

Asian Credit Daily

4 July 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors and 10Y trading 2bps lower while belly tenors traded 2-3bps lower.
- Flows in SGD corporates were heavy, with flows in SUNSP 4.48%-PERP, UBS 5.75%-PERP, FCTSP 3.98%-PERP, AVSING 3.375% '31s, ARASP 5.65%-PERP, AIA 3.58% '35s, UBS 5.6%-PERP.
- Chinese builder Longfor Group ("Longfor") wired about RMB1.766bn to repay bondholders who exercised put options on a 4.1% RMB denominated bond, as per Bloomberg. The payment covered RMB1.697bn in principal and RMB69.7mn in interest. According to a public filing, Longfor must complete the payment by 7 July. The company remains one of the few large private Chinese developers yet to default.
- In other news by Bloomberg, New World Development Co. plans to raise up to USD2bn through a loan backed by its Victoria Dockside asset with a commitment deadline of 11 July. This loan is its first fresh funding test since completing a record USD11bn refinancing deal earlier this week. The company aims to raise at least HKD4bn, potentially up to HKD15.6bn, to repay debt and ease financial pressure.
- Bloomberg Asia USD Investment Grade spreads tightened by 3bps to 70bps and Bloomberg Asia USD High Yield spreads tightened by 9bps to 358bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Industry Outlook – Singapore Property:** The government has tightened the Seller's Stamp Duty by increasing the holding period from 3Y to 4Y and increasing the rates by 4ppts for each tier. This has resulted in duties hiked to 16% in the first year (from 12%), 12% in the 2nd year (from 8%), 8% in the 3rd year (from 4%) and 4% in the 4th year (from 0%). Essentially, SSD rules are reverted to pre-2017 levels.

Credit Headlines

Industry Outlook – Singapore Property

- **Tightening and reverting SSD to pre-2017 levels:** The government has tightened the Seller's Stamp Duty by increasing the holding period from 3Y to 4Y and increasing the rates by 4ppts for each tier. This has resulted in duties hiked to 16% in the first year (from 12%), 12% in the 2nd year (from 8%), 8% in the 3rd year (from 4%) and 4% in the 4th year (from 0%). Essentially, SSD rules are reverted to pre-2017 levels.
- **Change is manageable:** The change in SSD is not major, as sub-sales account for just 4.4% of total properties transacted in 1Q2025.
- **Rationale of tighter SSD due to increase in transactions with short holding periods:** According to the government, the number of private residential property transactions with short holding periods has increased sharply, with a significant increase in the sub-sale of units that have not been completed. Sub-sale is similar to resale, except that the sale happens before the completion of a development. In our view, sub-sales are used as an indicator of 'flipping' as the original buyer has not stayed in the development.
- **However, the timing of SSD tightening looks curious.** The percentage of sub-sales has come down substantially from the peak of 9.5% in 2023, and the absolute number has similar come down from about 400 units as of end-2023 to low 300s as of 4Q2024 and 1Q2025. While 2Q2025 data has yet to be released, we think there could have been further declines in sub-sale transactions as sales-rate of new launches have been slower in 2Q2025 versus 1Q2025. (URA, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
03 Jul	Zhangzhou Jiulongjiang Group Co Ltd	Green, Transition, Fixed	USD	500	3Y	4.55%
03 Jul	Q & M Dental Group (Singapore) Limited	Fixed	SGD	130	3Y	3.95%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	4-Jul	1W chg (bps)	1M chg (bps)		4-Jul	1W chg	1M chg
iTraxx Asiax IG	71	-3	-6	Brent Crude Spot (\$/bbl)	68.5	1.0%	5.6%
				Gold Spot (\$/oz)	3,337	1.9%	-1.0%
iTraxx Japan	62	0	-1	CRB Commodity Index	300	0.6%	-0.3%
iTraxx Australia	71	-3	-4	S&P Commodity Index - GSCI	553	1.5%	1.4%
CDX NA IG	49	-3	-6	VIX	16.9	3.7%	0.9%
CDX NA HY	108	1	2	US10Y Yield	4.35%	7bp	-1bp
iTraxx Eur Main	53	-2	-4				
iTraxx Eur XO	278	-6	-17	AUD/USD	0.656	0.4%	1.0%
iTraxx Eur Snr Fin	57	-2	-4	EUR/USD	1.177	0.5%	3.1%
iTraxx Eur Sub Fin	99	-1	-5	USD/SGD	1.274	0.1%	1.0%
				AUD/SGD	0.835	-0.3%	-0.0%
USD Swap Spread 10Y	-54	4	-11	ASX200	8,603	1.0%	0.7%
USD Swap Spread 30Y	-86	7	-9	DJIA	44,829	3.3%	4.8%
				SPX	6,279	2.3%	4.6%
China 5Y CDS	48	-4	-2	MSCI Asiax	805	0.2%	5.4%
Malaysia 5Y CDS	44	-2	-2	HSI	23,897	-1.8%	1.0%
Indonesia 5Y CDS	75	-3	-3	STI	4,008	1.1%	2.7%
Thailand 5Y CDS	43	-2	-3	KLCI	1,549	1.4%	2.7%
Australia 5Y CDS	11	-0	-0	JCI	6,847	-0.7%	-3.1%
				EU Stoxx 50	5,310	-0.3%	-1.8%

Source: Bloomberg

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathannq4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyionq1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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