

## Daily Credit Snapshot

### Market Commentary

- China's Shanghai Composite erased its mid-week gains to end the week down 1.07%, while US equities also fell across the board on Friday after President Trump returned "empty-handed," according to some market commentators. Overall, the prevailing market narrative surrounding the Trump–Xi meeting is that it lacked substantive breakthroughs beyond reinforcing the personal rapport between the two leaders. Trump's framing was notably centred more on the relationship between two individuals rather than between two countries. Nevertheless, we are more constructive about the US-China relations. We expect US-China bilateral relations to stabilise at a lower but more predictable equilibrium because both sides now increasingly share the same interpretive framework: bounded competition, no convergence assumed, and managed differences as the steady state. For details, you may refer to OCBC Group Macro Research's special reports. Elsewhere, Germany's growth momentum already looked fragile, with the economy expanding by only 0.3% q/q in 1Q. The Iran war is likely to add further pressure in 2Q through higher energy prices, weaker confidence and renewed supply-chain uncertainty. Germany's Federal Ministry for Economic Affairs warned on Friday that the conflict could take a meaningful toll on the economy. Oil prices extended the gain as the situation in the Strait of Hormuz remains critical. On Sunday, the IRGC Navy spokesperson Ebrahim Zolfaghari confirmed that Iran did not allow any vessel to pass through the strait in the prior 24 hours. Meanwhile, fresh drone attacks on the UAE's Barakah nuclear plant and Saudi territory, coupled with Trump's "clock is ticking" ultimatum and a planned Situation Room meeting on Tuesday, have sharply elevated the risk of renewed full-scale hostilities.
- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 4-8bps higher while belly tenors traded 8-9bps higher and 10Y traded 9bps higher.
- Flows in SGD corporates were heavy, with flows in ACAFP 3.3% '38s, ACAFP 2.75% '32s, ACAFP 4.25% '35s, OUESP 3.25% '33s.
- US Investment Grade spreads tightened by 1bps to 73bps, US High Yield spreads widened by 4bps to 267bps and Bloomberg Global Contingent Capital Index traded flat at 220bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 51bps and Asia USD High Yield spreads tightened by 3bps to 373bps. (Bloomberg, OCBC).

**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

## Credit Summary:

Company	Ticker	Description
<p>Industry Outlook – Singapore Residential Property</p>	<p>NIL</p>	<ul style="list-style-type: none"> <li>• <b>Hudson Place Residences – 61.5% of units sold at average price of SGD2,458 psf:</b> 201 out of 327 units at the project was sold during the launch weekend.</li> <li>• <b>Buyers are mainly residents looking for own-stay:</b> According to the consortium by Qingjiang Realty, Forsea Holdings, CYZ Land and Jianan Capital, 99% of the buyers are Singaporeans and Permanent Residents, of which a large proportion purchased a unit for own-stay. (Business Times, EdgeProp, OCBC)</li> </ul>
<p>Keppel Ltd, StarHub Ltd</p>	<p>KEP, STHSP</p>	<ul style="list-style-type: none"> <li>• As a recap, in August 2025, Keppel Konnect Pte Ltd, a wholly-owned direct subsidiary of KEPSP and Connectivity Pte Ltd, an indirect subsidiary of KEPSP (collectively, the “Vendors”) entered into a sale and purchase agreement with Simba Telecom Pte Ltd (“Simba”), as purchaser, and Tuas Limited, a company listed on the Australian Securities Exchange and spun out of TPG Telecom Limited, as guarantor, for the sale of the entire share capital of M1 Limited (“M1”) following a proposed restructuring (Information and Communication Technology business and certain assets will be carved out). The completion of the transaction was subject to conditions, including regulatory approval from the Infocomm Media Development Authority of Singapore (“IMDA”) and completion of the restructuring.</li> <li>• In March 2026, the long-stop date was extended to 21 May 2026 given that the regulatory review was still ongoing. This morning, it was announced that the IMDA has suspended its assessment of the proposed consolidation between M1 and Simba which, per CNA, the IMDA learned during the review of the deal that Simba may have been using radio frequency bands that had not been assigned to it to provide mobile services.</li> <li>• We understand that KEPSP will be allowing the long-stop date to lapse and will be executing a Plan B which it had been working on. KEPSP will focus on enhancing M1’s efficiency to improve its EBITDA and have a 90-day plan to drive this efficiency. KEPSP continues to target to monetise SGD2bn to SGD3bn of non-core assets in 2026, by bringing forward some planned divestments.</li> <li>• KEPSP’s initial focus will be on strengthening M1 and making M1 more attractive for an eventual divestment in the medium term. KEPSP would have received ~SGD1bn in cash inflow if the deal was completed. We highlighted previously that while KEPSP has shown an ability to monetise assets, the pace and quantum of disposal remain subject to execution risk. Our base case assumes that disposals and operating cash flow continues to be sufficient to fund new acquisitions and investments, though will review the issuer profile should this diverge from our base case.</li> <li>• <b>Will mobile competition intensify?:</b> If the deal to consolidate M1 and Simba lapses, the industry will be back to a 4 player Mobile Network Operator (“MNO”) market, and price wars could intensify again.</li> <li>• <b>Will STHSP acquire M1?</b> We understand that STHSP was previously interested in acquiring M1. If STHSP acquires, we think STHSP’s credit metrics could be strained if the deal were to be funded by debt. However, a longer-term consolidation in the market should return pricing to a more rational level, which should restore margins and protect longer-term profitability. (Company, CNA, OCBC)</li> </ul> <p>Latest report: Credit Update – 30 April 2026</p>

