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Daily Credit Snapshot

Market Commentary

Andrew Wong
Credit Research Analyst

Ezien Hoo
Credit Research Analyst

Wong Hong Wei
Credit Research Analyst

Chin Meng Tee
Credit Research Analyst

Aleen Lee Li Fei
Credit Research Analyst

- The first Federal Reserve meeting chaired by Kevin Warsh proved consequential for several reasons. First, while the policy rate was left unchanged at 3.5-3.75%, the emphasis placed on price stability amid a resilient activity and labour market backdrop lent itself to more hawkish market interpretations. Front-end UST yields closed 10-13bp higher for the session, with US equities closing in the red (S&P: -1.2%; NASDAQ: -1.3%; Dow: -0.98%) and the DXY index firmer. Second, the Fed Chair announced that he is appointing task forces for "five areas that are central to the broad conduct of monetary policy: First, Fed communications; second, the Fed's balance sheet policy; third, our use and reliance on existing data sources; fourth, productivity and jobs in an era of transformation; and last, the Fed's inflation frameworks." The recommendations from these task forces have the potential to result in material changes. Third, the communication style is undergoing changes. Notably, the policy statement was shortened to 20 lines and Fed Chair Warsh said he expects his colleagues to "propose some well-considered changes, including to the SEP". Within the SEP, the 'dot plot' showed that nine members forecast at least one rate hike this year, eight members expect no change to the policy rate and one member expects a rate cut. Kevin Warsh himself refrained from joining the exercise. Other material changes to the forecasts include a significant upward revision to 2026 PCE (3.6% from 2.7% in March) and core PCE (3.3% from 2.7%), with PCE and core PCE reaching 2.0% and 2.1% by 2028, respectively. There was also a modest downward revision to GDP growth for 2026 to 2.2% from 2.4% in March, but an upward revision to 2.2% from 2.1% for 2028. The unemployment rate forecast for 2026 was narrowly reduced to 4.3% from 4.4% in March but left unchanged for 2027 and 2028. During the press conference, the Fed Chair noted that he did not hear a strong sense of conviction regarding the submitted dots from his colleagues, and he stated that the outcome of the meeting has given markets "a new chapter for the central bank" and "some fresh thinking."

- The SGD SORA OIS curve traded flat to higher yesterday with shorter and belly tenors trading flat to 1bps higher and 10Y tenors trading flat.

- Flows in SGD corporates were moderate, with flows in CDREIT 3.7%-PERP, BACR 5.4%-PERP.

- US Investment Grade spreads traded flat at 73bps and US High Yield spreads tightened by 2bps to 257bps yesterday respectively. Bloomberg Global Contingent Capital Index tightened by 3bps to 215bps.

- Bloomberg Asia USD Investment Grade tightened by 1bps to 52bps yesterday while Asia USD High Yield spreads tightened by 13bps to 352bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
Wing Tai Properties Ltd	WINGTP	• **WINGTP has entered into a contract to sell 1 Savile Row, London for GBP31mn (HKD325mn).** • The commercial property has a net internal area of ~14k sqf of Grade A office and retail space. • In our view, this disposal, along with recovering HKSAR housing markets and scheduled opening of Central Crossing in 2026 (a landmark mixed-used property in Central HKSAR), will aid WINGTP substantially to call SGD260mn (HKD1.6bn) WINGTP 4.35%-PERP on the next reset date on 24 August 2027. (Company, OCBC) Latest report: Credit Update – 10 April 2026

New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD155mn and USD500mn respectively (prior day: USD950mn and USD7.3bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
17 Jun	City Developments Ltd	Fixed	SGD	300	5	2.5%
17 Jun	China Construction Bank Corp Singapore Branch	FRN	USD	155	3	SOFR+38bps
17 Jun	Zurich Finance Ireland Designated Activity Co (guarantor: Zuerich Versicherungs-Gesellschaft AG)	Fixed	USD	500	7	T + 75bps

Mandates:

- POSCO International Corporation may issue a USD-denominated 5Y fixed rate bond.
- NH Investment & Securities may issue USD-denominated 3Y and/or 5Y FXD.
- Mirae Asset Securities Co., Ltd. may issue USD-denominated 3Y and 5Y fixed rate bonds.

Key Market Movements

	18-Jun	1W chg (bps)	1M chg (bps)		18-Jun	1W chg	1M chg
iTraxx Asiax IG	68	-5	-8	**Brent Crude Spot ($/bbl)**	77.8	-13.9%	-30.6%
				Gold Spot ($/oz)	4,318	2.5%	-5.5%
iTraxx Japan	60	-2	-4	**CRB Commodity Index**	364	-2.4%	-10.2%
iTraxx Australia	69	-4	-8	**S&P Commodity Index - GSCI**	647	-4.4%	-15.4%
CDX NA IG	52	1	-2	**VIX**	18.4	-17.0%	3.5%
CDX NA HY	108	-0	0	**US10Y Yield**	4.45%	-2bp	-14bp
iTraxx Eur Main	52	-2	-6				
iTraxx Eur XO	251	-12	-29	**AUD/USD**	0.704	-0.2%	-1.9%
iTraxx Eur Snr Fin	54	-2	-6	**EUR/USD**	1.152	-0.5%	-1.1%
iTraxx Eur Sub Fin	88	-5	-11	**USD/SGD**	1.287	-0.2%	-0.6%
				AUD/SGD	0.905	-0.0%	1.3%
USD Swap Spread 10Y	-41	-1	1	**ASX200**	8,919	3.3%	4.9%
USD Swap Spread 30Y	-72	-1	2	**DJIA**	51,493	3.2%	3.6%
				SPX	7,420	2.1%	0.2%
China 5Y CDS	39	-1	-4	**MSCI Asiax**	1,181	7.4%	7.5%
Malaysia 5Y CDS	37	2	1	**HSI**	23,900	-1.4%	-6.9%
Indonesia 5Y CDS	86	-11	-3	**STI**	5,185	3.9%	3.8%
Thailand 5Y CDS	41	-7	-11	**KLCI**	1,715	2.2%	-0.7%
Australia 5Y CDS	13	-0	-1	**JCI**	6,155	4.3%	-6.7%
				EU Stoxx 50	6,300	4.8%	7.7%

Source: Bloomberg

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