

Daily Credit Snapshot

Market Commentary

- This week kicked off with geopolitical angst and broad risk off sentiment. Middle East hostilities escalated over the weekend, as Israel and Iran continued to exchange fire. Israel reportedly struck military targets in Iran, in retaliation of Iran's earlier missile attacks. Later, Iran and Israel agreed to ease strikes against each other following diplomatic efforts by US president Trump, but the ceasefire remained fragile. Brent price rose to an intraday high of US\$98.08/ bbl, before a notable retracement. The S&P 500 and Nasdaq rebounded from Friday's tech-led rout, albeit at a mild fashion. AI fund raising continued with OpenAI filing for IPO and Amazon raising the largest ever Canadian dollar bond. Dollar ended the day marginally lower, while UST curve bear steepened. On data front, US' 1-year inflation expectation unexpectedly declined to 3.5% in May, down from 3.6% in April, while 3-year and 5-year inflation expectation were unchanged at 3.1% and 3.0% respectively. Germany's factory orders fell more-than-expected by 3.8% MoM (vs consensus at -2.0% MoM) in April. Japan saw smaller-than-expected downward revision to 1Q GDP reading, to 1.8% QoQ on annualized basis (vs consensus at 1.4% QoQ). This was due to shallower downward revision to the business spending (down 1.0 percentage point to -0.7% QoQ). New Zealand's manufacturing volumes rose 3.6% QoQ, while total business sales value rose 5.3% YoY in the first quarter.
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 7bps to 11bps higher while belly tenors traded 12bps higher and 10Y traded 11bps higher.
- Flows in SGD corporates were moderate, with flows in SIASP 2.7% '36s, STTGDC 3.13% '28s, HPLSP 4.38%-PERP.
- US Investment Grade spreads and US High Yield spreads were trading flat at 73bps and 265bps yesterday respectively. Bloomberg Global Contingent Capital Index widened by 1bps to 219bps.
- Bloomberg Asia USD Investment Grade widened by 3bps to 53bps yesterday while Asia USD High Yield spreads widened by 11bps to 370bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Starhill Global REIT	SGREIT	<ul style="list-style-type: none"> • CEO change confirmed: Tan Peck Mun Kemmy (“Kemmy Tan”) to succeed Ho Sing on 1 Jul, instead of 10 August 2026. • Background of CEO – an experienced property developer with ties to YTL: Ms Kemmy Tan served as CEO of M+S Pte Ltd, which is the JV between Malaysia’s Khazanah Nasional Berhad and Singapore’s Temasek Holdings Pte Ltd that developed Marina One and DUO. Ms Kemmy Tan is also not new to YTL, noting her prior appointment as CEO of YTL Land & Development Bhd, which is owned by YTL Corporation Bhd (“YTL Corp”). SGREIT is managed indirectly and sponsored by YTL Corp. • Will SGREIT’s strategy change going forward? Given Ms Kemmy Tan’s development background, we will be monitoring whether SGREIT adopts a more proactive strategy towards redevelopment and AEI. We also see the potential for SGREIT to further explore asset recycling and acquisition, noting that the results of SGREIT have been relatively flat in recent years. (Company, The Edge, OCBC) <p>Latest report: Credit Update – 22 October 2025</p>
Singapore Telecommunications Ltd	STSP	<ul style="list-style-type: none"> • Takeaways from new NCS CEO’s sharing: Sam Liew (new NCS CEO who took over on 1 April), shared his priorities in an exclusive interview with The Business Times. We share our takeaways below: • SingTel’s NCS positioning for next phase of growth, with AI as a key enabler: NCS is looking to capture rising demand for AI-led digitalisation, particularly in sectors where it already has a strong domain expertise and customer relationships. <ul style="list-style-type: none"> ○ Doubling down on Singapore government. NCS intends to deepen its presence in the Singapore public sector, with NCS noting that demand for AI and AI implementation within the government is rising. NCS can support the government’s drive towards faster digitalisation, noting robust demand for systems integrators at different levels of government technology stack, particular in infrastructure and cyber security. ○ Steer towards Singapore’s healthcare sector: NCS also sees Singapore’s healthcare sector as a key growth area, with demand for AI driven by Singapore’s ageing population and a general shortage of healthcare professionals. Potential use cases include healthcare worker rostering, digitalising prescriptions and capturing medical insights. While the deployment is in the early stages, NCS CEO indicated that the reception is positive. ○ AI-first organisational restructuring. NCS has reorganised from three broad business groups (telcos, government contracts, and enterprises) into 10 domain pillars, including public service, healthcare and central government. NCS engineers are reorganised into two shared deliveries, who can be deployed more flexibly across domains. ○ Reducing headcount requirement to fulfill projects, with AI compressing the scope of work within the contracts, with fewer people needed to perform the same amount of work. Meanwhile, NCS is reskilling more than 1,000 software engineers to become AI and prompt engineers. • Our take – NCS will be a key growth driver within the STSP portfolio: NCS has grown revenues by 7.4% y/y in FY2026 to SGD3.2bn, which is faster than STSP’s overall revenue y/y growth of 2.0% in the same period. We think segment growth

