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Daily Credit Snapshot

Market Commentary

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- Geopolitical tensions escalated overnight as the US and Iran exchanged strikes. The US military stated that it struck Iran for a second consecutive day, while President Trump declared the Iran ceasefire "over" at the NATO summit in Ankara after the US targeted more than 80 Iranian military sites in retaliation for attacks on commercial vessels in the Strait of Hormuz. Iran subsequently retaliated by striking US bases in Bahrain and Kuwait. The US Treasury also revoked Iran's waiver permitting the sale of its oil on international markets. Brent crude prices surged to USD78.02 per barrel from just below USD72 per barrel, while WTI crude rose to USD74.40 per barrel. Risk sentiment deteriorated, with US equities ending Wednesday's session mixed (S&P 500: -0.28%; Dow Jones: -1.09%; Nasdaq: +0.20%). Movements in the DXY Index and US Treasury yields were choppy, with the latter ending the session higher. The minutes of the 16–17 June FOMC meeting indicated that "participants generally expected solid real GDP growth to continue throughout the remainder of the year" and cited several factors likely to support ongoing expansion, including AI-related investment, household spending, and fiscal policy support. Regarding the labour market, "participants generally expected labour market conditions to remain stable in the near term, with the unemployment rate staying close to current levels." Participants also judged that "the risks to the inflation outlook were still tilted to the upside." Specifically, inflation pressures were viewed as becoming more broad-based, with "many participants" noting that AI-related investments could contribute to higher electricity demand and prices. The minutes further noted that "several participants remarked that they did not see the current policy stance as restrictive, while a few other participants commented that they saw the current policy stance as slightly restrictive." Fed funds futures are currently pricing in 37.8bp of rate hikes for this year. Overall, the June FOMC minutes can be interpreted as carrying a hawkish bias, despite Fed Chair Warsh's assertion that only one proposal was considered during the meeting

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-5bps higher, belly tenors trading 5-6bps higher, and the 10Y tenor trading 6bps higher.

- Flows in SGD corporates were heavy, with flows in FWDGHD 3.18% '32s, OLGPSP 5.375%-PERP.

- US Investment Grade spreads traded flat at 74bps, and US High Yield spreads widened by 4bps to 264bps. Bloomberg Global Contingent Capital Index widened by 1bps to at 207bps.

- Bloomberg Asia USD Investment Grade traded flat at 54bps, and the Asia USD High Yield spreads widened by 1bps to 339bps.
(Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
UK Banking Sector	n/a	• The BoE and PRA announced a package of reforms to modernise the UK bank capital framework, aimed at improving the usability of capital buffers, easing leverage constraints and enhancing the competitiveness of UK banks. • The proposals are mainly towards easing leverage requirements and allowing buffer usability, including lower the minimum Tier 1 leverage ratio from 3.25% to 3%, removing the countercyclical leverage buffer, recalibrating the Additional Leverage Ratio buffer and introducing a new 25bps releasable general leverage buffer. • The proposals do not change the treatment of AT1 instruments but are expected to make capital requirements more flexible and efficient, broadly supporting UK banks' balance-sheet management while remaining aligned with international standards.
AIMS APAC REIT	AAREIT	• AIMS APAC REIT Management Limited, in its capacity as REIT Manager of AAREIT announced that AIMS Capital Management Limited (in its capacity as trustee of Hazelmere Trust, a wholly-owned Australian sub-trust of AAREIT) had entered into an agreement to buy a property at Hazelmere, Western Australia for a purchase consideration of AUD42.7mn (~SGD38.43mn) to be paid in cash with a total acquisition outlay of AUD44.3mn (~SGD39.87mn). This is a small transaction relative to AAREIT's total assets as at 31 March 2026 of SGD2.46bn. (Company, OCBC) Latest report: Credit Update – 25 May 2026
BHP Group Limited	BHP	• Workers at BHP Group's Port Hedland iron ore terminal are expected to go on an eight-hour strike on 16 July 2026, potentially disrupting some supply if the two sides do not reach an agreement. • The workers, who are represented by the Combined Ports Unions are seeking an agreement that recognises specialist skills, difficult working conditions and significant personal costs. (Bloomberg) Latest report: Credit Update – 11 April 2025
Olam Group Limited	OLGPSP	• OLGPSP announced that it is intending to buyback outstanding SGD perpetuals (ie: OLGPSP 5.375%-PERP) between 9 July 2026 and 13 July 2026@101 together with distributions accrued to (but excluding) the Settlement Date of 15 July 2026. Outstanding perpetuals stand at SGD604.5mn. • Separately, OLGPSP has also announced its intention to exercise its option to redeem all the outstanding perpetuals (which have not been previously purchased and cancelled) on 18 January 2027@100. • Whilst the repurchase provides an opportunity for holders wishing to exit to do so, for existing holders with no short-term liquidity needs, we think investors will be best served by continuing to hold the perpetual until the intended call on 18 January 2027. This is the second call date on the perpetual.

