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Daily Credit Snapshot

Market Commentary

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- After gold and silver prices stabilised on Tuesday, market attention quickly pivoted back to US equities. A broad-based sell-off in the software sector dragged all three major indices lower. While investors have been focused on assessing AI bubble risk, a more immediate concern has begun to surface: AI disruption risk. The trigger for Tuesday's sell-off was Anthropic's announcement of new tools under its Cowork platform, enabling users to automate legal drafting and research tasks. Products such as Claude Code—along with the broader rise of so-called "vibe-coding" start-ups—are lowering the barriers to software creation, allowing users with minimal or no coding experience to build functional applications. This has raised fresh questions over the durability of traditional SaaS business models. The sell-off did not remain confined to listed software names. It spilled over into business development companies (BDCs) and alternative asset managers, reflecting second-order concerns about portfolio exposure. Large private equity firms such as Blue Owl and KKR saw share prices fall by 9–10%, while alternative asset managers including Apollo and Blackstone declined by around 5%. Leading BDCs finished the session down 2.4%. The transmission channel is clear: private credit and private equity funds have built outsized exposure to the software sector over recent years, leaving them vulnerable to any structural disruption. According to Bloomberg, firms including Arcmont Asset Management and Hayfin Capital Management have hired consultants to assess portfolio exposure to businesses potentially at risk, citing people familiar with the matter. Apollo, for instance, reduced software exposure in its direct lending funds by nearly half in 2025—from around 20% at the start of the year. Valuations have already begun to adjust - in 2025, SaaS companies were acquired by private equity at an average multiple of 18x, down from 24x in the previous year.

- The SGD SORA OIS curve traded flat to higher yesterday with shorter tenors trading flat to 3bps higher while belly tenors traded flat to 3-4bps higher and 10Y traded 4bps higher.

- Flows in SGD corporates were heavy, with flows in UOBSP 3%-PERP, STANLN 4.3%-PERP, HSBC 4.75% '34s, BACR 4.65%-PERP, STTGDC 5.7%-PERP, SINTEC 4.1%-PERP.

- Global Investment Grade spreads widened by 1bps to 72bps and Global High Yield spreads widened by 2bps to 263bps respectively.

- Bloomberg Global Contingent Capital Index tightened by 3bps to 214bps.

- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 57bps and Asia USD High Yield spreads tightened by 2bps to 338bps respectively. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
ESR-REIT	EREIT	• EREIT released its second half results for 2025. Gross revenue increased 17.6% y/y to SGD223.1mn while net property income ("NPI") increased by 21.4% y/y to SGD162.4mn for 2H2025. The higher gross revenue and NPI was driven by positive rental reversions from lease renewals, contribution from ESR Yatomi Distribution Centre in Japan and 20 Tuas South Avenue 14 in Singapore (51%-stake) which was bought in November 2024 as well as contributions from three Singapore properties. • EREIT's portfolio occupancy was 91.1% as at 31 December 2025, increasing 0.8 percentage points from 30 September 2025. • As at 31 December 2025, reported aggregate leverage was higher than peers at 43.4% though on a proforma basis assuming that the divestment of eight non-core assets (announced in December 2025) and the divestment of the hotel strata lot at ESR BizPark@Changi (announced in January 2026) was completed and the net proceeds used to repay debt, reported aggregate leverage will be significantly lower at 38.5%. L12M reported interest coverage ratio was 2.5x, slightly higher q/q. • As at 31 December 2025, debt maturing in 2026 is relatively significant at SGD641mn (representing 28.7% of total debt, including the SGD125mn EREIT 2.6% '26s due in August 2026). That said, per EREIT it has obtained refinancing for SGD430mn of debt coming due at lower margins and expect debt due in 2027 to be refinanced at lower margins as well. • Disclosures highlighted that EREIT may call their existing SGD150mn perpetual with a first call date in June 2027. Our base case had assumed that this perpetual will be called. (Company, OCBC) Latest report: Credit Update – 22 August 2025
Frasers Logistics & Commercial Trust	FLTSP	• FLTSP announced 1QFY2026 results for the quarter ended 31 December 2025. **Results look decent with higher occupancy, positive rental reversion, and stable aggregate leverage.** • **Occupancy rose 1.1 ppts q/q to 96.2%,** driven by Alexandra Technopark ("ATP", 10.4% of portfolio value) with occupancy increasing 8.4 ppts q/q to 86.3%. At ATP, 83% of ex-Google Space is backfilled, with leases expected to commence no later than 3QFY2026. Meanwhile, occupancy increased 6.8 ppts q/q to 85.2% at Blythe Valley Park in the UK (2.2% of portfolio value) as a tenant was secured. • **Portfolio reversion was +29.8%,** driven by Logistics & Industrial (+36.4%) though commercial reversion was -1.6%. Industrial prime grade net face rent was still increasing in Australia, growing +5.8% y/y for Sydney, +4.3% y/y for Brisbane and +3.9% y/y for Melbourne. • **Stable credit metrics:** Aggregate leverage fell 0.9 ppts q/q to 34.8%. Reported interest coverage ratio fell 0.2x q/q to 4.1x. Going forward in FY2026, cost of debt may increase 10-20bps from 3.1% as older borrowings on lower rates are refinanced. (Company, OCBC) Last report: Credit Update - 11 November 2025
GuocoLand Ltd	GUOLSP	• **GUOLSP to privatise GuocoLand Malaysia:** Through GLL (Malaysia) Pte Ltd, GUOLSP is proposing to privatise GuocoLand Malaysia Bhd ("GuocoLand Malaysia") by way of selective reduction and repayment exercise. • **Acquisition outlay is SGD86.9mn:** GUOLSP and persons acting in concert already holds 67.93% of the shares of GuocoLand Malaysia. As such, the total capital

