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Daily Credit Snapshot

Market Commentary

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

Yao Liu
Credit Research Analyst

- US equities slipped on Tuesday as an intraday reversal erased early-session gains. Sentiment initially improved on reports of progress in Oman-Iran talks but reversed after Iran reiterated that the Strait of Hormuz would remain closed until its conditions are met). On US data, the NFIB Small Business Optimism Index rose 2.4 points to 99.8 in July, the highest since August 2025. Labour-market indicators within the survey were notably firm. The employment index rebounded 1.9 points to 102.1 after four consecutive monthly declines, sending a somewhat contrasting signal to the recent nonfarm payroll data. The share of firms planning to create new jobs over the next three months jumped 9 points to 20%, the highest since October 2022, while the proportion reporting unfilled job openings rose to its highest level since June 2025. Labour shortages were evident across both skilled and unskilled positions. However, the apparent tightening in the small-business labour market has yet to translate into stronger wage pressures, with compensation plans remaining near cycle lows. Price pressures also eased, as the share of firms planning to raise prices declined for a second consecutive month after peaking in May. Overall, the NFIB survey does not point to a renewed build-up in inflationary pressure. The absence of labour-driven inflation reduces the urgency for the FOMC to tighten immediately, although inflation remains the more important policy consideration at this stage. Chicago Fed President Austan Goolsbee reinforced that message, arguing that inflation remains the economy's key challenge rather than a collapse in employment or industrial activity. However, Goolsbee is not an FOMC voter this year.

- The SGD SORA OIS curve traded higher yesterday with the shorter tenors trading 3bps higher, belly tenors trading 4bps higher, and the 10Y tenor also trading 4bps higher.

- Flows in SGD corporates were heavy, with flows in TEMASE 2.65% '36s, MLTSP 3.5%-PERP, UOBSP 3%-PERP.

- US Investment Grade spreads widened by 1bps to 78bps, and US High Yield spreads widened by 2bps to 267bps. Bloomberg Global Contingent Capital Index widened by 4bps to 205bps.

- Bloomberg Asia USD Investment Grade widened by 1 bps to 56bps, and the Asia USD High Yield spreads widened by 2bps to 328bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
UBS AG	UBS	• The Economic Affairs and Taxation Committee of Switzerland's upper house postponed an interim vote on UBS's capital requirements on 11 August. The deliberations are now set to resume at its next meeting on 31 August. • As a recap, the bill entered the upper house committee in May 2026. The first hearing concluded without a recommendation. The government's proposal calls for UBS to fully back foreign subsidiary with CET1 at the Holding Company level. • All items discussed point toward a relaxation of the original government text. Proposals on the table include cutting the planned capital increase or linking the size of UBS' foreign operations below the government's original ~USD20bn estimate. Latest report: Credit Update – 24 April 2026

CapitaLand Integrated Commercial Trust	CAPITA	• CAPITA reported 1H2026 results. **Results look decent, with healthy portfolio statistics. Paragon is acquired for SGD3.9bn, disposal of Asia Square Tower 2 for SGD2.45bn to be completed.**
		• **Higher revenue, higher NPI largely acquisition-led:** 1H2026 revenue rose 7.5% y/y to SGD846.8mn while net property income ("NPI") rose 8.7% y/y to SGD630.5mn. The increase was driven by the full consolidation of CapitaSpring following the acquisition of the remaining 55% interest in CapitaSpring (August 2025) and contribution from Gallileo (progressive ramping contribution following tenant handover from December 2025), partly offset by the February 2026 divestment of Bukit Panjang Plaza. On a sequential basis, 2Q2026 NPI was broadly stable at SGD316.1mn versus SGD314.4mn in 1Q2026. While CAPITA disclosed 3.3% y/y like-for-like NPI growth in 2H2025, like-for-like NPI growth was not disclosed for 1H2026.
		• **The office portfolio drove the 2Q2026 uplift, while retail softened:**
		    o **Office:** Revenue rose 31.4% y/y to SGD159.4mn and NPI increased 31.8% y/y to SGD122.2mn, mainly reflecting the consolidation of CapitaSpring and contribution from Gallileo. On a sequential basis, office NPI rose from SGD118.8mn in 1Q2026 to SGD122.2mn in 2Q2026.
		    o **Retail:** Revenue fell 6.1% y/y to SGD141.3mn, while NPI declined 4.3% y/y to SGD103.3mn, partly reflecting the divestment of Bukit Panjang Plaza. On a sequential basis, retail NPI declined from SGD107.3mn to SGD103.3mn.
		    o **Integrated developments:** Revenue declined 1.2% y/y to SGD119.3mn, although NPI rose 3.2% y/y to SGD90.6mn. On a sequential basis, integrated development NPI increased from SGD88.3mn to SGD90.6mn.
		• **Portfolio statistics remained healthy:**
		    o **Overall portfolio occupancy rose 0.4ppts q/q to 95.6%**. The rise in office occupancy by 0.7ppts q/q to 94.4% looked broad-based, with Singapore occupancy rising 0.2 ppts q/q to 96.4% while Germany occupancy rose 2.3 ppts q/q to 85.4% and Australia occupancy rose 1.3 ppts q/q to 94.1%. The rise in office occupancy offset the fall in retail occupancy by 0.1ppts q/q to 97.7%, as downtown occupancy declined 0.5ppts q/q to 96.3%. Integrated developments occupancy fell 0.5ppts q/q to 95.5% due to the upcoming AEI at Plaza Singapura and The Atrium@Orchard.
		    o **1H2026 rental reversions remained positive at 4.0% for retail and 6.5% for office.**
		    o **Tenant sales psf grew 1.6% y/y**, with downtown and suburban sales growing 1.7% and 1.6%, respectively.
		    o **Retention rate is healthy, at 83.9% for retail and 70.8% for office.**
		• **Capex and disruption due to AEI is manageable:** Tampines Mall (capex: SGD24mn) and Lot One Shoppers' Mall (SGD37mn) are progressing towards completion in 3Q2026 and 1Q2027. CICT will also commence the approximately SGD25mn Capital Tower AEI and the larger SGD160mn Plaza Singapura/The Atrium@Orchard AEI. According to CAPITA, the works are phased to minimise income and operational disruption.

