Asian Credit Daily

23 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 heavy, with flows in AREIT 3.18%-PERP, EQIX 2.9% '32s, UBS 5.6%-PERP, BACR 5.4%-PERP & STHSP 3.35%-PERP.
- As per Bloomberg, Hong Kong court adjourned the hearing on the winding-up petition against Chinese developer KWG Group Holdings Ltd to 03 December. The petition was filed by Shandong Sunlight Xin Tiandi Micro-finance in August, citing RMB642mn in outstanding debt and RMB136.2mn in interest accrued.
- In other news, China's electric vehicle insurance market is facing losses as insurers struggle to price risks accurately amid changing vehicle economics and driver behaviours. EV drivers are twice as likely to file claims and incur higher repair costs. Despite higher premiums, the industry lost RMB5.7bn on NEV policies in 2024 and is expected to remain unprofitable for the year.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps at 63bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 351bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Frasers Centrepoint Trust ("FCT"):** Decent FY2025 results ending 30 September 2025, net property income rose 9.7% y/y to SGD278.0mn, mainly due to acquisition of Northpoint City South Wing which was completed on 26 May 2025.
- **Keppel Ltd ("KEP"):** On 13 October 2025, KEP disclosed that its indirect subsidiary, M1 Limited ("M1"), is facing legal action from Liberty Wireless (parent of Circles.Life) in the Singapore High Court. The dispute concerns a 2019 mobile virtual network arrangement. In August 2025, KEP announced that Keppel Konnect Pte Ltd, a wholly-owned direct subsidiary of KEP and Konnectivity Pte Ltd, an indirect subsidiary of KEP (collectively, the "Vendors") have entered into a sale and purchase agreement to sell the entire share capital of M1 after M1's proposed restructuring. The Vendors do not expect the allegations to adversely impact or delay the completion of the sale of M1.
- **Mapletree Pan Asia Commercial Trust ("MPACT"):** MPACT announced the second quarter results for the financial year ending 31 March 2026 ("2QFY2026"). MPACT's credit metrics has improved somewhat q/q, driven by debt reduction from proceeds of asset sales.
- **Sembcorp Industries Ltd ("SCI"):** Bloomberg reported that SCI is in talks to buy a 25-30%-stake in the gas-fired power business of Thai-listed B.Grimm Power Pcl ("B.Grimm Power") where the stake may be worth USD500mn to USD600mn, quoting unnamed sources.
- **Barclays PLC ("Barclays"), Barclays Bank PLC ("BBPLC"):** Barclays reported resilient 3Q2025 results with profit before tax of GBP2.08bn, slightly down 7% y/y, but year-to-date profit before tax up 13% y/y to GBP7.28bn. Group income grew 9% y/y to GBP7.17bn in 3Q2025 and 11% y/y to GBP22.06bn YTD.

Credit Headlines

Frasers Centrepoint Trust ("FCT")

