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Daily Credit Snapshot

Market Commentary

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- The macro picture delivered a mixed set of signals. The US ISM Services headline rose to 54.1, with business activity at 59.1 and new orders at 57.2, but employment fell to 47.4 and prices rose to 70.3. Meanwhile, ADP showed private employers added only 44k jobs (exp: 65k); services accounted for the net gain, while goods-producing industries lost jobs. However, we note that ADP numbers have not tracked well with NFP prints and should not be seen as a leading indicator for Friday's non-farm payrolls. Straits of Hormuz developments saw the status quo maintained. Negotiators reportedly finalised a draft, but Iran's political approval and contested implementation terms were still pending. Meanwhile, Fed's Kashkari said that it may be time to "start slowing moving rates higher", which was no surprise given that he was one of the members who voted for a hike in the recent July FOMC decision. Wednesday's New York session was broadly rangebound, even though gold broke multiple resistance levels and traded near USD4,247 as lower real yields and softer energy supported precious metals, the S&P 500 and Nasdaq fell 0.2% and 0.8% respectively, while the Dow rose 0.5%. Brent was little changed at USD79.45. For the day ahead, markets will watch out for CPI data out of Thailand and Taiwan. Germany factory orders and Eurozone retail sales are also due, along with initial jobless claims out of the U.S. and wholesale inventories.

- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-7bps lower, belly tenors trading 7-8bps lower, and the 10Y tenor trading 8bps lower.

- Flows in SGD corporates were heavy, with flows in MLTSP 3.5%-PERP, TEMASE 2.65% '36s, VRTVEN 3.3% '28s.

- US Investment Grade spreads traded flat at 76bps, and US High Yield spreads widened by 1bps to 267bps. Bloomberg Global Contingent Capital Index tightened by 1 bps to 208bps.

- Bloomberg Asia USD Investment Grade tightened by 1 bps to 57bps, and the Asia USD High Yield spreads tightened by 5bps to 339bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
CapitaLand Ascott Trust	ARTSP	• ARTSP announced that it has entered into an agreement to buy Coliwoo Midtown, located at the Bugis-Bras Basah area of Singapore at an agreed property value of SGD134mn. Average occupancy was ~90% in July 2026 despite being a recently opened property. • The entry EBITDA yield (on a 2025 proforma basis) is 4.1%, funded by proceeds from its divestment of The Robertson House by The Crest Collection, a Singapore hotel, where the exit EBITDA yield was 2.3%. Hotels in Singapore have scarcity value and tend to trade at tight yields, though the property being purchased is a leasehold asset with a remaining tenure of 51 years, which in our view, also explains the yield differential. • Whilst the proposed acquisition is small versus ARTSP's total asset as at 30 June 2026 of SGD8.8bn, the deal is consistent with ARTSP's strategy to have 25% to 30% of its portfolio value allocated to the Living Sector (rental housing and student accommodation). Following the transaction, ARTSP's proportion of Living Sector assets is expected at 19.5%. • Separately, the REIT Manager and Trustee-Manager has entered into an agreement with DBS Trustee Limited (it its capacity as trustee of the REIT) for revolving loan facilities up to SGD200mn. (Company, OCBC) Latest report: Credit Update – 17 April 2026

AIA Group Limited
 	
FWD Group Holdings Ltd
 	
Prudential PLC
	AIA
	
	FWDGHD
	
	PRUFIN
		• Share price of PRUFIN, AIA, and FWD fell 6.4%, ~8% and ~4% as of writing.
		• Caixin Global reported that **China is expanding its personal income tax on any returns from insurance policies in HKSAR, levying a 20% tax on dividend payouts and interest earned from the offshore policies.**
		• The tax will make Mainland Chinese who buy insurance policy in HKSAR less attractive given the lower return after tax.
		• Based on our calculation, mainland Chinese visitors accounted for:
		    ○ 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
		• These are negative events but likely offset by the overall decent performance of these three insurers and strong capital coverage ratios. We will provide an update when there is more clarity. (Caixin Global, Bloomberg Company, OCBC)
		
		AIA's latest report: Initiation – 10 September 2025
		FWDGHD's latest report: Credit Update – 04 September 2025
		PRUFIN's latest report: Credit Update – 15 April 2026

Qantas Airways Ltd	QANAU	• QANAU's international pilots voted in favour of potential strikes as part of negotiations over pay and conditions. Between 76% to 88% of voting members of the Australian and International Pilots Association approved a slew of possible industrial actions. • There is no certainty yet that strikes will indeed occur but that such steps are authorised by the union. (Bloomberg) Latest report: Credit Update – 03 February 2026

