

Daily Credit Snapshot

Market Commentary

- U.S. equities closed mixed on Wednesday, with the S&P 500 and Nasdaq Composite both hitting fresh record highs, driven by continued strength in mega-cap technology and semiconductor names. The dominant market catalyst was news that NVIDIA CEO Jensen Huang joined President Donald Trump on his China trip, fueling speculation that the US may allow sales of H200 AI chips to China. The development lifted sentiment across the semiconductor complex and reinforced the AI-led rally despite mounting macro headwinds. A hotter-than-expected April PPI report failed to derail the tech rally. Headline PPI surged 1.4% m/m in April, the largest increase since March 2022, following an upwardly revised 0.7% gain in March. On a y/y basis, PPI accelerated sharply to 6.0% from 4.3%, marking the strongest increase since December 2022. The broad-based rise in producer prices was mainly driven by higher energy costs amid the oil shock. Services PPI rose 1.2% m/m, the largest increase in four years, accounting for nearly 60% of the monthly headline increase. Margins received by wholesalers and retailers surged 2.7%, suggesting businesses are increasingly passing through higher energy costs to consumers. Food prices also rebounded by 0.2% m/m, with fresh and dried vegetable prices jumping 13.5%. Underlying inflation pressure also strengthened further. Excluding food and energy, producer goods prices rose 0.7% m/m. Core goods prices accelerated to 4.6% y/y, supported by solid increases in industrial chemicals, iron and steel scrap, and household furniture prices. Overall, the latest inflation data provide growing evidence that both tariff-related pass-through effects and the energy shock are spreading more broadly across the economy. The stronger CPI and PPI readings are also likely to place further upward pressure on core PCE inflation in the coming months. Fed officials maintained a hawkish tone. Susan Collins warned that rates may need to remain on hold for “some time” and did not rule out further hikes if inflation worsens. Meanwhile, Neel Kashkari commented that inflation had been “looking worse” recently. Fed funds futures are now pricing in a small probability of another rate hike before year-end.
- The SGD SORA OIS curve traded mixed yesterday with shorter tenors trading flat to 1bps higher while belly and 10Y traded 1bps lower.
- Flows in SGD corporates were heavy, with flows in WSTP 3% '38s, LLOYDS 5.25% '33s, PREHSP 5% '30s, CAPLSP 3.15% '29s, WSTP 4.65% '32s, ACAFP 2.75% '32s.
- US Investment Grade spreads tightened by 2bps to 75bps, US High Yield spreads traded flat at 267bps and Bloomberg Global Contingent Capital Index traded flat at 221bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 52bps and Asia USD High Yield spreads widened by 2bps to 378bps. (Bloomberg, OCBC).

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Credit Summary:

Company	Ticker	Description
Keppel Infrastructure Trust	KITSP	<ul style="list-style-type: none"> KITSP announced their 1Q2026 business update. KIT's reported Distributable Income (what we historically refer to as OCF) for 1Q2026 was SGD53.7mn, declining by 17.3% y/y although 1Q2025 Distributable Income saw a SGD21.7mn divestment gain from the sale of KITSP's 50%-stake in Philippine Coastal. Removing the impact of the divestment gain, Distributable Income would have increased 18.2% y/y in 1Q2026. Per KIT, Distributable Income is derived from Funds From Operations ("FFO", which represents cash flow generated by the underlying assets), and adjusted mainly for (-) mandatory debt repayment, (-) growth capex, (+) capex funded by debt and (+) divestment gain. While KIT generally looks to refinance holding entity level debt, in our view, Distributable Income may also be used to cover financing costs, perpetual distributions and debt/perpetual redemptions at that level. Distributable Income fluctuates depending on the capex requirements of each asset. By absolute amount, the increase in Distributable Income was driven by the Energy Transition segment. This was led by higher contribution from KITSP's minority interest in Aramco Gas Pipelines Company, the German Solar Portfolio and BKR2 (offshore wind farm in Germany), partly offset by lower Distributable Income from City Energy while contribution from Keppel Merlimau Cogen ("KMC") was stable. The Digital Infrastructure segment saw a full quarter contribution from Global Marine Group (completion of acquisition in November 2025). Distribution & Storage saw lower Distributable Income following a partial stake sale of Ventura while maintenance capex was funded out of FFO in 1Q2026. Short term refinancing risk is minimal. As at 31 March 2026, KITSP had completed the early refinancing of the SGD663mn Ixom-level debt and had priced SGD200mn of 7Y SGD-denominated bullet bonds in April 2026, which will go towards addressing the SGD200mn KITSP 3% '26s maturing in December 2026. KITSP also has undrawn committed revolving credit facilities of ~SGD193mn as at 31 March 2026. KITSP's reported net gearing (net debt over total assets) was 41.9% as at 31 March 2026, somewhat higher q/q (31 December 2025: 38.7%). Management has guided that City Gas is likely to see a temporary decline in Distributable Income in 2Q2026 due to under-recovery from fuel cost that is not immediately reflected in tariffs although this will be recovered at a later date. KITSP earns a capacity-based income on KMC and is not subjected to fuel risk on KMC (KITSP's sponsor takes on the fuel risk of this power generation asset). Higher costs on the other assets are expected to be passed through. In May 2026, KITSP announced that it will be looking to buy an additional 39%-stake in KMC for ~SGD128mn, and assuming completion, KITSP will own a 90%-stake in KMC. Concurrently, Ventura is also in the midst of buying Crown Coaches for an equity value of ~AUD20mn. (Company, Australian Financial Review, OCBC)
Singapore Post Limited	SPOST	<ul style="list-style-type: none"> SPOST reported weaker FY2026 results (ending 31 March 2026) with substantially lower operating profit amidst lower volume. Credit metrics remained manageable with modest net adjusted debt. The strategic update is positive in our view as SPOST will maintain SingPost Centre, which is the core and only profitable asset for SPOST. We are cautious over the mid- to long-term outlook of SPOST amidst structurally declining volume of letter and substantially weaker volume from International Logistics and Letter segment.

