

Daily Credit Snapshot

Market Commentary

- US equities continued to face downward pressure on Thursday, with the three major indices of S&P500, Dow, and Nasdaq edging lower by between 0.3% and 0.4% (S&P500: -0.3%; Dow: -0.4%; NASDAQ: -0.3%). Intraday trading was volatile as elevated energy prices reignited inflation fears, weighing on sentiment. On the energy front, the latest updates suggest that disruptions are spreading across both oil and gas markets. The Strait of Hormuz remains severely impaired. In Qatar, the damage appears increasingly serious, with QatarEnergy revealing that the damages to Ras Laffan have wiped out 17% of Qatar's LNG capacity for up to five years. Meanwhile, President Donald Trump warned Iran that the US will "blow up" Iran's South Pars gas field if strikes against Qatar's energy facilities continue. So far, Iranian strikes against its Gulf neighbours have been tolerated by the Gulf states, but patience may be wearing thin following a warning by Saudi Foreign Minister Prince Faisal bin Farhan Al Saud. On the central bank front, both the Bank of England (BOE) and European Central Bank (ECB) kept their policy rates unchanged at their 19 March meetings. Both sounded noticeably more cautious due to the impact of the ongoing conflict in the Middle East. The BOE voted unanimously to hold the Bank Rate at 3.75%. The near-term inflation outlook has been revised higher, with the BOE expecting inflation to be close to 3.5% in March and around 3.0% in 2Q26. Regarding the ECB, its message was "the war in the Middle East has made the outlook significantly more uncertain, creating upside risks for inflation and downside risks for economic growth. It will have a material impact on near-term inflation through higher energy prices. Its medium-term implications will depend both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy." The new ECB staff projections reveal that the baseline headline inflation has been revised higher to 2.6%, while the baseline growth has been revised lower to 0.9%.
- The SGD SORA OIS curve traded higher yesterday with shorter and belly tenors trading 5-6bps higher while 10Y tenors traded 4bps higher.
- Flows in SGD corporates were light, with flows in STANLN 4.3%-PERP.
- Global Investment Grade spreads tightened by 1bps to 88ps and Global High Yield spreads widened by 5bps to 314bps respectively.
- Bloomberg Global Contingent Capital Index widened by 8ps to 255bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 63bps and Asia USD High Yield spreads widened by 14bps to 411bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Industry Outlook – Oil & Gas	NIL	<ul style="list-style-type: none"> Energy Minister of Australia, Mr Chris Bowen confirmed that the prime minister’s department have requested the Treasury to model options on imposing a new levy on gas as well as thermal coal companies as well work on options for further reform of the Petroleum Resources Rent Tax. Per ABC News, this suggests that the government is seeking advice on whether to impose a tax on the windfall profits that such companies are making amidst the geopolitical conflict in the Middle East which has led to higher gas prices. Companies under our coverage headquartered in Australia that operate in the Australian oil & gas sector are Woodside Energy Group Ltd (“WDSAU”) and Santos Ltd (“STOAU”). Global energy companies Exxon Mobil Corporation (“XOM”) and BP p.l.c (“BPLN”) also have business interests in the country. (Bloomberg, ABC News)
CK Asset Holdings Ltd	CKPH	<ul style="list-style-type: none"> CKPH reported 2025 results. Overall underlying results were stable, supported by resilient recurring income streams, which helped offset margin pressure in Property Sales and the impact of asset impairment in the Pub Operation segment. Credit metrics remained healthy, underpinned by prudent financial policy and low gearing. The outlook is supported by a diversified recurring income base, recovering housing and office markets in HKSAR, healthy credit metrics and continued capital recycling activities. Revenue rose 19.9% y/y to HKD85.8bn, while underlying profit before investment property revaluation rose 2.7% y/y to HKD12.0bn. Profit attributable to shareholders declined 20.3% y/y to HKD10.8bn (FY2024: HKD13.7bn) mainly due to -HKD1.1bn fair value losses on investment properties (2024: +HKD2.0bn) Segment details: <ul style="list-style-type: none"> Property Sales revenue surged 105.3% y/y to HKD20.4bn, with profit contribution rising 23.7% y/y to HKD2.7bn. However, profit margin fell to 13.4% (2024: 22.2%) due to provisions for properties for sale (HKD2.35bn) and promotional discounts in weak HKSAR market conditions. Contracted but unrecognised sales fell to HKD20.7bn (2024: HKD31.7bn), of which HKD19.7bn is expected to be recognised in 2026. Property Rental revenue was broadly stable at HKD6.0bn (-1.9% y/y) despite the headwinds in retail and office markets in HKSAR and mainland China, while profit contribution fell 2.2% y/y to HKD4.6bn. HKSAR and Mainland portfolios saw declines amidst soft demand, partly offset by higher contributions from UK social infrastructure properties. Hotel & Serviced Suites Operation revenue increased 6.0% y/y to HKD4.7bn while profit contribution remained stable y/y at HKD1.66bn (+0.4% y/y). Both hotel (+8ppts y/y) and serviced suites (-1ppt y/y) recorded solid occupancy of 90%, supported by rising HKSAR visitor arrivals and resilient demand. Pub Operation revenue rose 7.4% y/y to HKD26.2bn. However, profit contribution fell 41.9% y/y to HKD313mn due to asset impairment charges of HKD1.62bn (FY2024: HKD1.23bn) amid a challenging inflationary environment in the UK. Excluding the impairment, profit contribution rose 9.1% y/y to HKD1.93bn. Infrastructure & Utility Assets continued to deliver stable and recurring income, with revenue rising 7.1% y/y to HKD27.6bn and profit contribution up 3.6% y/y to HKD8.66bn. In 2026, CKPH is expected to record a HKD617mn and HKD8.4bn disposal gains in 2026 from Eversholt

