Daily Credit Snapshot

Market Commentary

Andrew Wong
Credit Research Analyst

Ezien Hoo
Credit Research Analyst

Wong Hong Wei
Credit Research Analyst

Chin Meng Tee
Credit Research Analyst

Aleen Lee Li Fei
Credit Research Analyst

Yao Liu
Credit Research Analyst

Eshita Suvarna
Credit Research Analyst

- US equities were mixed on Tuesday, with a sharp rotation out of financials and into technology dominating the session. The S&P 500 Financials Index came under pressure amid concerns over intensifying competition from artificial intelligence and the recent flattening of the yield curve. Oil prices fell further as geopolitical supply risks eased after Iran signalled that it could reopen the Strait of Hormuz within seven days if the US eases military pressure. Sentiment was further weighed by Saudi Arabia restarting its East-West pipeline, with crude exports from Yanbu also set to resume. US President Donald Trump said on Tuesday that he supported a ban on diesel exports, after Republican candidates in several closely contested November races called for such a measure to help contain record-high fuel prices. Diesel prices have surged to record levels in both the US and Europe. Should the Trump administration proceed with a ban on US diesel exports, we would expect Brent to outperform WTI, although the impact on outright crude prices is more ambiguous. With the US currently serving as an important marginal supplier to an exceptionally tight global distillate market, removing US barrels from the international market would further tighten ex-US product balances and could initially lend support to Brent. At the same time, weaker domestic refinery economics and rising US product inventories could weigh on WTI, reinforcing the relative-value divergence. Boston Fed President Susan Collins said she supported the Federal Reserve's decision last week to raise interest rates, citing an increased risk that inflation could remain above the 2% target. She noted that, with the labour market on firmer footing, monetary policy could place greater emphasis on restoring price stability, adding that a somewhat more restrictive federal funds rate would help ensure inflation returns durably to target.

- The SGD SORA OIS curve traded lower yesterday with the shorter tenors trading 1-2bps lower, belly tenors trading 2bps lower, and 10Y tenor trading 3bps lower.

- Flows in SGD corporates were heavy, with flows in OCBCSP 3.2%-PERP, BNP 4.25%-PERP, STANLN 4.3%-PERP, TEMASE 2.65% '36s.

- US Investment Grade tightened by traded flat at 75bps, and US High Yield spreads widened by 2bps to 266bps respectively. Bloomberg Global Contingent Capital spreads widened by 2bps to 206bps.

- Bloomberg Asia USD Investment Grade spread traded flat at 54bps, and the Asia USD High Yield spreads tightened by 1bps to 326bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
Zurich Insurance Group AG	ZURNVX	• ZURNVX's acquisition of Beazley progressed as planned following UK High Court approval of the scheme of arrangement, with transaction completion expected on 1 October 2026. • The GBP8.1bn all-cash transaction values Beazley at GBP13.10/share plus a permitted dividend, equivalent to a 59.8% premium to the closing price of Beazley's shares on 16 January 2026. • Separately, Zurich announced the appointment of Alex Wells as CEO U.S. and Group Executive Committee member, reinforcing leadership continuity as it integrates the acquisition. (Zurich Insurance, OCBC) Latest report: Credit Update – 07 August 2026
Commonwealth Bank of Australia	CBA	• CBA has joined ASB Bank, Bank of America, Capital One, ING Group and NatWest Group to launch the Agentic Commerce Principles Paper, aimed at supporting the development of payments systems where AI agents could play a greater role in how people choose and pay for products and services. The focus of the principles is on five areas: transparency, safety, privacy and data, choice and interoperability. (Company, OCBC) Latest report: Credit Update – 26 August 2026
Medco Energi Internasional Tbk PT	MEDCIJ	• MEDCIJ reported its interim 1H2026 results on the 21st September, delivering robust results supported by the additional participating interest in the South Natuna Sea Block B and new production contribution from the completion of Senoro Phase 2A and Bisat Project C in Oman Block 60. • Revenue increased 23.3% y/y to USD1.41b, driven by higher prices and production levels at 170mboepd. Net income increased ~8x to USD287.5mn from USD36mn y/y, attributed to stronger operational performance, higher prices, and meaningful contributions of USD104.1mn from PT Amman Mineral following the resumption of its full operation compared to a loss of USD31.1mn in 1H2025. • Oil and gas cash cost remained below full year guidance at USD8.4/boe, down from USD9/boe in 1Q2026, though higher than the USD8/boe y/y. Gas accounted for c.72% of total production and 2P reserves were reported at 538mboe excluding held for sale, both of which are largely in line with historical ranges. • Consolidated debt stood at USD4.12bn with cash and cash equivalents at USD1.4bn (unrestricted cash USD1.3bn), comfortably covering the ~USD471mn of short-term debt with reported EBITDA of USD805mn and free cash flows of ~USD334mn. Company reported net debt to EBITDA for the restricted group also remained below the 2.5x guidance based on a mid-cycle oil price of USD65/barrel at 1.4x. • Given the robust but largely expected performance, management has reiterated its full year guidance, targeting (1) oil and gas production of 165-170mboepd, (2) electricity sales of 4,550gwh, and (3) oil and gas cash production cost under USD10boe. Management has also raised its FY2026 capex guidance to USD450-475mn in the oil and gas segment and up to USD50mn for the power segment (prior capex guidance: USD415mn and USD15mn respectively). • Overall, results remained largely in line with expectations and MEDCIJ has stated that it is expected to meet or exceed its full year guidance at its current pace. (Company, OCBC)

