Asian Credit Daily

16 October 2025

Market Commentary:

- The SGD SORA OIS curve traded flat to higher yesterday with shorter tenors trading flat to 1bps higher while belly tenors and 10Y traded ~1bps higher.
- Flows in SGD corporates were moderate, with flows in LLCAU 3.9%-PERP & STANLN 5.3%-PERP.
- As per Bloomberg, Country Garden Holdings Co has obtained support from nearly all holders of its RMB-denominated notes for a local bond restructuring proposal. However, it still needs approval from holders of a 4.5% RMB note due next year, with RMB442mn outstanding as of the end of June. The restructuring plan, covering RMB13.8bn in principal, offers options such as bond buybacks, debt conversions, and note extensions with reduced interest.
- Meanwhile, CIFI Holdings Group Co Ltd will issue mandatory convertible bonds ("MCB") under its offshore restructuring, which comprises USD4.1bn of new instruments to be issued while the offshore debt obligations will continue to reduce as the MCB are converted into company shares. The remaining USD2.6bn will be new instruments in the form of short, medium and long term notes to be issued and lending facilities which will reduce the offshore debt obligations.
- Lastly, China Vanke Co ("Vanke") has made delayed interest payments on previously skipped onshore debt. Vanke also obtained approval to reduce interest on debt from some creditors, including banks and insurance firms. Vanke is still set to face a looming maturity wall, with ~RMB24bn of onshore public bonds and loans due next year.
- Bloomberg Asia USD Investment Grade spreads tightened by ~1bps to ~64bps and Bloomberg Asia USD High Yield spreads tightened by 4bps to 353bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Singapore Airlines Ltd ("SIA"):** SIA reported its September 2025 operating data. On a group airline basis, passenger load factor rose to 87.1% in September 2025, up from 86.1% in September 2024. This is slightly lower than 88.0% in August 2025.
- **ABN Amro Bank N.V. ("ABN"):** ABN released its pre-close note for 3Q2025 ahead of the release of its results on 12 November 2025 that will reflect the consolidation of Hauck Aufhäuser Lampe ("HAL") following the completion of its acquisition on 1 July. Overall, the acquisition will have a net negative capital impact of ~30bps in 3Q2025 while the 7bps impact included in 2Q2025 for the EUR672mn prepayment of book value will be reversed. Restructuring costs are expected only in 2026–2027. Other inorganic impacts include the sale of the UK lease portfolio as part of the reduction in ABN"s international non-strategic Asset Based Finance portfolio.
- **Westpac Banking Corporation ("Westpac"):** Westpac announced items impacting FY2025 results that are scheduled for release on 3 November 2025. These items however do not impact net profit after tax or the composition of line items.

Credit Headlines

Singapore Airlines Ltd ("SIA")

- SIA reported its September 2025 operating data. On a group airline basis, passenger load factor rose to 87.1% in September 2025, up from 86.1% in September 2024. This is slightly lower than 88.0% in August 2025.
- Group passengers carried reached 3.38 million in September 2025, an 8.0% increase y/y, while passenger capacity on a group airline basis increased by 2.5% y/y to 14,852.4 million seat-kilometres.
- On the cargo front, load factor declined to 56.2% in September 2025 from 58.0% a year ago (August 2025: 55.2%).
- In September 2025, cargo load by million tonne-km fell by 3.8% y/y, trailing the 0.8% y/y contraction in capacity by million tonne-kilometres. On cargo, Typhoon Ragasa impacted East Asia routes and also contributed to weaker freighter activity. (Company)

ABN Amro Bank N.V. ("ABN")

