Daily Credit Snapshot

Market Commentary

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- Market optimism returned on Friday after the US Supreme Court struck down the IEEPA tariffs, even though President Trump subsequently announced new global 10% tariffs under section 122 of the Trade Act of 1974 which was then revised up to 15%. The S&P500 added 0.69% on Friday to close +1.1% for the week, benefiting tech names, while the 10-year UST bond yield also edged up 1.5bps to 4.08% and the USD slid. At this juncture, it is still unclear how much of the existing tariffs will be reenacted under other mechanisms like sections 122, 232 and 301 to replace the IEEPA tariffs, and how much of the up to USD170bn already paid to the US government will eventually be refunded to companies and importers. On the data front, US growth eased to 1.4% in 4Q25, weighed down by the record government shutdown which contributed to a decline in federal spending, albeit the core PCE gauge was still elevated at 3.0% y/y. The S&P global US manufacturing, services and composite PMIs also eased to 51.2, 52.3 and 52.3 respectively in February, while the University of Michigan sentiment index also softened from 57.3 to 56.6 with the 1-year and 5-10 year inflation gauges also retreating 0.1% point to 3.4% and 3.3% respectively. Oil prices also fell after a news report suggested the US president is considering a targeted strike on Iran.

- The SGD SORA OIS curve traded mixed last Friday with shorter tenors trading flat to 1bps higher while belly tenors traded 1-2bps lower and 10Y traded 1bps lower.

- Flows in SGD corporates were moderate, with flows in ACAFP 2.75% '32s, STANLN 4.3%-PERP.

- Global Investment Grade spreads tightened by 1bps to 76bps and Global High Yield spreads tightened by 3bps to 271bps respectively.

- Bloomberg Global Contingent Capital Index tightened by 1bps to 221bps.

- Bloomberg Asia USD Investment Grade spreads traded flat at 60bps and Asia USD High Yield spreads tightened by 1bps to 344bps respectively. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
BHP Group Ltd	BHP	• BHP and Faraday Copper Corp. ("Faraday") signed a non-binding letter of intent ("LOI") for Faraday to acquire 100% of BHP's San Manuel property, a former major U.S. underground copper mine, in exchange for BHP taking a 30% equity stake in Faraday. BHP will also participate in Faraday's equity raises for up to USD20mn over two years. • The partnership will explore pathways for restarting the San Manuel copper mine and developing a new consolidated copper hub with Copper Creek. • In other news, BHP agreed to a USD4.3bn silver-streaming deal with Wheaton Precious Metals ("Wheaton"), granting Wheaton rights to a portion of future silver production linked to BHP's 33.75% stake in Peru's Antamina mine. • BHP retains full exposure to Antamina's main commodities (copper, zinc, lead) and plans to use the proceeds for higher-return growth projects and shareholder value initiatives. (Company) Latest report: Credit Update – 11 April 2025

Lendlease Group	LLCAU	• LLCAU reported 1HFY2026 results ended 31 December 2025. **Overall results are weaker affected by (1) impairment and provision losses and (2) absence of development project completion and disposal gains. That said, LLCAU's stable outlook is still well underpinned by (1) simplified strategic focus on core Australian Development and Construction operations, (2) substantial capital recycling initiatives, and (3) improved business risks by focusing primarily in Australia.**
		• **LLCAU reported 1HFY2026 statutory loss of -AUD318mn (1HFY2025: +AUD48mn) due primarily to impairment and provisions losses,** including (1) -AUD118mn non cash negative revaluations and impairments across US, UK and Singapore assets, (2) -AUD95mn write down of Communities land parcels and (3) further provisions in the exited international construction businesses of -AUD44mn.
		• **EBITDA of core segments from Investments, Development and Construction ("IDC") fell 40% y/y to AUD204mn due primarily to absence of disposal gains and development project completion, offset by improved Construction segment.**
		    ○ Investments EBITDA fell 56% y/y to AUD101mn due primarily to absence of disposal gains (eg. Vita Partners) in 1HFY2025.
		    ○ Development EBITDA fell 75% y/y to AUD34mn limited completions versus a major completion in 1HFY2025 (eg. Residences Two of One Sydney Harbour).
		    ○ Construction EBITDA rose y/y to AUD69mn (1HFY2025: -AUD25mn) amidst improved margin as challenging legacy projects now substantially completed. Backlog revenue improved to AUD8.0bn (1HFY2025: AUD5.9bn).
		• **Rising net gearing though will improve from substantial capital recycling:** Net debt including SGD400mn and AUD450mn perpetuals issued in 1HFY2026 ("adjusted net debt") rose to AUD4.2bn while adjusted net gearing rose h/h to 32.9% (30 June 2025: 26.6%) amidst . LLCAU continues to target adjusted net gearing of 15% by June 2026, though subject to completion of capital recycling initiatives across CRU and IDC. There are AUD3.0bn of CRU and IDC transactions announced and underway, including (1) JV with The Crown Estate, (2) the sale of TRX retail and office investments, (3) sale of Keyton Retirement Living, UK build-to-rent assets,

