

Daily Credit Snapshot

Market Commentary

- Market is hoping for the Trump-Xi meeting on 14-15 May to yield results, even as US and Iran both rejected the latest peace plan. Risk assets extended their rally last week with the S&P500 notching up a 0.84% gain to another fresh high as US' April nonfarm payrolls delivered a better-than-expected 115k (consensus forecast: 65k) with the unemployment rate unchanged at 4.3%, albeit the average hourly earnings and labour force participation rate disappointed slightly at 0.2% m/m and 61.8% respectively. The May final University of Michigan sentiment index was also revised down to 48.2, although the 1- and 5–10-year inflation gauges also eased slightly to 4.5% and 3.4% respectively. The 10-year UST bond yield also retreated 3bps to 4.35% on Friday after a choppy week and the Treasury Department said it will keep nominal note and bond sizes unchanged for at least the next several quarters. For the week ahead, watch for US' April CPI and NFIB small business optimism tomorrow, Eurozone's revised 1Q26 GDP and US' PPI on Wednesday, UK's 1Q26 GDP print and US' April retail sales on Thursday, and revised 1Q26 GDP readings from Malaysia and Macau on Friday, as well as China's monetary aggregates data due this week. On the central bank front, there is the BOJ summary of opinions tomorrow and BOC summary of deliberations on Thursday. In Asia, investors should monitor China-US diplomatic signalling and whether higher oil prices and shipping disruptions could begin feeding more materially into Asian inflation and manufacturing margins. In the corporate earnings front, keep an eye on JD.com and Under Armour on Tuesday, Alibaba, Cisco Systems on Wednesday, and Applied Materials on Thursday.
- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 1-2bps higher while belly tenors traded 1-2bps higher and 10Y tenors traded 2-3bps higher.
- There were no flows in SGD corporates last Friday.
- US Investment Grade spreads remained flat at 77bps and US High Yield spreads widened by 3bps to 266bps respectively.
- Bloomberg Global Contingent Capital Index widened by 2bps to 222bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 55bps and Asia USD High Yield spreads widened by 1bps to 386bps respectively (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Mapletree Pan Asia Commercial Trust	MPACT	<ul style="list-style-type: none"> A notice has been sent that DBS Trustee Limited (in its capacity as trustee of Mapletree North Asia Commercial Trust (“MNACT”)) will redeem all of the outstanding SGD250mn MAGIC 3.5%-PERP on 8 June 2026. MNACT is a sub-trust of MPACT. (Company, OCBC) <p>Latest report: Credit Update – 21 March 2025</p>
Suntec Real Estate Investment Trust	SUNSP	<ul style="list-style-type: none"> SUNSP announced that Ms Dawn Lai, the Chief Operating Officer (“COO”) of the REIT Manager of SUNSP have mutually agreed to part ways. There is no announcement that the COO role will be replaced. Post the change in SUNSP’s sponsor, a strategic review is currently underway. (Company, OCBC) <p>Latest report: Credit Update – 26 January 2026</p>
Commerzbank AG	CMZB	<ul style="list-style-type: none"> CMZB reported a record 1Q2026 result, with operating profit rising 10.7% y/y to EUR1.36bn and net profit up 9.4% to EUR913m. Net return on tangible equity (“RoTE”) improved to 12.7% driven by revenue growth, improved efficiency, and resilient asset quality. Revenues increased 4.8% y/y to EUR3.22bn, supported by strong net commission income (+8.9% to EUR1.10bn) across securities, bond issuance, and payments, while net interest income remained broadly stable at EUR2.05bn (-1.1% y/y which was a high base) despite lower rates with corporate client loan volumes up 16%. Costs were stable at EUR1.72bn, with operating expenses declining (-1.5% y/y) and higher compulsory contributions offsetting savings. The cost/income ratio improved to 53.4% (49.5% excl. compulsory contributions). Risk result was EUR-142m, +15% y/y but down 31% q/q remaining low with the non-performing exposure (“NPE”) ratio stable at 1.1%. The 1Q2026 cost of risk on loans of 18bps is well below the longer-term expectation of 25bps. Management still expects the 2026 risk result at EUR850mn reflecting the challenging operating environment. CMZB’s CET1 ratio remained robust at 14.5% as of 31 March 2026, providing a ~417bps buffer above regulatory requirements and in line with the 2026 target CET1 ratio of above 14.0%. Given the record performance, CMZB raised its FY2026 net profit target to ≥EUR3.4bn from EUR3.2bn, supported by an improved revenue outlook, while maintaining a ~53% cost/income ratio and CET1 >14%. (Company, OCBC) <p>Latest report: Credit Update – 4 September 2025</p>
Macquarie Group Limited	MQGAU	<ul style="list-style-type: none"> MQGAU reported FY2026 net profit of AUD4.847bn, up 30% y/y, supported by higher contributions across all operating groups. Net operating income rose 13% to AUD19.48bn, driven by higher performance fees in Macquarie Asset Management (“MAM”), contributions across Commodities and Global Markets (“CGM”) and Macquarie Capital (“MC”) (stronger trading and gains from asset realisations), as well as continued growth in Banking and Financial Services (“BFS”) from interest income. By net profit performance: <ul style="list-style-type: none"> Strong performance fees in MAM drove a 27% y/y rise and benefited from assets under management (“AuM”) of AUD722bn which grew 8% on an

