

## Daily Credit Snapshot

### Market Commentary

- White House reportedly rejected Tehran's latest proposal to end the war. Despite this, further escalation was not seen as President Trump called off a planned strike on Iran. This provided some relief for risk assets. The rally in oil eased and the US stock market pared back some of the earlier losses. Crude prices hovered at the USD108/bbl handle, easing from intraday high of USD112/bbl. Global yields closed lower on Monday, after hitting session highs, amid the mix of inflation and fiscal worries. Gilt yields closed the Monday session lower, after UK PM Starmer's political rival Burnham said he will respect the fiscal rules. PM Takaichi is set to announce plans for an extra budget to relieve cost-of-living pressure. On data front, Japan's GDP rose by a faster pace of 2.1% q/q on annualized term in the first quarter, with growth of consumption and exports beating market consensus. Meanwhile, 4Q growth was revised downward to 0.8% q/q. China's activity data broadly weakened in April and missed market expectations, reflecting the impact from the ongoing energy supply shock and still-weak domestic demand.
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 2-4bps higher while belly tenors traded 5-6bps higher and 10Y traded 5bps higher.
- Flows in SGD corporates were moderate, with flows in ACAFP 3.3% '38s, WSTP 3% '38s.
- US Investment Grade spreads widened by 1bps to 74bps, US High Yield spreads widened by 5bps to 272bps and Bloomberg Global Contingent Capital Index widened by 2bps to 222bps.
- Bloomberg Asia USD Investment Grade spreads widened by 3bps to 54bps and Asia USD High Yield spreads widened by 12bps to 385bps. (Bloomberg, OCBC).

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## Credit Summary:

Company	Ticker	Description
<p>City Developments Ltd</p>	<p>CITSP</p>	<ul style="list-style-type: none"> <li>• <b>Board reshuffle: exit of independent director, return of family principal in elevated role:</b> CITSP announced the resignation of independent director Daniel Desbaillets (“Mr Desbaillets”) effective 31 May alongside the return of Mr Kwek Leng Peck to the board on 1 June as Non-Independent Non-Executive Director and newly created role as Vice-Chairman.</li> <li>• <b>Reversal of 2020 board change:</b> Mr Desbaillets was originally appointed in 2020 following the exit of Mr Kwek Leng Peck. Mr Desbaillets’ exit, paired with Kwek Leng Peck’s return, effectively reverses that earlier board transition.</li> <li>• <b>Kwek Leng Peck returns with expanded authority.</b> While Mr Kwek Leng Peck previously served only as Non-Independent Non-Executive Director, his new Vice-Chairman position in our view signals greater board influence and authority than when he exited in 2020.</li> <li>• <b>Rebalancing towards the Chairman’s camp?</b> Mr Desbaillets was aligned with the Sherman Kwek camp during the 2025 boardroom conflict. In contrast, Kwek Leng Peck had resigned in protest over strategic decisions led by management, most notably CITSP’s investment in the debt-ridden Sincere Property Group, which ultimately resulted in a SGD1.9bn loss. During the 2025 dispute, Executive Chairman Kwek Leng Beng publicly attributed the loss to decisions made under CEO Sherman Kwek.</li> <li>• <b>Would this signal stability?</b> In our view, the moves may reduce governance overhang post-family dispute. Meanwhile, this strengthens the alignment with the chairman, which may imply reduced board independence and increased family influence. (Company, OCBC)</li> </ul> <p>Latest report: Credit Update – 16 April 2026</p>
<p>Lendlease Global Commercial REIT</p>	<p>LREIT</p>	<ul style="list-style-type: none"> <li>• LREIT reported 3QFY2026 business update for the period ended 31 March 2026. <b>Overall results are positive with improved (1) operating metrics and (2) capital structure post divestment of Jem office and preferential offering. LREIT’s stable outlook continue to be supported by strong Singapore retail portfolio (~90% of LREIT’s total portfolio value), anchored by Jem, 313@somerset and PLQ Mall.</b></li> <li>• <b>Better operating metrics in 3Q FY2026:</b> Portfolio committed occupancy improved q/q to 95.3% as of 31 March 2026 (December 2025: 94.9%). <ul style="list-style-type: none"> <li>○ <b>Singapore retail remained near full occupancy at 99.7%</b> as of 31 March 2026 (December 2025: 99.5%), indicating continued strong tenant demand for prime retail space. On a like-for-like basis excluding PLQ Mall (acquired in November 2026), visitation and tenant sales rose 5.2% and 2.5% y/y respectively. Meanwhile, 9MFY2026 retail rental reversion grew 12.2% comparing the weighted average rent of outgoing and incoming leases.</li> <li>○ <b>Milan office portfolio occupancy remained stable at 89.1%</b> while rental reversion was positive at 1.5% as annual rental review that pegged to consumer price index.</li> </ul> </li> <li>• <b>Stable credit metrics:</b> As of 31 March 2026, aggregate leverage remained stable q/q at 38.7% (December 2025: 38.4%), with proforma gearing reducing to 37.5% after SGD82.8mn debt repayment post quarter-end using preferential offering proceeds in March 2026. Weighted average cost of debt and interest coverage ratio remained stable at 2.9% and 1.8x respectively. (Company, OCBC)</li> </ul>

