

## Daily Credit Snapshot

### Market Commentary

- The market saw knee-jerk risk-off response on Monday, as traders gauged the scale and severity of conflict fallout in Middle East. Haven flow and supply disruption fears sent dollar, gold and oil higher, but later eased off earlier highs. Nonetheless, dollar index still ended the day 0.8% higher, while spot gold and oil settled at US\$5322 per ounce and US\$78 per barrel respectively at closing. Meanwhile, the benchmark European liquefied natural gas surged to more than 50% on production halt before trimming some gains. Apart from US and China, almost all major stock market in Asia and Europe closed Monday 1-3% lower. S&P500 and Nasdaq managed to advance in a volatile session, on US' better-than-expected manufacturing activity. Also, prior to the strikes on Iran, the market was already assumed defensive mode given the latest private credit market woes and AI scare trade. UST yields gapped lower, but soon recouped all losses and ended the day higher on inflation concerns. On geopolitical front, Iran's National Security Chief said to refuse to negotiate with US, while initiating more attacks on US bases in the region. US President Trump hinted a four- to five-week timeline for the war, while saying the "big wave" in the war is yet to come. Meanwhile, countries in the Middle East are reportedly looking to build a wide coalition to persuade Trump to end the conflict soon. On data front, Germany's January retail sales disappointed and fell by 0.9% MoM. US' February ISM manufacturing PMI fell marginally but still beat market expectation at 52.4 (vs. consensus 51.5). The gauge of prices at the factory gate raced to a more than 3-year high, at 70.5, while attack on Iran sent oil prices even higher. The new orders index fell but stayed above the 50-mark (at 55.8), while the employment index rose 0.7 pts to 48.8.
- The SGD SORA OIS curve traded lower yesterday with shorter, belly and 10Y tenors trading 1bps lower.
- Flows in SGD corporates were heavy, with flows in SNBAB 3.4% '35s, STANLN 4.3%-PERP, HSBC 5.25%-PERP, BACR 4.65%-PERP.
- Global Investment Grade spreads tightened by 1bps to 83bps and Global High Yield spreads tightened by 4bps to 289bps respectively.
- Bloomberg Global Contingent Capital Index widened by 4bps to 239bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 62bps and Asia USD High Yield spreads widened by 9bps to 358bps respectively. (Bloomberg, OCBC)