		<p>is likely to accelerate with bookings of SGD3.8bn exceeding FY2026's revenue. We also note that reported EBITDA for the segment has risen 23.8% y/y to SGD410mn, faster than revenue, potentially indicating continued efficiency towards fulfilling projects. (Business Times, Company, OCBC)</p> <p>Latest report: Credit Update – 04 June 2025</p>
Johnson & Johnson	JNJ	<ul style="list-style-type: none"> • Acquiring new technologies to target cancer cells: Acquisition of Firefly (biotech startup worth up to USD1bn) will allow JNJ access to technology for making new types of therapies called 'degrader-antibody conjugates' that target tumor cells while avoiding healthy cells. • Expansion of oncology portfolio: This will expand JNJ's cancer drug portfolio. Oncology accounted for 41% of JNJ's 2025 sales. • Credit profile remains strong: While JNJ is acquisitive, credit profile remains strong, with strong cashflow generation while results remain resilient, supported by blockbusters (drugs with >USD1bn sales p.a.) and emerging therapies. (Company, OCBC) <p>Latest report: Credit Update – 11 May 2026</p>

New Issues:

- The total issuance volumes for APAC and DM IG markets last Friday were USD1.0bn and USD9.0bn respectively (prior day: USD200.5mn and USD4.0bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
08 Jun	China Construction Bank Corp/Hong Kong	Green, FRN	USD	500	3	SOFR+ 35bps
08 Jun	China Construction Bank Corp/Hong Kong	Green, FRN	USD	500	5	SOFR+ 38bps
08 Jun	Bank of America Corp	Fixed	USD	1,164	10	5.12%
08 Jun	Canadian Imperial Bank of Commerce	Fixed	USD	1,000	3NC2	T + 57bps
08 Jun	Canadian Imperial Bank of Commerce	Fixed	USD	1,000	6NC5	T + 77bps
08 Jun	Dominion Energy Inc	Fixed, Jr Subordinated	USD	1,000	30.5NC5.25	6.15%
08 Jun	Dominion Energy Inc	Fixed, Jr Subordinated	USD	500	30.5NC10.25	6.25%
08 Jun	General Motors Financial Co Inc	Fixed	USD	1,000	5	T + 85bps
08 Jun	Intuit Inc	Fixed	USD	750	5	T + 70bps
08 Jun	Intuit Inc	Fixed	USD	1,000	10	T + 100bps

Mandates:

- Nil

Key Market Movements

	9-Jun	1W chg (bps)	1M chg (bps)		9-Jun	1W chg	1M chg
iTraxx Asia IG	74	4	3	Brent Crude Spot (\$/bbl)	92.9	-3.2%	-8.2%
				Gold Spot (\$/oz)	4,341	-3.3%	-8.3%
iTraxx Japan	62	3	0	CRB Commodity Index	377	-3.0%	-3.1%
iTraxx Australia	74	2	2	S&P Commodity Index - GSCI	695	-2.9%	-5.0%
CDX NA IG	52	1	-1	VIX	18.9	17.9%	10.1%
CDX NA HY	108	-0	1	US10Y Yield	4.55%	11bp	19bp
iTraxx Eur Main	54	1	-2				
iTraxx Eur XO	265	7	-11	AUD/USD	0.706	-1.6%	-2.6%
iTraxx Eur Snr Fin	56	1	-3	EUR/USD	1.155	-0.7%	-2.0%
iTraxx Eur Sub Fin	93	2	-4	USD/SGD	1.285	-0.5%	-1.3%
				AUD/SGD	0.908	1.2%	1.3%
USD Swap Spread 10Y	-41	-1	-6	ASX200	8,604	-1.4%	-1.6%
USD Swap Spread 30Y	-72	-1	-5	DJIA	50,786	-0.6%	2.4%
				SPX	7,406	-2.6%	0.1%
China 5Y CDS	41	1	-0	MSCI Asiax	1,096	-7.9%	-2.7%
Malaysia 5Y CDS	36	2	1	HSI	24,713	-5.1%	-6.4%
Indonesia 5Y CDS	101	13	18	STI	5,014	-1.6%	1.9%
Thailand 5Y CDS	49	1	-0	KLCI	1,680	-0.2%	-3.9%
Australia 5Y CDS	14	1	1	JCI	5,600	-9.6%	-19.7%
				EU Stoxx 50	6,062	0.5%	2.6%

Source: Bloomberg

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