

Asian Credit Daily

12 November 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 1bps lower while belly tenors and 10Y traded 1bps lower.
- Flows in SGD corporates were moderate, with flows in BACR 4.65%-PERP, LLCAU 3.9%-PERP.
- As per Bloomberg, China Vanke Co Ltd ("Vanke") largest shareholder, Shenzhen Metro Group Co Ltd, will offer new loans up to RMB1.67bn to repay bond principals and interests. Vanke will hold a shareholder meeting on 20 Nov to review proposal to offer collaterals for the loans.
- Meanwhile, Guangzhou R&F Properties Co Ltd announced that restructuring proposal for one of its domestic bonds in the outstanding principal amount of RMB1.68bn has been passed in a bondholder's meeting.
- Lastly, Fitch affirms China Petroleum & Chemical Corporation ("Sinopec")'s long term foreign and local currency issuer default rating at A with outlook stable. Key drivers of the rating include a very strong operational and healthy credit metrics especially when also factoring in government involvement and support.
- Bloomberg Asia USD Investment Grade spreads remained at 59bps and Bloomberg Asia USD High Yield spreads remained at 351bps respectively, as the US treasury market closed for Veteran's Day. (Bloomberg, OCBC)

Credit Summary:

- **Fraser and Neave Ltd ("FNN"):** FNN announced FY2025 results for the full year ended 30 September 2025. Results were decent with revenue up 7.4% y/y to SGD2.32bn and reported PBIT up 3.7% y/y to SGD308.1mn while credit metrics remain healthy.
- **Singapore Telecommunications Ltd ("SingTel"):** SingTel reported 1HFY2026 results for the half year ended 30 September 2025. Results look strong with guidance revised higher while credit metrics remain healthy. Underlying net profit rose 14% y/y to SGD1.35bn (excluding impact from foreign currency and Intouch, underlying net profit would have risen by 22%).

Credit Headlines

Fraser and Neave Ltd (“FNN”)

- FNN announced FY2025 results for the full year ended 30 September 2025. **Results were decent with revenue up 7.4% y/y to SGD2.32bn and reported PBIT up 3.7% y/y to SGD308.1mn while credit metrics remain healthy.**
- **Better F&B results contributed by both Beverages and Dairies:** Beverages revenue rose 15.5% y/y to SGD772.2mm while the segment reported PBIT rose 5.8% y/y to SGD40.1mn. Meanwhile, Dairies revenue rose 5.7% y/y to SGD1.21bn while reported PBIT rose 6.2% y/y to SGD246.9mn. Printing & Publishing (“P&P”) was the only underperforming segment, with revenue falling 2.8% y/y to SGD203.2mn while reported PBIT loss deepened to SGD5.5mn (FY2024 loss: SGD1.5mn).
 - **Beverages – supported by Beer:** Revenue increase was due to stronger beer sales, higher bottled water volumes and new product launches. The largest contributor was from the surge in beverages revenue in “Others” geography, increasing by 56.7% y/y to SGD270.0mn. We believe this is largely due to Myanmar beer, with FNN citing TAPPER beer in Myanmar launched in mid-2024 continuing to gain traction. Beer also achieved stronger profitability on increased sales and lower expenses. Meanwhile, Beverages revenue in Singapore fell by 2.2% y/y to SGD125.4mn while Malaysia revenue rose by 2.5% y/y to SGD376.7mn. We think that growth in Malaysia was supported by range of product and packaging innovations during the year, with expanded plant-based portfolio with the launch of F&N NUTRIWELL in Malaysia. Meanwhile, soft drinks benefited from reduced input costs and favourable forex translation.
 - **Dairies – growth in Malaysia and Thailand offset weaknesses elsewhere:** Dairies revenue grew in Malaysia (+20.0% y/y to SGD433.9mn) and Thailand (+3.0% y/y to SGD696.8mn) even while that of Singapore fell 15.3% y/y to SGD136.1mn. According to FNN, canned and liquid milk recorded solid sales, while FNN benefited from maiden contribution from Malaysia School Milk Programme. FNN reported growth in earnings from Malaysia (+67%) and Thailand (+11%), which offset lower profit contribution from Vinamilk (-14% y/y to SGD81.8mn). Earnings was helped by higher sales, lower input costs, disciplined spending and favourable forex, however this was partly moderated by start-up expenses for the dairy farm.
 - **P&P impacted by one-offs:** Revenue fell due to the absence of one-off contributions, including title sales in Hong Kong and non-recurring licensing income from Chile that had boosted the previous year’s results.
- **Progressing on Malaysia dairy farm, dairy facility in Cambodia and new beverage facility in Malaysia:** FNN’s dairy farm in Malaysia houses 6,500 cattle, which includes a recently arrived batch of 2,500. The eventual target is 20,000 milking cows producing up to 200mn litres of fresh milk p.a. FNN is on track to begin commercial production in 1Q2026, which will be marketed under F&N MAGNOLIA. Separately, FNN reiterated the progress of the dairy facility in Cambodia, which is expected to begin in 1Q2026, which will produce, distribute and market F&N dairy products, focused initially on canned milk. FNN also has a new beverage facility in Malaysia, producing carbonated soft drinks and drinking water
- **Healthy credit metrics still,** with reported net gearing at 21.8%, though this has increased y/y (end-FY2024: 18.8%). Cash of SGD363.5mn exceed SGD351.6mn debt maturing within a year. There was a net cash outflow of SGD191.1mn from investing activities, due to the increase in purchase of property, plant and equipment (SGD223.9mn) and payment for biological assets (SGD15.9mn), likely due to the progress on Malaysia dairy farm and Cambodia dairy facility. That said, we are not overly worried as the cash outflow is mitigated by the cash from operating activities of SGD231.2mn. (Company, OCBC)

