

Market Commentary:

- The SGD SORA OIS curve traded flat last Friday with shorter tenors, belly tenors and 10Y trading flat.
- Flows in SGD corporates were heavy, with flows in BACR 4.65%-PERP.
- As per Bloomberg, Road King Infrastructure Ltd has elected to defer the scheduled distribution on 18 November for its 7.75% perpetual capital securities to the next payment date.
- Meanwhile, Wiwynn Corp plans to issue up to USD2bn of offshore 5Y unsecured convertible bonds to fund purchase of materials.
- In other news, PT Chandra Asri Pacific Tbk ("Chandra Asri") has mandated KKR & Co.'s insurance business Global Atlantic to provide financing for its USD1bn acquisition of Esso-branded service stations in Singapore from Exxon Mobil Corp. Global Atlantic will provide a USD750mn unitranche facility while the remaining USD250mn will be through Chandra Asri's own equities.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 60bps and Bloomberg Asia USD High Yield spreads tightened by 2bps to 354bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Keppel Ltd ("KEP"):** CirclesLife has raised concerns over the proposed transaction involving the sale of M1 Limited (indirect subsidiary of KEP) to Simba Telecom Pte Ltd (as purchaser) and Tuas Limited (as guarantor), arguing the need to retain market competition in the mobile market and urging the regulator to enforce its wholesale framework for all Mobile Virtual Network Operator ("MVNO") contracts with the merged entity. Typical of regulated industries, transaction completion depends upon relevant approvals and decisions being obtained from the IMDA. In our view, the latest development increases transaction execution uncertainty.
- **Mapletree Investments Pte Ltd ("MAPL"), CapitaLand Investment Ltd ("CLI"):** The media reported that Mapletree Investments Pte Ltd ("MAPL") and CapitaLand Investment Ltd ("CLI") are considering a potential business combination although this is in early stages. CLI clarified that while it regularly explores and evaluates various investment opportunities, as a matter of policy, CLI does not comment on rumours or speculation. Subsequently, Bloomberg further reported that CLI is exploring carving out its assets in China as part of a possible merger.
- **Singapore Post Ltd ("SingPost"):** SingPost reported its 1H FY2026 results for the period ended 30 September 2025. Overall performance remained weak amidst persistent challenges in the postal and eCommerce logistics segments.
- **ANZ Group Holdings Ltd ("ANZG") / Australia & New Zealand Banking Group Ltd ("ANZ"):** ANZG announced its FY2025 results for the year ended 30 September 2025. FY2025 cash profit of AUD5.79bn was down 14% y/y, while 2HFY2025 cash profit of AUD2.22bn was down 38% h/h. Statutory profit for FY2025 was AUD5.89bn, down 10% y/y.

Credit Headlines**Keppel Ltd ("KEP")**

- The Business Times reported that in a formal submission to the Infocomm Media Development Authority ("IMDA", regulator for the telecommunications sector), Circles.Life has raised concerns over the proposed sale of M1 Limited ("M1", indirect subsidiary of KEP) to Simba Telecom Pte Ltd ("Simba"), as purchaser and Tuas Limited ("Tuas", listed on the Australian Securities Exchanged, spun out of TPG Telecom Limited, as guarantor).
 - Per Circles.Life, the merged entity would control 77% of the wholesale mobile market and have a postpaid retail market share exceeding 38%, arguing the need to retain market competition and urging IMDA to enforce its wholesale framework for all Mobile Virtual Network Operator ("MVNO") contracts with the merged entity.
- Last month, KEP disclosed that M1 is facing legal action from Liberty Wireless (parent of Circles.Life) in the Singapore High Court. The dispute concerns a 2019 mobile virtual network arrangement. At that time, KEP shared that the Vendors (KEP entities defined below) do not expect the allegations to adversely impact or delay the completion of the sale of M1. We shared that publicly available information did not indicate why the legal action was occurring, though we note that Circles.Life competes with Simba and that Circles.Life is a key MVNO in the Singapore market, tapping onto M1's infrastructure.
- As a recap in August 2025, KEP announced that Keppel Konnect Pte Ltd, a wholly-owned direct subsidiary of KEP and Konnectivity Pte Ltd, an indirect subsidiary of KEP (collectively, the "Vendors") have entered into a sale and purchase agreement to sell the entire share capital of M1 after M1's proposed restructuring.
 - KEP has an effective-stake of 83.9%-stake in M1 and will retain the ICT business.
 - KEP's proportion of the consideration is ~SGD985mn, payable in cash.
- Typical of regulated industries, transaction completion depends upon relevant approvals and decisions being obtained from the IMDA. In our view, the latest development increases transaction execution uncertainty. (Business Times, Company, OCBC)

