

## Daily Credit Snapshot

### Market Commentary

- US equities staged a tentative rebound on Thursday after Wednesday's decline, with the S&P500, Dow and Nasdaq rising (S&P500: +1.8%; Dow: +1.9%; NASDAQ: +2.5%). Nonetheless, sentiment remains fragile, as markets continue to monitor the escalation in the Middle East and its implications for energy prices and inflation. Indeed, the situation in the Middle East remains highly fluid, with President Trump calling off scheduled strikes against Iran. President Trump highlighted progress towards a deal with Iran as the reason for this decision. However, Iran's Foreign Ministry spokesperson Esmail Baghaei dismissed this, according to Iran's IRNA news agency. He said that "Iran has not yet reached a final decision regarding an agreement" and that "reports regarding an agreement are speculative and nothing has been finalised." Iran had earlier announced the closure of the Strait of Hormuz in response to recent US military strikes on the country. Commercial vessels are still reportedly transiting the waterway, but shipping risks remain elevated. Oil prices closed lower, with Brent at around USD90/bbl. On the central bank front, the ECB raised its three key policy rates by 25bps. The deposit facility, main refinancing operations and marginal lending facility rates will increase to 2.25%, 2.40% and 2.65%, respectively, effective from 17 June. The ECB stated that "the war in the Middle East is generating inflation pressures, and the decision to raise rates is robust across a range of scenarios." In the new staff projections, headline inflation is now expected to average 3.0% in 2026, 2.3% in 2027 and 2.0% in 2028. Compared to its previous projections in March, headline inflation for 2026 and 2027 has been revised higher "owing to a higher path for energy prices, which, to some extent, is expected to feed into food, goods and services inflation". On growth, GDP is expected to average 0.8% in 2026, 1.2% in 2027 and 1.5% in 2028. The 2026 and 2027 growth forecasts were revised lower to reflect "a more pronounced impact of the war on commodity markets, real incomes and confidence."
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 2-3bps lower while belly tenor and 10Y traded 2bps lower.
- Flows in SGD corporates were moderate, with flows in STTGDC 5.7%-PERP, HSBC 5.3% '33s.
- US Investment Grade spreads traded flat at 73bps and US High Yield spreads tightened by 4bps to 266bps yesterday respectively. Bloomberg Global Contingent Capital Index widened by 6bps to 227bps.
- Bloomberg Asia USD Investment Grade widened by 1bps to 54bps yesterday while Asia USD High Yield spreads widened by 10bps to 380bps. (Bloomberg, OCBC)

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## Credit Summary:

| Company   | Ticker       | Description  |
|---|--------------|--|
| <p>Industry Outlook – Singapore Residential Property</p> <p>City Developments Ltd</p> | <p>CITSP</p> | <ul style="list-style-type: none"> <li>• <b>CITSP tie-up topped bid for Peck Hay plot at SGD542.4mn offer</b> (SGD1,865 psf ppr). The site is near Newton MRT interchange station. The tie-up is between CITSP (80%) and Hong Realty (20%).</li> <li>• <b>Winning bid somewhat significantly ahead of others:</b> While the winning bid led by CITSP was 2.5% more than the SGD1,820 psf ppr fetched for a nearby plot in November 2025, the winning bid is somewhat significantly ahead of the other bidders, with the second highest bid at SGD1,720.02 psf ppr. According to CDL Group CEO Sherman Kwek, they will be ‘shaping the precinct’s next phase of transformation with a distinctive residential landmark’.</li> <li>• <b>Chinese developers are getting involved in land bids:</b> We note that the second bidder is a tie-up between Sunway MCL and CSC Land Group Singapore (parentage: China State Construction Engineering Corporation), while the third bid came from a unit of China Overseas Land &amp; Investment.</li> <li>• <b>Landbank replenishment may slow deleveraging:</b> While CITSP has achieved strong sales thus far, with plans to undertake asset recycling, deleveraging has been slow. As a recap, in 1Q2026 reported net gearing rose q/q to 72% from 69% (including fair value on investment properties) mainly due to acquisition of GLS sites. (Company, Business Times, OCBC)</li> </ul> <p>Latest report: Credit Update –16 April 2026</p> |

## New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD1.8bn and USD10.35bn respectively (prior day: USD100mn and USD370mn respectively).