		<p>UK Rails (20% stake while total transaction consideration based on a 100% stake is GBP1.1bn or HKD11.6bn) and UK Power Networks (20% stake while total transaction consideration based on a 100% stake is GBP10.5bn or HKD110bn).</p> <ul style="list-style-type: none"> • Strong credit metrics with substantial proceeds from disposals in 2026: Adjusted net debt (including perpetuals and lease liabilities) fell to HKD22.4bn (2024: HKD29.2bn). Adjusted net debt / EBITDA improved y/y to 1.1x (2024: 1.5x) while interest coverage ratio improved slightly to 4.0x (2024: 3.8x). CKPH is expected to return to net cash position again given the proceeds of HKD2.3bn and HKD22bn from disposals of Eversholt UK Rails and UK Power Network. • Stable outlook: Given the recovering residential and office property markets in HKSAR, CKPH's is expected to benefit from the turnaround. Besides, CKPH is also well underpinned by its diversified recurring income base (85% of operating profit in 2025 are recurring in nature). CKPH continues to maintain a conservative financial policy with healthy credit metrics, which are likely to improve further from the two announced disposals in 2026. <p>Latest report: Credit Update – 28 May 2025</p>
<p>FWD Group Holdings Limited</p>	<p>FWDGHD</p>	<ul style="list-style-type: none"> • FWDGHD reported decent 2025 results, delivering improved financial performance across new business value, earnings, capital strength, and cash generation. FWDGHD's results was supported by broad-based organic growth across most of the 10 Asian markets. FWDGHD maintained a robust balance sheet following its successful Hong Kong IPO in July 2025. The outlook remains supported by demographic tailwinds, rising insurance penetration, and strong capital strength. • Annualised Premium Equivalent ("APE") increased 25% y/y to USD2.45bn, driven by exceptional growth in HKSAR & Macau (+51% y/y), solid performance in Japan (+11%y/y) and Emerging Markets (+27% y/y). • New Business Contractual Service Margin ("NBCSM") rose 18% y/y to USD1.48bn, supported by higher APE and improved operating variances, offset by modestly narrower NBCSM margin at 61.0% (2024: 63.4%). Meanwhile, Value of New Business ("VNB") grew 11% y/y to USD945m. • Operating Profit After Tax ("OPAT") increased 5% y/y to USD499m, driven by higher CSM release while partly offset by the methodology refinement in Emerging Markets and lower net investment result. <ul style="list-style-type: none"> ○ Insurance service result rose 19% y/y to USD795m, underpinned by higher CSM release from new business and in-force growth. ○ Net investment result fell 15% y/y to USD272m, due to lower mix of equity securities and lower interest income y/y. • Net underlying free surplus generation ("Net UFSG") increased 20% y/y to USD857mn, primarily from improvement in operating variances and free surplus uplift from reinsurance transactions. • Strong capital strength: FWD reported a Group Local Capital Summation Method ("LCSM") coverage ratio of 265%, up y/y from 260%, substantially higher than regulatory requirement. • Robust CSM expansion supports earnings visibility: The CSM balance increased 24% y/y to USD6.56bn as of end-2025, representing a sizeable stock of unearned future profits. • Prudent investment: FWD's investment portfolio remained conservatively positioned, with over 84% in fixed income and 96% rated investment grade. • Stable outlook is underpinned by scale, diversified distribution, and digital leadership: FWD is poised to benefit from Asia's fast-expanding protection and

