Asian Credit Daily

7 October 2025

Market Commentary:

- The SGD SORA OIS curve traded slightly higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors and 10Y traded ~1bps higher.
- Flows in SGD corporates were moderate, with flows in HSBC 5%-PERP and BACR 5.4%-PERP.
- As per Bloomberg, Lai Sun Development Co Ltd has obtained a HKD3.46bn loan refinancing, easing its liquidity strain amidst Hong Kong prolonged property slump. The proceeds from the 5Y syndicated loan will be used to refinance HKD3.6bn of loans originally due on 06 October. However, it still faces challenges, including a bank loan maturing later in this year and a USD493mn bond due in July next year.
- Meanwhile, in Europe, the focus was on French assets and banks in particular with the resignation of Prime Minister Sebastien Lecornu with yields rising and the spread between French and German debt rising to almost 90bps.
- Bloomberg Asia USD Investment Grade spreads tightened by ~1bps to 59bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 320bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **CapitaLand Ascendas REIT ("AREIT"):** Acquiring three properties in Singapore for ~SGD565.8mn, including a ramp-up logistics property (2 Pioneer Sector 1), a light industrial property (Tuas Connection) and a high-specifications industrial property (9 Kallang Sector).

Credit Headlines

CapitaLand Ascendas REIT ("AREIT")

- **Acquiring three properties in Singapore for ~SGD565.8mn:** The proposed acquisition includes a ramp-up logistics property (2 Pioneer Sector 1), a light industrial property (Tuas Connection) and a high-specifications industrial property (9 Kallang Sector). The acquisitions are expected to be completed by 1Q2026. We note that this follows recent acquisitions of a Tier III colocation data centre and a premium business space property which were completed in August 2025. These properties are to be acquired from Vita Partners.
- **Properties to be acquired have good portfolio statistics:** The properties are fully occupied by 19 tenants with a WALE of 5.5Y. Rental escalations range from 1% to 5% p.a., while in-place rents are about 15% below current market rents. Post-transaction first year net property income yield is 6.1%. However, we note that the average remaining land lease tenure of the properties is only 23Y.
- **Acquisition does not materially move AREIT's credit profile:** The acquisition size of SGD565.8mn is manageable relative to AREIT's total assets of SGD18.4bn as of 30 June 2025. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
06 Oct	Muangthai Capital PCL (guarantor: Credit Guarantee & Investment Facility)	Social, Fixed	SGD	64	3Y	2.15%
06 Oct	Muangthai Capital PCL (guarantor: Credit Guarantee & Investment Facility)	Social, Fixed	SGD	65	5Y	2.28%
06 Oct	Muthoot Finance Ltd	Fixed, Senior Secured	USD	150	Retap of MUTHIN 6.375% ‘30s	101.75 to yield 5.863%

Mandates:

- Avation PLC may issue Bond of USD300-400mn and up to 5.5NC2.
- Momentive Performance Materials Inc. (guarantor: Kookmin Bank) may issue a USD-denominated 3Y note.

Key Market Movements

	7-Oct	1W chg (bps)	1M chg (bps)		7-Oct	1W chg	1M chg
iTraxx Asiax IG	63	-2	-0	**Brent Crude Spot ($/bbl)**	65.5	-2.2%	0.1%
				Gold Spot ($/oz)	3,962	2.7%	9.0%
iTraxx Japan	54	-2	1	**CRB Commodity Index**	301	-0.5%	1.1%
iTraxx Australia	65	-1	-1	**S&P Commodity Index - GSCI**	551	-0.7%	1.4%
CDX NA IG	51	-1	1	**VIX**	16.4	1.6%	7.8%
CDX NA HY	108	0	1	**US10Y Yield**	4.16%	1bp	8bp
iTraxx Eur Main	56	-0	2				
iTraxx Eur XO	261	-1	0	**AUD/USD**	0.661	-0.1%	0.2%
iTraxx Eur Snr Fin	60	-0	3	**EUR/USD**	1.171	-0.2%	-0.5%
iTraxx Eur Sub Fin	102	-0	6	**USD/SGD**	1.292	-0.1%	-0.7%
				AUD/SGD	0.854	-0.1%	-0.9%
USD Swap Spread 10Y	-49	1	8	**ASX200**	8,955	1.2%	0.9%
USD Swap Spread 30Y	-79	1	11	**DJIA**	46,695	0.8%	2.9%
				SPX	6,740	1.2%	4.0%
China 5Y CDS	38	0	-3	**MSCI Asiax**	899	2.4%	7.6%
Malaysia 5Y CDS	41	-2	2	**HSI**	26,958	3.2%	6.1%
Indonesia 5Y CDS	78	-4	6	**STI**	4,429	3.0%	2.8%
Thailand 5Y CDS	40	-1	2	**KLCI**	1,636	1.5%	3.6%
Australia 5Y CDS	11	-1	1	**JCI**	8,140	0.2%	3.5%
				EU Stoxx 50	5,629	2.2%	5.8%

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
herberthtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

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

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@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
Credit Research Analyst
mengteechin@ocbc.com