

Asian Credit Daily5 September 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenors traded ~3bps lower and 10Y traded ~4bps lower.
- Flows in SGD corporates were moderate, with flows in BACR 7.3%-PERP, PSASP 2.23% '35s, BACR 5.4%-PERP.
- As per Bloomberg, Fosun International Ltd's indirect subsidiary Fidelidade-Companhia de Seguros SA ("Fidelidade") aims to optimise capital and boost liquidity by selling 40% of Portuguese hospital operator Luz Saúde to MEIF 7, a special purpose vehicle managed by Macquarie Asset Management of Macquarie Group Ltd, for EUR310mn (USD361mn). After the deal, Fidelidade will retain 59.86% of Luz Saúde's shares and voting rights.
- In other news, New World Development's former vice chairman Adrian Cheng has stepped down as director of Chow Tai Fook Enterprises Ltd, the Cheng family's investment vehicle.
- Bloomberg Asia USD Investment Grade spreads traded flat at 64bps and Bloomberg Asia USD High Yield spreads widened by 3bps to 345bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Industry Outlook – Singapore Property:** According to a poll done by the National University of Singapore's Institute of Real Estate and Urban Studies, real estate players are turning more optimistic with the composite sentiment index rising to 5.7, a leap from the previous score of 4.3 in 1Q2025, above the neutral score of 5.0.

Credit Headlines

Industry Outlook – Singapore Property

- **Stronger sentiments amongst real estate players in 2Q2025:** According to a poll done by the National University of Singapore's Institute of Real Estate and Urban Studies, real estate players are turning more optimistic with the composite sentiment index rising to 5.7, a leap from the previous score of 4.3 in 1Q2025, above the neutral score of 5.0.
- **Concern over economy remains high:** 80.8% of respondents remained (1Q2025: 87.5%) concerned over the slow-down in the global economy. Meanwhile, concerns over the domestic economy increased to 73.1% in 2Q2025 (1Q2025: 70.8%, 4Q2024: 29.6%).
- **Rising Cost:** 50% of respondents (1Q2025: 33.3%) expressed concerns regarding rising construction costs. Land costs were the top concern for developers, with 25% being very concerned. Respondents also sounded out preference for Government Land Sales ("GLS") over private sites amidst current pricing misalignment between sellers and developers. Additionally, building material and labour costs ranked among the top concerns related to overall development costs.
- **More launches and higher price:** 6.3% of developers anticipate a significantly higher number of units to be launched, while an additional 56.2% expect a moderately higher number of units to be introduced in the next six months (1Q2025: 35.7%). Additionally, 43.7% of developers foresee a moderate increase in prices over the next half year. Though, expectation of government intervention to cool the market increased to 42.3% (1Q2025: 29.2%).
- **Sector Sentiment:** Respondents expressed a positive outlook for both current and future conditions in prime residential, suburban residential, and hotel/serviced apartment sectors, while business park/hi-tech spaces and prime retail sectors received the least favourable sentiment. (National University of Singapore)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
04 Sep	Netlink Trust	Fixed (Privately placed)	SGD	300	20Y	10.50%
04 Sep	China Construction Bank Corp of London	Green, FRN	USD	1,000	3Y	SOFR1X+50bps
04 Sep	China Construction Bank Corp of London	Green, FRN	USD	500	5Y	SOFR1X+58bps
04 Sep	SK Hynix Inc	Fixed	USD	600	3Y	T+73bps (Reoffer price 99.905 to yield 4.284%)
04 Sep	SK Hynix Inc	Fixed	USD	600	5Y	T+80bps (Reoffer price 99.632 to yield 4.458%)

Mandates:

- Petron Corp may issue a USD-denominated Senior Perpetual Note.

Key Market Movements

	5-Sep	1W chg (bps)	1M chg (bps)		5-Sep	1W chg	1M chg
iTraxx Asiax IG	64	-3	-7	Brent Crude Spot (\$/bbl)	66.8	-1.9%	-1.2%
				Gold Spot (\$/oz)	3,550	2.9%	5.0%
iTraxx Japan	54	0	-3	CRB Commodity Index	300	-0.1%	2.4%
iTraxx Australia	66	-1	-4	S&P Commodity Index - GSCI	549	0.0%	1.7%
CDX NA IG	50	-1	-3	VIX	15.3	3.0%	-14.3%
CDX NA HY	107	0	0	US10Y Yield	4.16%	-7bp	-5bp
iTraxx Eur Main	54	-1	-2				
iTraxx Eur XO	263	-5	-13	AUD/USD	0.653	-0.1%	0.9%
iTraxx Eur Snr Fin	58	-2	-0	EUR/USD	1.167	-0.1%	0.8%
iTraxx Eur Sub Fin	98	-3	-1	USD/SGD	1.287	-0.3%	0.0%
				AUD/SGD	0.841	-0.1%	-0.8%
USD Swap Spread 10Y	-53	0	-1	ASX200	8,861	-1.3%	1.0%
USD Swap Spread 30Y	-83	1	1	DJIA	45,621	0.1%	3.4%
				SPX	6,502	0.3%	3.2%
China 5Y CDS	41	-3	-3	MSCI Asiax	826	0.3%	1.3%
Malaysia 5Y CDS	39	0	-3	HSI	25,197	0.5%	1.2%
Indonesia 5Y CDS	70	-0	-4	STI	4,306	0.9%	2.3%
Thailand 5Y CDS	38	-0	-4	KLCI	1,578	-0.6%	1.4%
Australia 5Y CDS	11	0	-0	JCI	7,867	-1.1%	4.4%
				EU Stoxx 50	5,347	-0.9%	1.9%

Source: Bloomberg

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