		• **Significant asset recycling and deployment towards higher yielding assets:** To recap, CAPITA has completed SGD428.0mn Bukit Panjang Plaza divestment in February. The ~SGD2.45bn sale of Asia Square Tower 2 (3.0% exit yield) should complete in 2H2026, while CAPITA has completed the SGD3.9bn Paragon acquisition (3.9% net yield) on 1 July 2026 and has committed ~SGD1.1bn to Hougang Central commercial development (completion: 2030/2031, above 5% yield on cost). • **Credit metrics look manageable, but yet to account for acquisition of Paragon acquisition:** Aggregate leverage fell 1.1ppts q/q to 37.4% which reflected the temporary use of SGD555mn of the SGD750mn private-placement proceeds to repay debt. CAPITA did not disclose aggregate leverage immediately after Paragon completion, but previously indicated pro forma aggregate leverage of 39.2% after both the Paragon acquisition and Asia Square Tower 2 divestment. The completion of the sale of Asia Square Tower 2 is hence essential. Meanwhile, reported interest coverage ratio rose 0.1x q/q to 3.9x. (Company, OCBC) Latest report: Credit Update – 06 February 2026
Commonwealth Bank of Australia	CBAAU	• Commonwealth Bank of Australia ("CBA") reported FY2026 results for the year ended 30 June 2026 with statutory and cash net profit after tax from continuing operations of AUD10.91bn and AUD10.98bn, up 8% and 7% y/y respectively. Earnings growth on a cash basis was driven by a 6% increase in operating income, supported by a 7% rise in net interest income and an 8% increase in average interest earning assets, partly offset by a 6% increase in operating expenses. • Net interest income remained the key earnings driver, benefiting from an increase in average lending interest earnings assets due to growth in home, business, and institutional lending. Net interest margin ("NIM") was largely stable at 2.05% and was supported by higher earnings on replicating portfolio and capital hedges, and favourable portfolio mix, despite competitive pressures in lending and deposits. These headwinds were largely experienced by the Institutional Banking and Markets division with NIM falling 8bps y/y to 1.92% and marginally by the Retail Banking Services division with NIM falling 1bps y/y to 2.50%. Business Banking and New Zealand NIMs, on the other hand, grew 7bps and 3bps y/y to 3.39% and 2.30%, respectively. • Operating expenses rose 6% y/y to AUD13.79bn, driven by wage inflation and ongoing investment in technology, resilience, and AI capabilities. Higher cloud computing, software licensing, and frontline staffing costs were partly mitigated by productivity initiatives and favourable FX movements. • Loan impairment expense rose to AUD788mn, mainly due to higher collective provisions reflecting portfolio growth and increased geopolitical and macroeconomic uncertainty. Home loan 90+ day arrears increased 10bps h/h to 0.73%, while credit card and personal loan arrears rose 7bps and 31bps to 0.73% and 1.72%, respectively, reflecting ongoing cost-of-living pressures. The increase in personal loan arrears was also influenced by seasonally higher arrears and portfolio management settings. Total credit impairment provisions rose 2% y/y to AUD6.48bn, while provision coverage eased marginally to 1.53% (down 2bps h/h) as growth in Credit RWA outpaced the increase in provisions. • Capital, funding, and liquidity positions remained strong. CBA reported an APRA CET1 ratio of 12.0% as at 30 June 2026, above regulatory requirements. Excluding the impact of the interim dividend, CET1 increased 52bps as a result of earnings generation. The bank also maintained strong liquidity and funding metrics, with liquidity coverage ratio and net stable funding ratio remaining above regulatory minimums and the weighted average maturity of wholesale funding increasing to 5.2 years. Management highlighted continued balance sheet strength and a disciplined approach to capital, funding, and liquidity management. (Company, OCBC) Latest report: Credit Update – 13 May 2026

