

Daily Credit Snapshot

Market Commentary

- Another session of risk-off. US equities closed lower on the day (S&P: -1.57%; NASDAQ: -2.03%; Dow: -1.34%) as technology related stocks remained under pressure from the questions around the durability of the AI story. The UST curve bull flattening. The Fed funds futures are pricing in 59.7bp in rate cuts for this year. On the political front, Kevin Warsh, nominated Fed Chair successor, has been asked by Senators on “whether the President pushed him, implicitly or explicitly, to serve as his loyal Chair on the Board”. This follows previous statements by President Trump suggesting that Kevin Warsh would have been passed over had he suggested rate hikes. Meanwhile, the Department of Homeland Security will likely face a shutdown starting Saturday after the Senate failed to pass a funding bill and headed for a recess. On the data front, initial jobless claims for the week of 7 February came in marginally higher than expected at 227k versus expectations of 223k but continued to decline from 232k in the previous week. Continuing claims for week of 31 Jan were higher at 1862k from 1841k in the previous week. Existing home sales declined by 8.4% MoM in January after rising 4.4% in December. Closer home, the larger-than-expected FY2025 fiscal surplus of \$15.1bn (1.9% of GDP) is a testament to Singapore’s financial robustness while the projected FY26 fiscal surplus of \$8.5 bn (1.0% of GDP) demonstrates Singapore’s commitment to fiscal prudence and preserves some fiscal buffer in an unpredictable global environment. Meanwhile, India’s farmers are protesting the US-India trade deal despite the authorities stating on previous occasions that the dairy and poultry sectors are not included. The US released a revised factsheet to soften the language on the US-India trade deal.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-4bps lower while belly tenors traded 4-5bps lower and 10Y traded 5bps lower.
- Flows in SGD corporates were moderate, with flows in CDREIT 3.7%-PERP, NETREA 2.65% '35s.
- Global Investment Grade spreads widened by 1bps to 76bps and Global High Yield spreads widened by 11ps to 277bps respectively.
- Bloomberg Global Contingent Capital Index widened by 2bps to 225bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 59bps and Asia USD High Yield spreads widened by 5bps to 347bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Westpac Banking Corporation	WSTP	<ul style="list-style-type: none"> • WSTP reported a solid 1QFY2026 performance, underpinned by strategy execution, resilient credit conditions and stable funding. Statutory and underlying net profit both rose to AUD1.9bn, up 5% and 6% respectively versus the 2HFY2025 quarterly average, supported by a 1% increase in net operating income to AUD5.8bn. Net interest income grew 2% to AUD5.0bn, partially offset by a 4% decline in non-interest income due to weaker Markets revenue. Operating expenses fell 5% to AUD3.0bn, reflecting the absence of restructuring costs and ongoing productivity gains. • Net interest margin (“NIM”) edged down 1bp to 1.94%, with Core NIM declining to 1.79% amid competition and lower rates, while Treasury and Markets contributed a stronger 15bps. • Asset quality remained robust: impairment charges were just 6bps, stressed exposures fell to 1.17% of TCE, and mortgage 90 day delinquencies improved to 0.29% as of 31 December 2025. Credit provisions totalled AUD5.0bn, remaining AUD2.1bn above modelled base case losses, with key ratios stable. • The Level 2 CET1 ratio was 12.3%, above the 11.25% target and APRA benchmarks; the quarterly decline reflected dividend payments. Pro forma capital, incorporating the RAMS portfolio sale and share buyback, remains broadly unchanged. • Management expects continued resilience in households and businesses to support credit demand through FY2026. We see WSTP’s fundamentals as stable. (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 USD450mn and USD4.45bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
12 Feb	Citigroup Global Markets Inc (guarantor: Citigroup Inc)	FRN, Secured	USD	100	1	SOFR+45bps
12 Feb	Citadel Finance LLC (guarantors: Citadel Wellington LLC, KGSP Offshore Holdings Ltd, Citadel Kensington Global Strategies Fund II Ltd)	Fixed	USD	750	3	T + 140bps
12 Feb	Citadel Finance LLC (guarantors: Citadel Wellington LLC, KGSP Offshore Holdings Ltd, Citadel Kensington Global Strategies Fund II Ltd)	Fixed	USD	500	5	T + 165bps
12 Feb	Royal Caribbean Cruises Ltd	Fixed	USD	1,250	7	T + 92bps
12 Feb	Royal Caribbean Cruises Ltd	Fixed	USD	1,250	12	T + 117bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	13-Feb	1W chg (bps)	1M chg (bps)		13-Feb	1W chg	1M chg
iTraxx Asiax IG	66	-0	1	Brent Crude Spot (\$/bbl)	67.4	-0.9%	3.0%
				Gold Spot (\$/oz)	4,958	-0.1%	8.1%
iTraxx Japan	58	0	4	CRB Commodity Index	306	-1.0%	-0.1%
iTraxx Australia	65	-1	1	S&P Commodity Index - GSCI	583	-0.8%	2.3%
CDX NA IG	52	1	2	VIX	20.8	-4.4%	30.3%
CDX NA HY	108	-0	0	US10Y Yield	4.11%	-9bp	-7bp
iTraxx Eur Main	52	0	2				
iTraxx Eur XO	245	1	4	AUD/USD	0.706	0.6%	5.6%
iTraxx Eur Snr Fin	54	0	1	EUR/USD	1.186	0.4%	1.8%
iTraxx Eur Sub Fin	92	2	1	USD/SGD	1.264	0.6%	1.9%
				AUD/SGD	0.892	0.0%	-3.5%
USD Swap Spread 10Y	-41	-0	-6	ASX200	8,918	2.4%	1.2%
USD Swap Spread 30Y	-70	0	-4	DJIA	49,452	1.1%	0.5%
				SPX	6,833	0.5%	-1.9%
China 5Y CDS	43	0	1	MSCI Asiax	1,014	4.6%	5.9%
Malaysia 5Y CDS	36	-2	-3	HSI	26,514	-0.2%	-1.2%
Indonesia 5Y CDS	81	2	9	STI	4,940	0.1%	2.8%
Thailand 5Y CDS	37	-1	-2	KLCI	1,742	0.6%	2.0%
Australia 5Y CDS	13	-1	0	JCI	8,219	3.6%	-8.2%
				EU Stoxx 50	6,011	1.4%	-0.3%

Source: Bloomberg

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