

Daily Credit Snapshot

Market Commentary

- Global markets are increasingly trading around the risk of higher energy costs as geopolitical tensions escalate. The USD strengthened further, supported not only by safe-haven flows but also by the US's status as a net energy exporter, which structurally benefits from rising oil prices. In contrast, US Treasuries, which had previously rallied on risk-off sentiment, came under renewed selling pressure. The 10Y yield climbed back above 4.05% on Tuesday as investors reassessed the risk of a rebound in inflation expectations. Traffic through the Strait of Hormuz remained suspended for a fourth consecutive day, while LNG facilities in Qatar continued to operate below capacity. India has begun rationing gas supplies to industrial users. In the US, gasoline prices rose above USD3 per gallon, the highest level since November last year. That said, oil prices pared earlier gains and equity indices recovered part of their intraday losses after President Trump pledged to ensure that the Strait of Hormuz remains open to oil tankers. He also announced that the US International Development Finance Corporation would provide insurance at competitive rates to safeguard energy shipments and commercial trade flows in the Gulf. Ultimately, the trajectory of global asset prices will hinge on oil. If the Strait faces a sustained and substantive blockade, the inflation shock could be meaningful; if disruptions prove temporary, markets may stabilise quickly. Elsewhere, share prices of alternative asset managers extended their losses. Blackstone's flagship private credit fund reportedly faced a surge in redemptions in 1Q, amid investor anxiety over what some market participants have dubbed "credit cockroaches".
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 4-11bps higher while belly tenors traded 12-13bps higher and 10Y tenors trading 13bps higher.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, SNBAB 3.4% '35s, BACR 4.65%-PERP, TSHSP 7.5% '27s, AAREIT 4.1%-PERP.
- Global Investment Grade spreads tightened by 1bps to 82bps and Global High Yield spreads widened by 5bps to 294bps respectively.
- Bloomberg Global Contingent Capital Index widened by 9bps to 248bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 62bps and Asia USD High Yield spreads widened by 2bps to 360bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Wing Tai Properties Ltd	WINGTP	<ul style="list-style-type: none"> WINGTP's new residential project Cloudview near Sheung Shui MTR station will be launched this week. The first batch will offer 154 units with size ranging from 286 – 445 sqf and an average price of HKD13,974 per sqf. The total saleable value of the first batch is HKD680mn. In total, Cloudview will offer 765 units. The project is expected to complete by 31 March 2027. (HK01, OCBC) <p>Latest report: Credit Update – 28 May 2025</p>
PT Cikarang Listrindo Tbk	CIKLIS	<ul style="list-style-type: none"> CIKLIS reported FY2025 net profit of USD72.1mn (–4.4% y/y), reflecting modest top-line growth but lower profitability from higher fuel costs and reduced sales to PT Perusahaan Listrik Negara Persero (“PLN”). Net income margin declined slightly to 13.0% (2024: 13.8%) as the company absorbed the impact of gas supply disruptions during 2025 while maintaining uninterrupted service delivery to industrial customers. Management highlighted that since the supply disruption, CIKLIS has met 100% of industrial demand. Revenue rose 1.2% y/y to USD553.5mn, supported by industrial customer sales of USD498.2mn (+5.7% y/y), which offset a 27.1% drop in PLN revenue to USD55.3mn. Operating costs increased 2.8% y/y to USD448.0mn, driven primarily by fuel expenses (+8.4% y/y), while employee expenses declined 12.6% y/y. EBITDA per CIKLIS' calculations fell to USD187.2mn (–7.6% y/y) with EBITDA margins declining to 33.8% in 2025 from 37.0% in 2024. The company's 2026 development outlook remains constructive, underpinned by ongoing capacity expansion. A 50 MW gas engine plant reached 93.7% completion in 2025 and is scheduled for commissioning in 1H2026, while solar capacity is set to rise by an additional 24.3 MWp in 2026 from 45.7 MWp in 2025. Biomass co-firing generation rose 155.5% y/y in 2025 with further growth planned in 2026. CIKLIS continues to navigate gas supply challenges and expects full normalization by June 2026 following the commissioning of Pertamina EP's temporary CO₂ removal facility. Contribution from data centres is expected to grow over 2026-2028 from a utilisation and energized capacity perspective given CIKLIS location and low net capacity factor. Credit metrics remain solid, with reported Net Debt/EBITDA improving to 0.4x (2024: 0.5x). Overall fundamentals remain stable in our view (Company, OCBC) <p>Latest report: Credit Update – 19 August 2025</p>

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.4bn and USD100mn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
03 Mar	Housing & Development Board	Fixed	SGD	925	7	2.073%
03 Mar	Norinchukin Bank/The	Fixed	USD	500	5	T + 105bps
03 Mar	Norinchukin Bank/The	Fixed	USD	500	10	T + 130bps
03 Mar	Wells Fargo Bank NA	Fixed	USD	100	5	4.35%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	4-Mar	1W chg (bps)	1M chg (bps)		4-Mar	1W chg	1M chg
iTraxx Asiax IG	72	6	6	Brent Crude Spot (\$/bbl)	82.3	16.1%	18.4%
				Gold Spot (\$/oz)	5,162	-0.1%	4.0%
iTraxx Japan	62	4	4	CRB Commodity Index	326	5.3%	4.3%
iTraxx Australia	74	7	9	S&P Commodity Index - GSCI	648	7.7%	9.1%
CDX NA IG	55	3	5	VIX	23.6	20.6%	26.4%
CDX NA HY	107	-1	-1	US10Y Yield	4.06%	1bp	-21bp
iTraxx Eur Main	58	5	7				
iTraxx Eur XO	274	25	28	AUD/USD	0.701	-1.5%	0.2%
iTraxx Eur Snr Fin	62	7	8	EUR/USD	1.160	-1.8%	-1.8%
iTraxx Eur Sub Fin	106	13	15	USD/SGD	1.278	-1.1%	-0.4%
				AUD/SGD	0.896	0.5%	-0.6%
USD Swap Spread 10Y	-44	-2	-4	ASX200	8,900	-2.5%	-0.3%
USD Swap Spread 30Y	-75	-4	-6	DJIA	48,501	-1.4%	-2.0%
				SPX	6,817	-1.1%	-1.0%
China 5Y CDS	46	3	2	MSCI Asiax	996	-4.7%	0.6%
Malaysia 5Y CDS	43	5	6	HSI	25,215	-5.8%	-6.1%
Indonesia 5Y CDS	86	6	9	STI	4,816	-3.8%	-3.0%
Thailand 5Y CDS	43	4	6	KLCI	1,708	-2.3%	-2.0%
Australia 5Y CDS	14	0	1	JCI	7,712	-7.3%	-5.3%
				EU Stoxx 50	5,772	-5.6%	-3.3%

Source: Bloomberg

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