

## Daily Credit Snapshot

### Market Commentary

- The Iran conflict has extended into its fifth week. Additional US troops arrived in the Middle East which prompted market speculation of potential ground operations and regional powers like Saudi Arabia, Egypt and Turkey are meeting in Pakistan for talks on 29-30 March. US president Trump had extended the deadline for Iran to reopen the Strait of Hormuz to 06 April. Currently, some 5 million barrels of Saudi exports are passing through the Red Sea port of Yanbu but any potential attacks by the Houthis could complicate matters. On Friday, the S&P500 slumped 1.67% amid the prolonged energy crisis concerns while the 10Y UST bond yield rose 2bps to 4.28% after reduced appetite for the 2-, 5- and 7Y Treasury note auctions last week amidst reports that the Pentagon is seeking USD200bn from Congress to replenish ammunitions for the Iran war. The final March print of the University of Michigan sentiment index retreated from 55.5 to a 3-month low of 53.3, with the 1-year inflation gauge jumping from 3.4% to 3.8% (the biggest increase since April 2025) as the Iran war drove gasoline prices higher.
- The SGD SORA OIS curve traded higher last Friday with shorter tenors trading 4-10bps higher while belly tenors traded 12bps higher and 10Y tenors traded 13bps higher.
- Flows in SGD corporates were light, with flows in STANLN 4.3%-PERP.
- Global Investment Grade spreads widened by 3bps to 89ps and Global High Yield spreads widened by 23bps to 334bps respectively.
- Bloomberg Global Contingent Capital Index widened by 11bps to 269bps.
- Bloomberg Asia USD Investment Grade spreads widened by 2bps to 64bps and Asia USD High Yield spreads widened by 16bps to 430bps respectively. (Bloomberg, OCBC)

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## Credit Summary:

Company	Ticker	Description
Industry Outlook – Singapore Property	NIL	<ul style="list-style-type: none"> <li>• Pinery Residences posts strong launch sales: The 558-unit new integrated private residential development at Tampines West by joint developers Hoi Hup Realty and Sunway MCL sold 92.5% (544 units) on launch day at an average price of SGD2,546 psf. All two-bedroom and four-bedroom units were fully taken up, with the project reportedly about 2.2x oversubscribed based on pre-launch demand.</li> <li>• Buyers were predominantly Singaporeans and Permanent Residents, with an estimated mix of around 80% owner-occupiers and 20% investors. Demand was supported by family-sized layouts and the project’s direct connectivity to Tampines West MRT and on-site retail amenities, highlighting continued preference for integrated developments.</li> <li>• This comes after the recent success of Rivelle Tampines EC, pointing to sustained resilience in Singapore’s residential property demand, especially with no upcoming GLS sites in Tampines and a limited pipeline of new private launches in the East that supports strong take-up rates despite higher psf prices. (The Edge, Company)</li> </ul>
China Construction Bank Corporation	CCB	<ul style="list-style-type: none"> <li>• CCB reported stable FY2025 results, with net profit up 1.04% y/y to RMB339.8bn and operating income up 1.69%. Net interest margin (“NIM”) declined 17bps to 1.34%, pressuring net interest income that was down 2.9% y/y, but non-interest income grew strongly (+21.2% y/y).</li> <li>• Gains in non-interest income were due to other net non-interest income of RMB57.8bn that was up 71.2% y/y due to strong net gains from disposal of bond investments and higher net gains from equity and bond investments and foreign exchange from revaluation and trading. Net fee and commission income was up 5.1% y/y to RMB110.3bn due to wealth management products and fund management fees.</li> <li>• Although operating income growth was higher than growth in operating expenses (+1.54% y/y), profit before tax was down 0.98% y/y to RMB380.6bn. This was due to credit impairment charges increasing 10.45% y/y to RMB133.3bn, driven mainly by higher loan related provisions with overdue loans to total loans and advances to customers rising to 1.33% as of 31 December 2025 from 1.28% a year ago. That said, the y/y growth in stage 3 credit impaired loans of 5.6% y/y to RMB363.98bn was below the gross loans growth of 7.47% y/y to RMB27.77tn (growth concentrated in manufacturing, strategic emerging industries, and inclusive finance), resulting in an improved NPL ratio of 1.31% as of 31 December 2025. Also offsetting loan quality concerns is still solid coverage ratios with the allowance to NPL ratio at 233.15% as of 31 December 2025.</li> <li>• Capital buffers remained solid with the CET1 at 14.63% as of 31 December 2025, up from 14.48% as of 31 December 2024 and remaining well above minimum requirements. Improvement in CCB’s CET1 capital buffer came from retained earnings but mostly from issuance of RMB105.0bn in A-shares to China’s Ministry of Finance to support the real economy and replenish capital against possible loan loss risk and compliance with TLAC commitments.</li> <li>• Overall results remain resilient in a still challenging operating environment. We continue to expect CCB’s fundamentals to be driven more by domestic forces rather than current global geopolitical induced volatility. (Company, OCBC)</li> </ul> <p>Latest report: Sector Update – 2 September 2025</p>

## New Issues:

The total issuance volumes for APAC and DM IG market last Friday were zero and USD950mn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
27 Mar	Royal Bank of Canada (guarantor: RBC Covered Bond Guarantor LP)	Fixed, Secured	USD	750	3	MS + 43bps

## Mandates:

- There were no notable mandates last Friday.

## Key Market Movements

	30-Mar	1W chg (bps)	1M chg (bps)		30-Mar	1W chg	1M chg
iTraxx Asiax IG	92	4	23	Brent Crude Spot (\$/bbl)	105.2	-3.2%	48.6%
				Gold Spot (\$/oz)	4,454	-4.2%	-14.1%
iTraxx Japan	74	3	14	CRB Commodity Index	356	-2.2%	15.0%
iTraxx Australia	93	-1	21	S&P Commodity Index - GSCI	701	-3.6%	16.3%
CDX NA IG	67	5	13	VIX	26.5	10.3%	42.4%
CDX NA HY	104	-2	-3	US10Y Yield	4.37%	12bp	36bp
iTraxx Eur Main	74	4	17				
iTraxx Eur XO	362	21	98	AUD/USD	0.694	-2.1%	-2.3%
iTraxx Eur Snr Fin	81	5	21	EUR/USD	1.155	-0.3%	-2.1%
iTraxx Eur Sub Fin	139	10	38	USD/SGD	1.283	-0.5%	-1.5%
				AUD/SGD	0.891	1.7%	0.8%
USD Swap Spread 10Y	-47	-1	-6	ASX200	8,526	0.3%	-7.1%
USD Swap Spread 30Y	-80	0	-9	DJIA	46,429	0.4%	-6.2%
				SPX	6,592	-0.5%	-4.6%
China 5Y CDS	54	6	9	MSCI Asiax	957	-0.8%	-8.9%
Malaysia 5Y CDS	47	-4	4	HSI	24,835	-2.6%	-5.9%
Indonesia 5Y CDS	104	1	18	STI	4,904	-1.3%	-1.2%
Thailand 5Y CDS	61	-3	17	KLCI	1,716	0.3%	-1.4%
Australia 5Y CDS	16	0	3	JCI	7,179	-2.5%	-12.8%
				EU Stoxx 50	5,649	-1.5%	-8.3%

Source: Bloomberg

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