

Asian Credit Daily

15 December 2025

Market Commentary:

- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading flat to 2bps higher while belly tenors traded 3bps higher and 10Y traded 2bps higher.
- Flows in SGD corporates were light, with flows in STANLN 5.3%-PERP.
- As per Bloomberg, China Vanke Co Ltd (“Vanke”) failed to secure the 90% approval needed to delay payment on a RMB2bn note due 15 December and must either settle the payment by the end of Monday or within a five-day grace period, or reach a separate agreement to extend the deadline. Otherwise, creditors may declare a default.
- Additionally, Vanke is seeking a one-year extension on principal and interest payments for its RMB3.7bn note due 28 December, keeping the 3% coupon unchanged.
- In ratings, Moody’s withdrew Sinochem International Corporation’s Baa2 issuer rating and ba2 Baseline Credit Assessment, which previously had a negative outlook.
- Meanwhile, SK hynix Inc’s issuer and senior unsecured debt ratings were upgraded by Moody’s to Baa1 from Baa2, with the outlook revised to stable from positive.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 61bps and Bloomberg Asia USD High Yield spreads tightened by 3bps to 370bps respectively. (Bloomberg, OCBC)
- There was no notable issuance in the Asiadollar and Singdollar market yesterday.

Credit Summary:

- **ESR REIT (“EREIT”):** ESR-REIT Management (S) Limited, as REIT Manager of EREIT announced that Perpetual (Asia) Limited, in its capacity as trustee of EREIT has entered into agreements to sell eight industrial properties in Singapore for an aggregate sale consideration of SGD338.1mn to purchasers who are managed by affiliates of Brookfield Asset Management (“Brookfield”).
- **HSBC Holdings PLC (“HSBC”), Hang Seng Bank Ltd (“HSB”):** HSB’s independent board committee has concluded that HSBC’s offer is “fair and reasonable” and have recommended that shareholders vote in favor of the resolutions. This follows the advice of Independent financial adviser Somerley Capital.

Credit Headlines**ESR REIT ("EREIT")**

- ESR-REIT Management (S) Limited, as REIT Manager of EREIT announced that Perpetual (Asia) Limited, in its capacity as trustee of EREIT has on 14 December 2025 entered into put and call option agreements with unrelated third-party purchasers who are managed by affiliates of Brookfield Asset Management ("Brookfield") in relation to the proposed divestment of eight industrial properties in Singapore for an aggregate sale consideration of SGD338.1mn. We note that this is 1.5% higher versus the independent valuation as at 31 December 2024.
- The completion of seven of the properties is expected to occur by 2Q2026, with one in Tanjong Penjuru expected to complete by 3Q2026. The weighted average remaining land lease of the divestment properties is 22.4 years as at 30 September 2025.
- The divestment is part of the REIT Manager's strategy to divest non-core assets in the portfolio, to minimize the impact of land lease decay and reduce the decline in net asset value while balancing distributions. Assuming that all the net proceeds are used to repay existing debt, EREIT's pro forma aggregate leverage as at 31 December 2024 will decrease to 39.2% from 42.8%. As at 30 September 2025, EREIT's reported aggregate leverage was 43.3%. (Company)

HSBC Holdings PLC ("HSBC"), Hang Seng Bank Ltd ("HSB")

- HSB's independent board committee has concluded that HSBC's offer is "fair and reasonable" and have recommended that shareholders vote in favor of the resolutions. This follows the advice of Independent financial adviser Somerley Capital.
- A court meeting and general meeting for shareholders to consider the proposal is scheduled for 8 January.
- HSBC announced a conditional proposal to privatise HSB through a scheme of arrangement, offering to purchase the remaining shares it does not own. HSBC currently owns ~63% of HSB and has confirmed that it will maintain its ownership interest in HSB even if the proposal does not proceed.
- The privatisation of HSB is consistent with HSBC's ongoing strategic pivot to exit non-strategic activities and re-allocate resources to growth areas. This includes risk weighted asset reductions in certain businesses and locations and reallocation of capital to more higher returning businesses that are mostly in Southeast Asia and China. The move is also consistent with the re-organisation of its businesses into four divisions announced in late October 2024 and effective 1 January 2025 to accelerate this strategic pivot, with one of the divisions being Hong Kong and comprising personal and commercial banking segments. (Company, Bloomberg, OCBC)

Key Market Movements

| | 15-Dec | 1W chg (bps) | 1M chg (bps) | | 15-Dec | 1W chg | 1M chg |
|---------------------|--------|-----------------|-----------------|----------------------------|--------|--------|--------|
| iTraxx Asiax IG | 65 | 1 | -2 | Brent Crude Spot (\$/bbl) | 61.4 | -1.7% | -4.6% |
| | | | | Gold Spot (\$/oz) | 4,323 | 3.2% | 6.9% |
| iTraxx Japan | 56 | -0 | -2 | CRB Commodity Index | 298 | -2.5% | -1.3% |
| iTraxx Australia | 63 | 0 | -4 | S&P Commodity Index - GSCI | 546 | -3.4% | -2.5% |
| CDX NA IG | 51 | -0 | -4 | VIX | 15.7 | 2.1% | -20.6% |
| CDX NA HY | 108 | 0 | 1 | US10Y Yield | 4.18% | 2bp | 3bp |
| iTraxx Eur Main | 52 | -1 | -4 | | | | |
| iTraxx Eur XO | 251 | -5 | -15 | AUD/USD | 0.665 | 0.3% | 2.3% |
| iTraxx Eur Snr Fin | 56 | -1 | -4 | EUR/USD | 1.174 | 0.9% | 1.3% |
| iTraxx Eur Sub Fin | 95 | -2 | -6 | USD/SGD | 1.292 | 0.4% | 0.9% |
| | | | | AUD/SGD | 0.858 | 0.2% | -1.4% |
| | | | | | | | |
| USD Swap Spread 10Y | -41 | -0 | 4 | ASX200 | 8,646 | 0.3% | 0.1% |
| USD Swap Spread 30Y | -72 | -1 | 2 | DJIA | 48,458 | 1.0% | 2.8% |
| | | | | SPX | 6,827 | -0.6% | 1.4% |
| China 5Y CDS | 43 | 0 | -1 | MSCI Asiax | 903 | -0.1% | -0.2% |
| Malaysia 5Y CDS | 39 | 1 | -1 | HSI | 25,778 | 0.0% | -3.0% |
| Indonesia 5Y CDS | 72 | 0 | -2 | STI | 4,568 | 1.4% | 0.5% |
| Thailand 5Y CDS | 40 | 1 | -1 | KLCI | 1,639 | 1.7% | 0.8% |
| Australia 5Y CDS | 12 | 1 | 0 | JCI | 8,674 | -0.4% | 3.6% |
| | | | | EU Stoxx 50 | 5,721 | -0.1% | 0.5% |

Source: Bloomberg

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