

Asian Credit Daily

14 July 2025

Market Commentary:

- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 5-6bps higher while belly tenors and 10Y traded 7bps higher.
- Flows in SGD corporates were heavy, with flows in BACR 7.3%-PERP, AIA 3.58% '35s, HSBC 5.25%-PERP, MAPLSP 3.048% '40s, FCTSP 3.98%-PERP, GUOLSP 4.35%-PERP, AITSP 4.4%-PERP.
- Per Bloomberg and JP Morgan, credit rating downgrades are becoming more frequent. In 2Q2025, ~USD94bn of US IG debt were downgraded in comparison to USD78bn of upgrades. It was the first time since 2021 that downgrades outpaced upgrade.
- As per Bloomberg, Chinese builder Seazen Group aims to raise around RMB1bn (USD139mn) through asset-backed securities by late August or early September, according to The Paper citing unnamed sources. The company also plans to issue RMB1bn to RMB2bn in MTNs guaranteed by China Bond Insurance and is advancing a RMB6bn corporate bond sale, starting with a RMB700mn tranche.
- Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 69bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 364bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Industry Outlook – Singapore Property, CapitaLand Group Pte Ltd (“CAPL”):** Sold 94% of 343-unit LyndenWoods at SGD2,450 psf, following a public preview which drew more than 12,000 visitors. Seller’s Stamp Duty (“SSD”) is not a significant factor in influencing the Singapore property market in our view.
- **Credit Agricole Group (“CAG”) / Credit Agricole SA (“CASA”) / UniCredit SpA (“UniCredit”):** CASA has filed an authorisation request with the European Central Bank (“ECB”) to raise its holding in Banco BPM S.p.A. (“Banco BMP”) above 20%.
- **DBS Group Holdings Ltd (“DBS”):** DBS has decided to redeem its SGD1bn 3.98% PERP on 12 September 2025 (the first call date), in-line with our expectations. It remains to be seen if DBS will come to the market again to reissue.

Credit Headlines

Industry Outlook – Singapore Property

CapitaLand Group Pte Ltd (“CAPL”)

- **Sold 94% of 343-unit LyndenWoods at SGD2,450 psf**, following a public preview which drew more than 12,000 visitors.
- **First of its kind project in Singapore Science Park**, being the first residential project in the area. According to CapitaLand Development CEO, LyndenWoods appeal to buyers who value the convenience of living near work, with access to modern amenities and green spaces. Located near the Geneo mall, LyndenWoods is biophilic design, green features and smart home technology equipped in every unit.
- **CAPL may continue to grow its development portfolio in Singapore**, as we highlighted in the Credit Update last week.
- **Seller’s Stamp Duty (“SSD”) is not a significant factor in influencing the Singapore property market** in our view, given the successful launch of LyndenWoods. LyndenWoods is also the first major launch since the tightening of the SSD. (Business Times, Company, OCBC)

Credit Agricole Group (“CAG”) / Credit Agricole SA (“CASA”) / UniCredit SpA (“UniCredit”)

- CASA has filed an authorisation request with the European Central Bank (“ECB”) to raise its holding in Banco BPM S.p.A. (“Banco BPM”) above 20%.
- This move comes as UniCredit continues to explore potential takeover options, though its efforts are currently constrained by regulatory conditions imposed by the Italian government. A ruling on these regulatory conditions is expected in the coming days and could significantly influence the prospects of a deal.
- Previously, CASA raised its ownership in Banco BPM by 4.7%, from 15.1% to 19.8%, after receiving ECB approval in early April 2025, following UniCredit’s unsolicited ~EUR10bn bid for Banco BPM in late November 2024.
- CASA has stated that it does not intend to acquire or exercise control over Banco BPM but seeks to increase its stake to just above 20% to qualify it within the framework of “significant influence” and to account for its pursuant using the equity method, in line with CASA’s long-term strategic ownership in Banco BPM. (Company, OCBC)

DBS Group Holdings Ltd (“DBS”)

- DBS has decided to redeem its SGD1bn 3.98% PERP on 12 September 2025 (the first call date), in-line with our expectations.
- It remains to be seen if DBS will come to the market again to reissue. Capital ratios were healthy as of end-1Q2025 with fully phased-in CET1 of 15.2% while leverage ratio of 6.5% was more than twice the regulatory minimum of 3%. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
11 Jul	Tai'an High Tech Construction Group Co., Ltd.	Fixed	USD	112.95	3Y	6.90%
11 Jul	Tianjin Lingang Investment Holding Group Co. Ltd. (Tianjin Lingang Investment Development Group Co Ltd)	Green, Fixed	USD	41	3Y	5.50%

Mandates:

- There were no notable mandates last Friday.

Key Market Movements

	14-Jul	1W chg (bps)	1M chg (bps)		14-Jul	1W chg	1M chg
iTraxx Asiax IG	74	0	0	Brent Crude Spot (\$/bbl)	70.5	1.3%	-5.1%
				Gold Spot (\$/oz)	3,357	0.6%	-0.8%
iTraxx Japan	62	-1	-2	CRB Commodity Index	304	1.2%	-2.1%
iTraxx Australia	71	-0	-3	S&P Commodity Index - GSCI	551	-0.4%	-3.0%
CDX NA IG	50	-0	-4	VIX	16.4	0.1%	-21.2%
CDX NA HY	108	-0	1	US10Y Yield	4.41%	3bp	1bp
iTraxx Eur Main	54	1	-2				
iTraxx Eur XO	282	-0	-9	AUD/USD	0.656	1.1%	0.6%
iTraxx Eur Snr Fin	58	-0	-2	EUR/USD	1.168	-0.3%	1.0%
iTraxx Eur Sub Fin	100	-0	-4	USD/SGD	1.281	-0.1%	-0.1%
				AUD/SGD	0.841	-1.2%	-0.7%
USD Swap Spread 10Y	-56	-0	-7	ASX200	8,581	-0.1%	0.4%
USD Swap Spread 30Y	-87	0	-6	DJIA	44,372	-1.0%	5.2%
				SPX	6,260	-0.3%	4.7%
China 5Y CDS	47	-1	1	MSCI Asiax	803	0.7%	3.3%
Malaysia 5Y CDS	43	-1	-2	HSI	24,105	0.9%	0.9%
Indonesia 5Y CDS	75	-0	-2	STI	4,098	1.6%	4.8%
Thailand 5Y CDS	43	-0	-1	KLCI	1,536	-0.1%	1.2%
Australia 5Y CDS	11	1	0	JCI	7,097	2.8%	-1.0%
				EU Stoxx 50	5,383	1.8%	1.8%

Source: Bloomberg

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