

Market Commentary:

- The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 1bps lower while belly tenors traded 1-2bps higher and 10Y traded 2bps higher.
- Flows in SGD corporates were light, with flows in WHURSP 4.8% '30s.
- As per Bloomberg, Novaland Investment Group Corp is in talks to raise fresh funds to repay outstanding bonds and resume stalled projects to return to profitability. It aims to clear all retail bonds by June 2026, expecting to secure funds within eight months. The company plans to restart about 60% of its projects in coming months, including the Aqua City complex, enabling home deliveries and payment collections.
- Meanwhile, TCL Technology Group Corp is exploring investor interest for a potential 3Y offshore bond issuance in Q1 2026, aiming to raise RMB1.5bn to RMB2bn via an offshore RMB or USD-denominated bond. The company has not decided on the currency as it weighs financing costs. If issued in offshore RMB-denominated bonds, it would be TCL's first dim sum bond. Proceeds will fund offshore operating expenses.
- In ratings, Fitch placed China Vanke Co Ltd ("Vanke") on watch negative while downgraded Vanke HK's senior unsecured rating and the rating on the subsidiary's outstanding senior notes to 'CC' from 'CCC-', with a lower Recovery Rating of 'RR5' from 'RR4' and placed the ratings on RWN. Lastly, Kaisa Group Holdings Ltd is seeking approval to pay minimum cash interest on the notes payable on 28 December 2025 in the form of shares in lieu of cash.
- Bloomberg Asia USD Investment Grade spreads widened by 1bp to 63bps and Bloomberg Asia USD High Yield spreads widened by 5bps to 387bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **City Developments Limited ("CDL"):** CDL, through its wholly-owned subsidiary Copthorne Hotel Holdings Limited, has completed the acquisition of the 706-room Holiday Inn London – Kensington High Street.
- **Industry Outlook – Financial Institutions, Barclays PLC ("Barclays"), HSBC Holdings PLC ("HSBC"), Standard Chartered PLC ("StanChart"):** The Bank of England ("BoE") published its latest Financial Stability Report, including the results of the 2025 Bank Capital Stress Test and an assessment of the resilience of major UK banks.
- **HSBC Holdings PLC ("HSBC"):** HSBC announced the appointment of Brendan Nelson as Group Chair. Mr Nelson had been serving on an interim basis since 1 October 2025. Mr Nelson has been a board member of HSBC since September 2023.

Credit Headlines

City Developments Limited (“CDL”)

- **CDL, through its wholly-owned subsidiary Copthorne Hotel Holdings Limited, has completed the acquisition of the 706-room Holiday Inn London – Kensington High Street.** The hotel spans 6,356 square metres and was acquired for GBP280mn (~SGD480.2mn), or approximately GBP396.6k (~SGD680.2k) per room.
- **Prime location.** The hotel is a prime freehold site in Central London, situated near Kensington High Street, Imperial College London, and the Museum Quarter in South Kensington. It is also within a 15-minute walk of Olympia London, which is nearing completion of its GBP1.3bn redevelopment into a major exhibitions and convention hub.
- **Strong performance.** The hotel has maintained robust performance with a high occupancy rate of 97% for the nine months ending September 2025. Total revenue for the preceding 12 months exceeded GBP39mn (~SGD66.9mn) and the asset is expected to generate a running yield of over 6%.
- **Aligned with strategic plans.** This acquisition is part of CDL Group’s capital recycling plans, with ~SGD1.9bn in contracted divestments year-to-date. Meanwhile, total investments for the year, including this acquisition, amounts to SGD1.7bn. The transaction increases CDL Group’s total hotel presence in Central London to over 3,000 rooms and supports the group’s strategy of investing in high-quality assets, creating long-term shareholder value, and capitalising on the further easing of interest rates in UK.
- **Credit neutral in our view.** CDL reported its 3Q2025 operational update in mid-November 2025. While no financials were released, CDL provided certain disclosures for each of its key business segments (Property Development, Property Investment, Hospitality) expecting the outlook to remain stable or positive for each of its segments. This transaction appears manageable for CDL. (Company, OCBC)

Industry Outlook – Financial Institutions, Barclays PLC (“Barclays”), HSBC Holdings PLC (“HSBC”), Standard Chartered PLC (“StanChart”)

