

Daily Credit Snapshot

Market Commentary

- Iran conflict dominated headlines over the weekend, forcing markets towards a risk-off stance with a clear geopolitical risk premium amid concerns about a wider regional conflict. The S&P500 slumped 0.43% last Friday amid ongoing concerns about the AI angst. Financial stocks also underperformed amid private credit concerns last week starting with Blue Owl Capital and an Apollo Global private credit fund. The flight to quality led utilities, consumer staples, and healthcare stocks to lead. The 10Y UST bond yield broke below the 4% handle amid the safe-haven flows, while the USD rallied as geopolitical tensions deteriorated. Asian markets are likely to de-risk today with investors balanced on a knife edge due to potential disruptions to Straits of Hormuz which could hit energy and other supply chains even though OPEC+ has pledged to increase production. Today's economic data releases kick off with the slew of February manufacturing PMIs from Asia, Europe and US' manufacturing ISM, and Indonesia's February CPI. ECB's Lagarde, Nagel and Stournaras, BOJ deputy governor Himino, RBA's Hunter, BOE's Taylor are also speaking today.
- The SGD SORA OIS curve traded lower last Friday with shorter tenors trading 1-3bps lower while belly and 10Y tenors traded 4bps lower.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, BACR 5.4%-PERP, BACR 4.65%-PERP.
- Global Investment Grade spreads widened by 3bps to 84bps and Global High Yield spreads widened by 9bps to 293bps respectively.
- Bloomberg Global Contingent Capital Index widened by 11bps to 235bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 61bps and Asia USD High Yield spreads widened by 5bps to 349bps respectively. (Bloomberg, OCBC)
- APAC USD and DM IG recorded no new issuances last Friday.
- There were no notable issuers in the DM IG, APAC USD and Singdollar markets last Friday.

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Credit Summary:

Company	Ticker	Description
Industry Outlook - Airlines	NIL	<ul style="list-style-type: none"> Credit spreads for airlines may widen somewhat following escalation of geopolitical conflict in the Middle East, although we are maintaining our credit fundamental views of the airline issuers within our official coverage. Airlines are very cognizant about geopolitical risks, and our base case assumes that Qantas Airways Limited and Singapore Airlines Ltd are able to navigate through the conflict. That said, in the interim, operating costs may be higher from potentially higher cost of fuel (although a Hormuz blockade remains a tail risk), flight cancellations, rerouting, rescheduling of flights and other disruptions. (OCBC)
Industry Outlook – Oil & Gas	NIL	<ul style="list-style-type: none"> On the geopolitical conflict in the Middle East, there is no oil or gas operations in Iranian fields among the oil and gas producers we cover, although BP p.l.c (“BPLN”) has an operational history in Iran and maintains business exposures to Iranian entities on a very limited basis. Within our coverage, BPLN and Exxon Mobil Corporation (“XOM”) have the largest exposures in the Middle East. Medco Energi Internasional Tbk PT (“MEDCIJ”) is focused on Indonesia although has Middle Eastern assets and recently commenced production from Oman Block 60. Whilst Woodside Energy Group (“WDSAU”) Ltd signed a non-binding collaboration with Saudi Aramco to explore opportunities in May 2025, it currently has no oil and gas operations in the Middle East. Overall higher oil prices would support the financial performance of oil companies under our coverage, although a Hormuz blockade which is likely to drive oil prices significantly higher remains a tail risk, rather than base case. (OCBC)
Hotel Properties Ltd	HPLSP	<ul style="list-style-type: none"> HPLSP reported 2025 results, which were unsurprisingly lacklustre following the negative profit guidance provided in mid-February. While 2025 gross profit rose 6.8% y/y to SGD153.5mn, losses deepened to SGD70.3mn before income tax and fair value changes in investment properties. Results were further impacted by SGD16.3mn in net fair value losses in investments. Meanwhile, credit metrics remain somewhat weak. Better y/y gross profit was due to hotel segment: 2025 revenue rose 7.2% y/y to SGD742.7mn, with gross profit growth of 6.8% yy to SGD153.5mn. This is largely due to increase in contribution from the hotel segment, which saw revenue growth of 7.5% y/y to SGD719.8mn and reported PBIT growth of 22.9% y/y to SGD65.5mn. The growth was mainly attributable to the opening of Four Seasons Hotel Osaka in August 2024. Meanwhile, properties segment revenue inched down to SGD22.9mn (2024: SGD23.3mn). Reduced drag from associates: Share of losses narrowed to SGD15.7mn for associates and jointly controlled entities (2024: SGD57.5mn) mainly due to lower fair value loss and a gain recorded by Paddington Square in London, upon a favourable settlement of disputes with certain tenant. Credit metrics look weak: Net gearing of 77% marginally improved h/h (end-1H2025: 78%) though higher than 2024 (73%). However, gross profit of SGD153.5mn is exceeded by administrative expenses of SGD90.7mn and finance costs of SGD108.2mn. Cash generated from operations before working capital changes of SGD163.5mn is also exceeded by capex (SGD105.7mn), investment in investment properties (SGD37.8mn), associates/jointly controlled entities (SGD62.8mn), finance costs (SGD99.5mn) and distribution to perpetual capital securities holders (SGD8.8mn).

		<ul style="list-style-type: none">• Results were silent on potential redevelopment: We expect further changes to HPLSP's credit profile, given the potential for redevelopment of The Forum, voco Orchard Singapore and HPL House at Orchard. However, there have not been further updates on this. (Company, OCBC) <p>Latest report: Credit Update – 09 January 2026</p>
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Mandates:

- There were no notable mandates last Friday.



Key Market Movements

	2-Mar	1W chg (bps)	1M chg (bps)		2-Mar	1W chg	1M chg
iTraxx Asiax IG	69	3	3	Brent Crude Spot (\$/bbl)	76.3	6.8%	15.1%
				Gold Spot (\$/oz)	5,354	2.4%	14.9%
iTraxx Japan	58	1	0	CRB Commodity Index	313	0.5%	2.5%
iTraxx Australia	69	2	3	S&P Commodity Index - GSCI	611	1.3%	6.2%
CDX NA IG	56	3	7	VIX	19.9	4.0%	21.5%
CDX NA HY	107	-1	-2	US10Y Yield	3.97%	-6bp	-30bp
iTraxx Eur Main	56	3	5				
iTraxx Eur XO	260	11	18	AUD/USD	0.711	0.8%	2.3%
iTraxx Eur Snr Fin	59	4	6	EUR/USD	1.179	0.1%	0.0%
iTraxx Eur Sub Fin	101	8	11	USD/SGD	1.267	-0.1%	0.4%
				AUD/SGD	0.901	-0.8%	-1.9%
USD Swap Spread 10Y	-42	0	-3	ASX200	9,167	1.6%	4.4%
USD Swap Spread 30Y	-74	-1	-5	DJIA	48,978	-1.3%	-0.9%
				SPX	6,879	-0.4%	-1.4%
China 5Y CDS	45	2	1	MSCI Asiax	1,045	2.0%	8.6%
Malaysia 5Y CDS	41	4	2	HSI	25,991	-4.0%	-2.9%
Indonesia 5Y CDS	84	3	6	STI	4,896	-2.9%	0.1%
Thailand 5Y CDS	42	4	4	KLCI	1,699	-3.4%	-2.4%
Australia 5Y CDS	14	1	1	JCI	8,118	-3.3%	2.5%
				EU Stoxx 50	6,138	0.1%	2.2%

Source: Bloomberg

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