

Daily Credit Snapshot

Market Commentary

- Global financial markets rebounded with Wall Street reaching near record highs amid easing oil prices and a stable US-Iran ceasefire. Economic data indicate a gradually cooling US labour market, while geopolitical tensions persist around the Strait of Hormuz with Iran asserting maritime control. In Asia, economies like Hong Kong and Indonesia showed robust growth driven by domestic demand and government spending, despite external trade challenges. Central banks like the RBA continue to monitor inflation pressures influenced by fuel prices and geopolitical risks. Meanwhile, ESG developments include the EU exempting leather imports from deforestation regulations, and credit markets saw mixed movements with new bond issuances in APAC and DM markets. US markets rose with the S&P 500 nearing an all-time intraday high, driven by easing oil prices and a resilient AI earnings momentum, notably AMD's strong data-center sales. Despite the US-Iran ceasefire holding, Iran activated a maritime toll system and warned against deviation from its corridor, formalizing control and adding bureaucratic challenges. US job openings declined slightly, hiring increased, but layoffs also rose, indicating a labour market that is slowing down rather than sharply deteriorating. Meanwhile, the DIHK expects German exports to stagnate due to supply chain disruptions and uncertainty from the Iran conflict, with energy prices seen as a key risk. The Reserve Bank of Australia increased its cash rate to 4.35%, signaling a possible pause but emphasizing inflation pressures from fuel prices and potential second-round effects. Hong Kong's Q1 2026 GDP grew 5.9% YoY, the fastest since 2021, led by strong domestic consumption and investment, though net exports detracted significantly. Indonesia's Q1 2026 GDP rose 5.6% YoY, boosted by increased government expenditure on social programs and infrastructure, alongside solid household consumption.
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-3bps higher while belly and 10Y tenors traded 3bps higher.
- Flows in SGD corporates were light, with flows in ACAFP 2.75% '32s.
- US Investment Grade spreads tightened by 2bps to 77bps and US High Yield spreads tightened by 1bps to 265bps respectively.
- Bloomberg Global Contingent Capital Index widened by 1bps to 222bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 56bps and Asia USD High Yield spreads widened by 2bps to 399bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Hongkong Land Holdings Ltd, Hongkong Land Company Ltd, CapitaLand Group Pte Ltd	HKLSP, HKCL, CAPLSP	<ul style="list-style-type: none"> CAPLSP and HKLSP are said to be among potential bidders for Marina One. The owners of Marina One, Khazanah Nasional Berhad and Temasek Holdings, are reportedly seeking around SGD5.7bn. Marina One comprises 1.88mn sqf of office space, 140k sqf of retail space, and apartments in the complex. (Bloomberg, The Business Times, OCBC) <p>Latest report for HKLSP and HKCL: Credit Update – 10 April 2026</p>
Fraser and Neave Ltd	FNNSP	<ul style="list-style-type: none"> FNNSP reported 1HFY2026 results. While revenue fell 6% y/y to SGD1.14bn, reported PBIT rose 6% y/y to SGD174.8mn. Reported gearing increased due to acquisitions. We share our takeaways by business segment: Beverages (Revenue -12% y/y to SGD376.9mn, reported PBIT +73% y/y to SGD52.2mn) <ul style="list-style-type: none"> Revenue declined due to adverse foreign exchange impact of SGD65.8mn on beer. Excluding this impact, revenue grew 3% y/y, with soft drinks revenue rising 4% y/y while beer revenue grew 2% y/y (excluding adverse foreign exchange impact). Soft drinks revenue grew due to higher festive demand and targeted brand-led campaign, supported by expansion of 100PLUS range with products such as effervescent tablets and limited-edition launch of 100PLUS Golden Tangerine Zero Sugar. By geography, soft drinks revenue growth is largely reflected in segment revenue growth in both Singapore (+1.3% y/y to SGD63.9mn) and Malaysia (+4.6% y/y to SGD219.4mn). Beer revenue is largely reflected in “Others” geography segment which saw revenue fall to SGD93.6mn (we estimate SGD159.4mn excluding foreign exchange impact) from SGD156.5mn in 1HFY2025. Profit rose despite lower revenue due to higher margins. Soft drinks benefited from higher sales and lower input costs, while improved profitability for beer was mainly due to calibrated price adjustments which mitigated cost pressures and offset forex currency effects. Dairies (Revenue -4% y/y to SGD617.8mn, reported PBIT -13% y/y to SGD117.7mn) <ul style="list-style-type: none"> Lower revenue mainly due to decline in Thailand, which saw revenue decline by 14.5% y/y to SGD311.5mn due to lower export sales arising from geopolitical developments affecting cross-border trade. This was partially offset by strong growth in Malaysia (+12.5% y/y to SGD237.5mn), supported by favourable forex translation and the School Milk Programme. Sales in Singapore improved (+2.2% y/y to SGD63.7mn) driven by higher HORECA demand. Reported PBIT fell, in-line with lower revenue. This is not surprising with Thailand’s performance impacted by lower sales and unfavourable forex. However, Malaysia contributions also fell despite strong revenue growth due to less favourable sales mix, driven by lower export contributions, unfavourable forex movements and country mix, as well as higher supply chain costs. Despite higher domestic profitability, start-up costs were incurred at F&N AgriValley as operations continue to scale. This was in spite of share of profit from Vinamilk increase to SGD51.2mn (from SGD36.0mn in 1HFY2025), mainly due to improved performance at