Singapore Airlines Ltd	SIASP	• Reuters reported that SIASP's ~25%-owned Air India Ltd ("Air India") has named former Ethiopian Airlines Chief Executive Officer ("CEO") Tewolde Gebremariam as CEO of Air India to drive a turnaround at the company. Mr. Gebremariam spent more than 30 years of his career at Ethiopian Airlines where he retired as CEO in 2022 to focus on medical treatment. • Reuters added that Mr. Gebremariam guided Ethiopian Airlines through major crises and revenue more than quadrupled under his tenor while the fleet size also almost tripled. He succeeds Mr Campbell Wilson who oversaw the combination of Vistara with Air India, enlarging the operations of Air India. Mr Wilson previously headed up Scoot, SIASP's low-cost carrier. (Reuters, Air India) Latest report: Credit Update – 20 May 2026
Keppel Ltd	KEPSP	• As part of KEPSP's ongoing asset monetisation, KEPSP has entered into an agreement to sell its entire 40%-stake in Empire City LLC ("EC") for a cash consideration of USD270mn (~SGD343mn). The transaction is expected to complete by 4Q2026. EC comprises residential and mixed-use developments at a waterfront site in Ho Chi Minh City. • YTD, KEPSP has announced SGD2.1bn of monetisation and with that, achieved its target of SGD2bn to SGD3bn of monetisation for 2026. (Company) Latest report: Credit Update – 30 April 2026
DBS Group Holdings Ltd	DBSSP	• **DBSSP reported strong 2Q2026 results, with record profitability and upgraded guidance**. • **Non-interest income powered another record quarter:** 2Q2026 net profit rose 9% y/y and 5% q/q to SGD3.08bn, as total income increased 6% y/y to a record SGD6.09bn. Net fee income rose 25% y/y to SGD1.46bn, commercial-book treasury customer sales and other income grew 30% to SGD681mn, and markets trading income increased 12% to SGD469mn, more than offsetting a 2% decline in group net interest income ("NII") to SGD3.58bn. Profit before allowances rose 8% to a record SGD3.75bn. • **NII remained resilient despite continued NIM compression, supported by balance-sheet growth and hedging:** Group net interest income ("NII") rose 2% q/q to SGD3.58bn despite net interest margin ("NIM") narrowing another 2bps q/q to 1.87%. Commercial-book NII was broadly stable q/q at SGD3.48bn even as commercial-book NIM fell 8bps to 2.21%, as loans grew 3% q/q, or SGD15bn in constant-currency terms, led by non-trade corporate lending, while proactive hedging provided a further offset that DBSSP did not quantify. Group NII also benefited from markets-trading NII rising to SGD98mn from SGD19mn in 1Q2026. Y/y, commercial-book NII fell only 4% despite NIM contracting 34bps to 2.21%, supported by 8% constant-currency loan growth, or SGD35bn. • **Loan growth overtook deposit growth in 2Q2026:** Net customer loans grew 3% q/q and 8% y/y in constant-currency terms to SGD469bn, with the SGD15bn quarterly increase—up from SGD8bn in 1Q2026—led by non-trade corporate lending. Deposits grew by a slower 1% q/q, or SGD7bn, to SGD638bn after increasing SGD19bn in 1Q2026, although y/y deposit growth of 11% continued to exceed loan growth of 8%. Across 1H2026, deposits increased SGD26bn, still slightly ahead of the SGD24bn rise in loans, with more than half of the deposit growth coming from current and savings accounts ("CASA"). The CASA ratio eased to 54% from 55% q/q but remained above 52% a year earlier. Net customer loans represented around 74% of deposits. • **Wealth remained the key engine of customer-income growth:** Net fee income and treasury customer sales together rose 27% y/y and 3% q/q to SGD2.14bn, led by a 42% increase in wealth-management fees to a record SGD919mn. Wealth assets under management grew 17% y/y and 5% q/q to SGD516bn, supported by SGD11bn of quarterly net new money. Total Wealth-segment income consequently rose 26% y/y to SGD1.71bn, as strong non-interest income more than offset lower NII.