Singapore Telecommunications Ltd (“SingTel”)

- SingTel reported 1HFY2026 results for the half year ended 30 September 2025. **Results look strong with guidance revised higher while credit metrics remain healthy.** Underlying net profit rose 14% y/y to SGD1.35bn (excluding impact from foreign currency and Intouch, underlying net profit would have risen by 22%).

- **Core businesses results were either growing or stable:**
 - **Optus (Revenue rose 1.7% y/y to AUD4.09bn, while reported EBIT grew 27.2% y/y to AUD283mn):** Revenue growth was mainly due to increase in mobile service revenue (+4.8% y/y to AUD2.13bn). Customer base increased 169k y/y to 10.7mn subscribers while blended ARPU rose to AUD34/mth (30 September 2024: AUD32/mth). We believe that EBIT grew faster than revenue, partly because mobile service revenue is likely a high margin segment.
 - **SingTel Singapore (Revenue fell 0.9% y/y while reported EBIT grew 0.3% y/y to SGD440mn):** Revenue decline was mainly due to the decline in mobile service revenue (-9.7% y/y to SGD601mn), mainly due to the intense price competition and reduced roaming. That said, strong SME and enterprise connectivity growth offset weaker consumer business. ICT revenue grew 13.5% y/y to SGD137mn.
 - **NCS (Revenue rose 6.2% y/y to SGD1.52bn, reported EBIT rose 41.2% y/y to SGD184mn):** Revenue growth was mainly from Gov+ (+8.4% y/y to SGD1.05bn) and in the business of infrastructure (+12.7% y/y to SGD722mn) and Cyber (+19.0% y/y to SGD152mn) even while applications fell (-5.2% y/y to SGD556mn). Reported EBIT rose with margin expansion, cost optimisation and better delivery quality and one-off credit from a sub-contractor. Contract wins of SGD1.8bn in 1HFY2026 exceeded half year revenue, which may imply that revenue may continue to grow.
 - **Digital InfraCo (revenue fell 1.5% y/y to SGD216mn while reported EBIT rose 5.8% y/y to SGD41mn):** Revenue fell due to a non-recurrence of customer reservation fee received for DC Tuas in the same period in the previous year. Reported EBIT rose due to lower depreciation and amortisation as certain assets reached end-of-life. Segment revenue may continue to grow, with Nxera having pre-sold more than 50% of its capacity at DC Tuas in Singapore. DC Tuas is set to be operational in 2026.
- **Regional associates grew post-tax contribution by 12.0% y/y to SGD915mn:**
 - **Airtel Group (+80.5% y/y to SGD359mn):** The main contributor was Airtel Group, with strong earnings growth in both India and Africa due to mobile service revenue growth, higher mobile tariffs (ARPU rose 10% y/y to INR256) and expanded customer base.
 - **AIS (+41.6% y/y to SGD215mn):** AIS revenue grew due to increase in mobile revenue from higher mobile ARPU and fixed broadband revenue.
 - **Telkomsel (-17.4% y/y to SGD228mn):** Contribution was lower as operating revenue fell 4% y/y due to weaker mobile performance due to macroeconomic headwinds and decline in legacy services as customers switched to OTT messaging applications even while IndiHome's fixed broadband remained stable.
 - **Globe (-13.0% y/y to SGD113mn):** Contribution was lower as mobile business was negatively impacted by weak consumer spending and higher depreciation charge from network upgrades and increased finance charges from tower leases.
- **Guidance revised upwards,** with SingTel expecting OpCo EBIT to grow between high single digits and low double digits (previous: high single digit), as 1HFY2026 OpCo reported EBIT already rose 13% y/y. We note that the guidance still looks slightly tempered with potential headwinds from Optus following TripleZero failures. Meanwhile, dividends from regional associates are expected to be higher at SGD1.1bn, versus SGD1.0bn previously.
- **Healthy credit metrics,** with reported net debt to EBITDA and associate PBT of 1.3x (FY2024: 1.6x) while reported interest coverage ratio improved to 19.8x (FY2024: 19.1x). We think that the improvements in credit metrics is due to the reduction in net debt to SGD8.7bn (end-FY2024: SGD9.7bn) following sale of stakes in Airtel. SingTel is still targeting SGD9.0bn asset recycling in the medium term, of which SGD5.6bn has already been met through recycling (including divestment of stakes in Airtel). (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
11 Nov	Housing & Development Board	Fixed	SGD	1000	7Y	2.022%