Mapletree Investments Pte Ltd ("MAPL")**CapitaLand Investment Ltd ("CLI")**

- Wall Street Journal earlier this month reported that CLI and MAPL are considering a potential business combination and likely to start laying the groundwork for the process as early as next year, quoting unnamed sources. The article adds that the plans are in the very initial stages and a deal may or may not materialise. CLI has responded that "it remains firmly committed to delivering long-term value for its shareholders and in the ordinary course of its business, it regularly explores and evaluates various investment opportunities that align with its strategic objectives. As a matter of policy, CLI does not comment on rumours or speculation." MAPL as an unlisted entity has not announced a response.
- Subsequently on 7 November 2025, Bloomberg reported that CLI is exploring options including carving out its assets in China as part of a potential merger with MAPL, with discussions picked up recently as part of a year-end strategic reviews. (Dow Jones, Wall Street Journal, Bloomberg, Company)

Singapore Post Ltd ("SingPost")

- SingPost reported its 1HFY2026 results for the period ended 30 September 2025. **Overall performance remained weak amidst persistent challenges in the postal and eCommerce logistics segments. Despite there is little adjusted net debt, operating metrics and profitability have deteriorated meaningfully y/y. We remain cautious on SingPost's mid-to-long term outlook due to (1) structural decline in the postal segment and (2) intense competition in the eCommerce logistics space from players like Shopee, J&T Express, Ninja Van, etc.**
- **1HFY2026 revenue fell 27.4% y/y to SGD188.4mn** (1HFY2025: SGD259.6mn), mainly due to a sharp drop in Logistics and Letters segment from International (-58% y/y to SGD47.3mn) and Domestic Markets (-5.5% y/y to SGD102.2mn).

- **Operating profit declined 66.0% y/y to SGD5.7mn** (1H FY2025: SGD16.8mn) amidst meaningfully lower revenue particularly from Logistics and Letters segment.
 - Logistics and Letters recorded operating loss of -SGD4.4mn (1H FY2025: +SGD13.7mn).
 - Post Office Network recorded narrower operating loss of -SGD5.8mn (-SGD6.7mn) as number of post offices reduced to 40 (September 2024: 46).
 - Property Assets' operating profit fell 3.3% y/y to SGD23.9mn due to higher expenses such as property management services cost and property tax.
- **1H FY2026 operating metrics weakened except Property Assets:**
 - Domestic eCommerce volumes fell 2.8% y/y to 13.0mn items.
 - Domestic letter mail volumes fell 8.1% y/y to 162.8mn items.
 - International eCommerce volumes plunged 62.9% y/y to 1.76mn kg.
 - International letter mail volumes declined 18.6% y/y to 0.45mn kg.
 - Stronger Property Occupancy: SingPost Centre's occupancy rate improved by 1ppts to y/y 99.2% as of 30 September 2025.
- **Credit metrics affected by lower earnings:** Adjusted debt including perpetual and lease liabilities / annualized 1H FY2026 EBITDA weakened to 13.7x (FY2025: 7.5x) while adjusted interest coverage ratio (including perpetual distribution) remained stable at 2.1 (FY2025: 2.2x).
- **Marginal net debt:** As of 30 September 2025, SingPost's net debt was modest at SGD21.2mn (cash: SGD594.1mn, adjusted net debt including perpetual and lease liabilities: SGD615.3mn). Besides, there will be potential one-off proceeds of ~SGD55mn from the sale of 10 HDB shophouses, which are pending for regulatory approvals.
- While SingPost has strengthened its balance sheet through divestments with little adjusted net debt, we remain cautious on its outlook due to:
 - Continued decline in postal and logistics volumes while regional peers (eg. Shopee and J&T Global Express Limited) continue to do well in Southeast Asia.
 - Property Assets is the only profitable segment for SingPost. (Company, OCBC)

