Asian Credit Daily

14 November 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenors traded 1-2bps lower and 10Y traded 1bps lower.

- Flows in SGD corporates were heavy, with flows in BACR 4.65%-PERP, PREHSP 5% '30s, LLCAU 3.9%-PERP & STANLN 5.3%-PERP.

- As per Bloomberg, a Chinese court approved a creditor's request for the bankruptcy of Evergrande New Energy Vehicle (Tianjin) Co., an indirect wholly owned subsidiary of China Evergrande New Energy Vehicle Group. The unit has a registered capital of RMB4.1bn and holds a manufacturing base for smart-mobility vehicles, where production has been suspended since January 2024.

- In other news on earnings, JD.com posted a 15% revenue increase, beating expectations, driven by government consumer subsidies and expansion into areas like meal delivery. Quarterly sales reached RMB299.1bn, above the average analysts' forecast of RMB294.4bn, lifting shares over 3% in U.S. pre-market trading. The company is pushing globally with a stake in Germany's Ceconomy AG, though talks to acquire J Sainsbury's Argos unit ended in September.

- Lastly in ratings, Fitch has upgraded Hubei Science & Technology Investment Group Co Ltd Long-term foreign and local currency issuer default rating to BBB+ from BBB with stable outlook.

- Meanwhile, S&P upgraded Shanghai Electric Group Co Ltd long-term rating to BBB+ from BBB with stable outlook.

- Bloomberg Asia USD Investment Grade spreads traded flat at ~60bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 352bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **StarHub Ltd ("StarHub"):** StarHub reported 3Q2025 results. Results appear weak while credit metrics are still healthy. 3Q2025 revenue fell 4.3% y/y to SGD550.3mn while reported EBITDA fell 8.8% y/y to SGD105.9mn.

- **Singapore Airlines Ltd ("SIA"):** SIA reported its financials for the first half of the financial year ending 31 March 2026 ("1HFY2026"). Reported operating profit was slightly higher at 0.9% y/y to SGD802.9mn on the back of strong air travel demand although heightened competition led to lower yields. Net profit though was dragged by share of losses of associated companies mainly due to the Enlarged Air India.

Credit Headlines

StarHub Ltd ("StarHub")