		outlay/repayment will be MYR269.4mn (SGD86.9mn, or MYR1.10 per GuocoLand Malaysia share) for the remaining shareholders. The offer price is 17.65% higher than the last traded price of MYR0.9350 per share and its 47.73% higher than the 6-month volume-weighted average market price of MYR0.7446. • **To be funded by excess funds in GuocoLand Malaysia and more:** According to GUOLSP, the privatisation will be funded through utilisation of excess funds in GuocoLand Malaysia, with the remaining to be financed by advances/equity injection from GUOLSP. The acquisition looks manageable relative to GUOLSP total assets of SGD11.7bn as of end-2025. (Company, OCBC) Latest report: Credit Update – 9 October 2025

Hongkong Land Holdings Ltd & The Hongkong Land Company Ltd	HKLSP	• **HKLSP has launched the SGD8.2bn (USD6.4bn) Singapore Central Private Real Estate Fund ("SCPREF"),** creating the largest office-focused private real estate fund in Singapore.
		• The fund owns an effective net lettable area ("NLA") of 2.6mn sqf, contributed by assets below:
		    o Asia Square Tower 1 (100%)
		    o Marina Bay Financial Centre Tower 1&2 (33.3%)
		    o Marina Bay Link Mall (33.3%)
		    o One Raffles Quay (33.3%)
		    o One Raffles Link (100%)
		• The launch of this fund along with the USD1.3bn net proceeds from the sale of MBFC Tower 3 to Keppel REIT have contributed USD3.4bn in recycled capital since 2024. This fund will also support its longer term ambition of reaching USD100 bn AUM by 2035, with SCPREF expected to help deliver roughly half that target (USD50bn).
		• HKLSP is the manager of SCPREF with a majority stake (>50%) at inception. At this point of time, SGD1.8bn (USD1.4bn) of third party capital were contributed by (1) Qatar Investment Authority, (2) APG Asset Management and (3) a Southeast Asia sovereign wealth fund. More investors will be onboard in the future and HKLSP will not own less than 30% of the fund in the future.
		• The launch strengthens HKLSP's balance sheet and allows it to expand its share buyback programme from USD300mn to USD650mn.
		• **We view the launch of the fund a positive credit event as it will improve HKLSP's capital structures. HKLSP will have more stable earnings from asset management business (Company, Bloomberg, OCBC).**
		