**Andrew Wong**  
Credit Research Analyst

**Ezien Hoo**  
Credit Research Analyst

**Wong Hong Wei**  
Credit Research Analyst

**Chin Meng Tee**  
Credit Research Analyst

**Aleen Lee Li Fei**  
Credit Research Analyst

## Credit Summary:

Company	Ticker	Description
Industry Outlook – Oil & Gas	NIL	<ul style="list-style-type: none"> <li>On the geopolitical conflict in the Middle East, QatarEnergy announced that it will stop liquified natural gas (“LNG”) production as well as associated products, after two of QatarEnergy’s operating facilities in Ras Laffan Industrial City (“Ras Laffan”) and Mesaieed Industrial City were attacked. Qatar is a key LNG producer globally. Ras Laffan houses the world’s largest LNG export terminal. Qatar supplies LNG to Asian and European markets.</li> <li>Overall higher gas prices will be beneficial to gas producing issuers under our coverage (Woodside Energy Group Ltd, Santos Ltd) although higher gas prices along with supply disruption may negatively impact the margins of gas users under our coverage (eg: Singapore-focused power generation companies). (Argus, Bernama, OCBC)</li> </ul>
OUE Limited	OUESP	<ul style="list-style-type: none"> <li><b>OUESP reported 2025 results with underlying performance softer due to (1) the absence of contributions from Lippo Plaza Shanghai (divested in December 2024), (2) lower Hospitality earnings following a high base in 2024 and weaker discretionary spending amidst macroeconomic uncertainties and (3) lower earnings from Healthcare due primarily to forex impacts and divestment. Meanwhile, credit metrics were mixed amidst softer earnings. We maintain our stable outlook on OUESP, which is underpinned by OUE REIT and First REIT (“FIRST”).</b></li> <li>2025 revenue fell 4.6% y/y to SGD617.0mn. Reported operating loss was -SGD15.1mn (2024: +SGD63.4mn), due primarily to share of losses of SGD240.0mn (non-cash in nature) from Gemdale Properties and Investment Corporation Limited (“GPI”) under Development Properties segment. <ul style="list-style-type: none"> <li>Operating profit of Investment Properties fell 21% y/y to SGD125.8mn partly due primarily to divestment of Lippo Plaza Shanghai by OUE REIT.</li> <li>Operating profit of Hospitality fell 14% y/y to SGD47.7mn due to high base effect in 2024, which benefited from (1) high-profile concerts and MICE events and (2) weaker discretionary spending amidst macroeconomic uncertainties.</li> <li>Operating loss of Development Properties widened 14% y/y to SGD240.0mn due to challenging environment of China property sector.</li> <li>Operating profit of Healthcare fell 9% y/y to SGD79.8mn due to forex impacts as First REIT (“FIRTSP”) assets are primarily located in Indonesia and divestment of Imperial Aryaduta Hotel &amp; Country Club held by FIRTSP.</li> </ul> </li> <li>Based on our calculations, EBITDA excluding share of results of equity-accounted investees while including dividend received (“Adjusted EBITDA”) was SGD297.8mn, falling by 8% y/y.</li> <li><b>Mixed credit metrics amidst softer underlying performance:</b> Net debt / Adjusted EBITDA weakened y/y to 9.2x (2024: 8.1x). Meanwhile, adjusted EBITDA / interest expenses improved slightly to 1.93x (2024: 1.83x) due primarily to lower interest expenses.</li> <li><b>Stable outlook, underpinned by OUE REIT and FIRTSP:</b> OUESP continues to be underpinned by the stable performance of OUE REIT’s premium Singapore assets plus upon transaction completion, a 19.9% stake in Salesforce Tower (a premium Grade office building in Sydney’s Core CBD). FIRTSP’s fundamentals have improved meaningfully, supported by improved results from major tenant – PT Lippo Karawaci Tbk (“LPKR”) and potential asset disposals to PT Siloam International Hospitals Tbk, which will reduce revenue concentration risks if the disposals</li> </ul>

		<p>materialise. OUE REIT still owes OUE SGD212.3mn of Convertible Perpetual Preferred Units (“CPPU”), though redemption timing remains at OUEREIT’s discretion. In the medium term, the 255-room Hotel Indigo Changi Airport, which is a joint venture project between OUESP and Tokyo Century Corporation, is expected to be completed and fully operational by 2028. (Company, OCBC)</p> <p>Latest report: Credit Update – 02 December 2025</p>
BHP Group Limited	BHP	<ul style="list-style-type: none"> <li>Bloomberg reported that at a business summit, BHP’s Chairman Mr Ross McEwan shared that BHP sees little immediate impact from the US-Iran conflict as ~95% of BHP’s mining output ends up in Asia where trade routes remain open although he expects some impact on certain passages through the Middle East. (Bloomberg, OCBC)</li> </ul> <p>Latest report: Credit Update – 11 April 2025</p>
PT Pertamina Persero	PERTIJ	<ul style="list-style-type: none"> <li>PERTIJ confirmed that various upstream, trading and shipping activities are exposed to the current US-Iran conflict. <ul style="list-style-type: none"> <li>Upstream operations relate to a field in Basrah, Iraq that is operated by Pertamina Internasional EP.</li> <li>Distribution and marketing entity PT Pertamina Patra Niaga receives crude and products supplies from the Mideast.</li> <li>Two tankers of PT Pertamina International Shipping are currently in the Persian Gulf with a further two vessels operating in the Middle East in Oman and United Arab Emirates.</li> </ul> </li> <li>PERTIJ is currently undertaking measures to mitigate impacts through domestic and other sources. (Bloomberg, Tempo, OCBC)</li> </ul> <p>Latest report: Credit Update – 1 July 2025</p>
QBE Insurance Group	QBE	<ul style="list-style-type: none"> <li>QBE agreed to acquire the remaining 51% stake in Raheja QBE General Insurance Co Ltd from Prism Johnson for INR3.24bn (~USD35.6mn). The acquisition will give QBE full ownership of the Indian general insurance business. (Bloomberg)</li> </ul> <p>Latest report: Credit Update – 19 June 2025</p>
Zurich Insurance	ZURNVX	<ul style="list-style-type: none"> <li>Zurich has finalised its bid for Beazley plc with a total consideration of USD10.9; which is being funded using internal cash (~USD3bn), new debt (~USD2.9bn) and share placement (USD5bn). The deal is expected to close in 2HFY2026.</li> <li>Post transaction, it sees Specialty Business to gain a higher share of gross written premium, with less concentration of non-specialty commercial proportion and retail.</li> <li>The impact on its financials remains manageable. As of end FY2025, SST stood at 259%, suggesting that the ratio remains comfortable above its 160% minimum target even post-transaction. Moody’s expects the transaction to modestly increase its leverage ratio, which stood at 20.7% as of end-2025. Moody’s affirmed its Aa2 financial strength rating following the purchase offer, with a stable outlook. (Company, OCBC)</li> </ul> <p>Latest report – Initiation Report – 6 June 2025</p>

