# Daily Credit Snapshot

## Market Commentary

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- US equities closed higher on Thursday, with all three major indices advancing between 1.1% and 1.4%, snapping a three-day losing streak. Sentiment was supported by a relatively resilient set of US services data ahead of today's August employment report. Brent crude briefly reached a six-week high before settling largely unchanged at USD95.5/bbl. On the data front, there was a heavy slate of US releases. The services surveys were unambiguously strong. The S&P Global US Services PMI rose to 56.5 in August from 54.6, its strongest reading in 20 months, supported by stronger new business and improving employment. However, input costs remained elevated, with the survey noting that this was "amid further reports of higher fuel and gas prices." Similarly, the ISM Services rose to 55.4 from 54.1, marking the 26th consecutive month of expansion. Business activity surged to 61.7 and new orders to 60.9. However, the employment index remained in contraction territory at 47.8, while the prices-paid index accelerated to 72.6 from 70.3, suggesting that services-sector cost pressures remain significant. Taken together, the surveys point to solid activity alongside persistent inflation pressures. Meanwhile, Challenger reported "52,881 job cuts in August, up 58% from the 33,429 cuts announced in July. However, this was down 38% from the 85,979 layoff plans announced in the same month last year and marks the lowest August total since 2022." Year-to-date, "employers have announced 529,914 job cuts, down 41% from the 892,362 cuts announced in the first eight months of 2025." The technology industry continues to lead year-to-date reductions. Notably, restructuring has displaced artificial intelligence-related concerns as the leading reason for job cuts in August. On hiring, employers announced 119,825 hiring plans year-to-date, up 37% from last year, although Challenger cautioned that these positions do not appear to be filling quickly. Separately, initial jobless claims rose modestly by 1% to 206k for the week ending 29 August. Meanwhile, continuing claims rose by 0.5% to 1.78mn for the week ending 22 August. Overall, the elevated level of continuing claims remains consistent with a labour market characterised by subdued hiring activity.

- The SGD SORA OIS curve traded lower yesterday with the shorter tenors trading flat to 1-5bps lower, belly tenors trading 4-5bps lower, and the 10Y tenor trading 4bps lower.

- There were no notable flows.

- US Investment Grade traded flat at 80bps, and US High Yield spreads traded flat at 264bps respectively. Bloomberg Global Contingent Capital spreads tightened by 1bps to 204bps.

- Bloomberg Asia USD Investment Grade spread traded flat at 57bps, and the Asia USD High Yield spreads widened by 2bps to 327bps. (Bloomberg, OCBC)

**Credit Summary:**

| Company | Ticker | Description |
|---|---|---|
| CapitaLand Investment Ltd | CLIVSG | • CLIVSG has cut 90 jobs in 2026, about 4% of its Singapore workforce. The company has not disclosed the business functions that have been affected.<br>• CLIVSG is a unionised company with 2,200 employees in Singapore.<br>• A joint statement by the company and the Singapore Industrial and Services Employees' Union stated that the firm "periodically reviews its organisational structure" to ensure it remains aligned with its strategic priorities and long-term business needs.<br>• The union was also informed in advance of the restructuring exercise and was involved in representing the workers' interests, ensuring affected employees are treated fairly and that the severance package is in accordance with the Collective Agreement.<br>• CLIVSG has stated that it has maintained a 24% turnover rate "with no major layoffs". The company had shed 10% of its staff in China earlier this year, as a result of the country's real estate crisis. (Bloomberg, OCBC)<br><br>Latest report: Credit Update – 29 September 2025 |
| UBS AG | UBS | • The Council of States Economic Affairs and Taxation Committee has released details on the proposed structural changes to the AT1 framework. These measures are subject to the wider parliamentary process, leaving the final calibration and treatment of existing instruments unlikely to be resolved before end 2026.<br>• The Committee's proposal adds a statutory overlay where a breach of the applicable CET1 requirement would immediately suspend AT1 coupons and redemptions, while an uncured breach lasting six months could require additional capital restoration measures, potentially including an AT1 exchange or conversion. This creates a pathway to AT1 principal risk above the contractual 7% trigger.<br>• We continue to monitor several unresolved issues, including whether outstanding instruments will be grandfathered, how existing contractual conversion prices would interact with a statutory conversion, whether legacy write-down AT1s could be converted into equity, and whether implementing rules will differentiate between existing and future issuance. The proposal remains preliminary and does not establish that outstanding AT1s will be retrospectively converted or restructured.<br><br>Latest report: Credit Update – 01 September 2026 |
| Woodside Energy Group Ltd | WDSAU | • WDSAU has signed a non-binding Memorandum of Understanding ("MOU") with Petróleos Mexicanos ("PEMEX") which will allow analysis of potential future opportunities for exploration and extraction of hydrocarbons in the deep waters of the Gulf of Mexico.<br>• Woodside and PEMEX are jointly developing the Trion Oil Project (an ultra-deepwater development) which is located approximately 180 kilometres off Mexico's coastline and 30 kilometres south of the US-Mexico maritime border. First oil is targeted for 2028 and as at 30 June 2026, Trion was 64% complete. (Company)<br><br>Latest report: Credit Update – 14 August 2026 |
| Santos Ltd | STOAU | • The GLNG joint venture partners, namely STOAU, TotalEnergies, Petronas and KPGAs have entered into binding agreements to buy 100% of the Greater Meridian CSG project ("Meridian, a coal seam gas production project) in Queensland. Meridian is a supplier of gas to GLNG. STOAU will buy a 30%-interest an become the operator of the project upon completion. STOAU's net acquisition cost is forecasted to be ~USD85mn to ~USD90mn.<br>• Meridian is a producing project near Moura in Queensland, comprising 280 producing wells with gas export capacity. (Company)<br><br>Latest report: Credit Update – 27 July 2026 |

