

Daily Credit Snapshot

Market Commentary

- The announcement of US-Iran deal triggered a broad-based relief rally in risk assets, spanning equities, bonds, precious metal and cryptocurrencies, despite the absence of details of the accord. However, the level of optimism was felt unevenly across markets. The S&P 500 and the Nasdaq gained 1.7% and 3.1% respectively, while the Dow Jones Industrial Average reached all-time highs. US Treasuries rallied as investors trimmed Fed rate-hike expectations. Fed fund futures are now pricing in an 80% chance of a 25bp hike by December, with a full move not priced until March 2027. There was also some unwinding of long USD positions, which led to mild weakening of the USD. On the other hand, hope of a resumption of crude oil flow send Brent prices lower by more than 4% to settle near USD83/bbl, while WTI ended the session near USD81/bbl, - both more than 30% below its wartime peak. US President Trump suggested that the Strait of Hormuz will be completely open by Friday, while there are reports of passage of a couple of oil tankers and essential goods vessels through the US naval blockade. The draft US-Iran memorandum, which is expected to be released on Friday, reportedly proposes lifting oil sanctions and the naval blockade, reopening the Strait of Hormuz, releasing USD24bn frozen Iranian assets, and launching nuclear talks. On data front, US' May industrial production rose 0.1% m/m (vs. consensus of 0.3% m/m) and decelerating sharply from April's upwardly revised 0.9% m/m. Manufacturing output was flat in May after a 0.7% gain in April, while capacity utilization edged up to 76.2% from 76.1% in April. On the other hand, Germany's April industrial production edged up 0.1% m/m. Japan's April tertiary industry index rebounded by 1.3% m/m (vs. consensus of 0.6% m/m).
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenor traded 2-3bps lower and 10Y traded 3bps lower.
- Flows in SGD corporates were light, with flows in HSBC 5.25%-PERP.
- US Investment Grade spreads tightened by 1bps to 71bps and US High Yield spreads tightened by 4bps to 256bps yesterday respectively. Bloomberg Global Contingent Capital Index tightened by 3bps to 219bps.
- Bloomberg Asia USD Investment Grade traded flat at 53bps yesterday while Asia USD High Yield spreads tightened by 8bps to 364bps. (Bloomberg, OCBC).

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Credit Summary:

| Company | Ticker | Description |
|---|--------|---|
| Industry Outlook - Singapore Residential Property | NIL | <ul style="list-style-type: none"> • May sales moderated: 447 units were sold, largely supported by Hudson Place Residences where 201 of the 328 launched units were taken up. • Sales declined m/m on fewer launches: Sales in May eased from April's 1,548 units, which benefited from a stronger launch pipeline. Tengah Garden Residences moved 853 out of 863 units, while Vela Bay sold 371 out of 515 units at launch. (Business Times, OCBC). |
| Singapore Airlines Ltd | SIASP | <ul style="list-style-type: none"> • SIA reported its May 2026 operating data. On a group airline basis, passenger load factor was at 86.0%, slightly lower than the 86.4% in May 2025 (April 2026: 88.4%). • Group passengers carried totalled 3.61 million, up 5.2% y/y. Per company, while capacity constraints through the Middle East hubs persisted, this has eased compared to the previous months. • Passenger capacity on a group airline basis increased 5.3% y/y to 15,731.3 million available seat kilometres, with traffic growth lower than the capacity expansion. • On the cargo front, cargo load factor improved to 58.1% in May 2026 from 57.2% a year ago (April 2026: 57.9%). • Cargo load (million tonne-km) increased 3.2% y/y, while capacity only increased by 1.5% y/y. (Company, OCBC). <p>Latest report: Credit Update – 20 May 2026</p> |



New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD2bn and USD34.95bn respectively (prior day: zero and USD200mn respectively).

