Asian Credit Daily

18 November 2025

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher while belly tenors and 10Y traded 1bps higher.
- Flows in SGD corporates were moderate, with flows in BACR 4.65%-PERP & BNP 5.9%-PERP.
- Moody's has affirmed Hong Kong & China Gas Co Ltd's issuer rating at A1 while outlook to negative from stable.
- Meanwhile, S&P downgraded Longfor Group Holdings Ltd's long-term rating to BB- from BB- and revised the outlook from negative to stable. The stable outlook reflects the company's adequate liquidity buffer over the next 12 months, supported by its commercial property portfolio, despite weakening contracted sales in its property development segment.
- In other news by Bloomberg, The Hong Kong Monetary Authority ("HKMA") and Hong Kong bankers are increasingly concerned about the city's worst real estate downturn since the Asian financial crisis. HKMA has stepped up scrutiny of lenders' handling of distressed loans and is regularly checking banks' willingness to extend credit to smaller developers. Meanwhile, bankers are reassessing collateral valuations, with some worried that commercial property values used as loan security may be inflated.
- Bloomberg Asia USD Investment Grade spreads traded flat at 59bps and Bloomberg Asia USD High Yield spreads widened by 2bps to 350bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Industry Outlook – Singapore Property:** The Sen sold 80 out of 347 units at an average price of SGD2,358 psf over a weekend launch. The project is located off Jalan Jurong Kechil in Upper Bukit Timah. The developer is Sustained Land, in joint venture with Ho Lee Group and Greatview Development.
- **City Developments Ltd ("CDL"):** CDL reported its 3Q2025 operational update. No financials were released, though CDL provided certain disclosures for each of its key business segments (Property Development, Property Investment, Hospitality). CDL expects the outlook to remain stable or positive for each of its segments, while credit metrics meanwhile look stable q/q.
- **Singapore Airlines Ltd ("SIA"):** SIA reported its October 2025 operating data. On a group airline basis, passenger load factor rose to 87.3% in October 2025, up from 86.0% in October 2024. This is slightly higher than 87.1% in September 2025.
- **Deutsche Bank AG ("DB"):** DB held its Investor Deep Dive day yesterday which announced a new strategic plan including revised financial targets as the bank shifts from a period of restructuring and stability to focused growth.

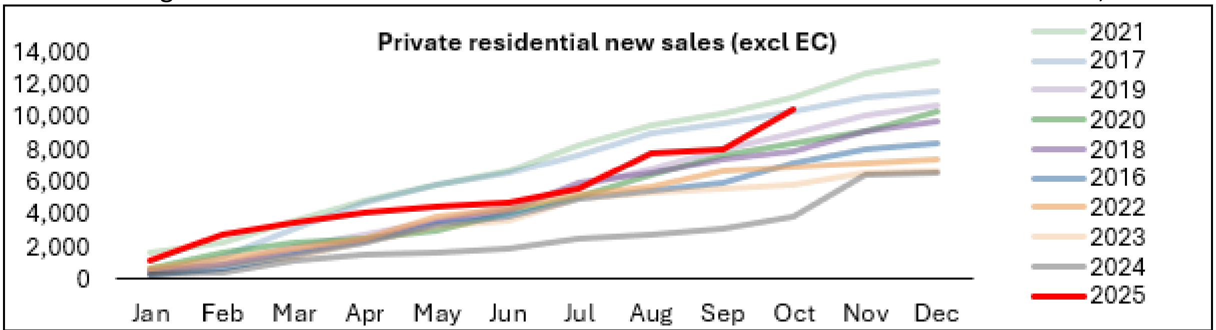
Credit Headlines

Industry Outlook – Singapore Property

- **The Sen sold 23% of units at SGD2,358 psf.** 80 out of 347 units were sold at an average price of SGD2,358 psf over a weekend launch. The project is located off Jalan Jurong Kechil in Upper Bukit Timah. The developer is Sustained Land, in joint venture with Ho Lee Group and Greatview Development.
- **Sales rate looks low compared to other recent launches:** Launches in October did very well, selling well over 80% of the units at launch. In contrast, sales rate at The SEN is much lower, even though the selling price is below the average price of the other projects.

Launch Date	Project	Units	Sales Rate at Launch	Average Price
Oct-25	Skye at Holland	666	99%	SGD2,953 psf
Oct-25	Faber Residence	399	86%	SGD2,160 psf
Oct-25	Penrith	462	97%	SGD2,800 psf
Oct-25	Zyon Grand	706	84%	SGD3,050 psf
Nov-25	**The SEN**	**347**	**23%**	**SGD2,358 psf**

- **October sales lift total sales to near recent highs:** Developers sold 2,424 units in October, primarily due to the strong sales rate at the above launches. This lifted total sales in 10M2025 to over 10,000 units.



