Asian Credit Daily

15 October 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading flat to 3bps lower while belly tenors traded 3-4bps lower and 10Y traded 4bps lower.
- Flows in SGD corporates were moderate, with flows in LLCAU 3.9%-PERP, STHSP 3.35%-PERP.
- As per Blooomberg, Sunac China Holdings Ltd will proceed to seek approval of the court after about 98.5% of the 1,492 scheme creditors present (holding ~USD8.43bn in claims) voted in favor of the offshore debt restructuring scheme.
- Meanwhile, Guangzhou R&F Properties Co Ltd announced that transaction companies agreed to amend the restructuring support agreement and term sheet for senior notes due 2025, 2027 and 2028.
- Lastly, Country Garden Holdings Co announced that it will hold scheme meetings on 05 November for creditors to vote on its offshore restructuring plan.
- Bloomberg Asia USD Investment Grade spreads widened by 3bps to 64bps and Bloomberg Asia USD High Yield spreads widened by ~20bps to 357bps respectively, both widening to the highest for the month so far. (Bloomberg, OCBC)

Credit Summary:

- **Olam Group Ltd ("OG"):** Bloomberg reported that the Saudi Agricultural & Livestock Investment Co. ("SALIC") plans to pursue a full ownership stake in OG's agribusiness business. The news report adds that discussions will start as soon as next year after closing a deal for a majority holding, quoting unnamed sources.
- **Westpac Banking Corporation ("Westpac"):** The Australian Prudential Regulation Authority ("APRA") announced the removal of a AUD500mn operational risk capital overlay applied in 2019. This is the last remaining overlay for Westpac and will result in its CET1 capital ratio improving by 17bps.

Credit Headlines

Olam Group Ltd ("OG")

- Bloomberg reported that the Saudi Agricultural & Livestock Investment Co. ("SALIC") plans to pursue a full ownership stake in OG's agribusiness business. The news report adds that discussions will start as soon as next year after closing a deal for a majority holding, quoting unnamed sources.
- Earlier in December 2022, OG had sold a ~35.4%-stake in Olam Agri Holdings Limited ("OAHL"), a holding company of the Olam Agri business to a wholly-owned subsidiary of SALIC.
- In July 2025, OG shareholders approved the sale of OG's remaining 64.57% interest in Olam Agri through a two-step deal to SALIC.
    - First step: ~44.6% of Olam Agri Holdings Limited ("OAHL") will be sold to SALIC, subject to completion of the transaction.
    - Second step: An OG entity as vendor will be granted a put option to sell the remaining ~19.99%-stake in OAHL to SALIC while SALIC (or a SALIC nominee) will be granted a call option to buy the ~19.99%-stake. (Company, OCBC)

Westpac Banking Corporation ("Westpac")

- The Australian Prudential Regulation Authority ("APRA") announced the removal of a AUD500mn operational risk capital overlay applied in 2019. This is the last remaining overlay for Westpac and will result in its CET1 capital ratio improving by 17bps.
- Westpac's CET1 capital ratio was 12.3% as at 30 June 2025, above management's target CET1 operating capital range of 11.0%–11.5% in normal conditions as well as the 10.5% minimum under the Australian Prudential Regulation Authority's "Unquestionably Strong" bank capital framework.
- The AUD500mn capital overlay was part of an initial AUD1bn capital overlay to Westpac's operational risk capital requirement applied in 2019 through an increase in risk weighted assets. This capital add-on was imposed in two equal phases in 2019 to reflect (1) higher operational risk identified in the bank's Risk Governance Self-Assessment as well as (2) governance concerns stemming from a higher operating risk profile due to proceedings by Australia's financial crimes intelligence agency ('AUSTRAC') against Westpac for alleged systemic breaches under the Anti-Money Laundering and Counter-Terrorism Financing Act. These surfaced in late November 2019.
- As a consequence of those proceedings, Westpac also entered into a Court Enforceable Undertaking with APRA in December 2020 with a plan to correct its operational risk and governance shortcomings. APRA has now confirmed the necessary improvements in risk management and governance at the bank and lifted the enforceable undertaking.
- The other AUD500mn capital overlay was removed on 19 July 2024 by APRA to reflect progress under Westpac's program to address the Court Enforceable Undertaking at the time. (APRA, Company, Bloomberg, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
14 Oct	KEB Hana Bank	Green, FRN	USD	300	3Y	SOFR+60bps
14 Oct	KEB Hana Bank	Green, Fixed	USD	300	5Y	T+43bps (reoffer price 99.762 to yield 4.053%)
14 Oct	Bank of China Limited Macau branch	FRN	USD	600	3Y	SOFRIX+48bps
14 Oct	Jinan HI-Tech International Cayman Investment Development Co Ltd (guarantor: Jinan Hi-tech Holding Group Co Ltd)	Fixed	USD	190	3Y	4.15%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	15-Oct	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	70	5	10
iTraxx Japan	59	4	7
iTraxx Australia	72	7	11
CDX NA IG	53	1	6
CDX NA HY	107	-0	-1
iTraxx Eur Main	58	2	7
iTraxx Eur XO	276	11	28
iTraxx Eur Snr Fin	61	1	8
iTraxx Eur Sub Fin	104	1	14
USD Swap Spread 10Y	-45	2	8
USD Swap Spread 30Y	-74	3	8
China 5Y CDS	46	6	8
Malaysia 5Y CDS	44	3	6
Indonesia 5Y CDS	83	4	14
Thailand 5Y CDS	44	4	8
Australia 5Y CDS	11	-1	1

	15-Oct	1W chg	1M chg
Brent Crude Spot ($/bbl)	62.2	-6.1%	-7.7%
Gold Spot ($/oz)	4,174	3.3%	13.5%
CRB Commodity Index	295	-2.2%	-3.6%
S&P Commodity Index - GSCI	543	-2.4%	-2.0%
VIX	20.8	20.7%	32.6%
US10Y Yield	4.01%	-11bp	-3bp
AUD/USD	0.651	-1.2%	-2.4%
EUR/USD	1.162	-0.0%	-1.2%
USD/SGD	1.296	-0.0%	-1.2%
AUD/SGD	0.843	1.2%	1.3%
ASX200	8,977	0.3%	1.4%
DJIA	46,270	-0.7%	0.8%
SPX	6,644	-1.0%	0.4%
MSCI Asiax	874	-2.7%	0.3%
HSI	25,811	-3.8%	-2.4%
STI	4,376	-1.8%	0.9%
KLCI	1,617	-0.7%	1.0%
JCI	8,061	-1.3%	1.6%
EU Stoxx 50	5,552	-1.1%	2.1%

Source: Bloomberg

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