		<p>Vinamilk while FNNSP's stake in Vinamilk increased from 20.39% to 24.99% in December 2025.</p> <ul style="list-style-type: none"> • P&P (Revenue +2.3% y/y to SGD98.1mn, reported PBIT losses narrowed to SGD3.2mn from SGD9.4mn) <ul style="list-style-type: none"> ○ Improvement was due to improved Education and a leaner cost structure in print, further supported by improved profitability from the growing sustainable packaging business. • We remain comfortable with FNNSP credit profile for now <ul style="list-style-type: none"> ○ Reported gearing rose h/h to 30.4% (2025: 21.8%), mainly due to SGD296mn paid to acquire 4.6% stake in Vinamilk. We remain comfortable with FNNSP, as operating cash before working capital changes remain healthy at SGD167.3mn in 1HFY2026 (1HFY2025: SG170.5mn), which covers interest expenses (SGD20.5mn), capex (SGD103.4mn) and lease liabilities (SGD4.9mn) in the same period. FNNSP also benefits from dividends from Vinamilk and other associates (SGD59.9mn received in 1HFY2026). ○ Will gearing rise further? According to FNNSP, it will pursue strategic opportunities to remain relevant to customers. We note that the stake in Vinamilk was increased due to "F&N's confidence in Vinamilk's long-term growth prospects and strengthens its participation in the development of Vietnam's dairy market", and this is in-line with FNNSP's strategy to "build scale and capabilities across dairy farming, manufacturing, innovation and distribution". (Company, OCBC) <p>Latest report: Credit Update – 6 June 2025</p>
<p>Lendlease Global Commercial REIT</p>	<p>LREIT</p>	<ul style="list-style-type: none"> • LREIT will call SGD200mn LREIT4.2% PerpNC5 on 4 June 2026. This perpetual is primarily refinanced from SGD120mn LREIT4.28% PerpNC3, which was priced on 14 April 2026. (Company, OCBC) <p>Latest report: Credit Update – 08 August 2025</p>
<p>Commerzbank AG, UniCredit SpA</p>	<p>CMZB, UniCredit</p>	<ul style="list-style-type: none"> • UniCredit has submitted its takeover proposal to CMZB shareholders with the acceptance period beginning yesterday (5 May) and lasting until 16 June. The terms were unchanged and the implied price is around 9% below the prior day's CMZB share closing price per CMZB's press release. • UniCredit CEO Andrea Orcel recently confirmed in an interview that he does not expect to gain full control of Commerzbank AG. The offer is instead intended to push UniCredit's shareholding to just above 30% without gaining control from just under 30% currently such that UniCredit can continue to increase its stake in the open market and making a new offer. Under German takeover laws, ownership above 30% in a German listed company triggers a mandatory takeover offer to all remaining shareholders. • UniCredit recently announced record quarterly results and its shareholders approved the issuance of as many as 470mn new shares that can be exchanged for CMZB shares as part of the offer. • In response, CMZB said that its Board of Managing Directors and Supervisory Board will review the offer and release its opinion within the required timeframe. Management and the German government (which owns 12% in CMZB) have consistently opposed UniCredit's advances. • CMZB will announce its 1Q2026 results and strategy update through 2030 on 8 May 2026. (Company, Bloomberg, OCBC)

