

Daily Credit Snapshot

Market Commentary

- Tame US CPI at 0.2% MoM in January, which marked the smallest increase since July due to benign energy prices, gave market some reprieve on Friday after a volatile week. Fed's Goolsbee opined that "right now we are not on a path back to 2%. We're kind of stuck at 3% and that's not acceptable". The S&P500 was little changed on Friday restrained by tech weakness and registering its second consecutive week of losses, while UST bonds rallied on improved hopes that the Fed will cut interest rates later this year. The 2-year yield fell 5bps to 3.41%, the lowest since 2022 as market pricing for Fed rate cuts exceeded two cuts (~63bps), while the 10-year yield also dipped 5bps to 4.05%. Gold also reclaimed the US\$5,000 handle.
- The SGD SORA OIS curve traded flat to lower last Friday with shorter tenors trading flat to 2bps lower while belly tenors and 10Y traded 3bps lower.
- Flows in SGD corporates were moderate, with flows in UOBSP 3%-PERP, STANLN 4.3%-PERP.
- Global Investment Grade spreads widened by 2bps to 78bps and Global High Yield spreads widened by 4bps to 281bps respectively.
- Bloomberg Global Contingent Capital Index widened by 4bps to 229bps.
- Bloomberg Asia USD Investment Grade spreads widened by 2bps to 61bps and Asia USD High Yield spreads widened by 4bps to 350bps respectively. (Bloomberg, OCBC)
- APAC recorded no new issuance last Friday, and the DM IG market saw only USD5mn in supply.
- Across the DM IG, APAC USD and SGD markets, there were no notable issuers.

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Credit Summary:

Company	Ticker	Description
<p>Hotel Properties Ltd</p>	<p>HPLSP</p>	<ul style="list-style-type: none"> • HPLSP provided a negative profit guidance, expecting to report a net loss for 2025 despite higher revenue as finance costs remain elevated. In addition, HPLSP incurred mark-to-market fair value losses on its long-term investments. • Recap of Issuer – has been loss-making before fair value changes while credit metrics were weak: As we mentioned in our Credit Update published 9 January 2026, HPLSP recorded PBT loss before fair value changes of SGD7.9mn even while gross profit improved 3.5% y/y to SGD85.2mn. Credit metrics remained weak as of end-1H2025 with net gearing at 78% and cash from operating activities of SGD70.2mn exceeded by its total cash needs of (1) SGD39.8mn in capex, (2) SGD47.7mn in finance costs paid, (3) SGD4.4mn in distribution to perpetual capital securities holders, (4) SGD1.3mn in repayment of lease liabilities, notwithstanding (5) SGD21.1mn dividends paid to shareholders. (Company, OCBC) <p>Latest report: Credit Update – 9 January 2026</p>
<p>Lendlease Global Commercial REIT</p>	<p>LREIT</p>	<ul style="list-style-type: none"> • LREIT reported 1HFY2026 results ended 31 December 2025. Overall results are stable along with improved capital structure post divestment of Jem office. LREIT’s stable outlook continue to be supported by strong Singapore assets. • Net property income (“NPI”) fell 1.2% y/y to SGD74.0mn due primarily to divestment of Jem office and exit of Cathay Cineplexes (which has been replaced by Shaw Theatres in November 2025). On a like-for-like basis, excluding Jem office divestment, NPI grew 1.1% y/y. • LREIT completed the divestment of Jem Office in August 2025 and acquisition of 70% of PLQ Mall in Nov 2025. • Stable 1HFY2026 operating metrics: On a like-for-like basis excluding PLQ Mall, visitation and tenant sales rose 6.2% and 1.1% y/y respectively. Portfolio committed occupancy remained stable q/q at 94.9% as of 31 Dec 2025 (September 2025: 95.0%): <ul style="list-style-type: none"> ○ Singapore retail remained robust at 99.5%. ○ Milan office portfolio improved q/q to 89.1% (September 2025: 88.5%) from 88.5%. • Improved credit metrics: As of 31 December 2025, aggregate leverage ratio improved q/q to 38.4% (September 2025: 42.7%) amidst divestment of Jem office (SGD462mn) and SGD280mn unit issuance, offset by acquisition of PLQ Mall. Adjusted interest coverage ratio (including perpetual distribution) rose 0.2x q/q to 1.8x amidst lower debt and cost of debt at 2.9% (September 2025: 3.09%). • Refinancing risks are limited given LREIT has SGD701mn undrawn facilities, sufficient to cover debt maturing in FY2026 (SGD300mn including SGD200mn LREIT 4.2%-PERP callable in June 2026) and FY2027 (SGD300mn). • LREIT’s outlook remains stable, supported by: <ul style="list-style-type: none"> ○ Strong Singapore retail assets (~90% of portfolio by valuation) anchored by Jem and 313@somerset, supplemented by PLQ Mall. ○ Healthy operational metrics and continued lease up at Milan Building 3. ○ Improved capital structure post Jem Office divestment and proactive hedging. ○ Multifunctional event space beside 313@somerset (target 2H 2026; tenant bears most capex) and a new energy contract expected to lower utilities by ~15% p.a. from 1 Jul 2026. (Company, OCBC)

