

Daily Credit Snapshot

Market Commentary

- The worst was confined to precious metal spaces, with no systematic risk selloff, nor flight to haven assets. Monday session appeared to be orderly and calmer, as investors took cues from strong manufacturing data from the U.S., the India-US trade deal and reduced tensions between the U.S. and Iran. The US equity market and the USD both caught modest tailwinds from the upside data surprise. Major stock indexes ended the session 0.54%-1.05% higher. UST yields were 4-5bps richer, with a flattening bias. Dollar extended the rebound to one-week high. Sentiment in precious metal market was also stabilising, with gold and silver bouncing off their day lows. The Treasury's quarterly financing requirement estimate for the three months ending in March was little changed at USD530bn (vs an initial estimate of USD511bn). Separately, Trump plans to launch a USD12bn strategic critical-minerals stockpile to build supply chain resilience and cut reliance on Chinese rare earths. In Japan, poll results suggested that the ruling coalition is set to win 300 out of 465 seats in the upcoming election, clearing obstacle for PM Takaichi's fiscal expansion plan. On data front, U.S. ISM manufacturing index rose 4.7 points to 52.6, the highest since August 2022, led by a sharp pickup in new orders and employment components. Meanwhile, other sub-indexes all rose amid strong demand. On the other hand, China's RatingDog PMI edged up to 50.3 (vs. consensus at 50.0) in January, buoyed by increases in employment and output sub-indexes.
- The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors trading 1bps lower while belly tenors traded flat to 1bps lower and 10Y traded flat.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, UOBSP 3%-PERP, SIASP 2.7%'36s, STTGDC 5.7%-PERP.
- Global Investment Grade spreads tightened by 1bps to 71bps and Global High Yield spreads tightened by 3bps to 261bps respectively.
- Bloomberg Global Contingent Capital Index tightened by 3bps to 217bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 58bps and Asia USD High Yield spreads widened by 16bps to 340bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
ESR-REIT	EREIT	<ul style="list-style-type: none"> ESR-REIT Management (S) Limited, the REIT Manager of EREIT announced that Perpetual (Asia) Limited in its capacity as trustee of Viva Trust (a sub-trust of EREIT) has entered into an agreement with Coliwoo Project Ace Pte Ltd (“Coliwoo”) to divest its hotel strata lot (which includes some retail units) located at 2 Changi Business Park Avenue 1 in Singapore for a sale consideration of SGD101mn. EREIT will continue owning the business park, retail and convention centre components at ESR BizPark@Changi (the hotel is part of this integrated development). Per EREIT management, the hotel component is a non-core asset and the proceeds will provide EREIT with greater financial flexibility and capital to be redeployed to its core logistics and high-specification industrial segments. (Company, OCBC) <p>Latest report: Credit Update – 22 August 2025</p>
GuocoLand Ltd	GUOLSP	<ul style="list-style-type: none"> On trading halt: GUOLSP requested for trading halt. No reason was provided. Could GUOLSP take its Malaysia unit private? According to a Bloomberg report, GUOLSP is planning to make an offer to buy out the Malaysia-listed GuocoLand Malaysia Bhd (“GuocoLand Malaysia”), which is also on trading halt. GUOLSP already controls over 65% of GuocoLand Malaysia. Not likely to have a significant credit impact: At the latest share price, GuocoLand Malaysia’s market cap is MYR654.9mn (~SGD208.9mn), which is small in comparison to the SGD11.7bn total assets of GUOLSP. (Company, OCBC) <p>Latest report: Credit Update – 9 October 2025</p>
Julius Baer Group Ltd	BAERVX	<ul style="list-style-type: none"> BAERVX reported 2025 results, which was a transitional year with the completion of its credit review, balance sheet derisking, and strengthened governance. Despite substantial one-off items, underlying business momentum remained robust, with underlying profit before tax up 17% y/y to CHF1,266mn and the Basel III Final CET1 ratio improving to 17.4% from 14.2%. Management views 2025 has reset the Group’s fundamentals ahead of its 2026–2028 strategic cycle. Underlying operating income rose 6% to CHF4,073mn, supported by a 7% increase in average assets under management (“AuM”) to CHF499bn. Recurring income grew 5% and client activity was strong, while net income from financial instruments at fair value through profit or loss rose 25% on higher treasury swap income and structured product activity. Net interest income declined significantly due to lower rates and currency effects. Adjusted operating expenses rose 1%, with personnel costs higher but general expenses lower; BAERVX exceeded its cost saving target with CHF130mn in run rate savings. The underlying cost/income ratio improved to 67.6%. Net credit losses totalled CHF213mn following the extensive credit review, weighing on IFRS net profit, which fell 25% to CHF764mn. Net new money inflows reached CHF14.4bn, driving AuM to a record CHF521bn. Management appears optimistic for its new 2026–2028 strategic cycle, driven by a simplified operating model, and clearer risk governance following and reiterated its medium term targets. The results are in line with our fundamental expectations for BAERVX. (Company, OCBC) <p>Latest report: Credit Update – 4 September 2025</p>