| Date | Issuer | Description | Currency | Size (mn) | Tenor (Yr) | Final Pricing (%) |
|--------|--|--------------|----------|-----------|------------|-------------------|
| 15 Jun | Korea Gas Corp | FRN | USD | 350 | 3 | SOFR+ 45bps |
| 15 Jun | Korea Gas Corp | Fixed | USD | 350 | 5 | T + 33bps |
| 15 Jun | Mitsubishi Corp | Fixed | USD | 500 | 5 | T + 47bps |
| 15 Jun | Mitsubishi Corp | Fixed | USD | 500 | 10 | T + 70bps |
| 15 Jun | HA Sustainable Infrastructure Capital Inc (guarantor: Subsidiaries) | Green, Fixed | USD | 1,000 | 7 | T + 170bps |
| 15 Jun | Hyundai Capital America (guarantor: Hyundai Motor Co) | Fixed | USD | 750 | 5 | T + 83bps |
| 15 Jun | Hyundai Capital America (guarantor: Hyundai Motor Co) | Fixed | USD | 400 | 2 | T + 55bps |
| 15 Jun | Hyundai Capital America (guarantor: Hyundai Motor Co) | Fixed | USD | 1,250 | 3 | T + 70bps |
| 15 Jun | Hyundai Capital America (guarantor: Hyundai Motor Co) | Fixed | USD | 600 | 7 | T + 93bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 3,500 | 2 | T + 20bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 3,500 | 3 | T + 25bps |

| | | | | | | |
|--------|--------------------|-------|-----|-------|------|------------|
| 15 Jun | NVIDIA Corp | Fixed | USD | 4,000 | 5 | T + 35bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 3,500 | 7 | T + 45bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 4,000 | 10 | T + 50bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 3,000 | 20 | T + 60bps |
| 15 Jun | NVIDIA Corp | Fixed | USD | 3,500 | 30 | T + 65bps |
| 15 Jun | NatWest Group PLC | Fixed | USD | 1,250 | 6NC5 | T + 80bps |
| 15 Jun | Vodafone Group PLC | Fixed | USD | 1,000 | 5 | T + 67bps |
| 15 Jun | Vodafone Group PLC | Fixed | USD | 1,000 | 10 | T + 92bps |
| 15 Jun | Vodafone Group PLC | Fixed | USD | 1,500 | 30 | T + 115bps |

Mandates:

- China Education Group Holdings Limited may issue USD-denominated 3Y bonds.

Key Market Movements

| | 16-Jun | 1W chg (bps) | 1M chg (bps) | | 16-Jun | 1W chg | 1M chg |
|---------------------|--------|-----------------|-----------------|----------------------------|--------|--------|--------|
| iTraxx Asiax IG | 68 | -4 | -8 | Brent Crude Spot (\$/bbl) | 82.7 | -9.6% | -24.3% |
| | | | | Gold Spot (\$/oz) | 4,315 | 1.3% | -5.5% |
| iTraxx Japan | 69 | -4 | -8 | CRB Commodity Index | 365 | -3.3% | -8.6% |
| iTraxx Australia | 50 | -2 | -4 | S&P Commodity Index - GSCI | 654 | -4.1% | -12.9% |
| CDX NA IG | 108 | 1 | 1 | VIX | 16.2 | -14.4% | -12.1% |
| CDX NA HY | 51 | -3 | -6 | US10Y Yield | 4.47% | -5bp | -13bp |
| iTraxx Eur Main | 248 | -17 | -32 | | | | |
| iTraxx Eur XO | 0 | 0 | 0 | AUD/USD | 0.705 | 0.3% | -1.7% |
| iTraxx Eur Snr Fin | 0 | 0 | 0 | EUR/USD | 1.158 | 0.3% | -0.7% |
| iTraxx Eur Sub Fin | 89 | -3 | -11 | USD/SGD | 1.284 | 0.2% | -0.4% |
| | | | | AUD/SGD | 0.905 | -0.0% | 1.3% |
| | | | | | | | |
| USD Swap Spread 10Y | -40 | 1 | 3 | ASX200 | 8,918 | 3.6% | 3.3% |
| USD Swap Spread 30Y | -71 | 2 | 2 | DJIA | 51,671 | 1.7% | 4.3% |
| | | | | SPX | 7,554 | 2.0% | 2.0% |
| China 5Y CDS | 34 | -1 | -2 | MSCI Asiax | 1,168 | 2.9% | 5.9% |
| Malaysia 5Y CDS | 68 | -8 | -12 | HSI | 24,423 | -0.6% | -5.9% |
| Indonesia 5Y CDS | 43 | -5 | -9 | STI | 5,102 | 1.6% | 2.3% |
| Thailand 5Y CDS | 13 | 0 | -0 | KLCI | 1,703 | 1.7% | -2.1% |
| Australia 5Y CDS | 87 | -6 | -12 | JCI | 6,255 | 17.1% | -7.0% |
| | | | | EU Stoxx 50 | 6,229 | 2.8% | 6.9% |

Source: Bloomberg

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