

Daily Credit Snapshot

Market Commentary

- The US session overnight dominated by geopolitical headlines, some data releases, and Fed speak. US equities closed lower (S&P: -0.67%; NASDAQ: -0.84%; Dow: -0.65%), the DXY index inched higher with UST yields higher on the day but closing below intra-highs. On geopolitics, President Trump threatened to resume attacks on Iran in the coming days stating, "I hope we don't have to do the war, but we may have to give them another big hit". He further elucidated that the timeline could be "two or three days, maybe Friday, Saturday, Sunday". The incoming data continued to support the narrative of a relatively resilient US economy. US ADP weekly employment change data showed 42.25k jobs were added for the week of 02 May from 33k the previous week pointing to stability in the labour markets. Pending home sales for the month of April held up well, up 1.4% m/m SA from 1.7% in March with the year-on-year reading at 3.3% from 1.8% in March. Indeed, Federal Reserve Bank of Philadelphia President Anna Paulson noted that "policy is mildly restrictive and that restrictiveness is helping to keep inflation pressures in check while the labour market remains stable." She added that "keeping rates steady" allows the Fed "to assess how the economy is evolving and the risks to both price stability and the labour market" and "assuming the labour market remains in balance, rate cuts would only become appropriate once we have seen sustained progress on inflation." Fed fund futures, however, are now pricing in 19.6bp in rate hikes by end-2026.
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher while belly tenors traded 1-2bps higher and 10Y traded 3bps higher.
- Flows in SGD corporates were moderate, with flows in STANLN 4.3%-PERP, HSBC 5.25%-PERP.
- US Investment Grade spreads were unchanged at 74bps, US High Yield spreads widened by 1bps to 273bps and Bloomberg Global Contingent Capital Index widened by 2bps to 224bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 3bps to 51bps and Asia USD High Yield spreads tightened by 6bps to 379bps. (Bloomberg, OCBC)

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Credit Summary:

- There are no headlines for today.

New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were USD2.02bn and USD17.15bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
19 May	Housing & Development Board	Fixed	SGD	1,100	10	2.472%
19 May	Kubota Credit Corp USA (guarantor: Kubota Corp)	Fixed	USD	500	3	T + 58bps
19 May	Veon Midco BV (guarantor: VEON Amsterdam BV)	Fixed	USD	700	5NC2	6.95%
19 May	Veon Midco BV (guarantor: VEON Amsterdam BV)	Fixed	USD	700	7NC3	7.45%
19 May	ABN AMRO Bank NV	Green, FRN, Senior Preferred	USD	1,000	5	SOFR+ 85bps
19 May	Appalachian Power Recovery Funding LLC	Fixed, Secured	USD	450	9	T + 65bps
19 May	Appalachian Power Recovery Funding LLC	Fixed, Secured	USD	325.5	14	T + 72bps
19 May	Appalachian Power Recovery Funding LLC	Fixed, Secured	USD	600	20	T + 65bps
19 May	Ecolab Inc	Fixed	USD	1,200	3	T + 43bps
19 May	Ecolab Inc	Fixed	USD	900	5	T + 53bps
19 May	Ecolab Inc	Fixed	USD	1,500	7	T + 68bps
19 May	Ecolab Inc	Fixed	USD	1,400	10	T + 73bps

19 May	Ford Motor Credit Co LLC	Fixed	USD	1,000	10	T + 180bps
19 May	Mobility Global Inc	Fixed	USD	650	3	T + 88bps
19 May	Mobility Global Inc	Fixed	USD	650	5	T + 115bps
19 May	Mobility Global Inc	Fixed	USD	700	10	T + 142bps
19 May	Georgia Power Co	FRN	USD	600	1.50	SOFR+ 42bps
19 May	Georgia Power Co	Fixed	USD	550	3	T + 42bps
19 May	Georgia Power Co	Fixed	USD	150	Retap of its SO 4.85% '31s	T + 50bps
19 May	Societe Generale SA	Fixed-to-FRN, Senior Non-Preferred	USD	1,250	6NC5	T + 105bps
19 May	Xylem Inc/NY	Fixed	USD	500	7	T + 75bps
19 May	Xylem Inc/NY	Green, Fixed	USD	500	10	T + 80bps

Mandates:

- ABN AMRO Bank N.V. may issue USD-denominated 5Y FRN EuGBs Green Senior Preferred bonds.

Key Market Movements

	20-May	1W chg (bps)	1M chg (bps)		20-May	1W chg	1M chg
iTraxx Asiax IG	76	3	3	Brent Crude Spot (\$/bbl)	110.8	4.9%	16.1%
				Gold Spot (\$/oz)	4,471	-4.6%	-7.3%
iTraxx Japan	64	2	2	CRB Commodity Index	406	0.4%	10.0%
iTraxx Australia	77	2	4	S&P Commodity Index - GSCI	763	1.8%	9.8%
CDX NA IG	55	1	1	VIX	18.1	0.4%	-4.3%
CDX NA HY	107	0	0	US10Y Yield	4.66%	19bp	41bp
iTraxx Eur Main	58	1	2				
iTraxx Eur XO	286	8	6	AUD/USD	0.710	-2.1%	-1.0%
iTraxx Eur Snr Fin	61	1	0	EUR/USD	1.160	-1.0%	-1.6%
iTraxx Eur Sub Fin	100	3	0	USD/SGD	1.282	-0.7%	-0.9%
				AUD/SGD	0.911	1.4%	0.1%
USD Swap Spread 10Y	-43	-0	0	ASX200	8,497	-1.5%	-5.1%
USD Swap Spread 30Y	-75	-0	0	DJIA	49,364	-0.8%	-0.2%
				SPX	7,354	-0.6%	3.4%
China 5Y CDS	43	2	1	MSCI Asiax	1,083	-3.8%	4.5%
Malaysia 5Y CDS	35	1	-2	HSI	25,617	-2.9%	-2.8%
Indonesia 5Y CDS	91	6	9	STI	5,039	0.7%	0.7%
Thailand 5Y CDS	53	3	4	KLCI	1,722	-1.4%	1.1%
Australia 5Y CDS	14	1	-0	JCI	6,332	-8.3%	-16.6%
				EU Stoxx 50	5,851	0.7%	-2.2%

Source: Bloomberg

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