- **Decent FY2025 results ending 30 September 2025:** Net property income rose 9.7% y/y to SGD278.0mn, mainly due to acquisition of Northpoint City South Wing which was completed on 26 May 2025. Excluding the acquisition, Changi City Point (which was divested on 31 October 2023) and Hougang Mall (which commenced AEI in April 2025), net property income would still have increased 1.6% y/y.
- **Occupancy rate fell due to exit of Cathay:** Committed occupancy fell 1.8 ppts q/q to 98.1% due to the exit of Cathay Cineplexes at Causeway Point and Century Square. Excluding the exit, committed occupancy would have remained stable q/q at 99.9%. Due to the exit, occupancy which would otherwise be full for Causeway Point fell 7.7 ppts q/q to 92.3% while Century Square fell 8.2 ppts q/q to 91.8%.
- **Impact from exit of Cathay likely manageable:** In FY2025, net allowance for doubtful receivables increased to SGD1.9mn (FY2024: SGD1.2mn). We note that in July 2025, Cathay Cineplexes received repayment demands exceeding SGD3.3mn in rental arrears and for other items for its outlets at Century Square (two statutory demands totaling SGD729.2mn) and Causeway Point (one statutory demand for SGD2.6mn). These are small relative to total net property income of SGD278.0mn generated by FCT for FY2025. Impact to net property income was manageable, with Causeway Point net property income remaining stable at SGD69.9mn while that of Century Square fell 1.4% y/y to SGD26.4mn.
- **Tenant sales look strong, outperforming broader retail trends:** FCT tenants' sales rose 3.9% y/y in 4QFY2025 (+3.7% y/y in FY2025). Between January to August 2025, tenant sales for FCT portfolio rose 4.0% y/y, outperforming retail sales index (ex-motor vehicles) of 1.2% y/y. This was partly supported by the completion of AEI at Tampines 1, with return on investment exceeding its target of 8%.
- **Strong reversions continue while occupancy cost remains low:** FCT recorded +7.8% rental reversion in FY2025 (FY2024: +7.7%). Higher rentals have not significantly impacted occupancy cost, which inched up 0.1 ppts y/y to 16.1%. Occupancy cost remains below pre-pandemic levels (FY2019: 17.0%).
- **Looking for more AEIs:** FCT is on track to complete Hougang Mall's SGD51mn AEI by September 2026. Already, leasing for pre-commitment has exceeded 80%. We understand that FCT is also exploring a larger AEI at NEX.
- **Credit metrics remain manageable:** Aggregate leverage fell q/q to 39.6% (3QFY2025: 38.6%), following the issuance of SGD200mn FCTSP 3.98% PERP while Yishun 10 Retail Podium was divested for SGD34.5mn (completed on 23 September 2025). Reported interest coverage improved to 3.46x as of 30 September 2025 (30 June 2025: 3.39x), and we think there is room for further improvement as cost of debt fell to 3.5% in 4QFY2025 (FY2025: 3.8%). Going forward, cost of debt may continue to fall as interest rates have fallen.
- **Progressing on sustainability:** The proportion of green loans increased y/y to 90.1% as of 30 September 2025 (end-FY2024: 82.8%). Food waste was reduced by 258,000 kg in FY2025 (equivalent to over 1.6 tonnes of carbon emissions avoidance), following the implementation of food waste valorisation system across five of FCT's malls. FCT was awarded the Regional Sector Leader (Listed) in the Asia, Retail category in the 2025 GRESB Real Estate Assessment, maintaining its 5-Star rating. FCT was ranked 6th in the REIT & Business Trust category in the Singapore Governance & Transparency Index 2025. (Company, Business Times, OCBC)

Keppel Ltd ("KEP")

- On 13 October 2025, KEP announced that its indirect subsidiary M1 Limited ("M1") has been served with an Originating Application commenced by Liberty Wireless Pte. Ltd ("Liberty Wireless", the parent company of Circles.Life) in the High Court of Singapore. The legal proceedings are in relation to mobile virtual network arrangements with M1 dated May 2019. Among the allegations, Liberty Wireless alleges that M1 has wrongfully refused to enter into negotiations with Liberty Wireless to amend or vary a 2019 contract to address the implications of the Framework for the Wholesale of Mobile Services issued by the Infocomm Media Development Authority ("IMDA", the regulator for the telecommunications sector). KEP intends to defend its position at the appropriate forum.
- As a recap, in August 2025, KEP announced that Keppel Konnect Pte Ltd, a wholly-owned direct subsidiary of KEP and Konnectivity Pte Ltd, an indirect subsidiary of KEP (collectively, the "Vendors") have entered into a sale and purchase agreement with Simba Telecom Pte Ltd ("Simba"), as purchaser and Tuas Limited ("Tuas",

listed on the Australian Securities Exchanged, spun out of TPG Telecom Limited, as guarantor) for the sale of the entire share capital of M1 after M1's proposed restructuring. The Vendors do not expect the allegations to adversely affect or delay the completion of the proposed sale.