- **Interpreting the lower sales at The SEN amidst strong sales in 10M2025:** The abundance of new projects launched amid a buoyant property market has provided buyers with a wide range of options in 10M2025. As such, we think that buyers are less pressured to make immediate purchases, who could opt to wait for upcoming launches in 2026. (Company, Business Times, EdgeProp, OCBC)

City Developments Ltd ("CDL")

- CDL reported its 3Q2025 operational update. No financials were released, though CDL provided certain disclosures for each of its key business segments (Property Development, Property Investment, Hospitality). **CDL expects the outlook to remain stable or positive for each of its segments, while credit metrics meanwhile look stable q/q.**
- **Property development: Lower 3Q2025 sales, but 9M2025 still strong**
  - **Few sales in 3Q2025 due to lack of launches:** CDL and its JV associates sold 88 units worth SGD313.2mn (3Q2024: 321 units worth SGD611.1mn). Sales were lower as there were no new launches during this period, while 3Q2024 was boosted by the launch of 276-unit freehold Kassia (which sold 144 units on its launch weekend).
  - **9M2025 sales are still strong, likely to finish 2025 strong too:** In total, CDL sold 990 units worth SGD2.5bn in 9M2025 (9M2024: SGD1.8bn), due to 777-unit The Orie JV project at Toa Payoh (94% sold to date) launched in January 2025. Post quarter end in October, 706-unit Zyon Grand sold 84% of 590 units at an average selling price of SGD3,050 psf.
  - **Replenishing the EC landbank:** In 3Q2025, CDL acquired two EC sites in August, namely Woodlands Drive 17 (acquired at SGD360.9mn, or SGD782 psf ppr) and Senja Close (SGD252.9mn, or SGD771 psf ppr). Previous EC projects undertaken by CDL have been fully sold out. Meanwhile, CDL has obtained its Temporary Occupation Permit for Piccadilly Grand (407 unit, fully sold) in end-September 2025.

- **Investment Properties: Occupancy still stable**
    - **SG Office occupancy at 97.3%,** higher q/q (1H2025: 97.0%), supported by strong occupancies at Republic Plaza (97.6%) and City House (100%).We think that the increase q/q could be due to the divestment of South Beach (sold 1 September 2025), which had 96.0% occupancy as of 1H2025. Meanwhile, Union Square Central (completing in 2028) has pre-commitment level of 52%, attracting strong interest from established multinational corporations seeking high-quality, future-ready workplaces.
    - **SG Retail portfolio occupancy at 96.9%**, slightly lower q/q (1H2025: 97.0%)**.** While occupancy of City Square Mall rose 1.1 ppts q/q to 98%, supported by sustained footfall recovery and positive leasing momentum since its AEI completion in 1H2025, Palais Renaissance occupancy fell 2.4 ppts q/q to 97.6%.
    - **Improvements in UK occupancy:** Committed occupancy at 125 Broad Street rose to 91.1% from 87.9% q/q, while Aldgate House occupancy is expected to rise to 98.2% (from 75.8%). Meanwhile, occupancy at St Katharine Docks remained stable at 87%. CDL expects its UK commercial portfolio to remain resilient, with uptick of demand for Grade A offices, ongoing AEIs and strong tenant relationships.
- **Hotel Operations RevPAR inched down in 9M2025**, falling 0.3% y/y to SGD165.8, even though 1H2025 RevPAR saw marginally higher RevPAR. With GOP margin declining 1.8 ppts y/y to 32.1%, profitability for the segment is most likely lower y/y.
- **Stable outlook ahead:** CDL expects core operations of property development to remain resilient, having built a strong pipeline of well-located projects. For its investment properties, CDL expects its Singapore office and retail portfolios to continue sustaining high occupancies. For hotel operations, it expects performance across key markets to remain stable while major events in 4Q2025 (including Formula 1 Singapore Grand Prix, Blackpink concert) may support domestic inflows.
- **Recycling some capital:** CDL completed the SGD65.46mn divestment of Piccadilly Galleria on 7 November. CDL has also launched Quayside Isle for sale at SGD111mn (SGD2,515 psf) and is now in advanced stages of discussion and negotiation with shortlisted parties.
- **Stable credit metrics:** Reported net gearing inched down 1 ppts q/q to 69% while reported interest cover improved to 4.0x (1H2025: 2.4x). (Company, OCBC)

