

## Daily Credit Snapshot

### Market Commentary

- Risk-on sentiment was evident across global markets, with equities rallying and a moderation in the DXY index. Nearly 24 hours into a two-week ceasefire between the US and Iran, the latter claimed there were violations that led to Iran's retaliation. Skirmishes in the Middle East continue, with Israel striking Lebanon and reportedly more minor damages to the Saudi Arabian pipeline. Nonetheless, on Wednesday, Brent and WTI settled 13.3% and 16.4% lower respectively, while the gold spot price closed higher at USD4719/oz. US Vice President JD Vance will represent the US in talks with Iran scheduled to take place in Islamabad. The FOMC minutes released overnight showed that "Some participants judged that there was a strong case for a two-sided description of the committee's future interest-rate decisions in the post-meeting statement, reflecting the possibility that upward adjustments to the target range for the federal funds rate could be appropriate if inflation were to remain at above-target levels." In Asia, RBI kept its policy rate unchanged but sounded cautious of external risks. Our baseline view remains for the RBI to keep its policy rate unchanged at 5.25% through FY27.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-8bps lower while belly tenors traded 9-10bps lower and 10Y tenors traded 9bps lower.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, HSBC 5.25%-PERP, AIA 3.58%'35s, UOBSP 3%-PERP.
- US Investment Grade spreads tightened by 1bps to 81bps and US High Yield spreads tightened by 17bps to 281bps respectively.
- Bloomberg Global Contingent Capital Index tightened by 14bps at 246bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 63bps and Asia USD High Yield spreads tightened by 22bps to 427bps 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
Industry Outlook – Airlines	NIL	<ul style="list-style-type: none"> <li>Comments from the International Air Transport Association (“IATA”) event in Singapore suggest that jet fuel supply could take several months to recover, even if Iran reopens the Strait of Hormuz, due to ongoing disruptions to Middle Eastern refining capacity. The IATA is the global trade association for airlines that represents ~360 members.</li> <li>Fuel is the second-largest expense for air carriers after labour, typically accounting for about 27% of operating expenses per IATA.</li> <li>In comparisons with the COVID pandemic, the view is that “this is not a crisis anywhere close to what the industry experienced during COVID where capacity reduced by 95%”, adding that the situation was more comparable to the downturns of 2008-2009 (recovery took around 10 to 12 months) or the aftermath of September 11 attacks (recovery took four months). (CNA)</li> </ul>
Exxon Mobil Corporation	XOM	<ul style="list-style-type: none"> <li>XOM announced that it expects Middle East disruptions to lower its global oil-equivalent production by ~6% in 1Q2026 compared to 4Q2025. Half of these outages were linked to a liquefied natural gas (“LNG”) complex in Qatar, in which XOM has ownership interest in.</li> <li>Pending an on-site evaluation, XOM stated that it was unable to comment on the length of time before the two trains return to normal operations though they referred to market view that it will take a prolonged period to repair.</li> <li>XOM’s upstream assets in the Middle East are located in Qatar (24-30% working interest in LNG joint ventures, 80-100% in Al Khaleej Gas and 7% in Barzan) and the UAE (28% in Upper Zakum). The upstream Middle East assets makes up ~20% of XOM’s 2025 global oil-equivalent barrels of production.</li> <li>The company has also guided that its Upstream segment is likely to see increased earnings due to higher oil and gas prices. The Energy Products downstream segment though could see a USD3.3bn to USD4.1bn hit primarily related to unsettled derivatives (mark-to-market) and other earnings impacts driven by timing differences between the settlement of derivatives and their offsetting physical commodity realizations (due to Last-In, First Out (“LIFO”) inventory accounting). XOM uses US GAAP accounting where LIFO is allowed. The company is also expected to record a USD0.6bn to USD0.8bn loss on a settled financial hedge that was not offset by the associated physical shipment due to supply disruptions in the Middle East. (Company, OCBC)</li> </ul> <p>Latest report: Credit Update – 26 February 2025</p>