		<p>savings markets, favourable Demographic trends, rising wealth levels, and low insurance penetration position. (Company, OCBC)</p> <p>Latest report: Credit Update – 04 September 2025</p>
<p>Hongkong Land Holdings Ltd and The Hongkong Land Company Ltd, Suntec Real Estate Investment Trust</p>	<p>HKLSP, HKCL, SUNSP</p>	<ul style="list-style-type: none"> • HKLSP has bought a 10.8%-stake in SUNSP from ESR Group Limited (“ESRCAY”) for a total cash consideration of SGD541mn. While a sale of stake in SUNSP is within expectations, the purchase by HKLSP is a surprise given that HKLSP has traditionally not taken up stakes in listed REITs. • Per HKLSP, the acquisition will enable it to deploy recently recycled capital into prime, income-producing commercial assets in Singapore. The investment in SUNSP was made at a discount to the SUNSP’s net asset value as at 31 December 2025. Based on our calculation this discount is ~16%. • SUNSP’s Singapore portfolio which includes a ~33%-interest in Marina Bay Financial Centre (Towers 1 & 2) as well as ~33%-interest in One Raffles Quay are the same assets in which HKLSP’s managed fund, the Singapore Central Private Real Estate Fund (“SCPREF”) also holds a ~33%-interest in. (Company, Straits Times) <p>Latest report: SUNSP Credit Update – 26 January 2026 Latest report: HKLSP & HKCL Credit Update – 28 May 2025</p>
<p>Bank of America Corp, Citigroup Inc, Goldman Sachs Group Inc/The, JPMorgan Chase & Co, Morgan Stanley, Wells Fargo & Co</p>	<p>BAC, C, GS, JPM, MS, WFC</p>	<ul style="list-style-type: none"> • Overnight, the Fed, FDIC and OCC unveiled capital relief plans for major US banks with plans to reduce capital requirements. The proposals are subject to a 90-day public consultation before they can be finalized. • Category I and II banks (US largest banks) will see a release of 2.4% less in CET1 requirements. Including proposed stress test changes, the cumulative impact on capital release will be 4.8%. • The proposals are subject to a 90-day public consultation before they can be finalized. Still, it could take a longer time to finalize the proposals as regulators navigate potential complications, including a new Fed chair. • If the proposal proceeds as planned, the resulting combined capital relief for JPM, BAC, C, WFC, GS and MS are expected to be up to USD45bn. (Source: Fed, OCBC Research) <p>Latest report: Credit Updates – 23 January 2026</p>

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD300mn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
19 Mar	Commerzbank AG	FRN, Senior Preferred	USD	300	3	SOFR+75bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	20-Mar	1W chg (bps)	1M chg (bps)		20-Mar	1W chg	1M chg
iTraxx Asiax IG	78	-5	12	Brent Crude Spot (\$/bbl)	106.7	3.5%	48.7%
				Gold Spot (\$/oz)	4,692	-6.5%	-8.1%
iTraxx Japan	66	-4	8	CRB Commodity Index	364	-0.2%	17.1%
iTraxx Australia	80	-2	14	S&P Commodity Index - GSCI	728	0.7%	20.8%
CDX NA IG	59	-2	7	VIX	24.1	-11.8%	26.0%
CDX NA HY	106	0	-2	US10Y Yield	4.25%	-1bp	18bp
iTraxx Eur Main	65	1	13				
iTraxx Eur XO	311	4	63	AUD/USD	0.709	1.5%	0.1%
iTraxx Eur Snr Fin	69	-0	15	EUR/USD	1.156	1.2%	-1.9%
iTraxx Eur Sub Fin	118	-1	26	USD/SGD	1.280	0.2%	-1.0%
				AUD/SGD	0.907	-1.3%	-1.0%
USD Swap Spread 10Y	-44	3	-3	ASX200	8,428	-2.2%	-7.2%
USD Swap Spread 30Y	-80	1	-11	DJIA	46,021	-1.4%	-7.3%
				SPX	6,606	-1.0%	-4.4%
China 5Y CDS	47	-3	4	MSCI Asiax	964	0.7%	-4.8%
Malaysia 5Y CDS	48	1	11	HSI	25,336	-0.5%	-4.1%
Indonesia 5Y CDS	93	1	12	STI	4,948	2.2%	-1.4%
Thailand 5Y CDS	55	4	17	KLCI	1,721	0.6%	-1.9%
Australia 5Y CDS	15	1	2	JCI	7,107	-4.5%	-14.6%
				EU Stoxx 50	5,614	-2.3%	-8.4%

Source: Bloomberg

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