		<p>Latest report: Credit Update – 08 August 2025</p>
Macquarie Group Ltd	MQGAU	<ul style="list-style-type: none"> • MQGAU (through Macquarie Asset Management (“MAM”)) and Qube Holdings Limited (“Qube”) announced the entering into of a Scheme Implementation Deed for the acquisition of 100% of the shares in Qube through a scheme of arrangement. • Qube’s enterprise valuation is ~AUD11.7bn or a 27.8% premium to the last closing share price of Qube on 21 November 2025 that was the last trading day before Qube and MAM entered into an exclusivity deed for progressing the transaction. • MAM is acquiring Qube as part of a consortium that includes existing shareholder UniSuper that will retain its ~15% stake. This would be MAM’s largest Australian infrastructure investment. • Qube is an integrated logistics and infrastructure provider with the majority of its business in Australia with presence in New Zealand and Southeast Asia. Main businesses cover ports and freight terminals, road and rail transport and supply chain services. As of 30 June 2025, it had total assets of AUD6.86bn. • In MQGAU’s 3QFY2026 trading update, MAM’s assets under management were reported at AUD736.1bn as of 31 December 2026. • Completion of the deal is subject to shareholder and regulatory approvals, including from Australia’s Foreign Investment Review Board and the Australian Competition & Consumer Commission. Shareholder approvals are scheduled for some time in June 2026 with overall completion expected by early December 2026. • This transaction does not alter our view of MQGAU’s fundamentals that reflect its conservative risk culture, diversified income streams, and strong balance sheet. (Bloomberg, Company, OCBC) <p>Latest report: Credit Update – 10 June 2025</p>
OUE Ltd	OUESP	<ul style="list-style-type: none"> • Expecting to record a loss of SGD220mn to SGD240mn for 2025, mainly due to estimated losses from Gemdale Properties and Investment Corporation Ltd (“GPI”) 29.07% owned by OUESP) and an impairment loss for OUESP’s investment in GPI. In addition, the provisional negative goodwill of SGD94.9mn which was recognised for the acquisition of additional equity interest in GPI in 1H2025 was reversed in 2H2025. • Impacted by Chinese property market: According to OUESP, GPI was adversely impacted by the prevailing slow-down of the Chinese property market. In total, OUESP share of results of equity accounted investee, which includes GPI, recorded SGD460mn loss in 1H2025. (Company, OCBC) <p>Latest report: Credit Update – 2 December 2025</p>

Mandates:

- There were no notable mandates last Friday.

Key Market Movements

	16-Feb	1W chg (bps)	1M chg (bps)		16-Feb	1W chg	1M chg
iTraxx Asiax IG	67	2	2	Brent Crude Spot (\$/bbl)	67.7	-1.9%	5.6%
				Gold Spot (\$/oz)	5,029	-0.6%	9.4%
iTraxx Japan	59	2	4	CRB Commodity Index	307	-1.0%	1.5%
iTraxx Australia	67	2	2	S&P Commodity Index - GSCI	584	-0.6%	3.7%
CDX NA IG	52	2	3	VIX	20.6	16.0%	29.9%
CDX NA HY	108	-0	-1	US10Y Yield	4.05%	-15bp	-17bp
iTraxx Eur Main	53	2	2				
iTraxx Eur XO	247	7	4	AUD/USD	0.708	-0.1%	6.0%
iTraxx Eur Snr Fin	55	2	2	EUR/USD	1.187	-0.4%	2.3%
iTraxx Eur Sub Fin	93	4	2	USD/SGD	1.263	0.2%	2.1%
				AUD/SGD	0.895	0.4%	-3.7%
USD Swap Spread 10Y	-41	-1	-1	ASX200	8,929	0.7%	0.3%
USD Swap Spread 30Y	-70	1	-4	DJIA	49,501	-1.2%	0.3%
				SPX	6,836	-1.4%	-1.5%
China 5Y CDS	43	1	1	MSCI Asiax	1,004	1.2%	4.0%
Malaysia 5Y CDS	37	0	-3	HSI	26,567	-1.7%	-1.0%
Indonesia 5Y CDS	82	5	11	STI	4,928	-0.7%	1.6%
Thailand 5Y CDS	38	1	-1	KLCI	1,739	-0.7%	1.5%
Australia 5Y CDS	13	-0	1	JCI	8,212	3.5%	-9.5%
				EU Stoxx 50	5,985	-0.2%	-0.7%

Source: Bloomberg

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