Daily Credit Snapshot

Market Commentary

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- Awaiting the upcoming Trump-Xi meeting on Thursday: US Treasury Secretary Bessent and Chinese Vice Premier He Lifeng met yesterday to reportedly discuss a framework to cut tariffs on USD30bn of goods, with potential relief on Chinese LNG and agricultural goods. Looking beyond the optics, an extension of the trade truce and progress on rare-earth supply chains could matter than niceties. In a somewhat uneasy equilibrium, Wall Street recovered on Friday, with the S&P 500 up 0.17%, but closed down 0.1% for the week. Meanwhile, the 10-year Treasury yield hovered around 5% as markets priced in another two hikes by year-end despite the Fed's 25bp hike on Wednesday. US President Trump also signed legislation giving him substantially broader powers to impose tariffs on countries buying Russian oil and gas, potentially raising the cost of energy and trade for China and India in particular. Separately China also left the one and five-year LPRs unchanged at 3.00% and 3.50% respectively. Asian markets are likely to range trade today, given a very light economic data calendar. Fed's Goolsbee, ECB's Pametta and BOC's Macklem are also speaking today. For the week ahead, besides the Trump-Xi developments, keep an eye on US flash manufacturing/services PMIs on Wednesday, jobless claims and new-home sales Thursday, and durable goods plus final Michigan sentiment Friday. More importantly, a heavy schedule of Fed speakers could reinforce the hawkish message. Fed's Schmid had earlier opined that "a broad range of goods and services" are showing price growth inconsistent with the 2% target. On earnings, Costco and Accenture are due to report on Thursday. On the central bank front, BI is anticipated to keep its policy rate steady at 5.75% on Wednesday while SNB and Riksbank are also expected to stay on hold on Thursday.

- The SGD SORA OIS curve traded lower last Friday with the shorter tenors trading 1-3bps lower, belly tenors trading 4-5bps lower, and 10Y tenor trading 5bps lower.

- Flows in SGD corporates were moderate, with flows in OCBCSP 3.2%-PERP, STANLN 4.3%-PERPS.

- US Investment Grade tightened by 1bps to 75bps, and US High Yield spreads tightened by 2bps to 267bps respectively. Bloomberg Global Contingent Capital spreads tightened by 1bps to 201bps.

- Bloomberg Asia USD Investment Grade spread tightened by 3bps to 53bps, and the Asia USD High Yield spreads tightened by 9bps to 323bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
Suntec Real Estate Investment Trust	SUNSP	• Following the change in SUNSP's sponsor, the board of directors of the SUNSP REIT Manager undertook a strategic review. SUNSP plans to enhance unitholder returns, strengthen balance sheet and improve the overall quality of the portfolio. • The REIT Manager views that there continues to be compelling case to grow SUNSP's investment in Singapore with the fundamentals of the commercial property market in Singapore remaining favourable and as such SUNSP will continue to explore opportunities to strengthen SUNSP's presence in Singapore. We note that sponsor's related parties own 9 Penang Road near Dhoby Ghaut MRT station which currently houses a global private bank and this may form Singapore acquisition pipeline. • SUNSP will also be launching formal sale campaigns for three properties in Australia, namely 177 Pacific Highway (Sydney, mainly office), 21 Harris Street (Sydney, mainly office) and 477 Collins Street (Melbourne, mainly office). All three properties have a 100% committed occupancy as at 30 June 2026. On an aggregate basis, these properties are independently valued at AUD1.2bn (~SGD1.1bn) as at 31 December 2025. • Per SUNSP, a divestment, if successful, can reduce SUNSP's reported aggregate leverage ratio to below 40%, providing the headroom to support SUNSP's future acquisition opportunities, unit buy-back and / or capital distribution. This would also reduce the earnings drag arising from the high-interest rate environment in Australia and improve the SUNSP's interest coverage ratio. (Company, OCBC) Latest report: Credit Update – 26 January 2026
Macquarie Group Ltd	MQGAU	• MQGAU's Macquarie Capital is cutting staff at its infrastructure investment unit, Macquarie Capital Infrastructure Principal, as investments slowdown as per The Australian Financial Review ("AFR"). The senior managing director and managing director of the unit, both specialising in digital infrastructure in London, have tendered their resignations this month. Bankers in the unit have been offered voluntary redundancies. • The unit, formerly Infrastructure and Energy Capital, has shrunk from a peak of 130 employees to just 40 this year, having previously developed Sydney's Martin Place metro station and invested in California-based Prime Data Centres. The latest exits stem from a slower investment period amid high interest rates amidst other concerns, with executives approving only a handful of the usual 5–10 annual deals over the past 18 months; recent ones including a partnership with Singapore's Zerra DC on an AUD30bn Queensland data centre for Anthropic, and a joint venture with Chiron Energy for 1GW of solar capacity and 500MW of battery storage by 2035. Other concerns raised by staff also prompted a review of the Infrastructure and Energy Capital team. • The transaction slowdown follows a major restructuring of the Infrastructure and Energy Capital team. Global head Mark Bradshaw departed as part of the overhaul, and the business was split in two, with executive chairman David Roseman taking charge of a new infrastructure principal team focused on digital infrastructure and energy. The team is expected to pursue larger deals of at least AUD100mn, with ambitions to make investments worth AUD400–500mn. (Australian Financial Review, OCBC) Latest report: Credit Update - 26 August 2026
AIMS APAC REIT	AAREIT	• AIMS APAC REIT Management Limited, in its capacity as REIT Manager announced that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of AAREIT has increased the maximum aggregate principal amount of bonds and perpetuals which may be issued from time to time under the SGD750mn multicurrency debt issuance programme from SGD750mn to SGD2bn. (Company) Latest report: Credit Update – 25 May 2026