New Issues:

- The total issuances in the APAC USD and DM IG markets were USD500mn and USD30.6bn respectively (prior day: USD100mn and USD27.7bn respectively). (Bloomberg, OCBC)

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
11 Aug	HSBC Holdings PLC	Fixed	SGD	450	6NC5	2.95%
11 Aug	Blue Owl Finance LLC (guarantor: Multiple Guarantors)	Fixed	USD	750	10	T + 220bps
11 Aug	Ferguson Enterprises Inc (guarantor: Ferguson UK Holdings Ltd)	Fixed	USD	500	10	T + 95bps
11 Aug	Ferguson Enterprises Inc (guarantor: Ferguson UK Holdings Ltd)	Fixed	USD	700	3	T + 55bps
11 Aug	Harbour Energy Finance 2 PLC (guarantor: Harbour Energy PLC)	Fixed	USD	750	7	T + 140bps
11 Aug	HSBC Holdings PLC	Fixed	SGD	450	6NC5	2.95%
11 Aug	Illinois Tool Works Inc	Fixed	USD	1,500	3	T + 45bps
11 Aug	Intercontinental Exchange Inc	Fixed	USD	750	10	T + 82bps
11 Aug	Intercontinental Exchange Inc	Fixed	USD	650	7	T + 72bps
11 Aug	Intercontinental Exchange Inc	Fixed	USD	1,250	3	T + 50bps
11 Aug	Intercontinental Exchange Inc	Fixed	USD	1,100	5	T + 62bps

11 Aug	Jane Street Group / JSG Finance Inc	Fixed, Secured	USD	5,860	5	7.294%
11 Aug	Jane Street Group / JSG Finance Inc	Fixed, Secured	USD	3,639	10	8.088%
11 Aug	Jane Street Group / JSG Finance Inc	Fixed, Secured	USD	5,126	7	7.686%
11 Aug	Marriott International Inc/MD	Fixed	USD	1,000	10	T + 105bps
11 Aug	Marriott International Inc/MD	Fixed	USD	250	Retap of its MAR 4.875% '29s	Price: 100.205
11 Aug	Martin Marietta Materials Inc	Fixed	USD	1,000	30	T + 115bps
11 Aug	Martin Marietta Materials Inc	Fixed	USD	1,500	10	T + 98bps
11 Aug	Martin Marietta Materials Inc	Fixed	USD	1,250	Long 5	T + 83bps
11 Aug	Martin Marietta Materials Inc	Fixed	USD	750	3	T + 58bps
11 Aug	Martin Marietta Materials Inc	Fixed	USD	1,000	7	T + 90bps
11 Aug	Universal Health Services Inc (guarantor: Subsidiaries)	Fixed, 1st lien	USD	500	10	T + 140bps
11 Aug	Voya Global Funding	Fixed, 1st lien	USD	400	5	T + 88bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	12-Aug	1W chg (bps)	1M chg (bps)		12-Aug	1W chg	1M chg
iTraxx Asiax IG	68	1	-1	Brent Crude Spot ($/bbl)	89.3	12.4%	17.5%
				Gold Spot ($/oz)	4,402	3.7%	10.0%
iTraxx Japan	59	-1	-1	CRB Commodity Index	390	4.6%	6.6%
iTraxx Australia	68	0	-1	S&P Commodity Index - GSCI	689	5.2%	8.5%
CDX NA IG	52	1	-0	VIX	15.3	-7.4%	1.7%
CDX NA HY	108	-0	-0	US10Y Yield	4.68%	6bp	11bp
iTraxx Eur Main	52	1	-1				
iTraxx Eur XO	253	2	3	AUD/USD	0.706	0.0%	2.1%
iTraxx Eur Snr Fin	54	1	-1	EUR/USD	1.154	-0.1%	1.4%
iTraxx Eur Sub Fin	88	1	-2	USD/SGD	1.281	0.0%	1.1%
				AUD/SGD	0.904	0.0%	-1.0%
USD Swap Spread 10Y	-41	-0	-4	ASX200	9,209	-0.2%	4.6%
USD Swap Spread 30Y	-74	0	-3	DJIA	53,792	-0.5%	2.2%
				SPX	7,728	-0.1%	2.0%
China 5Y CDS	37	-0	0	MSCI Asiax	1,102	-1.1%	-1.5%
Malaysia 5Y CDS	35	-0	-2	HSI	25,407	-2.0%	5.1%
Indonesia 5Y CDS	89	-1	-1	STI	5,716	1.8%	4.5%
Thailand 5Y CDS	42	1	0	KLCI	1,737	-0.6%	2.7%
Australia 5Y CDS	14	1	0	JCI	6,347	-0.1%	7.1%
				EU Stoxx 50	6,551	1.1%	4.5%

Source: Bloomberg

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