

Daily Credit Snapshot

Market Commentary

- Wall Street closed lower overnight, taking a pause after recent gains, as investors remained cautious over the Middle East situation and awaited Iran's response to the latest US diplomatic framework. With limited overnight macro releases, geopolitics remained the key market driver. Oil prices stayed volatile and were last seen trading above USD103/bbl, following reports of US strikes in the Strait of Hormuz area after Iranian attacks on US Navy destroyers. President Trump described the action as limited and said the ceasefire with Iran remained in effect, leaving markets focused on whether the Strait of Hormuz can be reopened through diplomacy. Trade policy also returned to focus after a US federal trade court struck down the 10% global tariffs imposed under Section 122 of the Trade Act. The ruling immediately applies only to the plaintiff companies and Washington state, while the Justice Department is expected to appeal. On the data front, the US labour market continued to look broadly resilient despite some signs of softer hiring conditions. Challenger reported that US employers announced 83,387 job cuts in April, up 38% from March but still down 21% from a year earlier. Tech accounted for the largest share of cuts, with AI cited as the main driver for the second straight month. Separately, initial jobless claims rose by 10k to 200k for the week ended 2 May, below expectations, while continuing claims fell to 1.766mn.
- The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading 1-2bps higher while belly tenors traded flat to 1bps lower and 10Y tenors traded 1bps lower.
- Flows in SGD corporates were moderate, with flows in STANLN 4.3%-PERP, HSBC 5.25%-PERP.
- US Investment Grade spreads traded flat at 77bps and US High Yield spreads widened by 1bps to 263bps respectively.
- Bloomberg Global Contingent Capital Index tightened by 1bps to 220bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 54bps and Asia USD High Yield spreads tightened by 15bps to 385bps respectively. (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:

Company	Ticker	Description
<p>Industry Outlook – Singapore Residential Property</p>	<p>NIL</p>	<ul style="list-style-type: none"> • EC cooling measure?: The Ministry of National Development (“MND”) is implementing three measures in the executive condominium (“EC”) market, which will apply to all EC sites with tender closing dates on or after 8 May 2026: <ul style="list-style-type: none"> ○ Extending the Minimum Occupation Period (“MOP”) and time taken to privatise by 5Y: Buyers of new ECs will have to fulfill 10Y MOP (previously 5Y) before they can sell to Singapore Citizens and Permanent Residents, or 15Y before they can sell to any buyer (previously 10Y). ○ Sunsetting the Deferred Payment Scheme (“DPS”). Previously, under the DPS, buyers could pay 20% of the purchase price upfront, with the remaining 80% to be paid when the project obtained Temporary Occupation Permit. DPS can no longer be offered as Normal Payment Scheme will be applicable to all buyers, who will have to make progressive payments based on construction milestones. ○ Increase quota reserved for first-timers from 70% to 90%, priority period increased from one month to two years. • The measures are to support first-time home buyers, according to MND. As reported by the Business Times (“BT”), the measures are aimed at ‘improving affordability’. Separately, the DPS was sunset to encourage financial prudence. • And also to curb flipping? BT noted that sellers make significant gains as EC unit prices rise significantly, with BT citing PropNex data that showed median prices of new ECs surged 120% from SGD979 psf in 2015 to SGD1,754 psf in 2025. According to the MND, ECs design features and facilities are similar to private condominiums, while being priced by developers 20-30% lower than comparable properties due to initial eligibility and owner restrictions. According to MND Minister Chee Hong Tat, amongst ECs transacted on the market between 2021 and 2025, 75% were sold within 5Y after MOP (preceding 5Y: 45%), indicating a marked rise in short-term flipping. • We believe that EC take-up rates may slow: Aside from reducing the appeal for speculation/opportunistic buyers (with a much longer holding period and removal of DPS), the EC market had historically been driven by HDB upgraders, with first-timers making up just 30%-40% of EC buyers (2020: 50%). However, second-timers will face limited access at launch with first-timer quota increased to 90%. This implies that front-loaded demand should weaken. That said, we believe that EC units will eventually sell out as second-timers can participate after 2Y (if units remain unsold). • Legacy projects to benefit: As legacy EC projects are not directly impacted by the new changes, and can be sold under legacy rules (with 5Y MOP, DPS available, without tighter restrictions for second-timer), second-timer demand that is constrained under the new rules is likely to be diverted toward these projects. • Will private housing benefit?: We think that displaced upgrader demand may spillover into mass-market private condominiums, especially those located in Outside Central Region. • Limited systemic impact on the broader market: As of 1Q2026, 4,428 ECs units in the pipeline account for 10.4% of total private residential & EC supply. We think there is little systemic impact for now, with no changes to other levers of property cooling measures (e.g. ABSD, LTV, TDSR). (Business Times, Company, OCBC)