## New Issues:

- The total issuances in the APAC USD and DM IG markets were both zero yesterday (prior day: both zero) (Bloomberg, OCBC)

| Date | Issuer | Description | Currency | Size (mn) | Tenor (Yr) | Final Pricing (%) |
|---|---|---|---|---|---|---|
| 03 Sep | Bank of Nova Scotia/The (guarantor: Scotiabank Covered Bond Guarantor LP) | Fixed, Secured | SGD | 300 | 3 | 2.175% |

## Mandates:

- There were no notable mandates.

## Key Market Movements

| | 4-Sep | 1W chg (bps) | 1M chg (bps) | | 4-Sep | 1W chg | 1M chg |
|---|---|---|---|---|---|---|---|
| iTraxx Asiax IG | 67 | 1 | -2 | Brent Crude Spot ($/bbl) | 95.5 | 6.9% | 20.3% |
| | | | | Gold Spot ($/oz) | 4,469 | 0.3% | 9.6% |
| iTraxx Japan | 55 | -1 | -6 | CRB Commodity Index | 417 | 2.8% | 11.6% |
| iTraxx Australia | 67 | 0 | -2 | S&P Commodity Index - GSCI | 737 | 4.5% | 13.0% |
| CDX NA IG | 50 | -0 | -0 | VIX | 14.3 | -1.3% | -13.2% |
| CDX NA HY | 108 | -0 | -0 | US10Y Yield | 4.76% | 4bp | 14bp |
| iTraxx Eur Main | 52 | 1 | 1 | | | | |
| iTraxx Eur XO | 251 | 4 | 4 | AUD/USD | 0.721 | 0.6% | 2.3% |
| iTraxx Eur Snr Fin | 54 | 0 | 1 | EUR/USD | 1.163 | 0.4% | 0.9% |
| iTraxx Eur Sub Fin | 87 | -0 | 2 | USD/SGD | 1.267 | 0.6% | 1.2% |
| | | | | AUD/SGD | 0.913 | -0.1% | -1.1% |
| | | | | | | | |
| USD Swap Spread 10Y | -37 | 0 | 3 | ASX200 | 9,020 | -0.8% | -1.4% |
| USD Swap Spread 30Y | -67 | 1 | 7 | DJIA | 53,686 | 0.2% | -0.7% |
| | | | | SPX | 7,748 | 0.2% | 0.1% |
| China 5Y CDS | 35 | -1 | -2 | MSCI Asiax | 1,123 | -1.5% | 3.1% |
| Malaysia 5Y CDS | 33 | -0 | -3 | HSI | 25,678 | 0.4% | -0.7% |
| Indonesia 5Y CDS | 84 | -0 | -7 | STI | 5,818 | 2.1% | 3.7% |
| Thailand 5Y CDS | 41 | 1 | -1 | KLCI | 1,707 | -2.0% | -1.5% |
| Australia 5Y CDS | 13 | -1 | 0 | JCI | 6,661 | 2.2% | 5.4% |
| | | | | EU Stoxx 50 | 6,383 | -0.7% | -1.6% |

*Source: Bloomberg*

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