

Daily Credit Snapshot

Market Commentary

- Tuesday's session marked a sharp reversal from Monday's bifurcated market performance, as a broad-based global semiconductor sell-off spread from Asia into Europe and the U.S. The weakness was initially triggered by a violent unwind in South Korean technology stocks, raising concerns over positioning and valuation across the global AI supply chain. Risk sentiment deteriorated noticeably, with the VIX climbing to 19.49. Adding to market pressure, Fed tightening expectations continued to intensify. Markets are now pricing in nearly two additional rate hikes by year-end, despite softer oil prices as investors further unwind the geopolitical risk premium associated with progress toward a potential Iran deal. Meanwhile, the 10-year U.S. Treasury yield remained elevated at 4.50%. U.S. economic data continued to point to a resilient economy, reinforcing the post-FOMC narrative that growth remains robust while inflation stays above target. S&P Global's flash manufacturing PMI rose to 55.7 in June from 55.1 in May, marking the strongest reading since May 2022. New orders surged to a more than four-year high, likely reflecting front-loading of demand amid concerns over potential supply disruptions and future price increases linked to the Middle East conflict. Inflation pressures within the manufacturing sector showed some signs of moderation. The prices-paid index eased to 71.2 from 75.3 in May, while manufacturers continued to pass higher costs on to consumers, albeit at a slower pace. However, labour market conditions within the sector weakened noticeably, with the manufacturing employment index falling to 47.0 from 51.6, the lowest level since May 2020. The services sector also strengthened, with the flash services PMI rising to 51.3 from 50.7. Part of the improvement was attributed to increased activity related to the FIFA World Cup.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 4-5bps lower while belly tenors traded 5bps lower and the 10Y tenor traded 6bps lower.
- Flows in SGD corporates were heavy, with flows in OLGSPSP 5.375%-PERP, MFCCN 2.88% '36s, and HSBC 5.25%-PERP.
- US Investment Grade spreads tightened by 1bps to 72bps, and US High Yield spreads also widened by 6bps to 270ps. Bloomberg Global Contingent Capital Index widened by 3bps to 218bps.
- Bloomberg Asia USD Investment Grade widened by 2bps to 54bps and Asia USD High Yield spreads widened by 5bps to 358bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Singapore Telecommunications Ltd	STSP	<ul style="list-style-type: none"> • Sold ~SGD1bn stake in Gulf Development PCL: STSP has sold a 2.8% stake in Gulf Development PCL (“Gulf Development”) for ~SGD1bn, which will result in gains of ~SGD140mn. STSP will still hold a 4.95% stake in Gulf Development. • Background on Gulf Development: STSP received 7.7% stake in Gulf Development in 2025 following the completion of the amalgamation of Intouch Holdings and its largest shareholder Gulf, to simplify its holdings in its Thai associate AIS. • Progressing towards recycling target of SGD9bn: According to STSP, SGD6.8bn has been unlocked since the start of its Singtel28 plan announced in 2024. (Company, OCBC) <p>Latest report: Credit Update – 04 June 2025</p>
First REIT	FIRTSP	<ul style="list-style-type: none"> • FIRTSP obtained shareholder approvals at an extraordinary general meeting to sell all assets in Indonesia. • These assets include (1) eight hospital assets to PT Siloam International Hospitals Tbk (“SILOAM”) for IDR5.1tn (~SGD389mn) and (2) non-hospital assets to PT Lippo Karawaci (“LPKR”) or PT Metropolis Propertindo Utama (“MPU”) for IDR1.1tn (~SGD82.4mn). • Besides, FIRTSP will have a put option right to sell the remaining six hospital assets for IDR3.8tn (~SGD295mn) by 31 October 2026 (or later date based on mutual agreements). • Following the disposals and exercising of put options, FIRTSP will fully exit from Indonesia and its pro-forma gearing will improve to 16.7% from 44.6% as of 31 March 2026. Besides, FIRTSP will also collect the SGD6.6mn rental arrears from PT Metropolis Propertindo Utama (“MPU”). • In our view, this is a positive credit event for FIRTSP as the disposals will improve revenue concentration risks from related parties and IDR forex risks. SILOAM, LPKR and MPU contributed 45.6%, 29.3%, and 6.1% of 1Q2026 revenue, respectively. • FIRTSP will deploy the disposal proceeds for debt repayment, special dividends (SGD9.7mn) and assets in developed markets. (Company, OCBC) <p>Latest report: Credit Update – 06 November 2025</p>