<p>United Overseas Bank Ltd</p>	<p>UOBSP</p>	<ul style="list-style-type: none"> <li>• <b>Selling properties worth SGD387mn:</b> UOBSP announced that it is (1) selling its 20% stake in Novena Square for SGD299mn, (2) undertaking a SGD19.5mn sales and leaseback of its banking hall at Novena Square and (3) selling its share of property at 230 Orchard Road for SGD68.5mn. After the property at 230 Orchard Road is redeveloped, UOBSP will rent back a future banking space.</li> <li>• <b>Rationale is to reallocate capital:</b> According to UOBSP, the transactions are part of its capital reallocation strategy. We think the freed-up capital will be redeployed for its core-banking business. (Company, OCBC)</li> </ul> <p>Latest report: Credit Update – 12 March 2026</p>
<p>BP p.l.c</p>	<p>BPLN</p>	<ul style="list-style-type: none"> <li>• Reuters reported that BPLN is considering selling some of its natural gas assets in Egypt amidst BPLN's new Chief Executive Officer focus on more profitable projects and to strengthen the company's balance sheet. The company has not confirmed a possible sale. (Reuters)</li> </ul> <p>Latest report: Credit Update – 07 April 2026</p>
<p>Prudential PLC</p>	<p>PRUFIN</p>	<ul style="list-style-type: none"> <li>• <b>Limited impacts from acquisition in India:</b> PRUFIN will acquire a 75% controlling stake in Bharti Life Insurance Company Limited ("Bharti Life") for ~USD389mn – USD467mn from Bharti Life Ventures Pte. Ltd. and 360 ONE Asset Management. The impacts are limited as PRUFIN hold a cash and short-term investments of USD4.3bn and a free surplus ratio of 211%.</li> <li>• Besides, PRUFIN is required to reduce its shareholding in ICICI Prudential Life Insurance Company Limited ("ICICI Pru Life") to below 10% from current 22%. ICICI Pru Life is a major life insurer in India with a market of USD8.0bn.</li> <li>• The divestment is driven by India's single presence policy which limits an entity to holding &lt;10% stakes in each class of insurance business (eg. life, general, health and reinsurance). Hence, PRUFIN's stake in other entities (Prudential HCL Health Insurance Limited and ICICI Prudential Asset Management Company Limited) are not affected. (Company, OCBC)</li> </ul> <p>Latest report: Credit Update – 15 April 2026</p>

## **New Issues:**

The total issuance volumes for APAC and DM IG markets last Friday were USD100mn and USD500mn respectively.

There were no notable issuances in the DM IG, APAC and Singdollar markets last Friday.

## **Mandates:**

- There were no notable mandates last Friday.

## Key Market Movements

	18-May	1W chg (bps)	1M chg (bps)		18-May	1W chg	1M chg
iTraxx Asiax IG	75	3	2	Brent Crude Spot (\$/bbl)	111.1	6.6%	22.9%
				Gold Spot (\$/oz)	4,540	-4.1%	-5.8%
iTraxx Japan	63	1	0	CRB Commodity Index	399	2.5%	10.1%
iTraxx Australia	76	4	3	S&P Commodity Index - GSCI	751	0.9%	10.6%
CDX NA IG	54	1	0	VIX	18.4	7.2%	5.4%
CDX NA HY	108	1	0	US10Y Yield	4.62%	20bp	37bp
iTraxx Eur Main	58	2	1				
iTraxx Eur XO	281	5	2	AUD/USD	0.714	-1.5%	-0.5%
iTraxx Eur Snr Fin	61	2	0	EUR/USD	1.163	-1.3%	-1.3%
iTraxx Eur Sub Fin	100	3	0	USD/SGD	1.280	-0.9%	-0.8%
				AUD/SGD	0.914	0.6%	-0.3%
USD Swap Spread 10Y	-43	-2	0	ASX200	8,505	-2.3%	-4.9%
USD Swap Spread 30Y	-75	-2	1	DJIA	49,526	-0.2%	0.2%
				SPX	7,409	0.1%	4.0%
China 5Y CDS	42	1	0	MSCI Asiax	1,103	-2.8%	7.1%
Malaysia 5Y CDS	35	0	-2	HSI	25,580	-3.1%	-2.2%
Indonesia 5Y CDS	87	3	5	STI	4,968	0.5%	-0.6%
Thailand 5Y CDS	51	2	3	KLCI	1,734	-0.7%	2.3%
Australia 5Y CDS	14	1	-1	JCI	6,470	-9.8%	-15.2%
				EU Stoxx 50	5,828	-1.4%	-3.8%

Source: Bloomberg

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