

## Daily Credit Snapshot

### Market Commentary

- Sharp repricing of US rates outlook: US' May nonfarm payrolls (NFP) surprised on the upside at 172k (forecast: 88k) with the April NFP also revised higher from 115k to 179k to bring the net 2-month revision to +93k and the 3-month moving average NFP to 188k. Key sectors contributing to the robust hiring conditions were leisure and hospitality, healthcare and local government, while the manufacturing sector also reverted to adding 7k jobs whereas financial activities (-22k, bringing job losses to 107k since May 2025 peak), information (-2k) softened. The US' employment rate held steady at 4.3%, but the average hourly earnings eased from 3.6% y/y to 3.4% y/y (0.3% m/m). Market expectations for a potential Fed rate hike has increased post-NFP, with a 25bp hike priced in by end-year, driving the S&P500 down 2.64% and Nasdaq seeing the worst session (-4.2%) since the April 2025 "Liberation day" tariff rout, the 2- and 10-year UST bond yields up to 4.16% (highest close in 16 months) and 4.53% (+6bps) respectively as investors see good US' labour market data as a prelude to Fed rate tightening.
- The SGD SORA OIS curve traded flat to lower last Friday with shorter tenors trading flat to 1bps lower while belly tenors traded 1bps lower and 10Y traded 1bps lower.
- Flows in SGD corporates were light, with flows in STANLN 4.3%-PERP.
- US Investment Grade spreads widened by 1bps to 73bps last Friday while US High Yield spreads widened by 2bps to 265bps. Bloomberg Global Contingent Capital Index tightened by 5bps to 218bps.
- Bloomberg Asia USD Investment Grade tightened by 1bps to 50bps last Friday, while Asia USD High Yield spreads tightened by 10bps to 359bps. (Bloomberg, OCBC)

**Andrew Wong**  
Credit Research Analyst

**Ezien Hoo**  
Credit Research Analyst

**Wong Hong Wei**  
Credit Research Analyst

**Chin Meng Tee**  
Credit Research Analyst

**Aleen Lee Li Fei**  
Credit Research Analyst

## Credit Summary:

- There are no headlines for today.

## New Issues:

- The total issuance volumes for APAC and DM IG markets last Friday were USD200.5mn and USD4bn respectively (prior day: zero and USD8.5bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
05 Jun	Bank of Nova Scotia/The (guarantor: Scotiabank Covered Bond Guarantor LP)	FRN, Secured	USD	4,000	5	SOFR+52bps

## Mandates:

- Tencent Holdings Limited may issue USD-denominated senior unsecured fixed rate notes.

## Key Market Movements

	8-Jun	1W chg (bps)	1M chg (bps)		8-Jun	1W chg	1M chg
iTraxx Asiax IG	72	1	1	Brent Crude Spot (\$/bbl)	97.5	2.7%	-3.7%
				Gold Spot (\$/oz)	4,286	-4.4%	-9.1%
iTraxx Japan	72	0	-0	CRB Commodity Index	376	-1.1%	-3.4%
iTraxx Australia	52	1	-1	S&P Commodity Index - GSCI	694	-2.5%	-5.2%
CDX NA IG	108	-0	0	VIX	21.5	40.4%	25.1%
CDX NA HY	54	0	-3	US10Y Yield	4.57%	12bp	22bp
iTraxx Eur Main	263	1	-15				
iTraxx Eur XO	0	0	0	AUD/USD	0.704	-1.7%	-2.8%
iTraxx Eur Snr Fin	0	0	0	EUR/USD	1.153	-0.9%	-2.2%
iTraxx Eur Sub Fin	91	1	-9	USD/SGD	1.291	-0.9%	-1.8%
				AUD/SGD	0.909	0.7%	1.1%
USD Swap Spread 10Y	-41	-1	-0	ASX200	8,625	-1.2%	-1.4%
USD Swap Spread 30Y	-73	-1	-0	DJIA	50,867	-0.3%	2.5%
				SPX	7,384	-2.6%	-0.2%
China 5Y CDS	35	1	0	MSCI Asiax	1,141	-3.3%	1.4%
Malaysia 5Y CDS	75	0	-0	HSI	24,565	-3.3%	-6.9%
Indonesia 5Y CDS	49	1	-0	STI	4,964	-1.5%	0.9%
Thailand 5Y CDS	13	-0	1	KLCI	1,682	-0.2%	-3.8%
Australia 5Y CDS	92	-0	-5	JCI	5,434	-11.3%	-22.0%
				EU Stoxx 50	6,062	0.2%	2.5%

Source: Bloomberg

## Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

## Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to [https://www.bankofsingapore.com/Disclaimers\\_and\\_Disclosures.html](https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html) for cross-border marketing disclaimers and disclosures.