New Issues:

- APAC and DM IG issuance were USD1.85bn and USD18.4bn respectively yesterday (prior day: USD3.5bn and USD8.9bn).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
22 Sep	Hanwha Q Cells Americas Holdings Corp (guarantor: Shinhan Bank)	Green, Fixed	USD	300	3	5.516%
22 Sep	New Zealand Local Government Funding Agency Bond	Fixed	USD	500	5	MS + 40bps
22 Sep	Cooperatieve Rabobank UA/NY	Fixed, Sr Preferred	USD	700	3	T + 37bps
22 Sep	Cooperatieve Rabobank UA/NY	Fixed, Sr Preferred	USD	800	5	T + 50bps
22 Sep	Cooperatieve Rabobank UA/NY	FRN, Sr Preferred	USD	300	3	SOFR+54bps
22 Sep	Dick's Sporting Goods Inc	Fixed	USD	400	10	T + 125bps
22 Sep	Dick's Sporting Goods Inc	Fixed	USD	600	30	T + 160bps
22 Sep	Nuveen LLC	Fixed	USD	750	5	T + 90bps
22 Sep	Nuveen LLC	Fixed	USD	500	10	T + 110bps
22 Sep	Nuveen LLC	Fixed	USD	750	3	T + 75bps
22 Sep	Societe Generale SA	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	1,500	PerpNC7	8%
22 Sep	Stellantis Financial Services US Corp	Fixed	USD	1,000	3	T + 162.5bps

22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	1,750	30	T + 122bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	2,000	Short 10	T + 105bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	1,500	7	T + 95bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	1,000	20	T + 112bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	750	40	T + 132bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	1,750	3	T + 65bps
22 Sep	Sysco Holdings Corp/ Sysco Corp (guarantor: Subsidiaries)	Fixed	USD	2,000	Short 5	T + 80bps

Mandates:

- The Asian Development Bank may issue a USD-denominated Fixed rate dual tranche 3Y/5Y bond.

Key Market Movements

	Last Price	1W chg (bps)	1M chg (bps)		Last Price	1W chg	1M chg
US IG Credit Spread	75	-4	-5	Brent Crude Spot ($/bbl)	98.6	-6.9%	4.4%
US HY Credit Spread	266	-10	-3	Gold Spot ($/oz)	4,335	1.7%	-6.8%
Global Contingent Capital Credit Spread	206	-2	2	CRB Commodity Index	419	-2.4%	3.1%
Asia IG Credit Spread	54	-2	-2	S&P Commodity Index - GSCI	735	-2.8%	2.5%
Asia HY Credit Spread	326	4	-0	VIX	14.2	-17.4%	-6.1%
				US10Y Yield	4.96%	-4bp	23bp
iTraxx Asiax IG	68	3	2				
iTraxx Japan	54	-1	-2	AUD/USD	0.710	0.2%	-0.7%
iTraxx Australia	71	2	2	EUR/USD	1.143	-0.3%	-2.0%
CDX NA IG	56	4	5	USD/SGD	1.276	0.1%	-0.4%
CDX NA HY	108	1	-0	AUD/SGD	0.906	-0.1%	0.2%
iTraxx Eur Main	58	4	7				
iTraxx Eur XO	281	22	32	ASX200	8,760	0.7%	-3.3%
iTraxx Eur Snr Fin	62	6	8	DJIA	51,864	-0.4%	-2.7%
iTraxx Eur Sub Fin	101	11	14	SPX	7,765	2.4%	1.2%
				MSCI Asiax	1,156	3.9%	1.4%
USD Swap Spread 10Y	-37	-0	5	HSI	24,842	0.5%	-4.5%
USD Swap Spread 30Y	-66	4	7	STI	5,730	1.7%	0.7%
				KLCI	1,684	0.3%	-3.0%
China 5Y CDS	34	-0	-1	JCI	6,317	-1.9%	-3.2%
Malaysia 5Y CDS	35	1	1	EU Stoxx 50	6,325	1.4%	-2.1%
Indonesia 5Y CDS	87	3	3				
Thailand 5Y CDS	41	-1	1				
Australia 5Y CDS	16	1	1				

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

Source: Bloomberg

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