		<p>Latest report: Credit Update – 08 August 2025</p>
Commerzbank AG, UniCredit SpA	CMZB, UniCredit	<ul style="list-style-type: none"> <li>The board of managing directors and supervisory board of CMZB recommended shareholders reject UniCredit's voluntary public takeover offer. Following a formal assessment Reasons cited include a price that did not reflect the bank's underlying value as well as a plan that was vague and has considerable risks.</li> <li>CMZB reportedly remains open to further discussions with UniCredit if the offer is improved and a strategy is presented that "builds on the strengths" of CMZB's business model.</li> <li>While UniCredit responded that it disagrees with CMZB's response, it will publish a fuller response at a later date. UniCredit previously submitted its takeover proposal to CMZB shareholders with the acceptance period beginning 5 May and lasting until 16 June. (Company, Bloomberg, OCBC)</li> </ul> <p>Latest report: Credit Update – 04 September 2025</p>
Standard Chartered Plc	STANLN	<ul style="list-style-type: none"> <li>STANLN released materials for Investor Events in Hong Kong this week covering STANLN's strategic initiatives and medium-term financial framework with a strategy to drive compounding growth by leveraging structural trends including wealth expansion, digitalisation, and transition and sustainable finance amongst others.</li> <li>Key actions include accelerating higher-quality income growth through expanding wealth and affluent banking (~75% of Wealth and Retail Banking from Affluent clients by 2028), scaling Financial Institutions ("FI") and cross-border Corporate &amp; Investment Banking ("CIB"), and increasing non-interest income to &gt;50% of group income by 2028. Management expects to achieve this with business mix optimisation, including targeting ~70% network income in CIB and ~60% FI contribution to CIB income in the longer term.</li> <li>STANLN will also drive productivity through a simplified, AI-enabled operating model, targeting a cost-to-income ratio of ~57% by 2028 (vs ~63% in 2025), ~20% uplift in income per employee by 2028, and &gt;15% reduction in corporate function headcount by 2030.</li> <li>Other financial targets include RoTE &gt;15% by 2028 and ~18% by 2030, supported by 5–7% income CAGR, high-teens EPS growth, a 30–35bps through-the-cycle cost of risk, and ≥30% dividend payout ratio. The CET1 ratio will operate within a 13–14% target range (13.4% as of 31 March 2026).</li> <li>In other news, STANLN announced Mr Manus Costello as Chief Financial Officer. Mr Costello is currently global head of investor relations and has been at STANLN since 2024. Other senior appointments include Tanuj Kapilashrami as chief operating officer. (Company, Bloomberg, OCBC)</li> </ul> <p>Latest report: Credit Update – 04 September 2025</p>

## New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD800mn and USD12.2bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
18 May	Oversea-Chinese Banking Corp Ltd	FRN	USD	500	3	SOFR+ 47bps
18 May	Chubb INA Holdings LLC (guarantor: Chubb Ltd)	Fixed	USD	1,000	10	T + 72bps
18 May	Merck & Co Inc	FRN	USD	500	2	SOFR+ 37bps
18 May	Merck & Co Inc	Fixed	USD	1,000	2	T + 25bps
18 May	Merck & Co Inc	Fixed	USD	500	5	T + 40bps
18 May	Merck & Co Inc	Fixed	USD	1,000	7	T + 53bps
18 May	Merck & Co Inc	Fixed	USD	1,500	10	T + 63bps
18 May	Merck & Co Inc	Fixed	USD	500	20	T + 63bps
18 May	Merck & Co Inc	Fixed	USD	1,000	30	T + 73bps
18 May	Northwestern Mutual Life Insurance Co/The	Fixed, Subordinated	USD	1,250	30	T + 93bps
18 May	Charles Schwab Corp/The	Fixed-to-FRN	USD	1,000	4NC3	T + 58bps
18 May	Charles Schwab Corp/The	Fixed-to-FRN	USD	1,250	11NC10	T + 87bps

## Mandates:

- Huzhou City Investment Development Group Co., Ltd may issue USD-denominated notes.

## Key Market Movements

	19-May	1W chg (bps)	1M chg (bps)		19-May	1W chg	1M chg
iTraxx Asiax IG	76	3	3	Brent Crude Spot (\$/bbl)	110.2	2.2%	21.9%
				Gold Spot (\$/oz)	4,539	-3.7%	-5.8%
iTraxx Japan	64	2	2	CRB Commodity Index	406	1.6%	11.9%
iTraxx Australia	77	3	4	S&P Commodity Index - GSCI	765	1.1%	12.7%
CDX NA IG	54	0	0	VIX	17.8	-3.0%	1.9%
CDX NA HY	108	1	0	US10Y Yield	4.61%	15bp	36bp
iTraxx Eur Main	57	-1	1				
iTraxx Eur XO	280	-3	1	AUD/USD	0.713	-1.5%	-0.6%
iTraxx Eur Snr Fin	60	-1	-0	EUR/USD	1.164	-0.8%	-1.2%
iTraxx Eur Sub Fin	99	-1	-1	USD/SGD	1.280	-0.6%	-0.8%
				AUD/SGD	0.913	0.9%	-0.2%
USD Swap Spread 10Y	-42	-0	1	ASX200	8,595	-0.9%	-3.9%
USD Swap Spread 30Y	-74	0	2	DJIA	49,686	-0.0%	0.5%
				SPX	7,403	-0.1%	3.9%
China 5Y CDS	43	1	1	MSCI Asiax	1,099	-1.9%	6.6%
Malaysia 5Y CDS	36	1	-1	HSI	25,733	-2.3%	-1.6%
Indonesia 5Y CDS	89	5	8	STI	5,038	1.9%	0.8%
Thailand 5Y CDS	52	2	3	KLCI	1,729	-1.3%	2.0%
Australia 5Y CDS	14	1	-1	JCI	6,396	-8.2%	-16.2%
				EU Stoxx 50	5,849	-0.8%	-3.4%

Source: Bloomberg

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