- There is no indication why the legal action is occurring at this time per publicly available information. However, we note that Circles.Life competes with Simba and that Circles.Life is a key Mobile Virtual Network Operator ("MVNO") in the Singapore market, tapping onto M1's infrastructure.
- In separate updates, Mint reported that KEP is buying a 49%-stake in Cleantech Solar from Shell Plc and taking full control of the company, quoting unnamed sources. As of writing KEP has not publicly issue a statement with regards to this news. (Company, OCBC, Mint)

Mapletree Pan Asia Commercial Trust ("MPACT")

MPACT announced the second quarter results for the financial year ending 31 March 2026 ("2QFY2026"). MPACT's credit metrics has improved somewhat q/q, driven by debt reduction from proceeds of asset sales. Resiliency of MPACT's Singapore portfolio continue to underpin the credit strength of MPACT and help buffer softness in its overseas operations.

- **Lower y/y revenue and NPI in 2QFY2025 dragged by overseas markets although Singapore market was resilient**
    - MPACT's 2QFY2026 gross revenue was 3.2% lower y/y at SGD218.5mn, mainly driven by lower overseas contributions as well as depreciation of HKD and RMB against the SGD, as well as the absence of full period contributions from the divestment of TS Ikebukuro Building ("TSI") and ABAS Shin-Yokohama Building ("ASY"), both sold in August 2025. Net property income ("NPI") was 2.2% lower y/y at SGD163.9mn.
    - Mapletree Anson was divested in July 2024 (2QFY2025). Per MPACT, despite the divestment, Singapore properties saw a higher contribution, led by VivoCity and a higher one-off compensation income at Mapletree Business City.
    - MPACT owns a 50%-interest in The Pinnacle Gangnam in Seoul, South Korea ("TPG"). Including TPG's contribution, Adjusted NPI for 2QFY2026 was SGD166.2mn (2QFY2025: SGD169.8mn). Q/q, Adjusted NPI fell by 1.3%.
    - Overseas properties contributed SGD58.7mn to Adjusted NPI in 2QFY2026, lower by 11.3% y/y, with a reduction seen in Japan Properties, China Properties and Festival Walk. Notably, VivoCity's Adjusted NPI grew by 7.7% y/y in 2QFY2026. While shopper traffic in 2QFY2026 only grew by 1.8% y/y, tenant sales grew by 4.8% y/y.
    - The core assets of VivoCity and Mapletree Business City ("MBC") together contributed ~56% of 2QFY2026's Adjusted NPI.
- **Committed occupancies in most markets improved q/q**
    - As at 30 September 2026, MPACT's overall portfolio committed occupancy was 88.9%, dipping 0.4 percentage points q/q. Encouragingly, committed occupancies for all of its segments improved q/q, with the exception of Japan Properties falling to 73.9% as at 30 September 2025 (30 June 2025: 76.8%), dragged by soft Makuhari market. While China Properties committed occupancy improved 0.4 percentage points q/q to 86.3% as at 30 September 2025, in our view this was at the expense of rental rates.
    - Rental reversions for the overall portfolio was only -0.1%, notably China Properties saw a rental reversion of -21.6% while Festival Walk saw a rental reversion of -10.1%.
- **Improved credit metrics**
    - Reported aggregate leverage (does not include perpetual) was 37.6% as at 30 September 2025 (30 June 2025: 37.9%), commendable versus high grade Singapore REITs under our coverage. Similar to the earlier Mapletree Anson divestment, proceeds from the divestment of the two properties in Japan was also used for debt reduction.
    - Reported interest coverage ratio for the 12 months to 30 September 2025 (which includes perpetual distribution) was 3.0x, improving from the 2.9x for the 12 months to 30 June 2025. Interest expense

at MPACT had declined 16.4% y/y in 2QFY2026 mainly due to lower interest rates on its borrowings and interest savings from lower average gross debt.