<p>StarHub Ltd.</p>	<p>STHSP</p>	<ul style="list-style-type: none"> • Planned CEO transition: STHSP announced that Matthew Williams (“Matt”) will succeed Nikhil Eapen (“Nikhil”) as CEO on 1 January 2027 after Nikhil concludes his tenure at end-2026. This is part of succession planning, and the transition is expected to be gradual over the next six months, with Nikhil intending to work with Matt to ensure a seamless handover. • Watch for potential shift in emphasis from strategy to execution: <ul style="list-style-type: none"> ○ Outgoing CEO Nikhil had a background that is unusual for a telco CEO, having served as an investment banker for 18Y (till 2015). Before joining StarHub in 2021, Nikhil was the Deputy CEO at ST Telemedia. According to StarHub, with Nikhil’s stewardship StarHub evolved to a ‘cloud-based, data-driven and digital core...’, ‘significantly scaled and repositioned its regional enterprise business’ and ‘executed a number of targeted acquisitions’. ○ Incoming CEO Matt is a telco lifer, with more than 30Y of experience in the telco sector across Australia, New Zealand and Europe. Matt indicated that his priorities will be “people, technology and relentless focus on customers” while StarHub’s Chairman highlighted Matt’s strong stakeholder management, strategy execution and extensive industry expertise. (Company, OCBC) <p>Latest report: Credit Update – 22 May 2025</p>
<p>Lloyds Banking Group PLC</p>	<p>LLOYDS</p>	<ul style="list-style-type: none"> • Sky News reported that Lloyds is preparing to make a bid for local lender Aldermore (owned by South Africa’s FirstRand) amid ongoing motor finance redress scheme. Aldermore is a small UK bank with a loan book of ~GBP17bn. • As Aldermore is a fraction of Lloyds (total assets ~GBP900bn), the CET1 impact will be modest. • More importantly is the motor finance redress liability and whether Lloyds will pursue indemnities to mitigate any future exposure arising from the scheme. (Sky News, OCBC) <p>Latest report: Credit Update – 13 February 2026</p>
<p>Singapore Airlines Ltd</p>	<p>SIASP</p>	<ul style="list-style-type: none"> • SIASP announced that it has launched and priced RMB1.5bn (~SGD286mn) of 5Y offshore renminbi bonds at 2.38%. This is SIASP’s debut renminbi bonds. • SIASP is a frequent issuer in the SGD credit market and has also successfully tapped funding through the USD credit market. The company has sizable upcoming capital expenditure while in our view its “supernormal” liquidity balance that was raised during the pandemic to shore up capital has been normalising, as such we expect SIASP to continue returning to the debt capital markets to fund the capital expenditure which is mainly for aircraft-related spending. • We view it as a positive for SIASP’s credit profile that SIASP is able to diversify its’ funding currencies and broaden its access to external funding sources. (Company, OCBC) <p>Latest report: Credit Update – 20 May 2026</p>

New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD5.83bn and USD25.85bn respectively (prior day: USD4.3bn and USD8.4bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
23 Jun	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	94	1	1.84%
23 Jun	Ho Bee Land Ltd	Green, Fixed	SGD	150	5	3.3%
23 Jun	Optus Finance Pty Ltd (guarantor: SingTel Optus Pty Ltd)	Fixed	SGD	200	10	2.84%
23 Jun	Axis Bank Ltd/Gandhinagar	Fixed	USD	300	5	T + 110bps
23 Jun	Axis Bank Ltd/Gandhinagar	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	500	PerpNC5.5	6.875%
23 Jun	Nomura Holdings Inc	FRN	USD	500	3	SOFR+ 95bps
23 Jun	Nomura Holdings Inc	Fixed	USD	1,000	3	T + 78bps
23 Jun	Nomura Holdings Inc	Fixed	USD	700	5	T + 90bps
23 Jun	Nomura Holdings Inc	FRN	USD	300	5	SOFR+ 114bps
23 Jun	Nomura Holdings Inc	Fixed	USD	1,000	10	T + 105bps
23 Jun	Sony Group Corp	Fixed	USD	500	5	T + 40bps

23 Jun	Sony Group Corp	Fixed	USD	500	10	T + 60bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	7,000	5	T + 110bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	6,000	7	T + 130bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	6,000	10	T + 140bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	2,500	20	T + 165bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	3,500	30	T + 175bps

Mandates:

- There were no notable mandates today.



Key Market Movements

	24-Jun	1W chg (bps)	1M chg (bps)		24-Jun	1W chg	1M chg
iTraxx Asiax IG	69	1	-4	Brent Crude Spot (\$/bbl)	76.1	-4.4%	-26.6%
				Gold Spot (\$/oz)	4,059	-4.7%	-11.2%
iTraxx Japan	61	1	-1	CRB Commodity Index	355	-2.6%	-9.5%
iTraxx Australia	69	0	-5	S&P Commodity Index - GSCI	629	-2.1%	-14.0%
CDX NA IG	51	-1	-1	VIX	19.5	20.3%	16.7%
CDX NA HY	108	0	-0	US10Y Yield	4.49%	-0bp	-7bp
iTraxx Eur Main	52	-0	-4				
iTraxx Eur XO	248	-4	-26	AUD/USD	0.690	-1.6%	-3.8%
iTraxx Eur Snr Fin	54	-0	-4	EUR/USD	1.136	-1.2%	-2.4%
iTraxx Eur Sub Fin	88	-0	-7	USD/SGD	1.298	-0.7%	-1.6%
				AUD/SGD	0.896	0.8%	2.3%
USD Swap Spread 10Y	-41	0	0	ASX200	8,791	-2.0%	1.5%
USD Swap Spread 30Y	-71	1	2	DJIA	51,667	-0.0%	2.1%
				SPX	7,365	-2.5%	-1.4%
China 5Y CDS	38	-1	-2	MSCI Asiax	1,149	-2.6%	3.0%
Malaysia 5Y CDS	38	1	4	HSI	23,289	-4.9%	-9.0%
Indonesia 5Y CDS	90	4	-1	STI	5,220	0.8%	3.0%
Thailand 5Y CDS	42	1	-7	KLCI	1,688	-1.3%	-1.4%
Australia 5Y CDS	13	0	-1	JCI	6,053	-2.7%	-1.8%
				EU Stoxx 50	6,231	-0.4%	3.5%

Source: Bloomberg

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