

Daily Credit Snapshot

Market Commentary

- There was a slew of US data overnight, along with the publication of the Beige book. The data included February ADP, which showed that private sector companies added 63k jobs in February, with 'construction' and 'education and health services' being the main drivers of job creation. The better-than-anticipated result (consensus: 48k) was the "best showing for job gains since July 2025." The ADP data precedes Bureau of Labor Statistics' nonfarm payrolls report scheduled for this Friday, with consensus forecast expecting an increase of 55k jobs in February. On top of that, US ISM Services Index rose more-than-expected to 56.1 points (consensus: 53.5), up from 53.8 in January. Notably, one of the subindices, the Prices Index fell 3.6 points to 63, recording its lowest reading since March 2025. This provided some relief regarding price pressures following the recent reported spike in the Prices Index subcomponent of the ISM manufacturing index last week. Separately, the Beige Book noted that "overall economic activity increased at a slight to moderate pace" in most of its Federal Reserve Districts. "Economic expectations were optimistic, with most Districts expecting slight to moderate growth in the coming months." On the labour market, "employment levels were generally stable in recent weeks," with no change in hiring in most districts. Regarding prices, many areas have reported an increase in prices and have attributed this to tariffs. "On balance, firms expected prices to rise at a somewhat slower pace in the near term." Overall, strong economic data releases bolstered market sentiment amid ongoing conflict in the Middle East, which threatens to spill over into the wider region. US equities closed higher with the broad indices of S&P500, Dow, and Nasdaq rising between 0.5% and 1.3% (S&P500: 0.8%; Dow: 0.5%; NASDAQ: 1.3%).
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly and 10Y tenors traded 3bps lower.
- Flows in SGD corporates were heavy, with flows in STTGDC 3.13% '28s, BACR 4.65%-PERP, MAPLSP 3.15% '31s, STANLN 4.3%-PERP, SRENVX 3.75% '31s, AAREIT 4.1%-PERP, STANLN 5.3%-PERP, LLCAU 3.9%-PERP, HSBC 5.25%-PERP, UOBSP 3%-PERP, SIASP 2.7% '36s.
- Global Investment Grade spreads tightened by 2bps to 80bps and Global High Yield spreads tightened by 13bps to 281bps respectively.
- Bloomberg Global Contingent Capital Index tightened by 9bps to 239bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 63bps and Asia USD High Yield spreads widened by 13bps to 373bps respectively. (Bloomberg, OCBC)

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Credit Summary:

- There are no headlines for today.

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD120mn and USD17.95bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
04 Mar	Canadian Pacific Railway Co (guarantor: Canadian Pacific Kansas City Ltd)	Fixed	USD	600	3	T + 50bps
04 Mar	Canadian Pacific Railway Co (guarantor: Canadian Pacific Kansas City Ltd)	Fixed	USD	600	30	T + 85bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,500	5	T + 58bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	2,000	10	T + 75bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,000	30	T + 78bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,500	2	T + 35bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,500	3	T + 43bps
04 Mar	Eaton Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,000	7	T + 65bps
04 Mar	Fidelity National Information Services Inc	Fixed	USD	2,000	2	T + 95bps
04 Mar	Fidelity National Information Services Inc	Fixed	USD	2,300	3	T + 105bps
04 Mar	Fidelity National Information Services Inc	FRN	USD	500	3	SOFR+ 121bps
04 Mar	Fidelity National Information Services Inc	Fixed	USD	2,000	5	T + 115bps

04 Mar	Bank of Nova Scotia (guarantor: Scotiabank Covered Bond Guarantor LP)	FRN, Secured	USD	300	7	SOFR + 55bps
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Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	5-Mar	1W chg (bps)	1M chg (bps)		5-Mar	1W chg	1M chg
iTraxx Asiax IG	72	5	7	Brent Crude Spot (\$/bbl)	83.8	18.5%	24.1%
				Gold Spot (\$/oz)	5,184	-0.0%	8.5%
iTraxx Japan	63	5	5	CRB Commodity Index	328	5.2%	5.9%
iTraxx Australia	74	7	8	S&P Commodity Index - GSCI	650	7.7%	11.1%
CDX NA IG	54	0	2	VIX	21.2	18.0%	-2.8%
CDX NA HY	107	-0	-1	US10Y Yield	4.11%	11bp	-7bp
iTraxx Eur Main	56	2	4				
iTraxx Eur XO	264	9	17	AUD/USD	0.705	-0.7%	1.8%
iTraxx Eur Snr Fin	59	3	5	EUR/USD	1.161	-1.6%	-1.4%
iTraxx Eur Sub Fin	101	6	10	USD/SGD	1.277	-1.0%	-0.1%
				AUD/SGD	0.900	-0.2%	-1.9%
USD Swap Spread 10Y	-44	-3	-3	ASX200	8,941	-2.6%	0.6%
USD Swap Spread 30Y	-75	-4	-4	DJIA	48,739	-1.5%	-0.3%
				SPX	6,870	-1.1%	1.0%
China 5Y CDS	45	1	2	MSCI Asiax	948	-9.7%	-2.7%
Malaysia 5Y CDS	43	4	6	HSI	25,461	-3.5%	-5.3%
Indonesia 5Y CDS	88	7	8	STI	4,839	-2.5%	-2.7%
Thailand 5Y CDS	44	4	6	KLCI	1,709	-1.9%	-1.3%
Australia 5Y CDS	13	0	0	JCI	7,699	-6.5%	-5.0%
				EU Stoxx 50	5,871	-4.9%	-0.9%

Source: Bloomberg

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