- **Minimal short-term refinancing risk**
  - As at 30 September 2026, MPACT faces only SGD123mn of debt due in the remaining of FY2026 (representing 2% of total debt). In FY2027, MPACT faces SGD421mn of debt due (representing 7% of total debt) and this includes the SGD175mn SGD-denominated MCTSP 3.11% '26s due in August 2026. As at 30 September 2025, MPACT has a cash balance of SGD154.1mn and another ~SGD0.75bn of undrawn committed facilities. These more than suffice to cover the short-term debt due. Additionally, MPACT maintains good access to debt markets. In August 2025, MPACT priced SGD200mn of 7Y green bonds.
  - All debt at MPACT remains unsecured. As at 30 September 2025, MPACT has SGD15.4bn of investment properties that can be used to raise secured debt, if need be. (Company, OCBC)

Sembcorp Industries Ltd ("SCI")

- Bloomberg reported that SCI is in talks to buy a 25-30%-stake in the gas-fired power business of Thai-listed B.Grimm Power Pcl ("B.Grimm Power") where the stake may be worth USD500mn to USD600mn, quoting unnamed sources.
- B.Grimm Power is one of the largest private power producers in Thailand. As of August 2025, 70.3% of its operating capacity is attributable to gas while by committed portfolio (projects under development with a power purchase agreement or grid connection), 48.6% is attributable to gas while the rest comprise of renewable energy.
- As of writing, neither SCI nor B.Grimm publicly issue a statement with regards to this news. (Bloomberg, OCBC)

Barclays PLC ("Barclays"), Barclays Bank PLC ("BBPLC")

- Barclays reported resilient 3Q2025 results with profit before tax of GBP2.08bn, slightly down 7% y/y, but year-to-date profit before tax up 13% y/y to GBP7.28bn. Group income grew 9% y/y to GBP7.17bn in 3Q2025 and 11% y/y to GBP22.06bn YTD, supported by broad-based growth across all divisions. Net interest income (NII) excluding Investment Bank and Head Office rose 16% y/y to GBP3.3bn in 3Q2025 and 14% y/y to GBP9.4bn YTD, driven by structural hedge momentum, lending growth and the Tesco Bank acquisition. 9M2025 net interest margin excluding Investment Bank and Head Office was 4.55%, up 34bps y/y.
- **Group operating costs** rose 14% y/y to GBP4.5bn in 3Q2025, driven by Tesco Bank integration, investment spend, inflation, and a GBP235mn charge for motor finance redress (included under Litigation and Conduct Charges). Operating costs excluding litigation and conduct rose 8% y/y to GBP4.3bn. Despite higher costs, Barclays achieved GBP180mn in cost efficiencies in 3Q2025, bringing YTD savings to GBP530mn, ahead of its GBP500mn FY2025 target. The cost:income ratio was 63% in 3Q2025 and 59% YTD, in line with its FY2025 guidance of ~61%.
- **Credit impairment charges** rose 69% y/y to GBP632mn in 3Q2025, with a loan loss rate of 57bps (3Q2024: 37bps). Charges included a GBP110mn single name provision in IB and a GBP65mn day-one impact from the General Motors co-branded cards portfolio acquisition. USCB accounted for GBP379mn of the total, with a loan loss rate of 505bps (411bps in 3Q2024). BUK impairment charges rose to GBP102mn from GBP16mn in 3Q2024, driven by the Tesco Bank acquisition as well as higher volumes in mortgage and card lending. The total coverage ratio remained stable at 1.2%. The 9M2025 loan loss rate was 53bps (9M2024: 42bps).
- **Capital and liquidity metrics** remained solid:
  - CET1 ratio was 14.1% as at 30 September 2025, up 50bps YTD and 30bps y/y. The ratio includes a 140bps uplift from earnings and a 20bps impact from other CET1 movements, offset by a 80bps reduction from shareholder distributions and a 20bps decrease from risk weighed asset ("RWA") growth. Post the GBP500mn buyback announced as part of the results, the pro forma CET1 ratio is 13.9%, at the top end of the 13–14% target range.
  - RWAs were GBP357.4bn, broadly stable h/h. IB accounted for 56% of Group RWAs, stable YTD and q/q with a 2026 target of ~50%.

