Asian Credit Daily

11 November 2025

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-3bps higher while belly tenors traded 3-4bps higher and 10Y traded 4bps higher.
- Flows in SGD corporates were moderate, with flows in BACR 4.65%-PERP, SANTAN 2.35% '31s & AIA 3.58% '35s.
- As per Bloomberg, Hong Kong issued USD1.3bn in new “digitally native” green bonds across four currencies, advancing its goal to become a global digital asset hub. This marks the city's third sale since 2023, with issuance and clearing via HSBC’s DLT platform. Proceeds will fund projects under Hong Kong’s green bond framework, and S&P Global Ratings assigned the bonds an AA+ rating.
- In other news, E-House China Enterprise Holdings Ltd has entered into a restructuring support agreement with initial consenting creditors and subsidiary guarantors. These creditors, representing ~35.6% of the aggregate outstanding principal amount of offshore debt, agreed to support restructuring of notes and convertible notes via new schemes. The company plans to invite remaining noteholders for irrevocable support and aims to implement the restructuring through schemes requiring approval from a majority in number and at least 75% in value of scheme creditors.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 59bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 351bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Commonwealth Bank of Australia (“CBA”):** CBA reported its 1QFY2026 trading update for the three months ended 30 September 2025 with unaudited cash net profit after tax of ~AUD2.6bn, up 1% against the 2HFY2025 quarterly average and 2% higher than 1QFY2025. Results continue to reflect CBA’s solid operating performance and strong business franchise.

Credit Headlines

Commonwealth Bank of Australia ("CBA")

- CBA reported its 1QFY2026 trading update for the three months ended 30 September 2025 with unaudited cash net profit after tax of ~AUD2.6bn, up 1% against the 2HFY2025 quarterly average and 2% higher than 1QFY2025. Results continue to reflect CBA's solid operating performance and strong business franchise.
- 1QFY2026 performance against the 2HFY2025 quarterly average reflects:
  - A 3% increase in operating income driven by lending and deposit volume growth, higher non-interest income, and 1.5 additional calendar days in the quarter. Headline net interest margin declined due to mix effects from strong growth in lower-yielding liquid assets and institutional repos, while underlying margin was slightly lower due to deposit switching, competition, and the lower cash rate environment.
  - A 4% increase in operating expenses (excluding restructuring and notable items) due to higher wage and IT vendor expenses and the additional calendar days, partially offset by ongoing productivity initiatives.
  - Lending volume growth in 1QFY2026 was above system in home lending (1.1x), household deposits (1.2x), and broadly in line for business lending (~1x).
- Loan impairment expense of AUD220mn was up 8% against the 2HFY2025 quarterly average and up 38% y/y, translating to 9bps of average Gross Loans and Acceptances, up from 7bps in 2HFY2025. Portfolio credit quality remained sound with improvements in consumer arrears and corporate troublesome and non-performing exposures.
  - Corporate troublesome and non-performing exposures declined to AUD6.2bn as at 30 September 2025 (AUD6.3bn and AUD6.4bn as at 30 June 2025 and 30 September 2024 respectively), representing 0.94% of Total Committed Exposure, down from 0.97% and 1.07% respectively.
  - 90+ days consumer arrears in personal loans, credit cards, and home loans were 1.37%, 0.67%, and 0.66% respectively as at 30 September 2025, down 14bps, 2bps, and 6bps q/q. The decline in personal loan arrears was seasonal, while home loan arrears benefited from easing financial conditions.
  - Total credit provisions remained flat at AUD6.4bn, with provision coverage ratios of 1.60% (total) and 1.39% (collective) to Credit Risk Weighted Assets, well above pre-pandemic levels of 1.29% and 1.05% as at 30 June 2019. Collective provisions accounted for AUD5.6bn or ~87.5% of total provisions.
- CBA's APRA-compliant Level 2 CET1 capital ratio of 11.8% as at 30 September 2025 was down 50bps from 12.3% as at 30 June 2025, with organic capital generation (+51bps) offset by the 2HFY2025 dividend payment and Dividend Reinvestment Plan (-87bps), and other movements (-21bps, mainly risk weighted asset growth). The ratio remains well above the current minimum regulatory requirement of 10.25%. A pro forma CET1 ratio of ~12.0% was reported as at 1 October 2025 following the implementation of APS 117.
- Liquidity and funding metrics remain sound with the Liquidity Coverage Ratio and Net Stable Funding Ratio of 133% and 116% respectively, both above the 100% regulatory minimum. Deposit funding accounted for 79% of total funding, with long-term wholesale funding at 14% and short-term wholesale funding at 7%. CBA raised AUD16bn in long-term wholesale funding year-to-date.
- CBA's outlook remains cautiously optimistic. While geopolitical and macroeconomic uncertainty persists, domestic resilience is supported by recovering economic growth and rising household disposable income. Competitive intensity across the financial system is being closely monitored. CBA's fundamentals remain sound in our view. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
10 Nov	DBS Trustee Limited (in its capacity as trustee of CDL Hospitality Real Estate Investment Trust ("H-REIT"))	Subordinated, Perpetual	SGD	150	PerpNC5	Par to yield 3.70%
10 Nov	Hong Kong Special Administrative Region of the People's Republic of China	Green, Fixed	USD	300	3Y	T+3bps (reoffer price 99.977 to yield 3.633%)
10 Nov	DBS Bank Ltd	FRN	USD	100	3Y	SOFR+46bps

Mandates:

- United Energy Group Limited may issue a USD-denominated benchmark 5NC2 bond.

Key Market Movements

	11-Nov	1W chg (bps)	1M chg (bps)		11-Nov	1W chg	1M chg
iTraxx Asiax IG	66	-2	-2	**Brent Crude Spot ($/bbl)**	63.9	-0.9%	1.8%
				Gold Spot ($/oz)	4,139	5.3%	0.7%
iTraxx Japan	57	1	-1	**CRB Commodity Index**	305	-0.3%	4.2%
iTraxx Australia	68	-1	-1	**S&P Commodity Index - GSCI**	561	0.6%	3.8%
CDX NA IG	52	-2	-3	**VIX**	17.6	2.5%	-18.7%
CDX NA HY	107	0	1	**US10Y Yield**	4.12%	3bp	8bp
iTraxx Eur Main	54	-1	-4				
iTraxx Eur XO	261	-5	-21	**AUD/USD**	0.653	0.6%	0.2%
iTraxx Eur Snr Fin	58	-1	-5	**EUR/USD**	1.156	0.6%	-0.1%
iTraxx Eur Sub Fin	99	-2	-9	**USD/SGD**	1.303	0.4%	-0.3%
				AUD/SGD	0.851	-0.2%	-0.5%
USD Swap Spread 10Y	-44	-1	4	**ASX200**	8,833	0.2%	-1.4%
USD Swap Spread 30Y	-73	-2	4	**DJIA**	47,369	0.1%	4.2%
				SPX	6,832	-0.3%	4.3%
China 5Y CDS	41	-1	-4	**MSCI Asiax**	916	0.3%	2.2%
Malaysia 5Y CDS	40	-1	-3	**HSI**	26,553	2.3%	1.0%
Indonesia 5Y CDS	75	-3	-7	**STI**	4,543	2.7%	2.6%
Thailand 5Y CDS	41	-1	-1	**KLCI**	1,638	0.9%	0.9%
Australia 5Y CDS	11	-0	-1	**JCI**	8,360	1.4%	1.2%
				EU Stoxx 50	5,664	-0.3%	2.4%

Source: Bloomberg

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