By Global Markets | 20 July 2026

Daily Credit Snapshot

Market Commentary

- While geopolitical tensions remained elevated as US and Iran continued in tit-for-tat strikes, investor sentiments were underpinned by softer-than-expected US inflation prints and a measured debut congressional testimony from Fed chair Warsh which prompted a paring back of Fed rate hike expectations from September to year-end. Better-than-expected results from several large US banks last week had reinforced confidence that corporate earnings remain resilient despite higher funding costs. The S&P500 fell 1.01% on Friday, with communications services leading decline and Netflix also slipped to an October 2024 low after forecasting a second quarter of slowing sales growth. The Philadelphia Stock Exchange Semiconductor Index entered a bear market after widening to a 20% drop from its June record, weighed down by news of China's Moonshot Kimi K3 model. Asian markets may open on a slightly cautious tone today while awaiting China's LPR fixings and Malaysia's June trade data. The UK will see Andy Burnham's swearing in as PM today, making him the seventh Prime Minister since the 2016 Brexit vote, and markets are awaiting his Chancellor nomination and policy announcements in coming days. For the week ahead, watch for Taiwan's export orders, inflation data from Singapore and Hong Kong, Germany's ZEW survey, ECB bank lending survey, Eurozone/UK/Asia's manufacturing and services PMIs, as well as Japan's inflation data on Friday. The temporary 10% US global import tariff is also due to expire on Friday unless Congress extends it. On the central bank front, ECB is likely to keep interest rates static on Thursday amid the cooling June euro-area inflationary pressure, while BI is tipped to hike 25bps on Wednesday. The Fed is on black out period for communications ahead of its July 28-29 FOMC policy decision. For corporate earnings, Alphabet and Tesla are reporting on Wednesday, as well as Nestle, 3M, American Express etc.

- The SGD SORA OIS curve traded flat to lower last Friday with shorter tenors trading 0-1bps lower, belly tenors trading flat, and the 10Y tenor also trading flat.

- Flows in SGD corporates were light, with flows in UOBSP 3%-PERP.

- US Investment Grade spreads widened by 1 bps to 77bps, and US High Yield spreads widened by 2bps to 268bps. Bloomberg Global Contingent Capital Index traded flat at 209bps.

- Bloomberg Asia USD Investment Grade widened by 1bps to 56bps, and the Asia USD High Yield spreads tightened by 4bps to 345bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Singapore Airlines Ltd	SIASP	• SIASP has responded to questions posed by the Securities Investors Association of Singapore (“SIASP”) ahead of SIASP’s annual general meeting. The main questions in our view, concerns SIASP’s investment in Air India, amidst losses at Air India, including whether the board established clear capital allocation parameters or investment limits and under what circumstances would the board consider approving additional capital. • There were no hard metrics and target provided by SIASP to SIAS questions surrounding Air India. That said, directionally SIASP is expected to stay committed to its Air India investment. • Per the company, its 25.1%-stake in the enlarged Air India is a pillar of the SIASP’s multi-hub strategy. This recognises India’s growth and aviation market potential and builds on SIASP’s direct participation in India that began more than a decade ago through Vistara, its joint venture with Tata Sons, prior to Vistara’s merger with Air India in November 2024. • The company adds that the Air India investment provides direct access to India’s domestic market and international flows via Indian hubs, complementing the Singapore hub and supporting growth opportunities that cannot be fully realised through a single-hub model. • Per company, its capital allocation follows a disciplined evaluation process that considers its operating cash flow, investment requirements in new aircraft and products, as well as multi-hub investments such as Air India, to support sustainable long-term growth and returns. Adding that, the board will carefully consider any requests for additional capital from Air India, taking into consideration its other capital requirements and Air India’s business strategy. (Company, OCBC) Latest report: Credit Update – 20 May 2026
EU Banking Sector	n/a	• The European Commission (“EC”) released a communication on the competitiveness of the EU banking sector last Friday. The intention was to detail measures aimed to strengthen the single market for banking in Europe and drive economic growth in Europe while maintaining financial stability. • Key measures address three objectives: 1. Remove prudential and non-prudential barriers to cross-border banking activity and promoting market integration to enhance scale and global competitiveness. Measures include more efficient use of capital and liquidity for cross-border banking groups, a more effective common deposit protection mechanism, and closer monitoring of EU anti-money laundering and consumer protection frameworks and their national implementation to allow for easier ways to offer services across borders. 2. Applying international standards while taking into account the specificities and proportionality of the EU banking sector. Measures include reassessing the current implementation of certain international standards that may limit EU banks’ lending capacity and revising prudential and corporate governance rules to reflect EU banks' specificities including size, business models, and activities. 3. Simplifying the regulatory framework for banks to reduce administrative burden while maintaining appropriate

		safeguards. Measures include simplifying the capital stack and standardising and streamlining resolution capital requirements and processes to make banks' macroprudential buffers more consistent. Criteria adjustments are also proposed for small and non-complex institutions. • The EC is now taking stakeholder feedback and will propose new measures in 1Q2027. (EC, Bloomberg)

New Issues:

- The total issuances in the APAC USD and DM IG markets respectively were USD150mn and zero last Friday (prior day: USD200mn and USD3.5bn respectively). (Bloomberg, OCBC)

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	20-Jul	1W chg (bps)	1M chg (bps)		20-Jul	1W chg	1M chg
iTraxx Asiax IG	71	2	3	**Brent Crude Spot ($/bbl)**	90.4	8.5%	12.2%
				Gold Spot ($/oz)	4,001	-0.0%	-4.5%
iTraxx Japan	61	1	1	**CRB Commodity Index**	382	4.3%	5.5%
iTraxx Australia	71	1	3	**S&P Commodity Index - GSCI**	674	6.1%	4.9%
CDX NA IG	52	0	2	**VIX**	18.8	24.9%	11.9%
CDX NA HY	108	-0	-0	**US10Y Yield**	4.55%	-1bp	6bp
iTraxx Eur Main	53	1	2				
iTraxx Eur XO	257	8	10	**AUD/USD**	0.699	1.0%	-0.2%
iTraxx Eur Snr Fin	56	1	2	**EUR/USD**	1.143	0.5%	0.0%
iTraxx Eur Sub Fin	90	1	2	**USD/SGD**	1.292	0.2%	0.1%
				AUD/SGD	0.902	-0.8%	0.3%
USD Swap Spread 10Y	-39	-2	-1	**ASX200**	8,802	-0.1%	-0.3%
USD Swap Spread 30Y	-75	-1	-3	**DJIA**	52,146	-0.9%	1.1%
				SPX	7,458	-1.6%	-0.6%
China 5Y CDS	38	1	-1	**MSCI Asiax**	1,072	-1.7%	-9.7%
Malaysia 5Y CDS	37	0	-1	**HSI**	24,900	2.8%	4.1%
Indonesia 5Y CDS	92	2	4	**STI**	5,518	0.9%	6.3%
Thailand 5Y CDS	43	2	2	**KLCI**	1,732	2.0%	1.2%
Australia 5Y CDS	13	-0	-0	**JCI**	6,176	4.2%	-0.0%
				EU Stoxx 50	6,231	-0.6%	-1.0%

Source: Bloomberg

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