

Daily Credit Snapshot

Market Commentary

- The broad-based rally on Wednesday appears to have lost momentum, with the S&P, Nasdaq, and Dow declining between -0.3% and -1.6% (S&P500: -0.6%; Dow: -1.6%; NASDAQ: -0.3%). Attention has once again shifted back to the ongoing conflict in the Middle East after reports that Iran struck an oil tanker anchored at Iraqi waters. This incident marks one of the farthest points beyond the Strait of Hormuz where vessels have been targeted, leaving market participants on tenterhooks. Crude oil prices jumped higher following some stabilisation in the prior trading day. On the data front, US import prices were broadly stable, rising 0.2% MoM. Consensus had expected import prices to rise by 0.3% MoM. According to the Bureau of Labor Statistics (BLS), “higher prices for nonfuel imports more than offset lower prices for fuel imports in January.” With traffic through the Strait of Hormuz at a standstill, surging global oil and gas prices due to supply disruption, and rising shipping costs, risks are tilted towards the upside for potentially higher import prices ahead. In an interview with Bloomberg, Fed’s Barkin cautioned that recent and expected data reflect “a couple months of relatively high inflation,” which “certainly puts pause to any conclusion that we are done fighting this.” Separately, on the labour market front, outplacement firm Challenger, Gray & Christmas Inc. reported that planned layoffs declined by 71.9% YoY, while data from the US Department of Labor showed that initial jobless claims was broadly stable at 213k for the week ending 28 February. Taken together with recent releases of labour market data, this adds to evidence that the labour market could be stabilising.
- The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading 1bps lower to 1bps higher while belly and 10Y tenors traded 2bps higher.
- Flows in SGD corporates were heavy, with flows in UOBSP 3%-PERP, STANLN 4.3%-PERP, WINGTP 4.35%-PERP, LLCAU 3.9%-PERP, BACR 4.65%-PERP.
- Global Investment Grade spreads widened by 1bps to 81bps and Global High Yield spreads widened by 2bps to 283bps respectively.
- Bloomberg Global Contingent Capital Index tightened by 3bps to 236bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 61bps and Asia USD High Yield spreads tightened by 8bps to 365bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
<p>Hongkong Land Holdings Ltd, The Hongkong Land Company Ltd</p>	<p>HKLSP, HKCL</p>	<ul style="list-style-type: none"> • HKLSP released 2025 results. Underlying profit declined y/y due to lower contributions from investment properties in HKSAR, though a turnaround is likely in 2026. Credit metrics improved materially y/y amidst recycling initiatives. The outlook is positive amidst improved leasing sentiments in HKSAR, higher proportions of recurring income, improved business risk profile (focus wholly in investment properties and asset management businesses with stable recurring income), investment property pipeline and conservative financial policies. • Statutory net profit: turnaround y/y. 2025 profit attributable to shareholders was +USD1,263mn (2024: -USD1,385mn), mainly reflecting a swing in fair value changes on investment properties and gains related to reclassification, partly offset by non-cash provisions in the China build to sell (“BTS”) portfolio. • Underlying profit fell y/y. 2025 underlying profit attributable to shareholders (excluding impacts of fair value changes, disposal, one-off items and BTS segment) was USD458mn (8% y/y) due primarily to lower contribution from Prime Properties Investment in HKSAR. Meanwhile, reported underlying free cash flow remained stable at USD810mn (2024: USD808mn). • Prime Properties Investment: Underlying operating profit fell 9.6% y/y to USD697mn on lower HKSAR office and temporary retail disruption from the retail transformation, offset by resilient Singapore Office. <ul style="list-style-type: none"> ○ HKSAR Office: Average office rent fell 7% to HKD94 psf while committed vacancy improved to 6.0% at end 2025 (end 2024: 7.1%). Leasing enquiries increased amidst better capital market sentiment and a healthier IPO pipeline. ○ HKSAR Retail: Despite over one-third of lettable space under renovation, operating profit contributions declined by only ~8%. Average retail rent rose 12% y/y to HKD236 psf due to rental reversion and new long-term leases. Top tier customer spending increased 8% y/y. Excluding renovated space, the retail portfolio was effectively fully occupied. ○ Singapore Office was supported by tight supply and flight to quality. Committed vacancy remained solid at 2.7% at end 2025. Average rent improved marginally to SGD11.5 psf (2024: SGD11.1 psf) due to positive rental reversions. ○ Chinese Mainland & Macau: Lower contributions on pre-opening costs for pipeline projects (launches from 2027) and weaker Macau due to renovations/tenant movements. • Build to Sell (“BTS”): HKLSP is exiting BTS (stopped deploying capital into new development projects) and accelerating capital return via divestments and inventory sales. This segment has been classified as non-core asset hence is no longer contributing to underlying profit. Earnings contributions (ex-provisions) declined 44% y/y to USD127mn. HKLSP recognised USD371mn non-cash provisions on selected China projects in 2025 to align prices and speed up sell through. • Rising investment property valuations: Prime Properties Investment portfolio valuation (excluding disposals) increased 3% y/y. Notably, Hong Kong Central portfolio valuation rose for the first time since 2019 due to (1) improved rentals from office and retail and (2) stable cap rates. Singapore and Westbund Central (in Shanghai) valuations also rose while other regions broadly unchanged. • Capital recycling & new strategy execution are well advanced: USD3.6bn recycled or announced by end Feb 2026 (~90% of the USD4bn target by 2027), including: <ul style="list-style-type: none"> ○ Sale of certain floors in One Exchange Square to HKEX for ~USD810mn.