		<p>underlying basis excluding divestments of the North American and European public investments business.</p> <ul style="list-style-type: none"> ○ BFS (+17% y/y) saw continued growth in home loans and deposits despite margin pressure. ○ MC (+43% y/y) was driven by higher advisory fees and private credit income, while net investment income of AUD839mm was up 92% y/y due to equity investment portfolio gains from exits in the infrastructure and technology sectors. This was partially offset by AUD309mn in net credit and other impairment charges from some underperforming assets. ○ CGM (+49% y/y) remained the largest contributor and saw the strongest improvement due to energy and financial market volatility which helped trading and market income from strong risk management income from client hedging (especially in gas, power, and oil markets) while trading and inventory income was elevated from energy supply-demand imbalances. <ul style="list-style-type: none"> ● Despite the solid performance, MQG has maintained a cautious outlook amid market volatility. That said, we think fundamentals remain supported by its diversified business model and strong capital position, with a CET1 ratio of 12.8% and capital surplus of AUD9.3bn. (Company, OCBC) <p>Latest report: Credit Update – 10 June 2025</p>
<p>Swire Properties Ltd</p>	<p>SWIPRO</p>	<ul style="list-style-type: none"> ● SWIPRO released its 1Q2026 operating statement. Regarding completed investment properties, office properties occupancies remained stable despite the ongoing soft-rental trend; retail malls showed greater strength, reflected in its robust occupancy and positive retail sales growth across the board. ● The Hong Kong office occupancy rate remained stable year-on-year at 91%. However, rental reversions were -14% for both Pacific Place and Taikoo Place (overall). These negative revisions were driven by continued oversupply in the Hong Kong Grade A office market, as expiring leases were renewed at lower market-to-market rates. ● Chinese Mainland office properties reported a moderate recovery in occupancy. This was anchored by a 2-percentage-point improvement in its largest assets, HKRI Centre 1 & 2, which reached 95% occupancy. Notably, rental revisions were not disclosed, and average selling price (“ASP”) ranges remained wider than those of Hong Kong properties. ● On the retail front, occupancy across both Hong Kong and the Chinese Mainland remained robust, with positive sales momentum. All three Hong Kong retail properties were 100% occupied, with sales growth ranging from 3% to 22%. Chinese Mainland malls maintained occupancy rates of 97% or higher; specifically, retail sales at Taikoo Li Sanlitun (Beijing) and HKRI Taikoo Hui (Shanghai) surged by 56% and 82%, respectively. ● This strong performance in the China retail sector is driven by SWIPRO’s dominant luxury positioning and proactive asset management. These malls serve as landmark destinations for top-tier luxury brands, as high-end consumption continues to show greater resilience than the mass market. (Company, OCBC) <p>Latest report: Credit Update – 31 October 2025</p>

New Issues:

The total issuance volumes for APAC and DM IG markets last Friday were USD300mn and USD100mn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
08 May	Credit Agricole SA	FRN, Senior Preferred	USD	100	4	SOFR+65bps

Mandates:

- There were no notable mandates last Friday.

Key Market Movements

	11-May	1W chg (bps)	1M chg (bps)		11-May	1W chg	1M chg
iTraxx Asiax IG	71	-6	-4	Brent Crude Spot (\$/bbl)	105.4	-7.9%	10.7%
				Gold Spot (\$/oz)	4,654	2.9%	-1.8%
iTraxx Japan	62	-2	-1	CRB Commodity Index	389	-1.0%	5.5%
iTraxx Australia	72	-5	-5	S&P Commodity Index - GSCI	732	-5.9%	3.9%
CDX NA IG	53	-2	-2	VIX	17.2	1.2%	-10.6%
CDX NA HY	107	0	1	US10Y Yield	4.39%	-4bp	8bp
iTraxx Eur Main	56	-1	-2				
iTraxx Eur XO	278	-15	-18	AUD/USD	0.723	0.9%	1.9%
iTraxx Eur Snr Fin	59	-1	-4	EUR/USD	1.175	0.5%	-0.1%
iTraxx Eur Sub Fin	97	-2	-9	USD/SGD	1.270	0.6%	0.3%
				AUD/SGD	0.918	-0.3%	-1.6%
USD Swap Spread 10Y	-41	3	6	ASX200	8,698	0.0%	-2.9%
USD Swap Spread 30Y	-73	5	5	DJIA	49,609	0.2%	3.5%
				SPX	7,399	2.3%	8.5%
China 5Y CDS	42	-2	-2	MSCI Asiax	1,126	3.9%	12.7%
Malaysia 5Y CDS	35	-3	-5	HSI	26,343	0.9%	1.7%
Indonesia 5Y CDS	84	-6	-3	STI	4,942	0.4%	-1.0%
Thailand 5Y CDS	49	-5	-1	KLCI	1,750	0.6%	3.5%
Australia 5Y CDS	13	-1	-1	JCI	6,890	-1.2%	-7.6%
				EU Stoxx 50	5,912	0.5%	-0.2%

Source: Bloomberg

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