

Daily Credit Snapshot

Market Commentary

- US equities ended mixed overnight, with the Dow Jones rising 1.7% to a fresh record high and the S&P 500 gaining 0.4%, while the Nasdaq slipped 0.1%. The move reflected a rotation away from AI-related technology stocks after Broadcom's softer AI revenue outlook weighed on semiconductor names. US labour data remained consistent with a stable but gradually cooling labour market. Initial jobless claims rose to 225k, above expectations of 215k, although the level remains low by historical standards. Continuing claims declined to 1.78mn, while attention now turns to tonight's nonfarm payrolls report, where consensus expects 88k job gains and the unemployment rate to remain at 4.3%. Separately, nonfarm business productivity was revised lower to a 0.3% annualised gain in 1Q26 from 0.8% previously. On geopolitics, little progress is seen in US Iran ceasefire talks after escalating tensions, as Hezbollah rejected a US backed Lebanon truce. US President Trump says negotiations are near completion, but Iran reports no progress. Cross border strikes continue, and Tehran demands an end to Israeli attacks, while Hezbollah calls the ceasefire proposal "absurd."
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading flat to 2bps higher while belly tenors traded 2-3bps higher and 10Y traded 2bps higher.
- Flows in SGD corporates were moderate, with flows in STTGDC 3.13% '28s, HSBC 5.25%-PERP, STHSP 2.55% '35s.
- US Investment Grade spreads traded flat at 72bps yesterday while US High Yield spreads traded flat at 263bps. Bloomberg Global Contingent Capital Index widened 2bps to 223bps.
- Bloomberg Asia USD Investment Grade widened 1bps to 51bps yesterday, while Asia USD High Yield spreads widened 5bps to 369bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
<p>AIA Group Limited, FWD Group Holdings Ltd, Prudential PLC</p>	<p>AIA, FWDGHD, PRUFIN</p>	<ul style="list-style-type: none"> • Share prices of AIA, FWDGHD, PRUFIN fell by 6.7%, 1.9% and 7.6% respectively on 4 June 2026, following news that some banks have suspended the opening of HKSAR bank accounts for clients in mainland China that could be used for overseas investments. • The move is part of a broader effort to stem capital flight after China launched a crackdown on illegal cross-border trading, with HKSAR banks tightening scrutiny of mainland Chinese clients opening savings and investment accounts. • Based on our calculation, mainland Chinese visitors accounted for: <ul style="list-style-type: none"> ○ 21% of AIA’s value of new business in 2025 ○ 22% of FWDGHD’s value of new business in 2025 ○ 22% of PRUFIN’s new business profit in 2025 • To date, there is no indication that China is barring mainland Chinese visitors from buying insurance in HKSAR, although there could be some risks as (1) HKSAR bank accounts used for insurance premium payment may become more difficult to open and (2) fund transfers from mainland China to HKSAR could be subject to tighter scrutiny. • More clarity is required; however, the impacts appear manageable from a credit standpoint. The overall performance of these three insurers remains healthy, supported by strong capital coverage ratios. (Bloomberg, OCBC) <p>Latest report (“AIA”): Credit Update – 10 September 2025 Latest report (“PRUFIN”): Credit Update – 15 April 2026</p>



New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were zero and USD8.5bn respectively (prior day: USD2.15bn and USD1.58bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
04 Jun	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	100	1	1.75%
04 Jun	Keppel Ltd	Fixed, Perpetual, Subordinated	SGD	325	PerpNC3	3.3%
04 Jun	Mastercard Inc	Fixed	USD	1,250	2	T + 28bps
04 Jun	Mastercard Inc	FRN	USD	500	2	SOFR+ 39bps
04 Jun	Mastercard Inc	Fixed	USD	1,150	3	T + 33bps
04 Jun	Mastercard Inc	Fixed	USD	1,350	5	T + 43bps
04 Jun	Mastercard Inc	Fixed	USD	750	10	T + 53bps
04 Jun	Sempra	FRN	USD	1,000	1.5	SOFR+67bps
04 Jun	Wells Fargo Bank NA	FRN	USD	100	5	SOFR+72bps

Mandates:

- Shinhan Card Co., Ltd. may issue USD-denominated 3.5Y FRN dual-listed Formosa bonds.

Key Market Movements

	5-Jun	1W chg (bps)	1M chg (bps)		5-Jun	1W chg	1M chg
iTraxx Asia IG	71	-0	-4	Brent Crude Spot (\$/bbl)	95.2	3.4%	-13.4%
				Gold Spot (\$/oz)	4,445	-2.1%	-2.5%
iTraxx Japan	60	-0	-2	CRB Commodity Index	384	-0.1%	-3.6%
iTraxx Australia	72	--	-4	S&P Commodity Index - GSCI	710	2.2%	-7.3%
CDX NA IG	51	0	-3	VIX	15.4	-2.2%	-11.4%
CDX NA HY	108	-0	1	US10Y Yield	4.47%	3bp	4bp
iTraxx Eur Main	53	0	-5				
iTraxx Eur XO	261	2	-26	AUD/USD	0.712	-0.9%	-0.9%
iTraxx Eur Snr Fin	56	0	-5	EUR/USD	1.162	-0.4%	-0.7%
iTraxx Eur Sub Fin	91	1	-9	USD/SGD	1.285	-0.7%	-0.7%
				AUD/SGD	0.915	0.3%	0.2%
USD Swap Spread 10Y	-40	-0	3	ASX200	8,625	-1.2%	-0.6%
USD Swap Spread 30Y	-72	0	4	DJIA	51,562	1.8%	4.6%
				SPX	7,584	0.3%	4.5%
China 5Y CDS	40	-1	-3	MSCI Asiax	1,170	0.7%	8.2%
Malaysia 5Y CDS	35	0	-3	HSI	24,955	-0.9%	-3.6%
Indonesia 5Y CDS	94	5	5	STI	5,056	1.3%	2.8%
Thailand 5Y CDS	48	0	-6	KLCI	1,696	-0.2%	-2.9%
Australia 5Y CDS	14	1	-0	JCI	5,692	-7.1%	-19.3%
				EU Stoxx 50	6,103	0.8%	4.0%

Source: Bloomberg

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