ANZ Group Holdings Ltd ("ANZG") / Australia & New Zealand Banking Group Ltd ("ANZ")

- ANZG announced its FY2025 results for the year ended 30 September 2025. FY2025 cash profit of AUD5.79bn was down 14% y/y, while 2H FY2025 cash profit of AUD2.22bn was down 38% h/h. Statutory profit for FY2025 was AUD5.89bn, down 10% y/y. The decline in earnings was driven by higher operating expenses, lower other operating income, and increased credit impairment charges that offset growth in net interest income and lending volumes. Cash profit excludes non-core items and reflects the result of ongoing business activities.
- FY2025 cash profit performance was influenced by operating income of AUD21.90bn, up 5% y/y:
 - Net interest income rose 12% y/y to AUD17.96bn, driven by a 13% increase in average interest earning assets, largely from the Suncorp Bank acquisition and lending growth in Australia Retail and Institutional divisions. However, net interest margins declined 2bps y/y to 1.55% due to competitive pricing pressures, unfavourable deposit margins, and higher wholesale funding costs. This was partly offset by the capital and replicating portfolio and higher hedge rates as well as a positive 3bps impact from the Suncorp Bank acquisition.
 - Other operating income fell 17% y/y to AUD3.94bn, mainly due to:
 - A 20% decline in Markets income from lower trading gains across Rates, Credit and Commodities.
 - A AUD285mn impairment of ANZG's equity investment in PT Bank Panin Indonesia.
 - A 4% drop in net fee and commission income, impacted by higher customer remediation in Australia Commercial and lower non-lending fees in Australia Retail, Institutional and New Zealand divisions.
 - These were partially offset by a modest 2% increase in other income from higher FX related income and the Suncorp Bank acquisition.
- Cash operating expenses rose 20% y/y to AUD12.88bn, driven by:

- Personnel costs (+9% y/y) due to inflation and the Suncorp Bank acquisition.
- Technology expenses (+17% y/y) from higher software amortisation, impairments, inflation, and licensing costs.
- Restructuring expenses surged to AUD772mn (from AUD235mn in FY2024), reflecting a cost reset program and accelerated Suncorp Bank migration.
- Other expenses (+37% y/y) included a AUD271mn charge related to Australian Securities and Investments Commission (“ASIC”) settlements and increased legal and investment costs.
- Credit impairment charges rose 9% y/y to AUD441mn:
 - Individually assessed provisions increased to AUD327mn (from AUD144mn), driven by impairments in Institutional (AUD110mn), Australia Commercial (AUD55mn), and Suncorp Bank (AUD24mn).
 - Collectively assessed provisions fell to AUD114mn (from AUD262mn), reflecting improved economic outlook and reduced management overlays, partially offset by model changes and portfolio growth.
- By segment on a cash profit basis:
 - **Australia Retail** cash profit fell 35% y/y to AUD1.05bn. Lending volumes rose, but net interest margin declined due to home loan pricing competition and higher funding costs. Other income fell due to customer remediation, while expenses rose from ASIC penalties and restructuring.
 - **Australia Commercial** cash profit declined 3% y/y to AUD1.30bn. Margin compression from deposit mix and pricing competition was partially offset by productivity gains. Credit impairments rose due to small and medium enterprise (“SME”) banking and Agri exposures.
 - **Institutional** cash profit dropped 9% y/y to AUD2.61bn. Corporate Finance lending growth was offset by lower Markets income and margin pressure. Expenses rose due to ASIC settlements.
 - **New Zealand** cash profit rose 5% y/y to AUD1.61bn. Lending growth and improved net interest margins supported earnings, though offset by higher expenses from inflation and lower card income.
 - **Suncorp Bank** reported AUD418mn in cash profit, reversing a AUD122mn loss in FY2024. The turnaround reflects full-year contribution with Suncorp Bank acquired 31 July 2024 and absence of acquisition-related charges from FY2024.
 - **Pacific** cash profit declined to AUD43mn (from AUD60mn), impacted by lower net interest income and higher costs.
 - **Group Centre** posted a loss of AUD1.24bn, widened from a loss of AUD556mn in FY2024, due to the PT Panin impairment and restructuring charges.
- ANZG’s APRA Level 2 CET1 ratio was 12.0% as at 30 September 2025, down 20bps y/y and up 20bps h/h. The y/y decline reflects dividend payments and risk-weighted asset growth as well as 2HFY2025 significant items, partially offset by earnings and capital management actions.
 - The CET1 ratio remains above APRA’s “Unquestionably Strong” minimum of 10.5% that comes into effect on 1 January 2027.
 - On an internationally comparable Basel III basis, the CET1 ratio was 17.6%.
 - The AUD2.0bn share buy-back announced in FY2024 was ceased in October 2025, with AUD1.175bn completed.
- ANZG is now focused on executing its refreshed “ANZ 2030” strategy under new CEO Nuno Matos that was announced in early October 2025. Priorities across four strategic pillars of Customer First, Simplicity, Resilience and Delivering Value include:
 - Accelerating the integration of Suncorp Bank by June 2027.
 - Upgrading 8 million Australia Retail customers to the ANZ Plus digital platform by September 2027.
 - Strengthening non-financial risk management following a Court Enforceable Undertaking with APRA and ASIC settlements.
 - Driving productivity and simplification to offset cost pressures and support long-term value creation.
 - Putting in place a revised leadership team with recent appointments to the Executive Committee including a new Group Executive Australia Retail, new Group Executive Operations, new Group Chief Risk Officer and new Group Chief Information Officer.