## New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD13.5bn and USD12.88bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
08 Apr	Mizuho Bank Ltd	Fixed	USD	1,000	3	T + 60bps
08 Apr	Mizuho Bank Ltd	FRN	USD	500	3	SOFR+ 80bps
08 Apr	Mizuho Bank Ltd	Fixed	USD	1,750	5	T + 78bps
08 Apr	Mizuho Bank Ltd	FRN	USD	750	5	SOFR+ 105bps
08 Apr	Mizuho Bank Ltd	Fixed	USD	2,000	10	T + 90bps
08 Apr	Mizuho Bank Ltd	Fixed	USD	1,500	20	T + 90bps
08 Apr	Mitsubishi UFJ Financial Group Inc	Fixed-to-Fixed	USD	1,000	4NC3	T + 78bps
08 Apr	Mitsubishi UFJ Financial Group Inc	Fixed-to-Fixed	USD	1,250	6NC5	T + 92bps
08 Apr	Mitsubishi UFJ Financial Group Inc	FRN	USD	500	6NC5	SOFR+ 119bps
08 Apr	Mitsubishi UFJ Financial Group Inc	Fixed-to-Fixed	USD	1,500	11NC10	T + 102bps
08 Apr	Mitsubishi UFJ Financial Group Inc	Fixed	USD	1,250	21NC20	T + 98bps
08 Apr	United Overseas Bank Ltd	Fixed, Secured	USD	500	5	MIDSWAPS + 53%
08 Apr	Expedia Group Inc	Fixed	USD	1,000	10	T + 130bps

08 Apr	American Honda Finance Corp	Fixed	USD	650	2	T + 80bps
08 Apr	American Honda Finance Corp	FRN	USD	300	2	SOFR+ 93bps
08 Apr	American Honda Finance Corp	Fixed	USD	650	5	T + 103bps
08 Apr	American Honda Finance Corp	Fixed	USD	400	7	T + 112.5bps
08 Apr	Metropolitan Life Global Funding I	Fixed, Secured	USD	750	2	T + 48bps
08 Apr	Metropolitan Life Global Funding I	FRN, Secured	USD	350	2	SOFRIX +62bps
08 Apr	Banco Santander SA	Fixed, Senior Non-Preferred	USD	1,000	3	T + 80bps
08 Apr	Banco Santander SA	Fixed, Senior Non-Preferred	USD	400	3	SOFR+ 99bps
08 Apr	Banco Santander SA	Fixed, Senior Non-Preferred	USD	1,250	5	T + 95bps
08 Apr	Banco Santander SA	Fixed, Senior Non-Preferred	USD	1,000	10	T + 115bps
08 Apr	Vistra Operations Co LLC	Fixed	USD	500	2	T + 80bps
08 Apr	Vistra Operations Co LLC	Fixed	USD	1,000	5	T + 108bps
08 Apr	Vistra Operations Co LLC	Fixed	USD	1,000	7	T + 118bps
08 Apr	Vistra Operations Co LLC	Fixed	USD	1,500	10	T + 128bps

### Mandates:

- There were no notable mandates yesterday.

## Key Market Movements

	9-Apr	1W chg (bps)	1M chg (bps)		9-Apr	1W chg	1M chg
iTraxx Asiax IG	76	-11	-3	Brent Crude Spot (\$/bbl)	97.4	-3.7%	-1.5%
				Gold Spot (\$/oz)	4,720	0.9%	-8.1%
iTraxx Japan	64	-8	-2	CRB Commodity Index	366	-1.7%	2.6%
iTraxx Australia	76	-9	-6	S&P Commodity Index - GSCI	709	-8.2%	-0.3%
CDX NA IG	56	-4	-0	VIX	21.0	-16.7%	-17.5%
CDX NA HY	106	1	0	US10Y Yield	4.29%	-2bp	19bp
iTraxx Eur Main	59	-6	-3				
iTraxx Eur XO	297	-28	7	AUD/USD	0.704	1.9%	-0.5%
iTraxx Eur Snr Fin	65	-7	-0	EUR/USD	1.167	1.1%	0.2%
iTraxx Eur Sub Fin	107	-11	-3	USD/SGD	1.275	0.9%	0.0%
				AUD/SGD	0.898	-1.0%	0.5%
USD Swap Spread 10Y	-44	0	-0	ASX200	8,954	5.6%	4.1%
USD Swap Spread 30Y	-77	2	-1	DJIA	47,910	3.4%	0.4%
				SPX	6,783	3.9%	-0.2%
China 5Y CDS	46	-5	-0	MSCI Asiax	996	7.7%	5.7%
Malaysia 5Y CDS	40	-6	-6	HSI	25,830	4.4%	1.7%
Indonesia 5Y CDS	88	-9	-4	STI	4,978	0.0%	4.6%
Thailand 5Y CDS	51	-8	2	KLCI	1,684	-0.9%	0.6%
Australia 5Y CDS	14	-1	-1	JCI	7,268	1.2%	-0.9%
				EU Stoxx 50	5,913	6.7%	4.0%

Source: Bloomberg

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