- **StarHub reported 3Q2025 results. Results appear weak while credit metrics are still healthy.** 3Q2025 revenue fell 4.3% y/y to SGD550.3mn while reported EBITDA fell 8.8% y/y to SGD105.9mn.
- **Lower service revenue and EBITDA, with weakness in both consumer and enterprise:** Excluding sales of equipment which can be volatile, 3Q2025 service revenue fell 4.7% y/y to SGD470.3mn while service EBITDA fell by a larger proportion, falling 10.8% y/y to SGD97.1mn. This resulted in service EBITDA margin compressing 1.5 ppts y/y to 20.6%. This is mainly due to weakness in consumer (mobile, broadband, entertainment) due to intense competition and enterprise (managed services, enterprise connectivity, carrier & voice) partly due to timing of revenue recognition.
    - **Mobile (-10.1% y/y to SGD128.9mn):** The decline in revenue was mainly due to decline in roaming, IDD, VAS and excess data usage revenues. While ARPU rose q/q to SGD22/mth (2Q2025: SGD20/mth, 3Q2024: SGD23/mth), this was due to the consolidation of inactive prepaid subscribers, which resulted in subscribers falling y/y from 2.25mn in 3Q2024 to 2.19mn in 3Q2025. That said, there was a net addition of subscribers of 50k q/q, lifted by SIM-only plans, which is likely attributable to Eight. Mobile price competition remains intense, with value players offering SGD10 to SGD12/mth.
    - **Broadband (-4.4% y/y to SGD60.4mn):** The fall in revenue and ARPU was mainly due to a one-time catch-up reallocation from Broadband to Entertainment. That said, on a pro-forma basis after reallocating the adjustment to the relevant quarters, Broadband revenue would have been lower by 1.8% y/y still y/y even while ARPU increased 2.7% y/y. Subscribers fell to 568k (2Q2025: 573k, 3Q2024: 580k), with StarHub highlighting that price competition is still growing and value players at ~SGD30/mth is driving the whole market to this point.
    - **Entertainment (-4.3% y/y to SGD49.9mn):** There was no commentary, and StarHub has ceased to provide a breakdown on statistics such as ARPU, subscribers and churn rate since 1Q2025. However, we understand that Entertainment has been declining sequentially over past periods, likely due to strong competition in the pay TV market (e.g. Netflix) that eroded subscribers.
    - **Regional Enterprise (-7.8% y/y to SGD145.7mn):** The decline was due to declines in managed services (-11.8% y/y to SGD79.3mn), enterprise connectivity (-3.7% y/y to SGD36.5mn) and carrier & voice (-1.2% y/y to SGD29.8mn). The sizeable decline of managed services was due to lower project recognition. We think that this is likely temporary and due to timing of revenue recognition, as orderbook as grown 5.7% y/y for regional enterprise, with managed services growing 15.0% y/y.
    - **Cybersecurity Services (+11.0% y/y to SGD85.5mn):** Growth is likely due to timing of project recognition.
- **Strategy appears to have shifted post market consolidation to compete beyond price:** Post the acquisition of M1's telco business to Simba Telecom, we think that StarHub has shifted its strategic roadmap. For consumer, instead of competing aggressively, StarHub looks to compete strongly by strengthening consumer proposition and expanding offerings to meet needs, which includes 5G Unlimited+ plans for mobile, expanded broadband offering, partnering with MediaCorp for Entertainment.
- **Looking to cut cost further, with SGD60mn savings p.a. identified:** Over 2026-2028, StarHub identified cost savings of ~SGD60mn. Strategic cost pillars include legacy decommissioning, network automation, systems re-architecture and business simplification.
- **Credit metrics look healthy despite spectrum payment:** Net debt to TTM EBITDA including spectrum payment rose y/y to 1.88x (31 December 2024: 1.29x), which looks healthy still. Meanwhile, reported interest coverage ratio was 10.1x (31 December 2024: 10.7x). Reported free cashflow was SGD123.6mn in 3Q2025 (3Q2024: SGD65.5mn) though 9M2025 free cashflow was negative due to spectrum payment (+SGD139.8mn excluding spectrum payment). (Company, OCBC)