		<ul style="list-style-type: none"> ○ Disposal of BTS businesses under MCL Land in Singapore and Malaysia to Sunway Group with net proceeds of USD650mn. ○ Disposal of BTS portfolio in mainland China with net proceeds of USD800mn. ○ Establishment of the Singapore Central Private Real Estate Fund (“SCPREF”) with USD6.4bn AUM, which was seeded with interests in One Raffles Quay, MBFC Towers 1–2, One Raffles Link and Asia Square Tower 1. MBFC Tower 3 sold at above fair value with USD0.7bn net proceeds received on 31 Dec 2025. HKLSP now has ~50% in SCPREF and earns management fees as a fund manager. ● Credit metrics improved meaningfully: Net debt fell 30% y/y to USD3.58bn following substantial capital recycling initiatives. Based on our calculation, net debt / equity improved to 11.6% at end 2025 (end-2024: 17.0%). Meanwhile, net debt / Adjusted EBITDA (underlying EBITDA + dividend received from associates and JVs) improved to 4.6x (2024: 7.3x). Adjusted EBITDA / Interest improved to 3.6x (2024: 2.6x). ● Improved outlook supported by recurring income, pipeline, fund platform and conservative policies: Despite lingering headwinds (headwinds in HKSAR office though offset by better office leasing sentiments in HKSAR in 2026, temporary retail disruption from refurbishment in HKSAR and challenging China BTS), we see support from (1) stable prime investment property earnings and improving HK leasing sentiment, (2) retail transformation and Westbund Central (Phase 2 fully committed office while retail opening in mid-2026) that underpin medium term rental growth, (3) SCPREF fee income and third party capital scalability, (4) lower leverage and disciplined capital recycling, (5) continued divestment of BTS exposure and (6) vision to grow AUM from USD40bn to USD100bn by 2035. (Company, OCBC) <p>Latest report: Credit Update – 28 May 2025</p>
<p>Mapletree Investments Pte Ltd</p>	<p>MAPL</p>	<ul style="list-style-type: none"> ● MAPL announced the sale of an industrial portfolio to EQT Real Estate for USD575mn held by its sponsored unlisted real estate funds which MAPL also holds minority stakes in. The portfolio comprises 25 warehouses in the US, including properties in the state of Connecticut, Florida, Georgia, New Jersey, North Carolina, Pennsylvania, Tennessee, Virginia and Washington, DC. ● Separately, MAPL announced that it has bought Park 15, a newly completed high-quality development located in the Arnhem-Nijmegen metropolitan area in Oosterhout (Gelderland), the Netherlands. This marks the second Dutch logistics acquisition by MAPL. (Company) <p>Latest report: Credit Update – 1 October 2025</p>

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.05bn and USD33bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
05 Mar	Industrial Bank Co Ltd/Hong Kong	Green, FRN	USD	800	3	SOFR + 41bps
05 Mar	Southwestern Electric Power Co	Fixed	USD	300	Retap of its AEP 5.3% '33s	T + 72bps
05 Mar	Southwestern Electric Power Co	Fixed	USD	600	10	T + 107bps
05 Mar	Southwestern Electric Power Co	Fixed	USD	500	30	T + 117bps
05 Mar	Amcor Flexibles North America Inc (guarantor: Multiple Guarantors)	Fixed	USD	750	3	T + 65bps
05 Mar	Amcor Flexibles North America Inc (guarantor: Multiple Guarantors)	Fixed	USD	750	10	T + 100bps
05 Mar	Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc (guarantor: Baker Hughes Co)	Fixed	USD	500	3	T + 45bps
05 Mar	Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc (guarantor: Baker Hughes Co)	Fixed	USD	1,250	5	T + 65bps
05 Mar	Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc (guarantor: Baker Hughes Co)	Fixed	USD	750	7	T + 75bps
05 Mar	Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc (guarantor: Baker Hughes Co)	Fixed	USD	2,000	10	T + 90bps
05 Mar	Baker Hughes Holdings LLC / Baker Hughes Co-Obligor Inc (guarantor: Baker Hughes Co)	Fixed	USD	2,000	30	T + 110bps