		Last report: Credit Update – 28 May 2025

Keppel Real Estate Investment Trust	KREIT	• KREIT released its second half results for 2025. KREIT's property income for 2H2025 increased by 1.1% y/y to SGD138.0mn. Property income relates to income from directly held properties including Ocean Financial Centre, Keppel Bay Tower, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Pinnacle Office Park, 2 Blue Street, 50% interest in 255 George Street, T Tower and KR Ginza II. Net property income ("NPI") increased by 2.4% y/y to SGD107.7mn. The increase was driven by higher income at Ocean Financial Centre, 2 Blue Street and Top Ryde City Shopping Centre in Sydney (bought in December 2025), partly offset by lower income from Keppel Bay Tower, Victoria Police Centre, Pinnacle Office Park and T Tower. • KREIT also owns significant minority stakes in other properties which are equity accounted for. In 2H2025, share of results of associates and joint ventures was SGD63.5mn in aggregate (2H2024: SGD55.0mn).

		• KREIT's portfolio committed occupancy was 96.7% as at 31 December 2025, increasing from 96.3% as at 30 September 2025. • As at 31 December 2025, KREIT's reported aggregate leverage was very high versus peers at 47.9% as a bridge loan was taken to fund the acquisition of a one third stake in Tower 3 of Marina Bay Financial Centre though KREIT had completed a preferential offering to raise new equity since. Assuming that the preferential offering proceeds were received on 31 December 2025, reported aggregate leverage would be 40.4% (30 September 2025: 42.2%). L12M reported interest coverage ratio was 2.6x, stable q/q. • As at 31 December 2025, debt maturing was at SGD1.3bn (including SGD890mn of equity bridge loans) although in January 2026, the equity bridge loans had been repaid in full using the new equity. This leaves only SGD429mn of debt (including the SGD200mn KREITS 3.72% '26s due in November 2026) and highly manageable. (Company, OCBC) Latest report: Credit Update – 22 August 2025
Singapore Telecommunications Ltd	STSP	• **Fully acquiring STTGDC together with KKR:** ST Telemedia Global Data Centres ("STTGDC") will be fully acquired by KKR (75% stake) and STSP (25%) at SGD13.8bn enterprise value, expected by early 2H2026. The KKR-led consortium first invested SGD1.75bn in STTGDC in 2024, with KKR previously holding ~14% stake and STSP holding ~4% stake. • **Digestible transaction for STSP:** STSP's cash contribution is SGD740mn, which looks manageable versus 1HFY2026 SGD2.3bn recycled capital and SGD3.4bn cash balance as of 30 September 2025. • **KKR is not just an investment partner:** According to David Luboff, Co-Head of KKR Asia Pacific and Head of Asia Pacific Infrastructure at KKR, KKR will help STTGDC grow by "deploying KKR's global network and deep digital infrastructure expertise". • **Acquisition is part of STSP growth plan:** According to Arthur Lang, CFO of STSP, the acquisition scales its new growth engine in digital infrastructure. Combining Nxera (146MW of operational capacity) with STTGDC, the combined DC business with 626MW capacity will become a top tier Asian player. This allows STSP to capture growing digitalisation and Next-Gen AI demand. (Company, OCBC) Last report: Credit update – 4 June 2025