- The Bank of England (“BoE”) published its latest Financial Stability Report, including the results of the 2025 Bank Capital Stress Test and an assessment of the resilience of major UK banks.
- The BoE concluded that the UK banking system remains well-capitalised and able to support households and businesses even under a severe global stress scenario. No individual bank was required to strengthen its capital position as a result of the test.
- The stress scenario assumed a deep global recession, sharp asset price falls, and elevated geopolitical risks. Despite these shocks, all major UK banks—including Barclays, HSBC, and StanChart—maintained capital and leverage ratios above regulatory minimums and systemic buffers throughout the stress.
- Internationally diversified banks faced additional pressures from global downturns and traded risk shocks in markets such as Hong Kong, China, the US, and Europe:
 - **Barclays:** CET1 ratio fell from 13.5% as of 31 December 2024 (14.1% as of 30 September 2025) to a low point of 9.3% (8.8% before strategic management actions), well above its minimum requirement of 7.2%. Leverage ratio declined to 4.2% (4.0% before strategic management actions) versus a 3.3% minimum.
 - **HSBC:** CET1 ratio decreased from 14.9% as of 31 December 2024 (14.5% as of 30 September 2025) to 11.9% (10.8% before strategic management actions), comfortably above its 5.8% minimum. Leverage ratio fell to 5.1% (4.5% before strategic management actions) against a 3.3% minimum.
 - **StanChart:** CET1 ratio dropped from 14.2% as of 31 December 2024 (14.2% as of 30 September 2025) to 9.8% (8.6% before strategic management actions), above its 6.1% minimum. Leverage ratio reached 4.6% (4.3% before strategic management actions) versus a 3.3% minimum.
- The BoE highlighted that credit impairments and traded risk were the main drivers of capital depletion, partially offset by higher net interest income. Aggregate CET1 fell by 3.5 percentage points system-wide but remained GBP60bn above regulatory minimums and buffers at the low point.
- The Financial Policy Committee reaffirmed that the UK banking system is resilient and capable of absorbing severe shocks without amplifying stress. It also lowered its benchmark for system-wide Tier 1 capital

requirements to around 13% of Risk Weighted Assets (equivalent to a CET1 ratio of ~11%), providing banks with greater certainty to deploy capital for lending.

- While vulnerabilities in global credit markets and private finance remain areas of focus, the BoE judged that major UK banks—including Barclays, HSBC, and StanChart—are well positioned to continue supporting the real economy under adverse conditions. (BoE)

HSBC Holdings PLC (“HSBC”)

- HSBC announced the appointment of Brendan Nelson as Group Chair. Mr Nelson had been serving on an interim basis since 1 October 2025. Mr Nelson has been a board member of HSBC since September 2023.
- Mr Nelson is currently also Chairman of the Group Audit Committee and will remain so until the publication of the 2025 results in February 2026.
- Prior chairman Mark Tucker announced in early June that he would stand down on 30 September and take on a non-executive chairman role at AIA Group Ltd. (Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
02 Dec	BNP Paribas	Senior Preferred, Fixed	SGD	100	3Y	2.12%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	3-Dec	1W chg (bps)	1M chg (bps)		3-Dec	1W chg	1M chg
iTraxx Asiax IG	67	-2	3	Brent Crude Spot (\$/bbl)	62.5	-1.0%	-3.7%
				Gold Spot (\$/oz)	4,208	1.1%	5.2%
iTraxx Japan	57	-0	1	CRB Commodity Index	301	1.7%	-1.7%
iTraxx Australia	66	-1	0	S&P Commodity Index - GSCI	555	2.2%	-1.0%
CDX NA IG	51	-1	-2	VIX	16.6	-19.2%	-3.4%
CDX NA HY	107	0	0	US10Y Yield	4.08%	8bp	-3bp
iTraxx Eur Main	53	-1	-2				
iTraxx Eur XO	255	-3	-10	AUD/USD	0.659	1.0%	0.7%
iTraxx Eur Snr Fin	57	-1	-3	EUR/USD	1.165	0.4%	1.1%
iTraxx Eur Sub Fin	97	-0	-4	USD/SGD	1.295	0.2%	0.8%
				AUD/SGD	0.853	-0.8%	0.0%
USD Swap Spread 10Y	-41	-0	1	ASX200	8,595	-0.1%	-3.4%
USD Swap Spread 30Y	-72	-1	0	DJIA	47,474	2.2%	0.3%
				SPX	6,829	1.9%	-0.3%
China 5Y CDS	46	-1	6	MSCI Asiax	895	0.2%	-3.2%
Malaysia 5Y CDS	40	-1	1	HSI	25,761	-0.6%	-1.5%
Indonesia 5Y CDS	74	-0	-0	STI	4,552	1.1%	2.4%
Thailand 5Y CDS	43	0	3	KLCI	1,622	-0.2%	-0.0%
Australia 5Y CDS	12	-0	1	JCI	8,635	0.4%	4.4%
				EU Stoxx 50	5,686	2.0%	0.1%

Source: Bloomberg

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