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- In terms of operating and financial performance:
  - FY2025 net interest income guidance (excluding incidentals and HAL) remains at EUR6.2–6.4bn, based on the July forward curve. Margins are expected to be under pressure however with a decline in replicating portfolio income, while mortgage margins may be negatively impacted by automatic risk classification adjustments and while Wealth Management margins will be pressured by targeted time deposit offerings. Corporate loan demand remained muted, and the winddown of non-strategic Asset Based Finance portfolios is expected to add further pressure.
  - Fee and commission income is expected to be constructive with higher seasonal payments and transaction volumes Personal & Business Banking while Wealth Management fees should be supported by positive equity market performance. Corporate Banking capital market fees tend to be subdued over summer.
  - Operating expenses were EUR1,317mn in 2QFY2025, including EUR29mn of incidentals. FY2025 guidance (excluding incidentals and HAL) remains at EUR5.35–5.4bn. Salaries rose 3.75% in July under the collective labour agreement, while FTEs are expected to decline due to limited hiring. Regulatory levies are expected to be limited in 3Q.
- As for ABN's capital position, aside from the HAL consolidation that is expected to reduce CET1 by ~30bps:
  - The formal transfer to less sophisticated models will increase risk weighted assets ("RWAs") by ~EUR1–2bn while other influences include lower capital deductions, the call of its EUR1bn Additional Tier 1 instrument in September, payment of its interim dividend of EUR450mn, and completion of its EUR250mn share buyback programme.
  - Based on the preliminary outcome of the 2025 Supervisory Review and Evaluation Process, ABN's Pillar 2 requirement is expected to increase by 35bps from January 2026, primarily due to exposure to interest-only mortgages.
- ABN's proforma CET1 ratio was 14.8% as at 30 June 2025, up 20bps q/q and 100bps y/y. The CET1 ratio was 350bps above the MDA requirement of 11.3% and above its 13.5% target. (Company, OCBC)

Westpac Banking Corporation ("Westpac")

- Westpac announced items impacting FY2025 results that are scheduled for release on 3 November 2025. These items however do not impact net profit after tax or the composition of line items.
- Impacts include:

    - A pre-tax restructuring charge of AUD273mn as part of its productivity initiatives although this will be offset by productivity benefits.
    - A revision in segment composition for operational alignment including transfer of the merchants services business from Business & Wealth to Westpac Institutional Bank, transfer of the auto finance portfolio contribution from Business & Wealth to Group Businesses (this business was sold in March 2025) and realignment of Consumer, Business & Wealth and Institutional Human Resources and Finance function expenses to Group Businesses.
- 1HFY2025 has been restated for the above changes but FY2024 has not. (Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
15 Oct	China Water Affairs Group Ltd (Subsidiary guarantors: Certain non-PRC incorporated restricted subsidiaries)	Blue, Fixed	USD	150	5NC3	98.937 to yield 6.125%
15 Oct	Chengdu Sino French Ecological Park Investment Development Co Ltd (SBLC Provider: Bank of Chengdu Co Ltd)	Fixed	USD	100	3Y	4.30%

Mandates:

- The Republic of Korea may issue a USD-denominated 5Y Fixed Bond.

Key Market Movements

	16-Oct	1W chg (bps)	1M chg (bps)		16-Oct	1W chg	1M chg
iTraxx Asiax IG	68	2	8	**Brent Crude Spot ($/bbl)**	62.7	-3.9%	-8.5%
				Gold Spot ($/oz)	4,219	6.1%	14.3%
iTraxx Japan	58	2	7	**CRB Commodity Index**	294	-2.5%	-3.9%
iTraxx Australia	68	3	7	**S&P Commodity Index - GSCI**	542	-2.6%	-2.1%
CDX NA IG	53	0	5	**VIX**	20.6	26.6%	31.5%
CDX NA HY	107	-0	-1	**US10Y Yield**	4.03%	-11bp	-0bp
iTraxx Eur Main	56	-1	5				
iTraxx Eur XO	269	-3	17	**AUD/USD**	0.651	-0.7%	-2.6%
iTraxx Eur Snr Fin	60	-1	6	**EUR/USD**	1.165	0.8%	-1.8%
iTraxx Eur Sub Fin	102	-2	10	**USD/SGD**	1.295	0.4%	-1.4%
				AUD/SGD	0.843	1.0%	1.1%
USD Swap Spread 10Y	-46	1	6	**ASX200**	9,031	0.7%	1.7%
USD Swap Spread 30Y	-75	2	7	**DJIA**	46,253	-0.7%	0.8%
				SPX	6,671	-1.2%	0.8%
China 5Y CDS	44	2	7	**MSCI Asiax**	892	-1.1%	2.3%
Malaysia 5Y CDS	43	2	5	**HSI**	25,911	-3.4%	-2.0%
Indonesia 5Y CDS	81	2	11	**STI**	4,368	-2.0%	0.7%
Thailand 5Y CDS	43	3	7	**KLCI**	1,612	-1.0%	0.7%
Australia 5Y CDS	11	-2	1	**JCI**	8,051	-1.4%	1.2%
				EU Stoxx 50	5,605	-0.8%	3.0%

Source: Bloomberg

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