

## Daily Credit Snapshot

### Market Commentary

- Stagflation fears loom as US-Iran deal remains elusive. US president Trump has indicated that Iran is ready to make a deal, but the US wants better terms. Meanwhile, the US has called for more warships to be sent to reopen the Strait of Hormuz after recently striking military sites on Kharg Island (where Iran exports nearly all its oil). On Friday, the S&P500 dipped 0.61% to register its third weekly decline amid the prolonged Iran conflict and the downward revision of 4Q25 GDP growth to 0.7% annual rate (half of its advance 1.4% estimate) while the 2- and 10-year UST bond yields rose to 3.73% and 4.28% respectively. Separately, US and Chinese trade negotiators led by US Treasury Secretary Bessent and Chinese vice-premier He Lifeng have begun talks in Paris ahead of the leaders' summit later this month from 31 March to 02 April. This comes under the shadow of the US launching a Section 301 investigation into alleged industrial overcapacity and forced labour practices for various economies including China. Given the multitude of global headwinds, we advocate a cautious market posture given the rising likelihood of stagflation and some economic scarring from persistently elevated energy prices the longer the Iran conflict drags on.
- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 5-7bps higher while belly tenors traded 7-8bps higher and 10Y tenors traded 6bps higher.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, STTGDC 5.7%-PERP, HSBC 5.25%-PERP, BACR 5.4%-PERP.
- Global Investment Grade spreads widened by 2bps to 92ps and Global High Yield spreads widened by 13bps to 312bps respectively.
- Bloomberg Global Contingent Capital Index widened by 5ps to 250bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 62bps and Asia USD High Yield spreads widened by 11bps to 383bps respectively. (Bloomberg, OCBC)
- The total issuance volumes for APAC and DM IG market last Friday were zero and USD50mn respectively.
- There were no notable issuers in the DM IG, APAC USD and Singdollar markets last Friday.

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## Credit Summary:

Company	Ticker	Description
Commerzbank AG, UniCredit SpA	CMZB, UniCredit	<ul style="list-style-type: none"> <li>• UniCredit has launched a takeover offer for CMZB in the form of a voluntary exchange offer in accordance with Section 10 of the German Takeover Act.</li> <li>• UniCredit’s intention is to achieve an ownership in excess of 30%, above the minimum level for a mandatory takeover bid under German takeover law. Per UniCredit’s press release, UniCredit is not seeking to gain control of CMZB but instead to both “remove the need for UniCredit to continuously adjust its stake to remain under the 30% threshold due to the ongoing Commerzbank share buyback programme” and give UniCredit the “ability to increase its stake freely in the open market or otherwise thereafter”.</li> <li>• UniCredit currently owns directly and indirectly (through total return swaps) almost 30% of CMZB and is the largest shareholder of CMZB, followed by the German government’s Financial Market Stabilisation Fund at 12.0%.</li> <li>• UniCredit has previously positioned its stake in CMZB as a financial interest and appears to continue to hold this view in highlighting it has no expectation to achieve control. UniCredit also appears to be proceeding carefully to manage German perceptions and prevailing opposition from various parts of Germany’s political and financial community.</li> <li>• CMZB recently reported a record FY2025 operating result (before restructuring expenses) of EUR4.51bn (+17.5% y/y) and a net result of EUR2.63bn that includes EUR562m of restructuring charges. Net profit before these costs rose to EUR3.01bn.</li> <li>• The offer is expected to formally launch at the beginning of May with an offer period of 4 weeks. (Company Bloomberg, OCBC)</li> </ul> <p>Latest report: Credit Update – 4 September 2025</p>

## Mandates:

- There were no notable mandates last Friday.

## Key Market Movements

	16-Mar	1W chg (bps)	1M chg (bps)		16-Mar	1W chg	1M chg
iTraxx Asiax IG	83	4	16	Brent Crude Spot (\$/bbl)	104.6	5.7%	52.4%
				Gold Spot (\$/oz)	5,028	-2.2%	0.7%
iTraxx Japan	69	4	11	CRB Commodity Index	366	3.9%	19.3%
iTraxx Australia	82	-0	15	S&P Commodity Index - GSCI	723	1.7%	23.8%
CDX NA IG	61	5	9	VIX	27.2	-7.8%	28.3%
CDX NA HY	105	-1	-3	US10Y Yield	4.26%	16bp	21bp
iTraxx Eur Main	65	2	12				
iTraxx Eur XO	307	17	58	AUD/USD	0.701	-0.9%	-0.8%
iTraxx Eur Snr Fin	69	4	14	EUR/USD	1.143	-1.8%	-3.6%
iTraxx Eur Sub Fin	118	8	25	USD/SGD	1.282	-0.6%	-1.5%
				AUD/SGD	0.899	0.3%	-0.7%
USD Swap Spread 10Y	-48	-4	-7	ASX200	8,583	-0.2%	-4.0%
USD Swap Spread 30Y	-83	-7	-13	DJIA	46,558	-2.0%	-5.9%
				SPX	6,632	-1.6%	-3.0%
China 5Y CDS	50	3	6	MSCI Asiax	958	1.7%	-4.8%
Malaysia 5Y CDS	46	0	9	HSI	25,810	1.6%	-3.4%
Indonesia 5Y CDS	92	0	11	STI	4,855	2.1%	-1.7%
Thailand 5Y CDS	50	1	12	KLCI	1,697	1.4%	-2.5%
Australia 5Y CDS	14	-0	2	JCI	7,039	-4.1%	-14.3%
				EU Stoxx 50	5,717	-0.1%	-4.4%

Source: Bloomberg

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