Asian Credit Daily

22 October 2025

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter and belly tenors trading ~2bps higher while 10Y traded 1bps higher.
- Flows in SGD corporates were moderate, with flows in BACR 5.4%-PERP & GESP 3.928% '39s.
- As per Bloomberg, New World Development Co Ltd ("New World") clarified that it is not conducting a liability management exercise in relation to its perpetuals or other debt securities, responding to media reports suggesting otherwise. New World also confirmed that it has not receive any equity financing proposals. Despite completing an USD11bn loan refinancing, New World still faces financial challenges with a total of USD7.9bn of outstanding bonds, of which ~57% are perpetual notes.
- In other news by Bloomberg, at least three of Far East Consortium International Ltd's perpetual holders said that they have received distribution payments, which was payable on 18 October.
- Lastly, Genting Bhd plans to fund the take-private of its Malaysia unit with USD1bn in loan and MYR3bn (~USD710mn) in medium-term notes.
- Bloomberg Asia USD Investment Grade spreads traded flat at 64bps and Bloomberg Asia USD High Yield spreads tightened by 7bps to 350bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **BNP Paribas SA ("BNPP"):** BNPP shares are down ~9% since last Thursday following news that a court has awarded three plaintiffs around USD21mn as part of a civil class action and related individual actions that sought money damages for BNP's processing of transactions with Sudanese entities subject to US sanctions.

Credit Headlines

BNP Paribas SA ("BNPP")

- BNPP shares are down ~9% since last Thursday following news that a court has awarded three plaintiffs around USD21mn as part of a civil class action and related individual actions that sought money damages for BNPP's processing of transactions with Sudanese entities subject to US sanctions. The plaintiff's case is that this, along with details in BNP's 30 June 2014 USD9bn settlement with US authorities for the processing of financial transactions for entities in certain countries subject to US economic sanctions, make BNPP (and its US subsidiary) liable for injuries to the plaintiffs by the government of Sudan between 1997 and 2011. BNPP pleaded guilty to two criminal charges of breaking US sanctions against trade with Sudan, Iran and Cuba and completed its US sanctions remediation in 2014.
- Details of this legal proceeding were disclosed in BNPP's 1H2025 financial results with BNPP staying that it "has substantial and credible defences to these actions and is defending against them vigorously." The concern however is that the success of the claims of three individual plaintiffs in the action allows further proceedings under the District Court's 9 May 2024 granting of a motion to proceed as a class of all refugees or asylees admitted by the United States who formerly lived in Sudan or South Sudan between November 1997 and December 2011. Per Bloomberg and a statement from the law firm representing the plaintiffs, there are more than 20,000 Sudanese now living in the US.
- BNPP released two statements affirming its "unwavering intention to appeal" the outcome and that it is not under pressure to settle the case. BNPP Chief Financial Officer Lars Machenil also confirmed that the bank has not made any provisions for this case in its 3Q2025 results.
- Legal uncertainty is likely adding to recent concerns around France's political situation with the sovereign rating on France downgraded recently and a further rating review by a separate rating agency expected later this week. These developments will exert more technical than fundamental pressure on BNPP in our view.
- BNPP also reiterated its shareholder return policy and capital trajectory guidance earlier this week. In mid-September, 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. 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. (Company, Bloomberg, BBC, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
21 Oct	Aspial Lifestyle Ltd	Fixed	SGD	75	4Y	5.10%
21 Oct	ASB Bank Ltd	Fixed	USD	500	5Y	T+60bps (reoffer price par to yield 4.155%)
21 Oct	ASB Bank Ltd	FRN	USD	300	5Y	SOFR+90bps
21 Oct	GS Caltex Corp	Fixed	USD	300	5Y	T+77bps (reoffer price 99.657 to yield 4.327%)
21 Oct	China Energy Overseas Investment (Hong Kong) Co., Limited (guarantor: China Energy Engineering Corporation Limited)	Green, Fixed	USD	100	3Y	T+36.10bps (par to yield 3.80%)
21 Oct	China Energy Overseas Investment (Hong Kong) Co., Limited (guarantor: China Energy Engineering Corporation Limited)	Green, Subordinated, Perpetual	USD	100	PerpNC5	T+70.20bps (par to yield 4.25%)
21 Oct	SBI Holdings Inc	Fixed	USD	100	2Y	4.30%

Mandates:

- Three Gorges Finance I (guarantor: China Three Gorges Corp) may issue a USD-denominated Fixed note.

Key Market Movements

	22-Oct	1W chg (bps)	1M chg (bps)		22-Oct	1W chg	1M chg
iTraxx Asiax IG	69	2	6	**Brent Crude Spot ($/bbl)**	61.5	-0.7%	-7.6%
				Gold Spot ($/oz)	4,096	-2.7%	9.3%
iTraxx Japan	57	-1	1	**CRB Commodity Index**	295	0.3%	-0.8%
iTraxx Australia	70	2	6	**S&P Commodity Index - GSCI**	542	-0.0%	-0.7%
CDX NA IG	53	-0	1	**VIX**	17.9	-14.1%	11.0%
CDX NA HY	107	-0	-1	**US10Y Yield**	3.96%	-7bp	-19bp
iTraxx Eur Main	56	-1	-0				
iTraxx Eur XO	267	-2	-0	**AUD/USD**	0.649	-0.4%	-1.7%
iTraxx Eur Snr Fin	60	0	-0	**EUR/USD**	1.161	-0.4%	-1.7%
iTraxx Eur Sub Fin	102	1	-0	**USD/SGD**	1.298	-0.1%	-1.2%
				AUD/SGD	0.842	0.2%	0.5%
USD Swap Spread 10Y	-46	0	6	**ASX200**	9,017	0.3%	2.3%
USD Swap Spread 30Y	-74	1	8	**DJIA**	46,925	1.4%	1.2%
				SPX	6,735	1.4%	0.6%
China 5Y CDS	44	0	9	**MSCI Asiax**	907	1.7%	3.3%
Malaysia 5Y CDS	42	-0	3	**HSI**	25,831	-0.3%	-2.7%
Indonesia 5Y CDS	81	0	1	**STI**	4,381	0.6%	1.9%
Thailand 5Y CDS	43	-0	5	**KLCI**	1,615	0.2%	0.7%
Australia 5Y CDS	11	0	1	**JCI**	8,250	2.5%	2.6%
				EU Stoxx 50	5,687	2.4%	4.2%

Source: Bloomberg

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