Singapore Airlines Ltd ("SIA")

- SIA reported its October 2025 operating data. On a group airline basis, passenger load factor rose to 87.3% in October 2025, up from 86.0% in October 2024. This is slightly higher than 87.1% in September 2025.
- Group passengers carried reached 3.58 million in October 2025, an 8.3% increase y/y, while passenger capacity on a group airline basis increased by 3.7% y/y to 15,599.3 million seat-kilometres.
- On the cargo front, load factor declined to 53.5% in October 2025 from 59.1% a year ago (September 2025: 56.2%).
- In October 2025, cargo load by million tonne-km fell by 9.1% y/y, trailing the 0.3% y/y increase in capacity by million tonne-kilometres. Softer cargo demand across all regions was attributed to global trade tensions while the cargo business was also affected by unplanned aircraft maintenance. (Company)

Deutsche Bank AG ("DB")

- DB held its Investor Deep Dive day yesterday which announced a new strategic plan including revised financial targets as the bank shifts from a period of restructuring and stability to focused growth.
- Key targets covering 2026-2028 include CAGR group revenue growth of over 5%, a return on tangible equity above 13%, cost/income ratio below 60%, and a 60% profit payout while maintaining a CET1 ratio of 13.5-14.0%. DB's CET1 ratio was 14.5% as at 30 September 2025, materially above its Maximum Distributable Amount requirement by EUR11bn and its current target operating range of 13.5-14.0%.
- DB also released investor deep dives into its major business divisions including the Investment Bank, Asset Management and Corporate Bank.

- Financial targets are expected to be supported by EUR1.5bn in investments and EUR2bn in cost efficiencies in a supportive operating environment with the German economy expected to stabilise and grow in 2026 and 2027 aided by fiscal expansion while broader reforms in Europe will translate to GDP growth of 1.1% in 2026 and 1.7% in 2027. (Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
17 Nov	Starhub Ltd	Fixed	SGD	300	10Y	2.55%
17 Nov	Bank of China Ltd/Dubai	FRN	USD	500	3Y	SOFR+43bps

Mandates:

- Bangkok Bank PCL may issue a USD-denominated 5Y and 10Y Fixed Bond.
- Hong Kong Mortgage Corp Ltd/The may issue debt in multiple tranches across various currencies, including a USD-denominated 5Y Social Fixed Bond.

Key Market Movements

	18-Nov	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	67	1	-3
iTraxx Japan	58	1	1
iTraxx Australia	67	0	-4
CDX NA IG	54	3	2
CDX NA HY	107	-1	-1
iTraxx Eur Main	55	1	-1
iTraxx Eur XO	266	6	-4
iTraxx Eur Snr Fin	59	1	-1
iTraxx Eur Sub Fin	101	2	-1
USD Swap Spread 10Y	-44	-0	6
USD Swap Spread 30Y	-73	0	5
China 5Y CDS	44	3	-0
Malaysia 5Y CDS	40	0	-3
Indonesia 5Y CDS	75	0	-7
Thailand 5Y CDS	42	1	-2
Australia 5Y CDS	11	0	-0

	18-Nov	1W chg	1M chg
Brent Crude Spot ($/bbl)	63.9	-1.9%	4.3%
Gold Spot ($/oz)	4,012	-2.8%	-7.9%
CRB Commodity Index	302	0.2%	2.8%
S&P Commodity Index - GSCI	559	-1.5%	3.5%
VIX	22.4	27.2%	7.7%
US10Y Yield	4.12%	1bp	11bp
AUD/USD	0.648	-0.7%	-0.4%
EUR/USD	1.159	0.1%	-0.4%
USD/SGD	1.304	-0.2%	-0.7%
AUD/SGD	0.846	0.4%	-0.3%
ASX200	8,485	-3.8%	-5.7%
DJIA	46,590	-1.6%	0.9%
SPX	6,672	-2.3%	0.1%
MSCI Asiax	907	-1.0%	2.1%
HSI	26,094	-2.3%	3.4%
STI	4,532	-0.2%	4.7%
KLCI	1,622	-0.8%	0.9%
JCI	8,379	0.1%	5.9%
EU Stoxx 50	5,641	-0.4%	0.6%

Source: Bloomberg

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberthtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee
Credit Research Analyst
mengteechin@ocbc.com

Co.Reg.no.: 193200032W