		<ul style="list-style-type: none"> • FY2026 revenue from continuing operations declined 23.1% y/y to SGD376.1mn and underlying operating profit falling 68.9% y/y to SGD11.8mn, dragged primarily by a challenging international eCommerce environment and continued letter mail decline. Underlying net profit fell 57% y/y to SGD10.7mn amidst weaker operating profit. • Logistics & Letters turned to an operating loss of -SGD6.1mn (FY2025: +SGD35.8mn) amidst competitions, tariffs, de minimis removals and geopolitical tensions, offset by the 10 cents domestic postage update effective 1 January 2026. <ul style="list-style-type: none"> ○ Singapore volume -12% y/y; eCommerce volume grew 8% to 29.4mn items while letter mail volume fell 14% to 302.1mn items. ○ International volume -57.9% y/y; eCommerce volumes plunged ~58% y/y to 3.5mn kg while letter mail volume fell ~22% to 0.8mn kg. • Post Office Network operating losses narrowed 27.4% y/y to SGD10.7mn as number of post office reduced by 3 to 40. • Property Assets operating profit gained 0.5% y/y to SGD45.2mn amidst better occupancy of SingPost Centre at 99.4% as of 31 March 2026 (March 2025: 98.2%). • Manageable credit metrics: SPOST's net adjusted debt (including SGD250mn SPOST 4.35%-Perp) / EBITDA remained manageable at 1.9x (FY2025: -1.1x due to net adjusted cash). Meanwhile, EBITDA / interest expenses (including perpetual distributions) ratio improved marginally to 2.0x (FY2025: 1.9x) due to meaningfully lower interest expenses. • Strategy update is positive in our view as SPOST will not dispose SingPost Centre. Three priorities were outlined: <ul style="list-style-type: none"> ○ (1) optimise efficiency and aim to achieve >10% cost savings (eg. automation and upgrade of existing facilities), ○ (2) optimise Post Office Network to reduce cost and improve rentals (eg. more automated machines and partially lease out post office sites to third parties), ○ (3) maintain and optimise SingPost Centre. (Company, OCBC) <p>Latest report: Credit Update – 05 March 2026</p>
<p>ABN Amro Bank NV</p>	<p>ABNANV</p>	<ul style="list-style-type: none"> • ABNBNV delivered a high quality 1QFY2026 print of net profit of (+12% y/y), record income fee and a stable balance sheet profile. • PBT of EUR 942mn (+13% y/y; 53% q/q) was largely driven by higher operating income, improved operating expenses but partially offset by impairment normalisation. • NII registered at EUR1.6bn in 1QFY2026 (+5% y/y) on higher volumes. NIM compressed to 1.49% (4QFY2025: 1.56%). Fee income of EUR608mn (+20% y/y) benefitted from HAL (German private bank) acquisition contribution, global markets, and higher asset management fees from its Wealth Management unit. • Cost/income ratio dropped to 55.9% and FY2026 cost guidance was lowered by EUR100mn to ~EUR5.5bn. The bank has a 2028 target to reach Cost/income ratio of <55%. • Asset quality remains on track with cost of risk ("CoR") benign at 9bps. However, the group loan impairment charge normalised to EUR67mn (1QFY25: EUR5mn) which is consistent with management's through-the-cycle CoR guidance of 10-15 bps. Private credit exposure is immaterial at EUR0.2bn. • Capital profile is robust, with CET1 inching higher to 15.5% (1QFY2025: 14.6%) and in a comfortable capital headroom above the 11.4% regulatory minimum and an internal target of >13.75%. The NIBC (mid-sized Dutch retail and specialty-finance)