  - Liquidity coverage ratio was 174.6%, up from 172.4% in Dec 2024, with a surplus of GBP132.5bn. Net stable funding ratio was 135.3%, with a surplus of GBP160.1bn.
- **Barclays's strategic execution** remains on track with its FY2025 cost efficiency target of GBP500mn achieved one quarter early with GBP2bn in savings expected by 2026. The Group has deployed GBP18bn of the targeted GBP30bn UK business growth RWAs, with GBP11bn from organic growth. Structural hedge income is locked in at GBP11.8bn across 2025–2026, up from GBP11.1bn last quarter. Given the solid results, management have upgraded its 2025 return on tangible equity guidance to greater than 11% (previously ~11%) and reaffirmed the 2026 target of greater than 12%. Management plans to announce new financial and operational targets through 2028 at its FY2025 results on 10 February 2026. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
22 Oct	Moneymax Treasury Pte Ltd (guarantor: MoneyMax Financial Services Ltd)	Fixed	SGD	70	3Y	5.00%
22 Oct	SoftBank Group Corp	Subordinated, Fixed-to-Variable	USD	1100	40NC10	8.25%
22 Oct	SoftBank Group Corp	Subordinated, Fixed-to-Variable	USD	900	35.5NC5.5	7.625%
22 Oct	Republic of Korea	Fixed	USD	1000	5Y	T+17bps (reoffer price 99.475 to yield 3.741%)
22 Oct	Three Gorges Finance I Cayman Islands Ltd (guarantor: China Three Gorges Corp)	Fixed	USD	700	3Y	T+16bps (reoffer price 99.941 to yield 3.621%)
22 Oct	Seazen Group Ltd	Fixed	USD	50	Retap of its FUTLAN 11.88% '28	NA

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	23-Oct	1W chg (bps)	1M chg (bps)		23-Oct	1W chg	1M chg
iTraxx Asiax IG	70	0	6	**Brent Crude Spot ($/bbl)**	64.4	5.5%	-4.8%
				Gold Spot ($/oz)	4,075	-5.8%	8.3%
iTraxx Japan	58	1	2	**CRB Commodity Index**	298	1.5%	0.1%
iTraxx Australia	71	2	6	**S&P Commodity Index - GSCI**	546	0.7%	-0.0%
CDX NA IG	53	-1	1	**VIX**	18.6	-9.9%	15.5%
CDX NA HY	107	0	-1	**US10Y Yield**	3.95%	-3bp	-16bp
iTraxx Eur Main	56	-1	1				
iTraxx Eur XO	270	-3	6	**AUD/USD**	0.649	0.0%	-1.7%
iTraxx Eur Snr Fin	60	-1	1	**EUR/USD**	1.160	-0.7%	-1.8%
iTraxx Eur Sub Fin	103	-0	1	**USD/SGD**	1.299	-0.4%	-1.2%
				AUD/SGD	0.842	-0.4%	0.5%
USD Swap Spread 10Y	-44	2	7	**ASX200**	9,001	-0.7%	1.7%
USD Swap Spread 30Y	-73	3	9	**DJIA**	46,590	0.7%	0.5%
				SPX	6,699	0.4%	0.1%
China 5Y CDS	45	-0	9	**MSCI Asiax**	903	0.3%	2.6%
Malaysia 5Y CDS	42	-1	2	**HSI**	25,782	-0.5%	-2.1%
Indonesia 5Y CDS	81	-1	-1	**STI**	4,394	0.9%	2.1%
Thailand 5Y CDS	43	0	4	**KLCI**	1,603	-0.5%	-0.1%
Australia 5Y CDS	11	0	0	**JCI**	8,153	1.3%	0.3%
				EU Stoxx 50	5,639	0.6%	3.6%

Source: Bloomberg

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