

Daily Credit Snapshot

Market Commentary

- US equities traded firmer overnight after a choppy session, with sentiment supported by cautious optimism surrounding US-Iran peace talks, even as the situation remains fragile. The S&P, Nasdaq, and Dow rose between 0.1% and 0.6% (S&P500: 0.2%; Dow: 0.6%; NASDAQ: 0.1%). US equities initially traded lower amid renewed concerns over Iran's uranium stockpile. The trigger was a Reuters report stating that Iran's Supreme Leader, Ayatollah Mojtaba Khamenei, had ordered the country's near-weapons-grade uranium not to be sent abroad — a key US condition for ending the conflict. As such, this development complicates hopes for progress in talks between Washington and Tehran. However, losses were pared back as oil prices reversed lower after US Secretary of State Marco Rubio said there had been "some good signs" in talks with Iran. Reuters also reported that a senior Iranian source shared that "no deal has been reached but that gaps have been narrowed, adding that Iran's uranium enrichment and Tehran's control over the Strait of Hormuz remain among the sticking points." ADNOC's chief executive warned that full oil flows through the Strait of Hormuz may not return before 1H2027, even if the conflict ends immediately. He noted that it would still take at least four months to restore flows to around 80% of pre-conflict levels, underscoring how supply chains may remain impaired even under a ceasefire. On the economic front, the S&P Global US flash PMIs were mixed in May. The flash manufacturing PMI rose to 55.3, up from 54.5 the previous month — its highest reading since May 2022, as firms built inventories to protect against shortages and rising costs linked to the Iran war. In contrast, the services PMI edged down to 50.9 from 51.0. As a result, the composite PMI was unchanged at 51.7. A key concern is that supply strains are feeding through to prices, with "manufacturing input costs registered their largest monthly increase since June 2022. While the rise in services costs was muted compared to manufacturing, it was nonetheless the steepest recorded for a year."
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-5bps higher while belly tenors and 10Y traded 5-6bps higher.
- Flows in SGD corporates were moderate, with flows in HSBC 5.25%-PERP, STANLN 4.3%-PERP.
- US Investment Grade spreads traded flat at 73bps, US High Yield spreads tightened by 1bps to 267bps and Bloomberg Global Contingent Capital Index tightened by 1bps to 226bps.
- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 52bps and Asia USD High Yield spreads tightened by 5bps to 383bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Keppel Ltd	KEPSP	<ul style="list-style-type: none"> In relation to the proposed divestment of M1 Limited (“M1”), KEPSP provided an update that the Sale and Purchase Agreement has terminated as the relevant approvals from the Infocom Media Development Authority of Singapore (“IMDA”) was not fulfilled by the extended long-stop date. In our view, this means KEPSP is free to enter into discussions with other parties with regards to a proposed transaction of M1 if it so chooses to. (Company, OCBC) <p>Latest report: Credit Update – 30 April 2026</p>
Genting Berhad, Genting Overseas Holdings Limited	GENB, GENTMK	<ul style="list-style-type: none"> GENB reported 1Q2026 results. Overall 1Q2026 results were weaker due primarily to meaningfully weaker earnings from Singapore (-29% y/y to MYR568.5mn), offset by better Adjusted EBITDA from Malaysia (+1% y/y to MYR645.3mn) and US and Bahamas (+68% y/y to MYR279.9mn). While weaker 1Q2026 results and credit metrics were reported, we expect GENB’s outlook continues to be underpinned by the stable earnings from Leisure & Hospitality in Malaysia which has a monopoly status in Malaysia. Besides, Resorts World New York City will also benefit from a monopoly status in the gaming market of downstate New York for the next three to four years until 2030. Meanwhile, Resorts World Las Vegas is likely to benefit from higher convention attendance in Las Vegas, as the Las Vegas Convention Center completed its expansion at the end of 2025 with 30% more capacity. While Genting Singapore Limited’s (“GENS”) 1Q2026 results were disappointing, we believe GENS’s outlook to be supported by the largely stable tourism receipts expectation in 2026. Meanwhile, GENS’s SGD6.8bn RWS 2.0 expansion plan (~SGD4.8bn left to invest as of end-2025) on Resorts World Sentosa (“RWS”) is underpinned by GENS’s net cash of SGD3.2bn (as of end-2025) and earnings. The expansion plan is expected to improve the appeal of RWS and eventually earnings of GENS. 1Q2026 revenue grew 2% y/y to MYR6.66bn amidst higher contribution from Malaysia, UK & Egypt and US and Bahamas. EBITDA excluding non-recurring items, impairment losses, pre-operating expenses, redundancy costs, gain or loss on disposal of assets and assets written off (“Adjusted EBITDA”) fell 8% y/y to MYR1.83bn. Adjusted EBITDA of <ul style="list-style-type: none"> Leisure & Hospitality (“L&H”) fell 7% y/y to MYR1.54bn driven primarily by weaker EBITDA contribution from Singapore (-29% y/y to MYR568.5mn) amidst weaker gaming revenue, higher operating costs and Middle East impacts. Improvements were seen in Resorts World Las Vegas (“RWLV”) with better occupancy and average daily rate at 91.5% (1Q2025: 83.9%) and USD287 (1Q2025: USD285) respectively amidst robust calendar of conventions and Las Vegas city-wide events. Plantation fell 23% y/y to MYR188.8mn amidst reduced production. Other segments fell 39% y/y to MYR92.2mn Credit metrics weakened with net debt/annualised Adjusted EBITDA weakened to 3.8x (2025: 3.0x) while Adjusted EBITDA/interest expenses weakened to 3.4x (2025: 3.8x) amidst higher debts and lower Adjusted EBITDA. <p>Latest report: Recent Issue Commentary – 23 April 2026</p>