		<p>acquisition is expected to be completed in 3QFY2026 and CET1 ratio is expected to fall by 70-80bps to a pro-forma level of 14.7-14.8%. (Company, OCBC)</p> <p>Latest report: Credit Update – 4 September 2025</p>
BHP Group Ltd	BHP	<ul style="list-style-type: none"> • At a conference, BHP’s incoming Chief Executive Officer (“CEO”) Mr Brandon Craig, commented that the company is open to value accretive growth and when it comes to acquisitions will focus on copper. • One of the key priorities of the new CEO is to ensure the company has options to grow beyond 2035. That means increasing exploration, seeking opportunities to partner with peers to unlock value in adjacent operations, and executing smaller ‘bolt-on’ acquisitions when the value case supports them. (Bloomberg) <p>Latest report: Credit Update – 11 April 2025</p>



New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were zero and USD15.45bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
13 May	Credit Agricole SA	FRN, Senior Preferred	USD	140	5	SOFR+74bps
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13 May	Cumberland Combined Cycle Generation LLC	Fixed, Secured	USD	1,800	30	T + 78bps
13 May	Medline Borrower LP/Medline Co-Issuer Inc	Fixed, Secured	USD	1,250	5	T + 87.5bps
13 May	Medline Borrower LP/Medline Co-Issuer Inc	Fixed, Secured	USD	750	7	T + 100bps
13 May	US Bancorp	Fixed	USD	22	5	4.5%
13 May	US Bancorp	Fixed, Subordinated	USD	1,250	15NC10	T + 125bps
13 May	US Bank NA/Cincinnati OH	FRN	USD	350	3NC2	SOFR+ 66bps
13 May	US Bank NA/Cincinnati OH	Fixed-to-FRN	USD	1,400	3NC2	T + 55bps
13 May	US Bank NA/Cincinnati OH	Fixed, Subordinated	USD	1,250	15NC10	T + 125bps
13 May	Wells Fargo & Co	FRN	USD	500	3NC2	SOFR+ 72bps
13 May	Wells Fargo & Co	Fixed-to-FRN	USD	2,250	3NC2	T + 60bps
13 May	Wells Fargo & Co	Fixed-to-FRN	USD	3,250	6NC5	T + 73bps

Mandates:

- Nan Fung Treasury Limited (guarantor: Nan Fung International Holdings Limited) may issue USD-denominated 10Y senior unsecured sustainability bonds.

Key Market Movements

	14-May	1W chg (bps)	1M chg (bps)		14-May	1W chg	1M chg
iTraxx Asiax IG	73	1	-1	Brent Crude Spot (\$/bbl)	105.6	5.6%	11.4%
				Gold Spot (\$/oz)	4,690	0.1%	-3.1%
iTraxx Japan	62	1	0	CRB Commodity Index	404	4.2%	8.9%
iTraxx Australia	74	3	-1	S&P Commodity Index - GSCI	750	2.0%	7.4%
CDX NA IG	53	-0	-1	VIX	17.9	2.8%	-2.7%
CDX NA HY	107	-0	0	US10Y Yield	4.46%	7bp	21bp
iTraxx Eur Main	57	0	1				
iTraxx Eur XO	278	-1	-4	AUD/USD	0.725	0.6%	1.7%
iTraxx Eur Snr Fin	60	1	-1	EUR/USD	1.172	-0.1%	-0.7%
iTraxx Eur Sub Fin	97	-0	-4	USD/SGD	1.272	-0.2%	-0.0%
				AUD/SGD	0.922	-0.9%	-1.7%
USD Swap Spread 10Y	-42	-1	1	ASX200	8,612	-3.0%	-4.0%
USD Swap Spread 30Y	-74	-0	2	DJIA	49,693	-0.4%	2.4%
				SPX	7,444	1.1%	6.8%
China 5Y CDS	41	-1	-2	MSCI Asiax	1,126	-0.8%	13.7%
Malaysia 5Y CDS	35	-1	-5	HSI	26,837	0.8%	3.7%
Indonesia 5Y CDS	84	1	-1	STI	4,985	0.9%	-0.4%
Thailand 5Y CDS	50	1	1	KLCI	1,745	-0.8%	3.4%
Australia 5Y CDS	13	0	-1	JCI	6,723	-5.2%	-11.9%
				EU Stoxx 50	5,861	-2.8%	-2.1%

Source: Bloomberg

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