## New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD650mn and zero respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
02 Mar	Barclays Bank PLC	Fixed	SGD	100	3	1.85%
02 Mar	CMT MTN Pte Ltd (guarantor: CapitaLand Integrated Commercial Trust)	Green, Fixed	SGD	300	5	2.18%

## Mandates:

- There were no notable mandates yesterday.

## Key Market Movements

	3-Mar	1W chg (bps)	1M chg (bps)		3-Mar	1W chg	1M chg
iTraxx Asiax IG	70	2	4	Brent Crude Spot (\$/bbl)	79.4	12.2%	17.9%
				Gold Spot (\$/oz)	5,369	4.4%	8.5%
iTraxx Japan	59	1	2	CRB Commodity Index	321	3.4%	3.4%
iTraxx Australia	72	4	7	S&P Commodity Index - GSCI	632	5.1%	7.7%
CDX NA IG	55	2	5	VIX	21.4	2.0%	19.1%
CDX NA HY	107	-0	-1	US10Y Yield	4.04%	1bp	-23bp
iTraxx Eur Main	56	3	6				
iTraxx Eur XO	264	12	19	AUD/USD	0.711	0.7%	1.2%
iTraxx Eur Snr Fin	60	4	7	EUR/USD	1.169	-0.7%	-1.1%
iTraxx Eur Sub Fin	102	8	12	USD/SGD	1.273	-0.4%	-0.2%
				AUD/SGD	0.904	-1.1%	-1.4%
USD Swap Spread 10Y	-43	0	-3	ASX200	9,095	0.8%	2.7%
USD Swap Spread 30Y	-74	-1	-5	DJIA	48,905	0.2%	-0.7%
				SPX	6,882	0.6%	-0.5%
China 5Y CDS	46	2	2	MSCI Asiax	1,029	-0.1%	4.0%
Malaysia 5Y CDS	43	5	6	HSI	26,105	-1.8%	-2.7%
Indonesia 5Y CDS	86	4	9	STI	4,933	-1.7%	-0.2%
Thailand 5Y CDS	44	5	7	KLCI	1,712	-2.4%	-2.0%
Australia 5Y CDS	14	1	1	JCI	8,041	-2.9%	-1.0%
				EU Stoxx 50	5,987	-2.1%	-0.1%

Source: Bloomberg

## Disclaimers

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

## Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to [https://www.bankofsingapore.com/Disclaimers\\_and\\_Disclosures.html](https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html) for cross-border marketing disclaimers and disclosures.