		• **Trading posted its best quarter:** Markets trading income also reached its highest quarterly level since 2021 at SGD469mn, up 12% y/y and 21% q/q. However, markets-trading non-interest income fell 6% y/y to SGD371mn, with lower funding costs lifting markets-trading NII to SGD98mn. • **Costs remained controlled:** Expenses rose 3% y/y and 2% q/q to SGD2.35bn, slower than total income growth of 6% y/y and 2% q/q to SGD6.09bn. Consequently, the cost-to-income ratio improved to 38.5% from 39.6% in 2Q2025 and 38.7% in 1Q2026. • **Credit costs remain low:** Non-performing assets were broadly stable q/q at SGD4.76bn and the non-performing loan ratio remained stable y/y and q/q at 1.0%. While specific allowances rose q/q to SGD188mn (16bps) from SGD157mn (14bps), this remains below management's 17-20bps guidance. Total allowances fell 15% y/y to SGD113mn because of a SGD75mn general-provision ("GP") writeback, with DBSSP maintaining that the GP reserves provide ample buffer against risk. Total allowance reserves were stable q/q at SGD6.20bn, including SGD3.81bn of GP reserves (1Q2026: SGD3.89bn), with NPA coverage of 130% (1Q2026: 131%) and 196% (1Q2026: 200%) after collateral. • **Capital and liquidity buffers remain strong, although CET1 declined from a high base:** Fully phased-in Common Equity Tier 1 ("CET1") fell 0.2 ppts q/q and 0.5 ppts y/y to 14.6%, as risk-weighted assets rose 3% q/q and 8% y/y to SGD381.9bn. Continued loan growth and dividend payments may limit near-term capital rebuilding, although the reported CET1 ratio of 16.6% remained well above the 9.2% regulatory requirement. Liquidity also remained ample despite the liquidity coverage ratio and net stable funding ratio declining q/q to 142% and 113%, respectively, from 151% and 117%. • **The second guidance upgrade:** DBSSP now expects 2026 total income to exceed 2025, versus guidance at 1Q2026 for income to be around 2025 levels. Group NII is expected to close the gap to 2025, while commercial-book non-interest-income growth guidance was raised from high single digits to the mid-teens, led by wealth management. Management retained its low-40% cost-to-income guidance and expects specific allowances of 17–20bps in 2H2026. (Company, OCBC) Latest report: Credit Update – 12 March 2026
CapitaLand Ascendas REIT	AREIT	• **1H2026 portfolio metrics was net-net stable with still decent credit metrics:** While AREIT did not disclose like-for-like NPI growth, occupancy inched down while rental reversions remained strong, with still manageable credit metrics. • **Higher NPI was acquisition-led, while rising finance costs diluted the benefit:** 1H2026 revenue increased 6.7% y/y to SGD805.5mn and NPI rose 6.2% to SGD556.1mn, driven by acquisitions completed since 2025 and better performance from existing Australian properties, which more than offset nine 2025 divestments. Property expenses rose a faster 7.8%, while net finance costs increased 19.3% to SGD153.4mn, resulting in net income falling 3.5% to SGD326.9mn. • **Active acquisitions are being balanced by stepped-up divestments:** • **Completed acquisitions totalling SGD1.15bn in 1H2026 included:** DHL Canal Winchester in January (SGD94.5mn), six Spanish logistics properties in February (SGD185.4mn), a 50% stake in Ascent in March (SGD245.0mn) and a 49% stake in Osaka Data Centre 1 in May (SGD620.7mn). • **Acquisitions amounting to SGD638.1mn to complete:** Acquisitions of 25 Loyang Crescent (SGD504.2mn) and 5 Tuas Avenue 5 (SGD133.9mn) are scheduled to complete in 2H2026, lifting announced YTD acquisitions to SGD1.78bn. • **Divestments to recycle capital and contain leverage:** AREIT announced the divestment of the vacant Kim Chuan Telecommunications Complex for SGD200.4mn in July 2026, with completion expected in 2H2026. Management is prioritising divestments in 2H2026 and indicated a SGD300mn to SGD500mn pipeline, mainly across Singapore and Europe. • **Underlying occupancy fell somewhat due to lease expiry in Australia:** Reported occupancy fell 1.4 ppts q/q to 89.1%. Excluding newly completed projects (27 IBP and Summerville Logistics Centre), occupancy would have been 90.3%. Singapore occupancy was 90.1%, or unchanged q/q at 90.6% excluding 27 IBP. 27 IBP committed occupancy was 19% as at 30 June 2026, with an additional 20% in advanced negotiations. US occupancy

		was 80.9%, or 85.9% excluding Summerville. Australia occupancy fell 1.9 ppts q/q to 91.1% after a lease expiry reduced occupancy at 1–5 Thomas Holt Drive to 54.2%, though ~60% of the vacated space has since been committed. • **Strong rental reversions continue to cushion occupancy pressure:** Portfolio rental reversion moderated to 5.2% in 2Q2026 from 10.6% in 1Q2026 (1H2026: 8.5%). Reversions remained positive in Singapore at 5.0%, the US at 8.7% and Australia at 8.2% in 2Q2026. Management upgraded 2026 guidance from mid-single digit to high-single-digit growth. Lease-expiry risk is manageable, with only 9.6% of gross rental income due for renewal in 2H2026 and portfolio WALE stable at 4.0 years. • **Credit metrics look manageable post EFR:** Aggregate leverage fell to 39.7% from 42.0% in 1Q2026 after debt repayment using the SGD900mn equity-fundraising proceeds, though remains higher than 39.0% at end-2025 and 37.4% a year earlier. Reported interest coverage eased to 3.5x from 3.6x at end-2025 and 3.7x a year earlier, while reported net debt/annualised EBITDA rose to 8.6x from 8.3x and 7.7%, respectively. (Company, OCBC) Latest report: Credit Update – 22 September 2026
Alphabet Inc	GOOGL	• Google announced a major reshuffle of its AI leadership as longtime Chief Scientist Jeff Dean departs after 27 years to launch an AI startup called Discovery Loop with three other veteran Google researchers. As part of the transition, Demis Hassabis, CEO of Google DeepMind, will become Google's Chairman and Chief Scientist, while DeepMind CTO Koray Kavukcuoglu will lead development of the upcoming Gemini 4 model. • Although Dean is leaving, Alphabet will invest in his new venture and provide cloud and computing resources, signaling an amicable separation. • The move comes amid growing investor concerns over Google's ability to keep pace in the AI race against rivals such as OpenAI and Anthropic. Dean's departure follows other notable exits, including AI researcher Noam Shazeer and Nobel Prize winner John Jumper. (Company, OCBC) Latest report: Credit Initiation – 06 August 2026