05 Mar	John Deere Capital Corp	FRN	USD	300	3	SOFR + 55bps
05 Mar	John Deere Capital Corp	Fixed	USD	700	3	T + 35bps
05 Mar	John Deere Capital Corp	Fixed	USD	500	5	T + 48bps
05 Mar	Global Payments Inc	Fixed	USD	500	2	T + 98bps
05 Mar	Global Payments Inc	Fixed	USD	500	7	T + 150bps
05 Mar	HSBC Holdings PLC	Fixed-to-FRN	USD	2,000	4NC3	T + 80bps
05 Mar	HSBC Holdings PLC	Fixed-to-FRN	USD	2,000	6NC5	T + 95bps
05 Mar	HSBC Holdings PLC	FRN	USD	1,250	6NC5	SOFR + 121bps
05 Mar	HSBC Holdings PLC	Fixed-to-FRN	USD	2,750	11NC10	T + 115bps
05 Mar	Humana Inc	Fixed, Junior Subordinated	USD	1,000	30.5NC5.25	6.625%
05 Mar	JPMorgan Chase Bank NA	Fixed	USD	100	10	5.05%
05 Mar	Cheniere Energy Inc	Fixed	USD	1,000	10	T + 110bps
05 Mar	Cheniere Energy Inc	Fixed	USD	750	30	T + 128bps
05 Mar	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	1,000	2	T + 57bps
05 Mar	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	FRN	USD	300	2	SOFR+ 71bps

05 Mar	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	900	3	T + 67bps
05 Mar	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	500	5	T + 78bps
05 Mar	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	300	Retap of its MBGGR 5.45% '35s	T + 93bps
05 Mar	Skandinaviska Enskilda Banken AB	Fixed, Senior Preferred	USD	500	3	T + 48bps
05 Mar	Skandinaviska Enskilda Banken AB	FRN, Senior Preferred	USD	500	3	SOFR+ 68bps
05 Mar	Skandinaviska Enskilda Banken AB	Fixed, Senior Preferred	USD	600	5	T + 65bps
05 Mar	Northern States Power Co/MN	Fixed, 1st lien	USD	600	10	T + 75bps
05 Mar	Northern States Power Co/MN	Fixed, 1st lien	USD	600	30	T + 85bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	6-Mar	1W chg (bps)	1M chg (bps)		6-Mar	1W chg	1M chg
iTraxx Asiax IG	71	2	5	Brent Crude Spot (\$/bbl)	85.4	20.7%	26.4%
				Gold Spot (\$/oz)	5,085	-3.7%	2.4%
iTraxx Japan	62	4	4	CRB Commodity Index	337	8.7%	8.9%
iTraxx Australia	71	3	5	S&P Commodity Index - GSCI	672	11.5%	15.0%
CDX NA IG	56	-0	5	VIX	23.8	27.5%	9.1%
CDX NA HY	107	-0	-2	US10Y Yield	4.13%	20bp	-7bp
iTraxx Eur Main	58	3	7				
iTraxx Eur XO	274	14	30	AUD/USD	0.702	-1.4%	0.0%
iTraxx Eur Snr Fin	62	3	8	EUR/USD	1.161	-1.7%	-1.8%
iTraxx Eur Sub Fin	106	5	16	USD/SGD	1.280	-1.2%	-0.7%
				AUD/SGD	0.898	0.2%	-0.7%
USD Swap Spread 10Y	-45	-3	-5	ASX200	8,837	-3.9%	1.5%
USD Swap Spread 30Y	-77	-4	-7	DJIA	47,955	-3.1%	-2.0%
				SPX	6,831	-1.1%	0.5%
China 5Y CDS	45	-0	2	MSCI Asiax	977	-6.5%	0.3%
Malaysia 5Y CDS	41	0	3	HSI	25,321	-4.0%	-5.8%
Indonesia 5Y CDS	84	0	5	STI	4,847	-2.4%	-1.8%
Thailand 5Y CDS	42	1	4	KLCI	1,713	-1.6%	-1.1%
Australia 5Y CDS	13	-0	-0	JCI	7,711	-6.4%	-2.8%
				EU Stoxx 50	5,783	-6.1%	-2.4%

Source: Bloomberg

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