank transfers during 2009 and 2013.
- StanChart has reportedly not received the claim documents and is rejecting any claims related to 1MDB.
- In its 2024 annual report, StanChart held USD94mn in other provisions for legal claims and regulatory and enforcement investigations and proceedings. There is no mention of pending litigation concerns or investigations related to 1MDB.
- StanChart announced a decent y/y improvement in underlying profit before taxation for 1QFY2025, up 7% to USD2.28bn. Meanwhile its CET1 capital position was 13.8% as at 31 March 2025, ~330bps above its 10.5% regulatory minimum and well within its 13-14% target range.
- We highlighted StanChart as an issuer whose fundamentals are more sensitive to the altered operating conditions and volatile funding environments following the US tariff announcements in our “Monthly Credit View - Post Tariff Announcement Themes & Updated House Views” published 9 April 2025.
- Notwithstanding the solid earnings performance, we continue to monitor StanChart closely in regard to its potential exposure to geopolitics and will also monitor developments on possible claims related to 1MDB. (The Edge, Bloomberg, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	6NC5	T+87bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	8NC7	T+97bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	11NC10	T+102bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	FRN	USD	900	6NC5	SOFR+119bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Subordinated, Tier 2	USD	1000	21NC20	T+102bps
30 Jun	SoftBank Corp.	Fixed	USD	500	5Y	T+90bps
30 Jun	SoftBank Corp.	Fixed	USD	500	10Y	T+110bps

Mandates:

- SoftBank Group Corp may issue debt in four tranches of USD denominated Fixed Bond with maturities of 3.75-, 5.5-, 7- and 10Y.

Key Market Movements

	1-Jul	1W chg (bps)	1M chg (bps)		1-Jul	1W chg	1M chg
iTraxx Asiax IG	74	-1	-5	Brent Crude Spot (\$/bbl)	66.9	-0.3%	4.7%
				Gold Spot (\$/oz)	3,331	0.2%	-1.5%
iTraxx Japan	62	-1	-3	CRB Commodity Index	297	-2.5%	2.4%
iTraxx Australia	74	-1	-3	S&P Commodity Index - GSCI	543	0.2%	3.5%
CDX NA IG	51	-2	-5	VIX	16.7	-15.6%	-9.9%
CDX NA HY	107	1	1	US10Y Yield	4.20%	-9bp	-20bp
iTraxx Eur Main	55	-2	-3				
iTraxx Eur XO	282	-9	-17	AUD/USD	0.658	1.3%	1.2%
iTraxx Eur Snr Fin	59	-2	-3	EUR/USD	1.177	1.4%	2.9%
iTraxx Eur Sub Fin	101	-4	-7	USD/SGD	1.272	0.6%	1.0%
				AUD/SGD	0.837	-0.7%	-0.2%
USD Swap Spread 10Y	-54	1	-3	ASX200	8,541	-0.2%	1.3%
USD Swap Spread 30Y	-87	3	-1	DJIA	44,095	3.6%	4.3%
				SPX	6,205	3.0%	5.0%
China 5Y CDS	51	1	-1	MSCI Asiax	797	0.7%	5.7%
Malaysia 5Y CDS	46	-1	-3	HSI	24,072	1.6%	3.9%
Indonesia 5Y CDS	77	-1	-2	STI	3,994	2.3%	2.6%
Thailand 5Y CDS	45	-1	-4	KLCI	1,536	1.2%	1.8%
Australia 5Y CDS	11	0	-1	JCI	6,901	1.7%	-3.8%
				EU Stoxx 50	5,303	0.1%	-1.2%

Source: Bloomberg

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