

Daily Credit Snapshot

Market Commentary

- Positive pro-risk sentiment extended to Monday trading session. US major indexes managed to close higher on the day when Alphabet offered upsized US\$20 billion corporate bond issuance, drawing over \$100 billion in investor bids. This signalled a vote of confidence from investors and a turnaround from last week's AI capex scare. Treasuries mostly recovered from an earlier slide driven by headline that China is urging banks to curb UST exposure, citing concentration risks and market volatility. Dollar weakened across board, while gold, silver and oil all advanced. National Economic Council Director Kevin Hassett stated that the US labour force will slow in the coming months, which will result in softer monthly job gains. On a separate note, the ongoing political saga in UK sapped sentiment towards domestic assets. British Prime Minister Keir Starmer is securing cabinet support amid calls to resign over the Peter Mandelson/Jeffrey Epstein scandal. Gilts and sterling were both under pressure, before trimming some losses. On the other hand, outlook in Japan turns more constructive amid political stability and a clear electoral mandate for growth. On data front, Japan's December labour earning data was weaker than expected at 2.4% YoY, while November's data was revised upward to 1.7% YoY. Meanwhile, real earnings edged down by 0.1% YoY (vs consensus of 0.8% YoY). Australia's December household spending fell by 0.4% MoM, reversing the gain in the previous months, potentially due to purchases brought forward during sales events in October and November. Eurozone's sentix investor confidence beat consensus and rose to 4.2 in February, from the previous reading of -1.8.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-5bps lower while belly tenors traded flat to 2-3bps lower and 10Y traded 3bps lower.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, UOBSP 3%-PERP, AAREIT 4.1%-PERP.
- Global Investment Grade spreads traded flat at 74bps and Global High Yield spreads tightened by 2bps to 267bps respectively.
- Bloomberg Global Contingent Capital Index traded flat at 222bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 58bps and Asia USD High Yield spreads traded flat at 349bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Macquarie Group Limited	MQGAU	<ul style="list-style-type: none"> MQGAU reported its 3QFY2026 trading update and operational briefing for the quarter ended 31 December 2025, with overall trading conditions described as satisfactory and showing year on year improvement across all four operating groups. <ul style="list-style-type: none"> Macquarie Asset Management (“MAM”) delivered a significantly higher contribution, mainly due to the gain on sale of its North American and European Public Investments business and stronger performance fees. Banking & Financial Services (“BFS”) posted modestly higher earnings, underpinned by continued loan and deposit growth, although margins remained under pressure; deposits rose 6% q/q to AUD204.5bn and home loans grew 7% q/q to AUD172.2bn. Commodities & Global Markets (“CGM”) recorded a substantial uplift driven by stronger Asset Finance and improved Commodities performance, while Financial Markets activity was broadly stable. Macquarie Capital (“MacCap”) also reported materially higher earnings from asset realisations and a private credit portfolio that increased to AUD28.9bn, with AUD5.7bn deployed during the quarter. MQG’s capital position was stable q/q as at 31 December 2025 with its CET1 ratio of 12.4% (Harmonised: 17.1%) translating to a group capital surplus of AUD7.5bn against the 10.5% minimum under the Australian Prudential Regulation Authority (“APRA”)’s “Unquestionably Strong” bank capital framework, slightly lower than AUD7.6bn as at 30 September 2025. This was due to payment of the 1HFY2026 dividend and business capital growth that offset 3QFY2026 earnings. The capital surplus includes a AUD500mn operational capital overlay imposed by APRA. The Group maintains a cautious short-term outlook given macroeconomic and regulatory uncertainties but remains confident in its medium-term prospects, supported by diversified earnings, balance sheet strength and ongoing investment in technology, data and risk management. MQGAU’s fundamentals remain sound in our view and in line with our expectations. (Company, OCBC) <p>Latest report: Credit Update – 10 June 2025</p>

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD23.95bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
09 Feb	Alphabet Inc	Fixed	USD	2,500	3	T + 27bps
09 Feb	Alphabet Inc	Fixed	USD	3,000	5	T + 43bps
09 Feb	Alphabet Inc	Fixed	USD	3,000	7	T + 53bps
09 Feb	Alphabet Inc	Fixed	USD	4,250	10	T + 63bps
09 Feb	Alphabet Inc	Fixed	USD	1,500	20	T + 75bps
09 Feb	Alphabet Inc	Fixed	USD	4,000	30	T + 83bps
09 Feb	Alphabet Inc	Fixed	USD	1,750	40	T + 95bps
09 Feb	Thermo Fisher Scientific Inc	Fixed	USD	1,000	5	T + 47bps
09 Feb	Thermo Fisher Scientific Inc	Fixed	USD	750	Long 7	T + 62bps
09 Feb	Thermo Fisher Scientific Inc	Fixed	USD	1,300	10	T + 70bps
09 Feb	Thermo Fisher Scientific Inc	Fixed	USD	750	20	T + 75bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	10-Feb	1W chg (bps)	1M chg (bps)		10-Feb	1W chg	1M chg
iTraxx Asiax IG	65	-1	-1	Brent Crude Spot (\$/bbl)	68.9	2.3%	8.7%
				Gold Spot (\$/oz)	5,039	1.9%	9.6%
iTraxx Japan	57	-0	2	CRB Commodity Index	311	1.9%	3.2%
iTraxx Australia	65	0	-1	S&P Commodity Index - GSCI	592	0.8%	5.7%
CDX NA IG	50	0	1	VIX	17.4	6.2%	19.8%
CDX NA HY	108	-0	0	US10Y Yield	4.19%	-8bp	2bp
iTraxx Eur Main	51	-0	1				
iTraxx Eur XO	241	-4	0	AUD/USD	0.707	0.7%	5.4%
iTraxx Eur Snr Fin	53	-0	0	EUR/USD	1.191	0.7%	2.1%
iTraxx Eur Sub Fin	89	-1	-1	USD/SGD	1.265	0.4%	1.7%
				AUD/SGD	0.895	-0.3%	-3.5%
USD Swap Spread 10Y	-41	-1	-6	ASX200	8,867	0.1%	1.7%
USD Swap Spread 30Y	-70	-2	-6	DJIA	50,136	1.5%	1.3%
				SPX	6,965	-0.2%	-0.0%
China 5Y CDS	42	-2	0	MSCI Asiax	992	0.2%	4.9%
Malaysia 5Y CDS	37	-1	-2	HSI	27,168	1.2%	3.6%
Indonesia 5Y CDS	77	1	5	STI	4,960	0.3%	4.5%
Thailand 5Y CDS	37	0	-1	KLCI	1,747	-0.1%	3.6%
Australia 5Y CDS	13	0	1	JCI	8,133	0.1%	-9.0%
				EU Stoxx 50	6,059	0.9%	1.0%

Source: Bloomberg

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