		• We expect that on 18 July 2026 (the first call date which coincides with the first reset date), the perpetual may reset to ~9% p.a, based on our estimation. There is a 200bps step up margin with a wide reset spread of 480.7bps on the OLGPSP 5.375%-PERP. The perpetual is linked to 5Y SOR though comes with fallback language. • There is no change to our assessment of OLGPSP's credit profile despite the issuer set to miss the first call date. Execution risk of key asset disposals has been reduced. As a recap, the first tranche of the 44.58%-stake sale in Olam Agri to the Saudi Agriculture & Livestock Investment Company ("SALIC") completed in April 2026 and additionally, the sale of its 100%-stake in Mindsprint Pte. Ltd. ("Mindsprint") for a cash consideration of USD375mn (~SGD482mn), subject to closing adjustments to Wipro Limited has also completed in May 2026. There is also high certainty that the remaining 19.99%-stake in Olam Agri will be sold to SALIC in the medium term. (Company, OCBC) Latest report: Credit Update – 25 August 2025
Temasek Holdings (Private) Limited	TEMASE	• TEMASE released the Temasek Review 2026. Among the key points, on a mark-to-market ("MTM") basis, TEMASE's net portfolio value as at 31 March 2026 was SGD518bn, increasing by SGD49bn y/y and doubling over the past decade. FY2026 marks the full transition where the reporting methodology went from book value to MTM valuation of unlisted investments which per company better reflect its risk and volatility as well as aligned its reporting with peers. • 10Y Total Shareholder Return was 7.1% and 20Y Total Shareholder Return was 6.8%. • As at 31 March 2026, by underlying country exposure of assets, Singapore is the largest component at 27%, followed by the Americas at 26%, China at 17%, Europe, Middle East & Africa at 12%, Asia Pacific (excluding Singapore, China & India) at 11% and India at 7%. • TEMASE has increased its exposures to unlisted assets overtime and as at 31 March 2026 this was 50% of its assets. • By portfolio segments, Singapore-based Temasek Portfolio Companies make up 43% of its exposure. • For the financial year ended 31 March 2026 ("FY2026"), TEMASE's reported revenue was SGD174.5bn (FY2025: SGD169.4bn) while gross profit was SGD44.3bn (FY2025: SGD42.8bn). FY2026 net profit was SGD32.4bn, increasing from the SGD23.5bn in FY2025. There is no change on our view of TEMASE's credit profile following this update. (Company) Latest report: Credit Update – 21 November 2025
Commerzbank AG, UniCredit SpA	CMZB, UniCredit	• UniCredit moved closer to control of CMZB after investors tendered enough shares to raise its potential stake in CMZB to 47.6%. This was a consequence of 17.6% of CMZB's shares being tendered before the July 3 acceptance deadline. This effectively puts UniCredit on course to steer key decisions at CMZB, with a full takeover and marking Europe's biggest bank deal in the last two decades.

		• UniCredit's stake represents 49.65% of CMZB's voting rights and its stake will formally rise to that level upon CMZB cancelling its treasury shares that don't carry voting rights – as it has already committed to do. • Any moves by Orcel to assert control is likely stalled until UniCredit secures necessary regulatory approvals to take ownership of the tendered shares; including a green light from the ECB to increase its physical stake above 30% - a process that may take three to six months. Latest report: CMZB Credit Update – 4 September 2025

New Issues:

- The total issuances in the APAC and DM IG markets respectively were USD150mn and USD5.1bn (prior day: USD725mn and USD32.2bn respectively). (Bloomberg, OCBC)

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
08 Jul	Accenture Capital Inc (guarantor: Accenture PLC)	Fixed	USD	1,500	5	T + 70bps
08 Jul	Accenture Capital Inc (guarantor: Accenture PLC)	Fixed	USD	1,100	10	T + 105bps
08 Jul	Accenture Capital Inc (guarantor: Accenture PLC)	FRN	USD	300	3	SOFRIX+ 70bps
08 Jul	Accenture Capital Inc (guarantor: Accenture PLC)	Fixed	USD	1,000	3	T + 52bps
08 Jul	Accenture Capital Inc (guarantor: Accenture PLC)	Fixed	USD	1,100	7	T + 90bps

Mandates:

- There are no notable mandates today.

Key Market Movements

	9-Jul	1W chg (bps)	1M chg (bps)		9-Jul	1W chg	1M chg
iTraxx Asiax IG	70	1	-2	**Brent Crude Spot ($/bbl)**	77.9	8.5%	-14.8%
				Gold Spot ($/oz)	4,102	-0.5%	-3.7%
iTraxx Japan	61	0	-0	**CRB Commodity Index**	367	3.8%	-1.4%
iTraxx Australia	70	1	-3	**S&P Commodity Index - GSCI**	647	4.7%	-5.2%
CDX NA IG	51	0	-1	**VIX**	16.9	2.7%	-14.9%
CDX NA HY	108	-0	0	**US10Y Yield**	4.56%	7bp	4bp
iTraxx Eur Main	52	2	-2				
iTraxx Eur XO	250	8	-15	**AUD/USD**	0.695	0.3%	-1.2%
iTraxx Eur Snr Fin	55	1	-1	**EUR/USD**	1.145	0.1%	-0.8%
iTraxx Eur Sub Fin	90	1	-5	**USD/SGD**	1.292	0.1%	-0.4%
				AUD/SGD	0.897	-0.3%	0.8%
USD Swap Spread 10Y	-42	-0	-1	**ASX200**	8,763	0.4%	1.8%
USD Swap Spread 30Y	-75	0	-2	**DJIA**	52,348	0.1%	2.9%
				SPX	7,483	-0.2%	1.3%
China 5Y CDS	37	-0	-3	**MSCI Asiax**	1,113	-0.1%	-2.0%
Malaysia 5Y CDS	37	-1	2	**HSI**	23,989	4.1%	-2.3%
Indonesia 5Y CDS	92	2	-5	**STI**	5,432	4.1%	8.1%
Thailand 5Y CDS	42	1	-6	**KLCI**	1,679	1.0%	0.2%
Australia 5Y CDS	13	-0	-0	**JCI**	5,886	2.5%	2.4%
				EU Stoxx 50	6,205	-1.2%	2.6%

Source: Bloomberg

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