New Issues:

- The total issuances in the APAC USD and DM IG markets respectively were USD110mn and USD18bn yesterday (prior day: USD1.57bn and USD17.75bn respectively). (Bloomberg, OCBC)

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
05 Aug	Icon Investments Six DAC (guarantor: ICON PLC)	Fixed	USD	650	10	T + 138bps
05 Aug	Icon Investments Six DAC (guarantor: ICON PLC)	Fixed	USD	1,000	5	T + 110bps
05 Aug	Icon Investments Six DAC (guarantor: ICON PLC)	Fixed	USD	500	3	T + 83bps
05 Aug	Bank of New York Mellon Corp/The	Fixed	USD	1,200	4NC3	T + 52bps
05 Aug	Archer-Daniels-Midland Co	Fixed	USD	500	5	T + 50bps
05 Aug	HSBC Holdings PLC	FRN	USD	1,000	6NC5	SOFR+ 115bps
05 Aug	American Express Co	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	1,600	PerpNC5	6.45%
05 Aug	Archer-Daniels-Midland Co	Fixed	USD	500	10	T + 65bps
05 Aug	Athene Holding Ltd	Fixed	USD	1,000	10	T + 155bps
05 Aug	VICI Properties LP	Fixed	USD	900	5	T + 108bps
05 Aug	HSBC Holdings PLC	Fixed	USD	2,500	6NC5	T + 92bps

05 Aug	HSBC Holdings PLC	Fixed	USD	3,250	11NC10	T + 112bps
05 Aug	Bank of New York Mellon Corp/The	FRN	USD	300	4NC3	SOFR+ 69bps
05 Aug	Bank of New York Mellon Corp/The	Fixed	USD	1,000	8NC7	T + 72bps
05 Aug	VICI Properties LP	Fixed	USD	850	10	T + 135bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	6-Aug	1W chg (bps)	1M chg (bps)		6-Aug	1W chg	1M chg
iTraxx Asiax IG	67	-4	-1	Brent Crude Spot ($/bbl)	79.6	-10.6%	10.6%
				Gold Spot ($/oz)	4,271	4.1%	2.5%
iTraxx Japan	59	-3	-0	CRB Commodity Index	374	-2.9%	3.4%
iTraxx Australia	68	-5	0	S&P Commodity Index - GSCI	655	-4.2%	4.5%
CDX NA IG	51	-2	1	VIX	15.9	-6.8%	2.2%
CDX NA HY	108	0	-0	US10Y Yield	4.62%	-5bp	15bp
iTraxx Eur Main	51	-3	1				
iTraxx Eur XO	250	-12	11	AUD/USD	0.704	0.2%	1.2%
iTraxx Eur Snr Fin	54	-2	1	EUR/USD	1.154	0.1%	0.9%
iTraxx Eur Sub Fin	86	-2	-0	USD/SGD	1.282	-0.0%	0.8%
				AUD/SGD	0.903	-0.2%	-0.4%
USD Swap Spread 10Y	-41	1	2	ASX200	9,272	3.4%	5.0%
USD Swap Spread 30Y	-75	1	-0	DJIA	54,349	5.3%	2.4%
				SPX	7,724	5.6%	2.5%
China 5Y CDS	37	-2	0	MSCI Asiax	1,115	8.5%	-2.3%
Malaysia 5Y CDS	35	-3	-2	HSI	25,530	-1.3%	8.1%
Indonesia 5Y CDS	90	-6	0	STI	5,636	-0.7%	7.2%
Thailand 5Y CDS	41	-4	1	KLCI	1,735	0.8%	3.0%
Australia 5Y CDS	14	-1	0	JCI	6,342	2.5%	7.2%
				EU Stoxx 50	6,502	2.5%	1.6%

Source: Bloomberg

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