- While ANZG's results are somewhat divergent to recent results announcements of its domestic peers, they are somewhat in line with our expectations that there are somewhat more influences on ANZG's fundamental profile compared to peers. We continue to monitor ongoing developments at ANZG as its fundamental profile undergoes transformation. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
07 Nov	China Development Bank/Hong Kong	FRN	USD	100	2Y	SOFR+20bps

Mandates:

- There were no notable mandates last Friday.

Key Market Movements

	10-Nov	1W chg (bps)	1M chg (bps)		10-Nov	1W chg	1M chg
iTraxx Asiax IG	69	4	-0	Brent Crude Spot (\$/bbl)	64.1	-1.3%	2.1%
				Gold Spot (\$/oz)	4,048	1.2%	0.8%
iTraxx Japan	58	2	-0	CRB Commodity Index	301	-0.5%	2.8%
iTraxx Australia	69	4	3	S&P Commodity Index - GSCI	554	-1.3%	2.5%
CDX NA IG	54	0	-2	VIX	19.1	9.4%	-11.9%
CDX NA HY	107	-0	0	US10Y Yield	4.13%	2bp	10bp
iTraxx Eur Main	57	2	-2				
iTraxx Eur XO	271	6	-12	AUD/USD	0.651	-0.4%	0.6%
iTraxx Eur Snr Fin	60	1	-3	EUR/USD	1.155	0.3%	-0.6%
iTraxx Eur Sub Fin	103	2	-5	USD/SGD	1.303	0.2%	-0.4%
				AUD/SGD	0.848	0.5%	-1.0%
USD Swap Spread 10Y	-44	-1	4	ASX200	8,825	-0.8%	-1.5%
USD Swap Spread 30Y	-74	-2	3	DJIA	46,987	-1.2%	3.3%
				SPX	6,729	-1.6%	2.7%
China 5Y CDS	43	3	-3	MSCI Asiax	904	-2.3%	0.8%
Malaysia 5Y CDS	41	2	-1	HSI	26,392	0.9%	0.4%
Indonesia 5Y CDS	77	3	-5	STI	4,469	0.5%	0.9%
Thailand 5Y CDS	42	2	1	KLCI	1,630	0.5%	0.5%
Australia 5Y CDS	11	0	-0	JCI	8,434	1.9%	2.1%
				EU Stoxx 50	5,567	-1.7%	0.6%

Source: Bloomberg

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