

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-4bps higher while belly tenors traded 4bps higher and 10Y traded 5bps higher.
- Flows in SGD corporates were moderate, with flows in STHSP 3.35%-PERP & UBS 5.6%-PERP.
- As per Bloomberg, Minmetals Land Ltd's parent company, June Glory International, plans to take the company private with a HKD1 cash per share scheme, representing a 104.08% premium over the last close price of HKD0.49 per share. The offeror and its concert parties hold 61.88% of stake in the company, the maximum cash consideration of the deal is estimated at ~HKD1.28bn and will be financed internally.
- In other news, Banks are preparing to launch a USD38bn debt offering to finance Oracle Corp related data centers. The deal comprises of two separate senior secured credit facilities - a USD23.25bn package towards a data center in Texas and another USD14.75bn towards a project in Wisconsin, both data centers will be developed by Vantage Data Centers Management Co LLC. The facilities are expected to have a maturity of 4Y, with two one-year extension options and priced ~2.5 percentage point over the benchmark.
- 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:

- **Industry Outlook – Singapore Property:** According to URA, private residential property prices rose 0.9% q/q in 3Q2025, following an increase of 1.0% q/q in 2Q2025. Cumulatively, property prices have risen 2.7% in 9M2025, which tracks close to the upper end of our full year 2025 forecast of +2% to +4% price growth.
- **OUE Real Estate Investment Trust ("OUEREIT"):** OUEREIT reported 3Q2025 business updates. Overall underlying results (excluding divestment of Lippo Plaza Shanghai) improved modestly y/y. The Commercial segment continued to deliver resilient growth, while the Hospitality segment remained stable despite the shift of the F1 Singapore Grand Prix to October. Credit metrics remained stable q/q. We foresee a stable outlook in the next 12 months, underpinned by the premium asset portfolio wholly in Singapore.
- **Suntec Real Estate Investment Trust ("SUN"):** SUN announced their 3Q2025 business updates where operational updates and key financial highlights were provided. Despite a slightly lower y/y top line, SUN delivered stronger y/y operating performance across its Singapore portfolio, saw lower financing costs, and recorded a reversal of withholding tax provision for its Australia portfolio. Reported aggregate leverage remained relatively unchanged q/q.

Credit Headlines

Industry Outlook – Singapore Property

- **Prices rose 0.9% q/q to another all-time high:** According to URA, private residential property prices rose 0.9% q/q in 3Q2025, following an increase of 1.0% q/q in 2Q2025. Cumulatively, property prices have risen 2.7% in 9M2025, which tracks close to the upper end of our full year 2025 forecast of +2% to +4% price growth.
- **CCR saw the largest gain:** Core Central Region property prices rose 1.7% q/q, continuing its outperformance (2Q2025: +3.0% q/q). Prices also rose in Rest of Central Region by 0.3% q/q (2Q2025: -1.1% q/q) and Outside Central Region by 0.8% q/q (2Q2025: +1.1% q/q). Meanwhile, Landed property rose by 1.4% q/q (2Q2025: +2.2% q/q).
- **Transactions back to 4Q2024-1Q2025 highs:** 3,288 new sales were made in 3Q2025, which is a significant increase q/q (2Q2025: 1,212 units), though this is comparable to ~3,400 units sold per quarter in 4Q2024-1Q2025. Including sub-sales and resale, 7,404 units were sold in 3Q2025, which is similar to the total units sold in 4Q2024 (7,433 units) and 1Q2025 (7,261 units).
- **Higher transactions were partly fuelled by more launches, though take-up did not rise proportionally:** Developers launched 4,191 units in 3Q2025, the highest quarterly figure in recent years, largely due to a surge in launches in Core Central Region (1,856 units) in 3Q2025, which exceeded the total launches in that region for both full year 2024 (680 units) and full year 2023 (630 units). Historically, new launches have closely tracked new sales. For example, 4Q2024 saw 3,425 units launched and 3,420 sold; 1Q2025 had 3,139 launched and 3,375 sold, 2Q2025 had 1,520 launched and 1,212 sold. However, in 3Q2025, only 3,288 units were sold despite 4,191 units launched.
- **Launched but unsold units rose, though total number of unsold has fallen:** With take-up lagging launches, launched but unsold units in the pipeline (excluding ECs) rose to 4,846 units as of 30 September 2025 (30 June 2025: 3,953 units). That said, the total number of unsold units excluding ECs has fallen to 17,209 units in 3Q2025 (2Q2025: 18,653 units) due to the high number of new sales achieved.
- **Growth in rentals exceeded the growth in price:** In 3Q2025, the rental index grew by 1.2% q/q (2Q2025: +0.8% q/q), which exceeds 0.9% q/q growth in prices. Vacancy rates have fallen 0.2 ppts q/q to 6.9%.
- **Property prices likely to finish at another record high by end-2025:** With mortgage and interest rates trending lower, and strong buyer demand which is evident in recent property launches such as Skye at Holland which sold 99% of its 666 units over a weekend launch in October 2025, we expect prices to continue rising through 4Q2025. We expect full year property price growth to trend towards the upper end of our 2025 forecast range of +2% to +4%. (URA, OCBC)