<p>Keppel Infrastructure Trust</p>	<p>KITSP</p>	<ul style="list-style-type: none"> • KITSP announced their 2H2025 and 2025 financial results. KIT's reported Distributable Income (what we historically refer to as OCF) for 2025 was SGD249.5mn, increasing by 24.4% y/y. Per KIT, Distributable Income is derived from Funds From Operations ("FFO", which represents cash flow generated by the underlying assets), and adjusted mainly for (-) mandatory debt repayment, (-) growth capex, (+) capex funded by debt and (+) divestment gain. While KIT intends to refinance holding entity level debt, in our view, Distributable Income may also be used to cover financing costs, perpetual distributions and debt/perpetual redemptions at that level. Distributable Income fluctuates depending on the capex requirements of each asset. • By absolute amount, the increase in Distributable Income was driven by the Energy Transition segment and the Distribution & Storage segment while there was around a month of additional contribution from the Digital Infrastructure segment (new business segment, KITSP invested in a stake in Global Marine Group). The Environmental Services segment reported lower Distributable Income, driven by declines at Senoko Waste-to-Energy (concession extended with KIT receiving nominal contributions) and the South Korea waste management business EMK. • As at 31 December 2025, KITSP faces sizeable debt due in 2026 amounting to SGD1.0bn, although SGD693mn relates to Ixom and commitments from lenders for an early refinance of this debt has been received. Per management, it expects the cost of funding on the refinancing to be in line (if not at a lower cost) versus the previous loan. • KIT's reported net debt-to-EBITDA based on 12 months trailing EBITDA was 5.0x in 2025, slightly lower than the 5.1x in 2024. We understand that refinancing-related unwinding of hedges at AGPC resulted in a SGD51mn one-off gain to KITSP, which was utilised to pay off debt at the trust level. (Company, OCBC) <p>Latest report: Credit Update – 12 November 2025</p>
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New Issues:

The total issuance volumes for APAC and DM IG market yesterday were 600mn and USD27.6bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
02 Feb	GE Vernova Inc	Fixed	USD	600	5	T + 45bps
02 Feb	GE Vernova Inc	Fixed	USD	1,000	10	T + 65bps
02 Feb	GE Vernova Inc	Fixed	USD	1,000	30	T + 78bps
02 Feb	Oracle Corp	Fixed	USD	3,000	3	T + 95bps
02 Feb	Oracle Corp	FRN	USD	500	3	SOFR+ 111bps
02 Feb	Oracle Corp	Fixed	USD	3,500	5	T + 115bps
02 Feb	Oracle Corp	Fixed	USD	3,000	7	T + 130bps
02 Feb	Oracle Corp	Fixed	USD	5,000	10	T + 145bps
02 Feb	Oracle Corp	Fixed	USD	2,250	20	T + 170bps
02 Feb	Oracle Corp	Fixed	USD	5,000	30	T + 180bps
02 Feb	Oracle Corp	Fixed	USD	2,750	40	T + 195bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	3-Feb	1W chg (bps)	1M chg (bps)		3-Feb	1W chg	1M chg
iTraxx Asiax IG	66	1	3	Brent Crude Spot (\$/bbl)	66.0	-2.4%	8.6%
				Gold Spot (\$/oz)	4,827	-6.8%	8.5%
iTraxx Japan	58	1	3	CRB Commodity Index	305	-3.2%	2.5%
iTraxx Australia	66	1	2	S&P Commodity Index - GSCI	575	-2.9%	5.0%
CDX NA IG	49	-0	-0	VIX	16.3	1.2%	12.6%
CDX NA HY	109	-0	1	US10Y Yield	4.28%	4bp	9bp
iTraxx Eur Main	51	0	0				
iTraxx Eur XO	243	1	0	AUD/USD	0.701	-0.1%	4.3%
iTraxx Eur Snr Fin	53	0	-0	EUR/USD	1.181	-1.9%	0.8%
iTraxx Eur Sub Fin	90	0	-1	USD/SGD	1.270	-0.7%	1.0%
				AUD/SGD	0.890	-0.7%	-3.2%
USD Swap Spread 10Y	-39	-2	1	ASX200	8,857	-0.9%	1.5%
USD Swap Spread 30Y	-68	-3	2	DJIA	49,408	-0.0%	2.1%
				SPX	6,976	0.4%	1.7%
China 5Y CDS	44	2	4	MSCI Asiax	962	-2.3%	3.3%
Malaysia 5Y CDS	39	0	1	HSI	26,839	-1.1%	1.9%
Indonesia 5Y CDS	77	4	10	STI	4,938	0.3%	6.1%
Thailand 5Y CDS	38	0	1	KLCI	1,746	0.1%	4.6%
Australia 5Y CDS	13	0	1	JCI	8,047	-10.4%	-8.0%
				EU Stoxx 50	6,008	0.8%	2.7%

Source: Bloomberg

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