New Issues:

- APAC and DM IG issuance were USD216mn and USD250mn respectively yesterday (prior day: USD500mn and USD19.5bn).

Mandates:

- There were no notable mandates today.

Key Market Movements

	Last Price	1W chg (bps)	1M chg (bps)		Last Price	1W chg	1M chg
US IG Credit Spread	75	-3	-6	Brent Crude Spot ($/bbl)	101.9	-3.6%	7.9%
US HY Credit Spread	267	2	-8	Gold Spot ($/oz)	4,349	1.1%	-5.5%
Global Contingent Capital Credit Spread	201	0	-5	CRB Commodity Index	423	-0.1%	4.0%
Asia IG Credit Spread	53	-2	-3	S&P Commodity Index - GSCI	749	-0.2%	4.5%
Asia HY Credit Spread	323	10	-5	VIX	14.8	-6.5%	-2.1%
				US10Y Yield	4.97%	-2bp	23bp
iTraxx Asiax IG	64	-3	-3				
iTraxx Japan	54	-1	-2	AUD/USD	0.713	-0.2%	-0.6%
iTraxx Australia	66	-2	-2	EUR/USD	1.147	-0.6%	-1.8%
CDX NA IG	51	-1	-0	USD/SGD	1.276	-0.4%	-0.5%
CDX NA HY	107	0	-0	AUD/SGD	0.909	-0.2%	0.2%
iTraxx Eur Main	54	0	3				
iTraxx Eur XO	260	-3	9	ASX200	8,732	-0.2%	-3.6%
iTraxx Eur Snr Fin	57	1	3	DJIA	51,683	-1.7%	-3.0%
iTraxx Eur Sub Fin	93	2	6	SPX	7,651	-0.1%	-0.3%
				MSCI Asiax	1,132	1.0%	-0.8%
USD Swap Spread 10Y	-39	0	1	HSI	24,907	-0.0%	-4.2%
USD Swap Spread 30Y	-68	2	3	STI	5,673	-0.8%	-0.3%
				KLCI	1,671	-0.9%	-3.8%
China 5Y CDS	33	-2	-2	JCI	6,424	-1.7%	-1.6%
Malaysia 5Y CDS	33	-1	-1	EU Stoxx 50	6,236	-1.4%	-3.5%
Indonesia 5Y CDS	82	-1	-1				
Thailand 5Y CDS	41	-2	0				
Australia 5Y CDS	13	0	-0				

Prices shown above are based on the latest available price or the previous market close

Source: Bloomberg

Disclaimers