		<p>Latest report: Credit Update – 4 September 2025</p>
<p>HSBC Holdings PLC</p>	<p>HSBC</p>	<ul style="list-style-type: none"> • HSBC reported 1Q2026 profit before tax (“PBT”) of USD9.4bn, down 1.1% y/y, as higher credit costs, operating expenses and notable items offset revenue growth. Excluding notable items and at constant currency, PBT was stable at USD10.1bn, reflecting resilient underlying performance that offset a rise in the cost to income ratio. • Revenue grew 5.5% y/y to USD18.6bn (USD19.1bn ex-notable items and at constant currency, +4%), driven by strong Wealth fee income and higher banking net interest income (“NII”). NII rose 7.7% y/y to USD8.9bn, while banking NII (includes banking book funding costs used to generate net income from financial instruments held for trading or managed on a fair value basis) reached USD11.3bn on a constant currency basis (+2.2% y/y), supported by deposit growth and structural hedge benefits. • Costs increased 8% y/y to USD8.7bn, though target basis cost growth (excludes notable items but includes cost savings under the strategic reorganisation) was contained at 3%, still above the ~1% growth target with the rise in expenses related to higher performance related pay accruals y/y. • Higher expected credit losses and other credit impairment charges (“ECL”) were the other drag on performance and rose 41% y/y to USD1.3bn, primarily due to a UK fraud exposure (USD400mn) and Middle East-related overlays (USD300mn). This drove an updated FY2026 ECL guidance of ~45bps, above the previous 2026 ECL guidance of around 40bps of average gross loans (including held for sale loan balances) and medium-term planning range of 30-40bps. • HSBC’s CET1 ratio declined 90bps q/q to 14.0% due to the privatisation of Hang Seng Bank, risk weighted asset movements, and other valuation impacts. This offset CET1 capital generation with the CET1 ratio at the lower end of the bank’s medium-term target range of 14%–14.5%. • Although the banking NII guidance was upgraded to USD46bn from USD45bn, HSBC has maintained all financial targets announced in February 2026 to reflect heightened geopolitical and macro uncertainty that creates both tailwinds and headwinds, particularly through elevated credit costs. • We expect HSBC fundamentals to remain stable reflecting its solid market positions and diversified business that support its earnings and capital position. (Company, OCBC) <p>Latest report: Credit Update – 04 September 2025</p>
<p>UBS Group AG</p>	<p>UBS</p>	<ul style="list-style-type: none"> • As reported by Bloomberg, the Economic Affairs and Taxation Committee of Switzerland’s Upper House wants to look at alternatives to the Federal Council’s recent Too-big-To-Fail (“TBTF”) package. While this could lead to a different form of (and perhaps lower) proposed higher capital requirements, the development at the very least delays the legislative process. Switzerland’s Upper House is now expected to vote on the legislation in September rather than June as the first hearing of the bill on Monday reportedly concluded without a recommendation of the proposal. • The Economic Affairs and Taxation Committee of Switzerland’s Upper House will reportedly next meet in August with the entire legislative process that includes the Lower House expected to last until 2027. (Bloomberg) <p>Latest report: Credit Update – 24 April 2026</p>

New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD300mn and USD7.65bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
05 May	Bank of Ireland Group PLC	Fixed-to-FRN	USD	1,000	6.5NC5.5	T + 93bps
05 May	COX Asset Mexico SA de CV (guarantor: Subsidiaries)	Fixed, Secured	USD	1,000	5.7	7.125%
05 May	COX Asset Mexico SA de CV (guarantor: Subsidiaries)	Fixed, Secured	USD	1,000	10	7.75%
05 May	Goldman Sachs Group Inc/The	FRN, Zero coupon	USD	100	25	-
05 May	HORSESHOE FUNDING TRUST I	Fixed	USD	750	10	T + 165bps
05 May	HORSESHOE FUNDING TRUST II	Fixed	USD	750	30	T + 190bps
05 May	VSP Optical Group Inc (guarantor: Vision Service Plan Inc)	Fixed	USD	500	7	T + 118bps
05 May	VSP Optical Group Inc (guarantor: Vision Service Plan Inc)	Fixed	USD	500	10	T + 128bps

Mandates:

- Bank of East Asia Ltd/The may issue USD-denominated 6NC5 non-preferred loss absorbing notes.
- The Government of the Hong Kong Special Administrative Region of the People's Republic of China may issue USD-denominated senior unsecured fixed rate infrastructure notes offering.
- PT Sarana Multi Infrastruktur may issue a USD-denominated 5Y senior unsecured note.

Key Market Movements

	6-May	1W chg (bps)	1M chg (bps)		6-May	1W chg	1M chg
iTraxx Asiax IG	75	-0	-11	Brent Crude Spot (\$/bbl)	108.0	-8.5%	-1.6%
				Gold Spot (\$/oz)	4,665	2.6%	0.3%
iTraxx Japan	63	-0	-6	CRB Commodity Index	398	3.3%	4.2%
iTraxx Australia	76	1	-10	S&P Commodity Index - GSCI	765	-0.7%	-1.5%
CDX NA IG	54	-2	-6	VIX	17.4	-2.5%	-28.1%
CDX NA HY	107	0	2	US10Y Yield	4.38%	-5bp	5bp
iTraxx Eur Main	58	-2	-7				
iTraxx Eur XO	287	-10	-39	AUD/USD	0.725	1.8%	4.7%
iTraxx Eur Snr Fin	61	-3	-11	EUR/USD	1.173	0.5%	1.7%
iTraxx Eur Sub Fin	100	-8	-21	USD/SGD	1.272	0.7%	1.0%
				AUD/SGD	0.922	-1.1%	-3.6%
USD Swap Spread 10Y	-43	3	2	ASX200	8,794	1.2%	2.5%
USD Swap Spread 30Y	-76	3	2	DJIA	49,298	0.3%	5.6%
				SPX	7,259	1.7%	9.8%
China 5Y CDS	43	0	-9	MSCI Asiax	1,081	2.1%	15.5%
Malaysia 5Y CDS	38	-0	-8	HSI	26,182	2.0%	4.2%
Indonesia 5Y CDS	89	0	-9	STI	4,924	0.7%	-1.0%
Thailand 5Y CDS	54	1	-5	KLCI	1,758	1.6%	4.6%
Australia 5Y CDS	14	0	-1	JCI	7,087	0.2%	1.4%
				EU Stoxx 50	5,870	0.6%	3.1%

Source: Bloomberg

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