

Asian Credit Daily

17 September 2025

Market Commentary:

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenors traded 2-3bps lower and 10Y traded 3bps lower.
- Flows in SGD corporates were heavy, with flows in AREIT 3.18%-PERP, STTGDC 5.7%-PERP, BACR 5.4%-PERP, HSBC 5.25%-PERP, EQIX 2.9% '32s, CRCTSP 3.95%-PERP, CKPH 3.38%-PERP and AIA 2.9%-PERP.
- As per Bloomberg, a HKSAR judge has approved the formation of a committee of inspection ("COI") to streamline China Evergrande Group's winding up process. Currently the COI consist of three members, with an option for two additional members representing bondholders open for application. The COI allows liquidators to consult the committee instead of seeking approval from a judge or all creditors for each issue.
- In other news by Bloomberg, SK Innovation Co Ltd's petrochemical unit, SK Geo Centric, is reportedly looking to sell its 35% stake in a Chinese joint venture with Sinopec, with the stake valued near its book value of KRW819.3bn. The Wuhan-based JV was founded in 2013 with a total investment of KRW3.3tn.
- Meanwhile, E-commerce logistics firm J&T Global Express Ltd. is negotiating with banks to reduce borrowing costs after achieving profitability for the first time in 2024.
- Bloomberg Asia USD Investment Grade and Bloomberg Asia USD High Yield spreads traded flat at 64bps and 330bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **BNP Paribas SA ("BNPP"):** Given its solid 2Q2025 results, BNPP announced the reaffirmation of its 2025 net income target of over EUR12.2bn with a return on tangible equity ("ROTE") of 12% in 2026.
- **National Australia Bank Ltd ("NAB"), HSBC Holdings PLC ("HSBC"):** NAB is reportedly looking to acquire HSBC's Australian retail businesses comprising AUD33bn in mortgages and AUD19bn in deposits with HSBC putting up its retail operations in Australia for sale in late July. HSBC is also reportedly selling AUD483mn of credit card loans and AUD640mn of personal loans together with the mortgages and deposits.

Credit Headlines**BNP Paribas SA ("BNPP")**

- Given its solid 2Q2025 results, BNPP announced the reaffirmation of its 2025 net income target of over EUR12.2bn with a return on tangible equity ("ROTE") of 12% in 2026. As a recap, BNPP's 2Q2025 results showed continued solid operating performance amidst continued strategic execution with pre-tax income up 3.1% y/y to EUR4.56bn, supported by a 5.0% y/y increase in gross operating income to EUR5.35bn. Net income though was down 4.0% y/y to EUR3.26bn, impacted by a higher corporate tax rate of 26.5% (vs. 20.8% in 2Q2024).
- With BNPP's current 2022-2026 strategic plan coming to an end, the bank is expecting to announce a new 2027–2030 strategic plan in early 2027. Targets for the new plan include a 13% ROTE by 2028 and a CET1 ratio of 12.5% by end-2027. BNPP's capital position as at 30 June 2025 was 12.5%, stable q/q and well above the 10.48% requirement.
- Growth is expected to come from a new strategic plan for Commercial, Personal Banking & Services and recent acquisitions within Investment & Protection Services (including Insurance, Asset Management, and Wealth Management) as well as organic growth. Corporate & Institutional Banking will continue to anchor the group's overall performance and its diversified businesses. (Company, OCBC)

National Australia Bank Ltd ("NAB"), HSBC Holdings PLC ("HSBC")

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- NAB has been acquisitive in the past, purchasing Citigroup's consumer business in Australia for around AUD1.2bn in 2021. For NAB which has a stronger business banking franchise, the acquisition of retail and consumer businesses improves NAB's business diversity somewhat.
- In HSBC's case, the sale of its Australian retail businesses is in line with HSBC's ongoing strategic plan that includes a reduction in gross risk weighted assets and reallocation to higher return businesses and regions (ie Wealth and Personal Banking and Asia).
- No fundamental impacts expected from these transactions should it eventuate. (Australian Financial Review, Bloomberg, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
16 Sep	Shangri-La Hotel Limited (guarantor: Shangri-La Asia Ltd)	Fixed	SGD	60	Retap of its SLHSP 3.48% '32	NA
16 Sep	Transurban Finance Co Pty Ltd (guarantor: Transurban Holdings Limited, Transurban International Limited, Transurban Infrastructure Management Limited, in its capacity as responsible entity of the Transurban Holding Trust)	Fixed, Senior Secured	USD	550	10.5Y	T+90bps (Yield: 4.924%)
16 Sep	Melco Resorts Finance Ltd	Fixed	USD	500	8NC3	6.50%

Mandates:

- Korea National Oil Corporation may issue a USD-denominated Fixed and/or FRN with expected tenor(s) of 3Y and/or 5Y.

Key Market Movements

	17-Sep	1W chg (bps)	1M chg (bps)		17-Sep	1W chg	1M chg
iTraxx Asiax IG	60	-2	-7	Brent Crude Spot (\$/bbl)	68.4	1.4%	3.9%
				Gold Spot (\$/oz)	3,680	1.1%	10.4%
iTraxx Japan	51	-2	-3	CRB Commodity Index	307	2.4%	4.0%
iTraxx Australia	61	-4	-6	S&P Commodity Index - GSCI	559	1.6%	4.5%
CDX NA IG	47	-2	-3	VIX	16.4	8.8%	8.4%
CDX NA HY	108	0	0	US10Y Yield	4.03%	-2bp	-29bp
iTraxx Eur Main	51	-2	-1				
iTraxx Eur XO	252	-7	-8	AUD/USD	0.668	1.0%	2.9%
iTraxx Eur Snr Fin	54	-2	-0	EUR/USD	1.186	1.4%	1.7%
iTraxx Eur Sub Fin	91	-3	-0	USD/SGD	1.276	0.5%	0.6%
				AUD/SGD	0.852	-0.5%	-2.2%
USD Swap Spread 10Y	-52	0	-1	ASX200	8,825	-0.1%	-1.3%
USD Swap Spread 30Y	-82	0	-1	DJIA	45,758	0.1%	1.8%
				SPX	6,607	1.4%	2.4%
China 5Y CDS	36	-4	-7	MSCI Asiax	880	2.3%	5.7%
Malaysia 5Y CDS	37	-2	-2	HSI	26,627	1.6%	5.4%
Indonesia 5Y CDS	70	-2	3	STI	4,324	-0.5%	2.2%
Thailand 5Y CDS	36	-2	-3	KLCI	1,600	0.9%	1.5%
Australia 5Y CDS	10	-0	-1	JCI	7,969	3.5%	0.9%
				EU Stoxx 50	5,372	0.1%	-1.4%

Source: Bloomberg

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