		and the recapitalisation of APPF Retail and (4) capital recycling on Victoria Cross Tower. • Reported T12M interest coverage ratio and average cost of debt remained stable at 3.5x (FY2025: 3.6x) and 5.3% (FY2025: 5.4%) respectively. Liquidity remained healthy at AUD3.3bn (AUD0.65bn cash AUD0.65bn + AUD2.6bn undrawn facilities) versus short term debt of AUD806mn. • **Stable outlook despite the volatility from transition:** We believe the earnings in 2HFY2026 and beyond will improve, supported by completions and transactional earnings from One Circular Quay, Victoria Harbour, One Darling Point, Comcentre, and continued Construction momentum. LLCAU's simplified business model with focus on Australian markets and capital light JV development are expected to improve business risk and reduce earnings volatility. Meanwhile, gearing ratios are expected to improve substantially amidst the ongoing AUD3.0bn capital recycling initiatives. (Company, OCBC) Latest report: Credit Update – 17 September 2025

New Issues:

APAC USD and DM IG recorded no new issuances last Friday.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
20 Feb	Parkway Life MTN Pte Ltd (guarantor: Parkway Life Real Estate Investment Trust)	Green, Fixed	SGD	70	5	2.103%

Mandates:

- There were no notable mandates last Friday.

Key Market Movements

	23-Feb	1W chg (bps)	1M chg (bps)		23-Feb	1W chg	1M chg
iTraxx Asiax IG	66	-1	1	**Brent Crude Spot ($/bbl)**	71.1	3.6%	7.9%
				Gold Spot ($/oz)	5,168	3.5%	3.6%
iTraxx Japan	58	-1	1	**CRB Commodity Index**	311	1.6%	-0.4%
iTraxx Australia	66	-0	2	**S&P Commodity Index - GSCI**	602	3.2%	3.1%
CDX NA IG	51	-1	3	**VIX**	19.1	-8.3%	18.6%
CDX NA HY	108	0	-1	**US10Y Yield**	4.08%	3bp	-21bp
iTraxx Eur Main	52	-1	2				
iTraxx Eur XO	247	-2	5	**AUD/USD**	0.707	-0.1%	2.5%
iTraxx Eur Snr Fin	54	-1	1	**EUR/USD**	1.182	-0.3%	-0.1%
iTraxx Eur Sub Fin	92	-2	1	**USD/SGD**	1.265	-0.2%	0.6%
				AUD/SGD	0.894	-0.2%	-1.9%
USD Swap Spread 10Y	-44	-3	-2	**ASX200**	9,015	0.9%	1.7%
USD Swap Spread 30Y	-72	-2	-4	**DJIA**	49,626	0.4%	1.1%
				SPX	6,910	1.1%	-0.1%
China 5Y CDS	42	-1	1	**MSCI Asiax**	1,013	0.6%	4.6%
Malaysia 5Y CDS	37	-0	-2	**HSI**	26,997	-1.0%	0.9%
Indonesia 5Y CDS	81	-1	7	**STI**	5,033	0.3%	2.9%
Thailand 5Y CDS	37	-1	-1	**KLCI**	1,758	0.4%	2.2%
Australia 5Y CDS	13	0	-0	**JCI**	8,376	1.3%	-6.4%
				EU Stoxx 50	6,131	2.4%	3.1%

Source: Bloomberg

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