| Date   | Issuer  | Description  | Currency | Size (mn) | Tenor (Yr) | Final Pricing (%) |
|--------|---|--------------|----------|-----------|------------|-------------------|
| 11 Jun | Danantara Investment Management PT                                    | Fixed        | USD      | 750       | 5          | 5.35%             |
| 11 Jun | Danantara Investment Management PT                                    | Fixed        | USD      | 750       | 10         | 5.95%             |
| 11 Jun | AES Corp/The  | Fixed        | USD      | 600       | 3          | T + 110bps        |
| 11 Jun | AES Corp/The  | Fixed        | USD      | 400       | 7          | T + 147bps        |
| 11 Jun | Citibank NA   | Fixed-to-FRN | USD      | 2,000     | 3NC2       | T + 50bps         |
| 11 Jun | Citibank NA   | FRN          | USD      | 750       | 3NC2       | SOFR+59.5bps      |
| 11 Jun | Citibank NA   | Fixed-to-FRN | USD      | 3,000     | 6NC5       | T + 67bps         |
| 11 Jun | Citibank NA   | FRN          | USD      | 500       | 2NC1       | SOFR + 50bps      |
| 11 Jun | Dell International LLC / EMC Corp<br>(guarantor: Multiple Guarantors) | Fixed        | USD      | 1,000     | 5          | T + 65bps         |
| 11 Jun | Dell International LLC / EMC Corp<br>(guarantor: Multiple Guarantors) | Fixed        | USD      | 750       | 7          | T + 77bps         |
| 11 Jun | Dell International LLC / EMC Corp<br>(guarantor: Multiple Guarantors) | Fixed        | USD      | 1,250     | 10         | T + 87bps         |

|        |                     |     |     |     |   |            |
|--------|---------------------|-----|-----|-----|---|------------|
| 11 Jun | Wells Fargo Bank NA | FRN | USD | 100 | 5 | SOFR+74bps |
|--------|---------------------|-----|-----|-----|---|------------|

**Mandates:**

- Korea Gas Corporation may issue USD-denominated 3Y and 5Y FRN.



## Key Market Movements

|                     | 12-Jun | 1W chg<br>(bps) | 1M chg<br>(bps) |                            | 12-Jun | 1W chg | 1M chg |
|---------------------|--------|-----------------|-----------------|----------------------------|--------|--------|--------|
| iTraxx Asiax IG     | 73     | 1               | 0               | Brent Crude Spot (\$/bbl)  | 88.2   | -5.2%  | -18.1% |
|                     |        |                 |                 | Gold Spot (\$/oz)          | 4,177  | -3.5%  | -11.4% |
| iTraxx Japan        | 62     | 1               | -0              | CRB Commodity Index        | 370    | -3.7%  | -8.7%  |
| iTraxx Australia    | 73     | 1               | -1              | S&P Commodity Index - GSCI | 677    | -2.5%  | -10.6% |
| CDX NA IG           | 51     | -1              | -3              | VIX                        | 19.4   | 26.2%  | 8.1%   |
| CDX NA HY           | 108    | 0               | 1               | US10Y Yield                | 4.47%  | -6bp   | 1bp    |
| iTraxx Eur Main     | 54     | 0               | -4              |                            |        |        |        |
| iTraxx Eur XO       | 263    | 0               | -20             | AUD/USD                    | 0.703  | -0.3%  | -3.0%  |
| iTraxx Eur Snr Fin  | 57     | 0               | -4              | EUR/USD                    | 1.156  | 0.3%   | -1.5%  |
| iTraxx Eur Sub Fin  | 93     | 1               | -7              | USD/SGD                    | 1.286  | 0.4%   | -1.1%  |
|                     |        |                 |                 | AUD/SGD                    | 0.903  | 0.5%   | 2.0%   |
|                     |        |                 |                 |                            |        |        |        |
| USD Swap Spread 10Y | -40    | 1               | 2               | ASX200                     | 8,785  | 1.1%   | 1.3%   |
| USD Swap Spread 30Y | -71    | 2               | 3               | DJIA                       | 50,849 | -1.4%  | 2.2%   |
|                     |        |                 |                 | SPX                        | 7,394  | -2.5%  | -0.1%  |
| China 5Y CDS        | 40     | -1              | -2              | MSCI Asiax                 | 1,099  | -3.6%  | -1.9%  |
| Malaysia 5Y CDS     | 35     | -0              | 0               | HSI                        | 24,694 | -1.1%  | -6.3%  |
| Indonesia 5Y CDS    | 97     | 0               | 13              | STI                        | 5,003  | -0.9%  | 1.2%   |
| Thailand 5Y CDS     | 48     | -1              | -3              | KLCI                       | 1,681  | -0.7%  | -4.0%  |
| Australia 5Y CDS    | 13     | 0               | 0               | JCI                        | 6,044  | 8.0%   | -11.9% |
|                     |        |                 |                 | EU Stoxx 50                | 6,057  | -0.8%  | 4.3%   |

Source: Bloomberg

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