<p>AIMS APAC REIT</p>	<p>AAREIT</p>	<ul style="list-style-type: none"> • AAREIT’s reported results for the second half and full financial year ending 31 March 2026 (“FY2026”). Overall revenue and net property income (“NPI”) increased by 4.1% y/y to SGD97.0mn and 10.3% y/y to SGD73.0mn respectively in 2HFY2026 while this was 2.2% y/y and 5.7% y/y higher at SGD190.7mn and SGD141.3mn respectively in FY2026. The increase in FY2026 top line was driven by growth in Singapore (+2.9% y/y) mainly due to higher rental and recoveries for the Singapore properties while Australia fell by 2.2% y/y, due to the weakening of the AUD against the SGD. • AAREIT’s overall portfolio saw occupancy of 93.6% as at 31 March 2026, stable y/y. • AAREIT has a low reported aggregate leverage of 26.8% as at 31 March 2026 (31 December 2025: 36.6%). Two tranches of perpetuals were raised in 4QFY2026 amounting to SGD250mn where proceeds would have likely been used to pay down existing debt in the interim. AAREIT is expected to call its existing SGD250mn AAREIT 5.375%-PERP at first call in September 2026. Reported interest coverage ratio was 2.7x for the 12 months to 31 March 2026, slightly higher than the 2.6x for the 12 months to 31 December 2025. • SGD115mn comes due in FY2027 (20% of total debt), comprising AUD-onshore debt, and we understand from management that they are in discussions with lenders to refinance this. AAREIT may look to increase its proportion of SGD-denominated debt as a way to mitigate expected higher AUD-cost of funding. • AAREIT is decisively pursuing data centre opportunities especially in Australia where their assets have optionality for data centre uses while the local government is supportive. The company expects this to be a multi-year endeavour although has started negotiations with potential joint venture partners and consultants. Directionally, an expansion into data centres may increase AAREIT’s reported aggregate leverage from here though mitigated by MAS’ aggregate leverage requirement. (Company, OCBC) <p>Latest report: Credit Update – 22 May 2025</p>
<p>QBE Insurance Group Ltd</p>	<p>QBE</p>	<ul style="list-style-type: none"> • QBE posted a solid 1QFY26 results, with gross written premium of USD9.2bn (+11% y/y) and at 7% growth on a constant current basis. The growth was driven by North America crop and international portfolios. • 1QFY26 catastrophe experience was benign; with net catastrophe claims amounted to USD300m in April, within the USD517m of allowance set for 1HFY26. • QBE reported net claims of ~USD60m from underwriting impacts from the Middle East conflict; which was included within the USD300m of total catastrophe amount. Exposure to Middle East is characterized as “generally limited” to underwriting performance. • QBE maintained its full year 2026 guidance for GWP growth in the mid-single digits, a combined operating ratio of 92.5% and ROE target of 15%+. (Company, Bloomberg) <p>Latest report: Credit Update - 30 April 2026</p>

New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD1.55bn and USD6.98bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
07 May	Singapore Management University	Fixed	SGD	150	5	2.012%
07 May	Singapore Management University	Sustainability, Fixed	SGD	100	5	2.007%
07 May	Commonwealth Edison Co	Fixed, 1st lien	USD	600	5	T + 55bps
07 May	Commonwealth Edison Co	Fixed, 1st lien	USD	825	30	T + 88bps
07 May	HSBC Holdings PLC	Fixed-to-FRN	USD	2,250	4NC3	T + 78bps
07 May	HSBC Holdings PLC	Fixed-to-FRN	USD	2,250	8NC7	T + 100bps

Mandates:

- KODIT Global 2026-1 Co. Ltd. (guarantor: Korea Credit Guarantee Fund) may issue a USD-denominated senior unsecured bond offering with an expected tenor of 3Y FXD or FRN.

Key Market Movements

	8-May	1W chg (bps)	1M chg (bps)		8-May	1W chg	1M chg
iTraxx Asiax IG	71	-6	-4	Brent Crude Spot (\$/bbl)	101.2	-6.4%	6.8%
				Gold Spot (\$/oz)	4,721	2.3%	0.0%
iTraxx Japan	61	-2	-3	CRB Commodity Index	388	-1.9%	5.9%
iTraxx Australia	72	-6	-5	S&P Commodity Index - GSCI	728	-4.3%	2.7%
CDX NA IG	53	-1	-2	VIX	17.2	1.2%	-18.3%
CDX NA HY	107	-0	1	US10Y Yield	4.37%	-0bp	8bp
iTraxx Eur Main	57	-1	-3				
iTraxx Eur XO	279	-6	-19	AUD/USD	0.723	0.4%	2.6%
iTraxx Eur Snr Fin	59	-1	-5	EUR/USD	1.175	0.3%	0.8%
iTraxx Eur Sub Fin	97	-2	-11	USD/SGD	1.268	0.4%	0.5%
				AUD/SGD	0.917	0.0%	-2.1%
USD Swap Spread 10Y	-41	2	3	ASX200	8,744	0.2%	-2.3%
USD Swap Spread 30Y	-74	4	3	DJIA	49,597	-0.1%	3.5%
				SPX	7,337	1.8%	8.2%
China 5Y CDS	42	-2	-4	MSCI Asiax	1,135	8.5%	14.0%
Malaysia 5Y CDS	36	-3	-5	HSI	26,412	2.5%	2.0%
Indonesia 5Y CDS	84	-8	-4	STI	4,926	0.3%	-1.4%
Thailand 5Y CDS	49	-6	-2	KLCI	1,751	1.7%	3.2%
Australia 5Y CDS	13	-1	-0	JCI	7,008	0.7%	-3.7%
				EU Stoxx 50	5,916	0.6%	0.0%

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 for cross-border marketing disclaimers and disclosures.