QUE Real Estate Investment Trust (“OUEREIT”)

- OUEREIT reported 3Q2025 business updates. **Overall underlying results (excluding divestment of Lippo Plaza Shanghai) improved modestly y/y. The Commercial segment continued to deliver resilient growth, while the Hospitality segment remained stable despite the shift of the F1 Singapore Grand Prix to October. Credit metrics remained stable q/q. We foresee a stable outlook in the next 12 months, underpinned by the premium asset portfolio wholly in Singapore.**
- 3Q2025 Revenue and net property income (“NPI”) fell 5.8% and 5.6% y/y to SGD70.5mn and SGD57.0mn respectively. **Excluding the disposal impact of Lippo Plaza Shanghai, 3Q2025 revenue and NPI rose 1.2% and 2.0% y/y respectively.**
- **Improved Commercial segment y/y with decent rental reversion though offset by slightly lower occupancy:** Excluding Lippo Plaza Shanghai, 3Q2025 NPI of the Commercial segment (office and retail) rose 3.8% y/y to SGD32.5mn.
 - Office segment: Committed occupancy declined 0.1ppts y/y to 95.3% as of 30 September 2025. 3Q2025 rental reversion was strong at 9.3% while average passing rent increased 2.8% y/y to SGD10.91 psf/month.
 - Retail segment: Mandarin Gallery recorded a positive rental reversion of 5.6% in 3Q2025. Committed occupancy fell 0.4ppts y/y to 97.4%. Average passing rent rose 3.1% y/y to SGD22.52 psf/month.

- **Hospitality segment 3Q2025 NPI fell marginally by 0.4% y/y to SGD24.5mn.** The decline was partly affected by the shift of the F1 Grand Prix to October in 2025 in comparison to F1 Grand Prix in September 2024, high prices in Singapore, and cautious travel sentiments.
 - **Hospitality Revenue Per Available Room (“RevPAR”) declined 5.7% y/y to SGD279.** Hilton Singapore Orchard’s 3Q2025 RevPAR was SGD293 (-7.0% y/y), while Crowne Plaza Changi Airport’s RevPAR was SGD251 (-3.1% y/y).
- **Stable credit metrics:** As of 30 September 2025, interest coverage ratio improved to 2.3x (2Q2025: 2.2x), while aggregate leverage rose slightly to 40.9% (2Q2025: 40.3%). Assuming the net proceeds from the divestment of Lippo Plaza are fully utilised to repay loans, the aggregate leverage is expected to decline to 37.7% as of 30 September 2025. Weighted average cost of debt declined to 4.1% p.a. (2Q2025: 4.2%). Post issuance of SGD150mn OUECT 2.75% ‘32s Green Notes in September 2025, average debt term extended to 3.3 years. The debt maturity profile is well spread with 16% -18% of total debt due per year in 2026 – 2029.
- OUEREIT continues to explore acquisition opportunities in Australia (Sydney) and Japan (Tokyo) for offices, hotels or mixed-used developments in prime CBD areas. OUEREIT is also aiming to increase hospitality segment contribution to 40% (current: 35.7%) . (Company, OCBC)

Suntec Real Estate Investment Trust (“SUN”)

- SUN announced their 3Q2025 business updates where operational updates and key financial highlights were provided. Despite a slightly lower y/y top line, SUN delivered stronger y/y operating performance across its Singapore portfolio, saw lower financing costs, and recorded a reversal of withholding tax provision for its Australia portfolio. Reported aggregate leverage remained relatively unchanged q/q.
- **Lower y/y top line and net property income (“NPI”), however, joint venture saw gains**
 - 3Q2025 gross revenue was SGD117.5mn, declining by 0.2% y/y while NPI was SGD78.5mn, declining by 1.6% y/y. The Singapore portfolio saw stronger operating performance, although offset by loss of revenue from surrendered floors at 177 Pacific Highway (Sydney) (which have since been backfilled) and lower contribution from The Minster Building (London).
 - SUN receives sizeable income from joint ventures (stakes in Marina Bay Financial Centre “MBFC Properties”) and One Raffles Quay in Singapore, Southgate Complex in Melbourne and Nova Properties in London. Income from joint ventures was SGD26.5mn in 3Q2025, increasing from SGD25.0mn in 3Q2024. Per SUN, JV income was supported by stronger operating performance and lower interest expense at One Raffles Quay and MBFC Properties. Operating performance was relatively stable at Nova Properties although Southgate Complex (Melbourne) saw lower JV income due to higher provision for doubtful debt linked to retail tenants. We understand from management that the retail outlook in Melbourne central business district is still soft, with the work-from-home trend persisting in Melbourne.
 - As a side note, the State of Victoria with Melbourne as the key commercial hub and capital city, is proposing to legislate work-from-home, where workers that can reasonably do their job from home has the right to do so for at least two days a week.
 - Singapore office portfolio committed occupancy was 98.5% as at 30 September 2025s dipping slightly from 99.0% as at 30 June 2025. Singapore retail portfolio committed occupancy improved to 99.3% as at 30 September 2025 from 98.0% as at 30 June 2025. SUN’s portfolio remains anchored by Singapore, which contributed ~75% of income by geography.
- **SUN’s reported interest coverage ratio stable q/q while aggregate leverage remained relatively unchanged**
 - As at 30 September 2025, reported aggregate leverage (not including perpetuals but including proportionate JV debt) was 41.0%, slightly lower than 41.1% as at 30 June 2025. Any further reduction in aggregate leverage will hinge upon successful divestment of assets (equity is still trading below book despite recent rally making an equity fundraising unlikely). SUN is targeting to divest ~SGD100mn of strata offices in Singapore in the short term and possibly assets in Australia as well, although these are market dependent.