Mandates:

- Malayan Banking Berhad may issue a USD-denominated FRN.

Key Market Movements

	12-Nov	1W chg (bps)	1M chg (bps)		12-Nov	1W chg	1M chg
iTraxx Asiax IG	66	-1	-3	Brent Crude Spot (\$/bbl)	64.9	2.2%	3.5%
				Gold Spot (\$/oz)	4,104	3.1%	-0.2%
iTraxx Japan	56	-0	-2	CRB Commodity Index	307	0.9%	4.9%
iTraxx Australia	67	-1	-2	S&P Commodity Index - GSCI	567	2.3%	5.0%
CDX NA IG	52	-1	-3	VIX	17.3	-9.1%	-20.2%
CDX NA HY	107	0	1	US10Y Yield	4.08%	-8bp	5bp
iTraxx Eur Main	55	-0	-4				
iTraxx Eur XO	261	-2	-21	AUD/USD	0.653	0.4%	0.2%
iTraxx Eur Snr Fin	58	-1	-5	EUR/USD	1.158	0.7%	0.1%
iTraxx Eur Sub Fin	99	-1	-9	USD/SGD	1.303	0.3%	-0.4%
				AUD/SGD	0.851	-0.1%	-0.6%
USD Swap Spread 10Y	-43	1	5	ASX200	8,800	-0.0%	-1.8%
USD Swap Spread 30Y	-73	0	4	DJIA	47,928	1.8%	5.4%
				SPX	6,847	1.1%	4.5%
China 5Y CDS	41	-1	-4	MSCI Asiax	916	1.2%	2.2%
Malaysia 5Y CDS	40	-2	-3	HSI	26,820	3.4%	2.0%
Indonesia 5Y CDS	75	-2	-7	STI	4,559	3.2%	3.0%
Thailand 5Y CDS	40	-2	-2	KLCI	1,631	0.6%	0.6%
Australia 5Y CDS	11	-0	-1	JCI	8,404	1.0%	1.8%
				EU Stoxx 50	5,726	1.2%	3.5%

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
Credit Research Analyst
mengteechin@ocbc.com

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!