<p>Lenovo Group</p>	<p>LENOVO</p>	<ul style="list-style-type: none"> • Lenovo released FY2026 results for the year ended March 31, 2026. EBITDA rose 29.5% y/y to USD 5.0bn, driven by strong topline growth of 20.3%. Free cash flow, which reflects all cash movements excluding net debt financing, reached USD962mn, representing a USD1.5bn improvement from FY2025. This resulted in a net cash position of USD 242mn, implying a net leverage of -0.05x. • Revenue was up 20.3% y/y to USD83.1bn. All three business segments achieved strong double-digit y/y revenue growth, further expanding market share despite a year of tariffs, rising component costs, and the war in the Middle East. In 4QFY2026, AI-related revenues reached 38% of total revenue and grew 84% y/y. • EBITDA rose 29.5% y/y to USD 5.0bn, with margin expansion of 40bps to 6.0%, driven by strong AI demand, efficiency, economies of scale and improved revenue mix. • Operating cash flow increased 266% y/y to USD4.0bn, supported by USD5.0bn EBITDA and USD400mn of net working capital inflows. • Investing cash flow was -USD1.9bn, compared to -USD1.0bn in the prior year, driven by higher capex. • On financing cash flow, shareholder returns were flat y/y at -USD680mn, while net equity financing cash outflows decreased by about half a billion to -USD478mn. (Company, OCBC) <p>Latest report: Credit Update 13 March 2025</p>
<p>Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara</p>	<p>PLNIJ</p>	<ul style="list-style-type: none"> • PLNIJ reported FY2025 net profit of IDR7.3tn (-65.8% y/y), reflecting materially weaker profitability despite continued top-line growth, driven by higher operating costs alongside significant FX losses. Profit before tax declined to IDR13.0tn (2024: IDR28.3tn), while operating profit fell 18.8% y/y to IDR49.2tn, indicating margin compression across core operations. • Revenue increased 6.8% y/y to IDR582.7tn, underpinned by growth in electricity sales (+3.9% y/y to IDR367.1tn), higher government compensation income (IDR112.7tn) and subsidies (IDR87.5tn). • However, operating expenses rose faster (+10.0% approx.) to IDR533.5tn, primarily driven by fuel and lubricant costs (+10.8% y/y) and purchased electricity (+9.3% y/y), alongside higher personnel and maintenance costs, compressing profitability. • Capex remained elevated at ~IDR63.7tn in 2025 (IDR63.5tn in 2024), largely directed toward generation, transmission and distribution assets, with additional committed capex of ~IDR23.0tn for power plant and network expansion projects. This is down from ~IDR37.2tn in 2024. • PLNIJ is currently implementing the Electricity Supply Plan for 2025-2034 (“RUPTL”) that seeks to add 69.5GW of additional generation and energy storage by 2034, mostly from new and renewables. PLNIJ currently controls ~49.2GW or over 61.5% of Indonesia’s total installed generation capacity. (Company, OCBC)

New Issues:

The total issuance volumes for APAC and DM IG markets yesterday were zero and USD1.88bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
21 May	Credit Industriel Et Commercial SA	Fixed, Senior Preferred	SGD	22	5	2.7%
21 May	Deutsche Bank AG	FRN, Senior Preferred, Zero Coupon	USD	100	10	-
21 May	FMC Corp	Fixed, 1st lien	USD	1,200	5NC2	T + 371bps
21 May	Standard Chartered Bank of New York	Variable	USD	400	3NC2	T + 65bps

Mandates:

- Hana Securities Co., Ltd. may issue USD-denominated 5Y fixed rate notes.

Key Market Movements

	22-May	1W chg (bps)	1M chg (bps)		22-May	1W chg	1M chg
iTraxx Asiax IG	74	-1	1	Brent Crude Spot (\$/bbl)	104.7	-4.2%	2.7%
				Gold Spot (\$/oz)	4,529	-0.2%	-4.5%
iTraxx Japan	63	1	1	CRB Commodity Index	392	-2.0%	3.7%
iTraxx Australia	76	-0	3	S&P Commodity Index - GSCI	732	-2.6%	1.5%
CDX NA IG	53	-1	-1	VIX	16.8	-2.9%	-11.4%
CDX NA HY	108	0	1	US10Y Yield	4.56%	-3bp	26bp
iTraxx Eur Main	57	-1	-2				
iTraxx Eur XO	280	-2	-6	AUD/USD	0.714	-0.1%	-0.2%
iTraxx Eur Snr Fin	59	-2	-3	EUR/USD	1.162	-0.1%	-0.8%
iTraxx Eur Sub Fin	97	-4	-6	USD/SGD	1.279	0.1%	-0.3%
				AUD/SGD	0.913	0.2%	0.0%
USD Swap Spread 10Y	-41	2	3	ASX200	8,645	0.2%	-2.2%
USD Swap Spread 30Y	-73	2	4	DJIA	50,286	0.4%	1.6%
				SPX	7,446	-0.7%	4.3%
China 5Y CDS	40	-2	-3	MSCI Asiax	1,107	0.4%	6.0%
Malaysia 5Y CDS	35	0	-3	HSI	25,711	-1.0%	-1.7%
Indonesia 5Y CDS	92	5	9	STI	5,067	1.6%	1.3%
Thailand 5Y CDS	51	-0	1	KLCI	1,713	-1.6%	0.1%
Australia 5Y CDS	14	1	0	JCI	6,113	-9.1%	-18.9%
				EU Stoxx 50	5,960	0.4%	0.9%

Source: Bloomberg

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