- Interest coverage ratio (including perpetual distribution) was 2.0x for the 12 months to 30 September 2025, unchanged q/q.
- All-in financing cost declined to 3.62% p.a. as at 30 September 2025 from 3.82% p.a. in 2Q2025 while all-in financing cost by year end is expected to be within 4.0%. ~66% of borrowings are fixed/hedged as at 30 September 2025, slightly higher than the ~65% last quarter.
- **Minimal debt coming due in the short term**
 - SUN has completed all refinancing due in 2025 and there are no more debt outstanding for the rest of the year. Debt maturities in 2026 is also minimal at SGD100mn (representing only 2.5% of total debt). Among its perpetuals, SUN has announced that it will be redeeming the SGD200mn SUNSP 3.8%-PERP (first call on 27 October 2025). Our base case assumes that the SUNSP 4.25%-PERP will be called at first call in June 2026 as we think SUN is economically incentivised to do so. If this is not called, the reset distribution rate will increase to ~5.2% based on current forward rates. (Company, OCBC, AFP)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
23 Oct	Riyad Bank	Fixed, Sukuk Al Wakala Bel	SGD	150	2Y	2.00%
23 Oct	Deyang Development Holdings Group Co Ltd	Green, Fixed	USD	350	3Y	4.29%
23 Oct	Avation Group S Pte Ltd	Fixed	USD	300	5.5NC2	Par to Yield 8.50%
23 Oct	GLP China Holdings Ltd	Fixed	USD	300	3.5Y	7.75%
23 Oct	Shangrao Investment Holdings International Co Ltd (guarantor: Shangrao Investment Holding Group Co Ltd)	Sustainability, Fixed	USD	240	3Y	Par to Yield 4.40%

Mandates:

- ForteBank JSC may issue a USD-denominated Additional Tier 1 note.

Key Market Movements

	24-Oct	1W chg (bps)	1M chg (bps)		24-Oct	1W chg	1M chg
iTraxx Asiax IG	70	-2	4	Brent Crude Spot (\$/bbl)	65.8	7.3%	-5.1%
				Gold Spot (\$/oz)	4,130	-2.9%	10.5%
iTraxx Japan	57	-2	1	CRB Commodity Index	305	3.8%	1.7%
iTraxx Australia	72	-1	6	S&P Commodity Index - GSCI	561	3.6%	1.8%
CDX NA IG	52	-2	-1	VIX	17.3	-31.6%	4.0%
CDX NA HY	107	0	-0	US10Y Yield	4.00%	-0bp	-14bp
iTraxx Eur Main	56	-2	-1				
iTraxx Eur XO	269	-8	4	AUD/USD	0.652	0.2%	-1.0%
iTraxx Eur Snr Fin	60	-2	-0	EUR/USD	1.162	-0.3%	-1.0%
iTraxx Eur Sub Fin	102	-4	-0	USD/SGD	1.298	-0.2%	-0.8%
				AUD/SGD	0.846	-0.5%	0.3%
USD Swap Spread 10Y	-44	3	8	ASX200	9,033	0.4%	3.1%
USD Swap Spread 30Y	-72	3	10	DJIA	46,735	1.7%	1.0%
				SPX	6,738	1.6%	1.2%
China 5Y CDS	45	-1	9	MSCI Asiax	902	1.6%	2.6%
Malaysia 5Y CDS	42	-2	1	HSI	25,968	0.3%	-0.7%
Indonesia 5Y CDS	81	-1	-2	STI	4,416	1.1%	2.9%
Thailand 5Y CDS	43	-1	4	KLCI	1,608	-0.2%	0.5%
Australia 5Y CDS	11	-0	-1	JCI	8,274	1.8%	1.8%
				EU Stoxx 50	5,668	0.3%	3.6%

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
herberhtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

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

Jonathan Ng
ASEAN Economist
jonathannq4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyionq1@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

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!