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD500mn and USD22.95bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
03 Feb	Sumitomo Mitsui Financial Group Inc	Social, Fixed-to-FRN	USD	500	6NC5	T + 68bps
03 Feb	American Express Co	Fixed-to-FRN	USD	1,350	3NC2	T + 45bps
03 Feb	American Express Co	FRN	USD	650	3NC2	SOFR+ 59bps
03 Feb	American Express Co	Fixed-to-FRN	USD	1,000	6NC5	T + 63bps
03 Feb	American Express Co	Fixed, Subordinated	USD	500	15NC10	T + 115bps
03 Feb	Bank of America Corp	FRN	USD	500	6NC5	SOFR+ 87bps
03 Feb	Bank of America Corp	Fixed	USD	2,750	6NC5	T + 63bps
03 Feb	Bank of America Corp	Fixed-to-FRN	USD	3,750	11NC10	T + 78bps
03 Feb	PacifiCorp	Fixed, Junior Subordinated	USD	1,100	30.5NC5.25	7.125%
03 Feb	Deutsche Bank AG/New York NY	Fixed-to-FRN, Senior Non-Preferred	USD	1,000	6NC5	T + 90bps
03 Feb	Goldman Sachs Finance Corp International Ltd (guarantor: Goldman Sachs Group Inc/The)	Fixed	USD	100	10	5.13%
03 Feb	ING Groep NV	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	1,500	NC8	6.502%
03 Feb	Lloyds Banking Group PLC	Variable	USD	1,250	4NC3	T + 60bps

03 Feb	Lloyds Banking Group PLC	FRN	USD	500	4NC3	SOFR+ 77bps
03 Feb	Lloyds Banking Group PLC	Variable	USD	1,000	21NC20	T + 82bps
03 Feb	NextEra Energy Capital Holdings Inc (guarantor: NextEra Energy Inc)	Fixed	USD	700	5	T + 57bps
03 Feb	NextEra Energy Capital Holdings Inc (guarantor: NextEra Energy Inc)	Fixed	USD	600	30	T + 97bps
03 Feb	National Rural Utilities Cooperative Finance Corp	FRN	USD	600	1.50	SOFR+ 43bps
03 Feb	National Rural Utilities Cooperative Finance Corp	Fixed	USD	600	3	T + 43bps
03 Feb	Visa Inc	Fixed	USD	900	3	T + 20bps
03 Feb	Visa Inc	Fixed	USD	750	5	T + 30bps
03 Feb	Visa Inc	Fixed	USD	700	7	T + 40bps
03 Feb	Visa Inc	Fixed	USD	650	10	T + 45bps

Mandates:

- The Republic of Korea may issue USD-denominated fixed rate senior unsecured notes with expected tenors of 3- and 5-years.

Key Market Movements

	4-Feb	1W chg (bps)	1M chg (bps)		4-Feb	1W chg	1M chg
iTraxx Asiax IG	66	1	3	**Brent Crude Spot ($/bbl)**	67.8	-0.9%	11.6%
				Gold Spot ($/oz)	5,057	-6.6%	13.7%
iTraxx Japan	57	0	3	**CRB Commodity Index**	310	-2.4%	4.1%
iTraxx Australia	65	0	1	**S&P Commodity Index - GSCI**	587	-2.1%	7.2%
CDX NA IG	50	1	0	**VIX**	18.0	10.1%	24.1%
CDX NA HY	108	-0	1	**US10Y Yield**	4.27%	3bp	8bp
iTraxx Eur Main	51	-0	1				
iTraxx Eur XO	245	-0	2	**AUD/USD**	0.703	-0.2%	4.7%
iTraxx Eur Snr Fin	53	-0	-0	**EUR/USD**	1.183	-1.0%	1.0%
iTraxx Eur Sub Fin	90	-1	-1	**USD/SGD**	1.270	-0.6%	1.0%
				AUD/SGD	0.893	-0.4%	-3.5%
USD Swap Spread 10Y	-40	-3	1	**ASX200**	8,928	-0.1%	2.3%
USD Swap Spread 30Y	-69	-4	1	**DJIA**	49,241	0.5%	1.8%
				SPX	6,918	-0.9%	0.9%
China 5Y CDS	44	1	4	**MSCI Asiax**	989	-1.4%	6.2%
Malaysia 5Y CDS	38	-1	0	**HSI**	26,840	-3.5%	1.9%
Indonesia 5Y CDS	77	1	9	**STI**	4,951	0.8%	6.3%
Thailand 5Y CDS	37	-1	-1	**KLCI**	1,746	-1.4%	4.6%
Australia 5Y CDS	13	0	1	**JCI**	8,079	-2.9%	-7.6%
				EU Stoxx 50	5,995	0.0%	2.5%

Source: Bloomberg