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- **Passenger flown revenue somewhat higher y/y**
  - 1HFY2026 total revenue grew 1.9% y/y to SGD9.7bn. Passenger flown revenue increased by 1.5% y/y although cargo revenue fell by 2.8% y/y.
  - Group passenger load factor was commendable at 87.7% in 1HFY2026 (1HFY2025: 86.4%). Revenue per Available Seat-Kilometre ("RASK") though was 8.7 cents per ASK for 1HFY2026, lower than 8.8 cents per ASK for 1HFY2025. In contrast, passenger load factor was 82.4% while RASK was 7.5 cents per ASK in FY2020 (bulk of FY2020 covered the pre-pandemic period). Per SIA, air travel demand remained strong although passenger yields declined due to increased competition.
  - Cargo load factor for 1HFY2026 was 56.5% (1HFY2025: 57.4%). Cargo yields were 4.1% y/y lower at 34.7 cents per ltk, though still above FY2020's 30.5 cents per ltk.
- **Reported operating profit slightly higher y/y although net profit fell significantly due to share of losses at associated companies and lower interest income**
  - The company's reported operating profit was slightly higher by 0.9% y/y to SGD802.9mn in 1HFY2026, with overall expenditure increasing by 2.0% y/y. Whilst net fuel cost declined by 6.7% y/y (driven by lower oil prices and a weaker USD against the SGD), non-fuel cost increased by +5.9% y/y.
  - Net profit for 1HFY2026 was reported at SGD259.1mn (1HFY2025: SGD759.2mn). SIA recorded a full period of its share of losses from associated companies (mainly driven by the Enlarged Air India) in 1HFY2026 totalling -SGD375.4mn. The combination of SIA's 49%-stake in Vistara with Air India only completed in November 2024. Whilst Air India is undergoing a challenging operational transformation, we understand from management that it remains committed to this business for the long term.
  - By business segment, the largest drag by absolute amounts was the Low Cost Carrier segment which reported an operating loss of SGD39mn (+SGD6.8mn in 1HFY2026).
- **Healthy credit metrics for now**
  - Based on our EBITDA calculation, we find EBITDA at SGD2.1bn, higher by 5.8% y/y in 1HFY2026, with EBITDA/Interest healthy at 11.6x, higher than the 9.9x in 1HFY2025.
  - Reported gross gearing was 0.70x as at 30 September 2025 against 0.73x as at 30 June 2025 (31 March 2025: 0.82x). SIA has access to SGD3.3bn of undrawn committed lines of credit as at 30 September 2025, flat q/q while cash balance was SGD6.4bn. Sale in advanced of carriage remained high at SGD4.7bn as at 30 September 2025 and higher than the SGD4.5bn as at 31 March 2025.
  - With cash balances and access to undrawn lines still ample, we see short term refinancing risk as manageable with short term debt (including lease liabilities) at ~SGD3.1bn as at 30 September 2025. We expect SIA to return to debt markets to fund capital expenditure projected capital expenditure rising.
  - In October 2025, Bloomberg reported that Air India is seeking at least INR100bn (~SGD1.5bn) in financial support from its shareholders for operational improvements. We note that ~25% of this amount would be SGD375mn and around our estimated amount that remains to be called. As a recap, at time of the proposed transaction announcement in November 2022, SIA shared that it was committed to fund additional capital injection of up to INR50.2bn (~SGD880 million based on exchange rates at that time) and since then some of the capital commitment has been injected. We will review SIA's credit profile of if the actual amounts significantly diverge from what has been committed. (Company, Bloomberg, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
13 Nov	Mapletreelog Treasury Company Pte Ltd (guarantor: Mapletree Logistics Trust)	Fixed	SGD	75	10Y	2.40%
13 Nov	Uzauto Motors AJ	Fixed	USD	350	5Y	T+367.4bps (par to yield 7.375%)
13 Nov	China Resources Land Ltd	Green, Fixed	USD	300	3Y	T+68bps (reoffer price 99.568 to yield 4.28%)

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	14-Nov	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	66	-2	-3
iTraxx Japan	57	-1	-2
iTraxx Australia	66	-3	-5
CDX NA IG	54	0	0
CDX NA HY	107	-0	-0
iTraxx Eur Main	55	-1	-2
iTraxx Eur XO	264	-8	-13
iTraxx Eur Snr Fin	59	-2	-2
iTraxx Eur Sub Fin	101	-2	-2
USD Swap Spread 10Y	-43	1	2
USD Swap Spread 30Y	-72	2	3
China 5Y CDS	44	1	-2
Malaysia 5Y CDS	40	-2	-4
Indonesia 5Y CDS	74	-2	-8
Thailand 5Y CDS	40	-2	-4
Australia 5Y CDS	11	-0	-0

	14-Nov	1W chg	1M chg
Brent Crude Spot ($/bbl)	63.9	0.4%	2.4%
Gold Spot ($/oz)	4,179	4.4%	0.9%
CRB Commodity Index	302	0.0%	2.7%
S&P Commodity Index - GSCI	558	0.7%	2.8%
VIX	20.0	2.6%	-3.9%
US10Y Yield	4.13%	3bp	10bp
AUD/USD	0.653	0.5%	0.6%
EUR/USD	1.163	0.6%	0.2%
USD/SGD	1.301	-0.0%	-0.2%
AUD/SGD	0.849	-0.5%	-0.8%
ASX200	8,635	-1.5%	-3.0%
DJIA	47,457	1.2%	2.6%
SPX	6,737	0.3%	1.4%
MSCI Asiax	922	2.0%	5.5%
HSI	26,581	1.3%	4.5%
STI	4,529	0.8%	4.0%
KLCI	1,627	0.5%	1.0%
JCI	8,378	-0.2%	3.9%
EU Stoxx 50	5,743	3.2%	3.4%

Source: Bloomberg

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