



Credit Week in Brief

Global Markets Research

06 Oct 2025

Credit: Asiadollar Weekly Overview

Quality same but quantity lower in credit markets

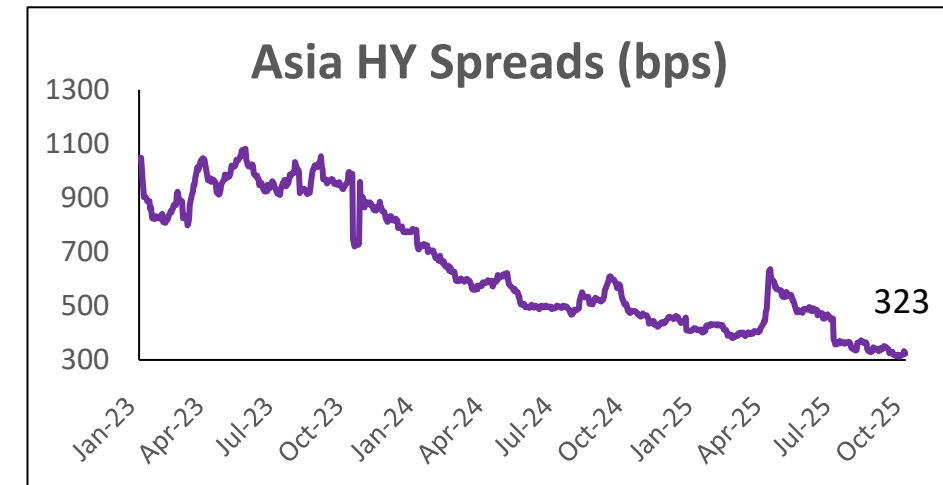
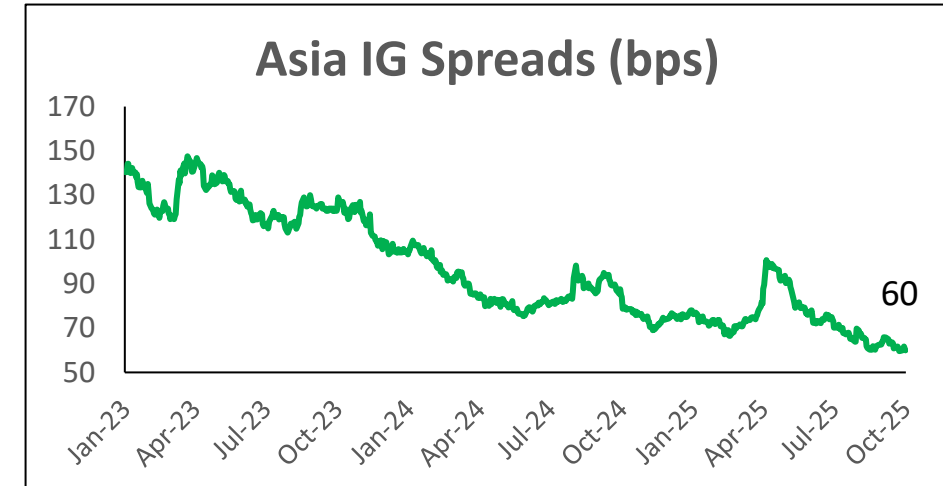
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	0	60bps
Asia HY (BAHYOAS Index)	+6	323bps

- **IG spreads remain tight** as rates rallied and equity markets were buoyant while funds flows remained supportive. However, tight valuations are crimping volumes in both primary and secondary markets as investors search for yield. The market may possibly stay rangebound with likely slower issuance on market technicals and various holidays in Asia.
- **Nation building bonds:** Indonesia plans to issue IDR50tn of “Patriot” bonds in the coming weeks, said Danantara CIO Pandu Sjahrir. Danantara registered the bonds with the Financial Services Authority and views the bonds as a way to support the country, with plans to invest 80% of funds into the domestic market (60% public market and 40% private market) and the rest in international markets. Investment commitments are expected by year-end or early next year, with aims to increase PT Pertamina Persero’s upstream oil and gas output as well as develop critical mineral industries.
- **Positive on Prudential:** Fitch upgraded Prudential PLC’s long term issuer default rating to A+ from A and revised the outlook to positive from stable, due to Prudential’s consistently low financial leverage and robust fixed-charge coverage with its improved business focus and profitability sustainable in Fitch’s opinion.



Source: Bloomberg, OCBC

IG flattened while HY spreads widened



Credit: Asiadollar New Issues

China holiday and US government shutdown drives significant slowdown in Asia ex-Japan USD issuance w/w

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
29 Sep	Mirae Asset Securities Co., Ltd.	Fixed	USD	300	3Y	T+88bps (Reoffer price to yield 4.519%)
29 Sep	Estate Sky Ltd (guarantor: CSI Properties Ltd)	Fixed	USD	50	Retap of its CSIPRO 10.5 '28	10.486%
30 Sep	Vedanta Resources Finance II PLC (Parent Guarantee: Vedanta Resources Limited on the issue date of the notes, Subsidiary Guarantee: On or prior to October 31, 2025, from each of Twin Star Holdings Ltd., Welter Trading Limited And Vedanta Holdings Mauritius II Limited)	Fixed	USD	500	7NC2	9.125%

Credit: New issues in SGD

Busier in the SGD primary market last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
29 Sep	OUE REIT Treasury Pte. Ltd. (guarantor: DBS Trustee Limited (in its capacity as trustee of OUE Real Estate Investment Trust ("OUE REIT"))))	Green, Senior, Fixed	SGD	150	7Y	2.75%
30 Sep	Housing & Development Board	Green, Fixed	SGD	1,200	5Y	1.838%
01 Oct	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global Real Estate Investment Trust ("Starhill Global REIT"))	Subordinated, Fixed, Perpetual	SGD	100	PerpNC5	3.25%
02 Oct	GITI Tire Pte Ltd	Sustainability, Fixed	SGD	150	5Y	5.75%
03 Oct	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	200	1Y	1.73%



Source: Bloomberg, OCBC

Credit Research Views: SGD Weekly Overview

SGD Credit market up slightly (+0.07% w/w, flat prior week) as longer tenor papers continued to underperform but offset by continued solid performance in structurally high yield papers including non-financial corp perps (up 0.30% w/w).

	Key Statistics			Total Returns			
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021
<u>By Tenor & Structure</u>							
AT1S	117.2	3.2	\$12,067m	0.07%	0.9%	6.8%	17.2%
NON-FIN PERP	124.4	5.3	\$13,885m	0.30%	1.2%	7.9%	24.4%
TIER 2S & Other Sub	120.3	4.2	\$18,632m	0.12%	0.7%	7.1%	20.3%
LONGER TENORS (>9YRS)	109.6	23.1	\$15,102m	-0.25%	0.7%	12.9%	9.6%
MID TENORS (>3Y-9YRS)	114.2	4.9	\$44,030m	0.10%	0.4%	7.5%	14.2%
SHORT TENORS (1-3YRS)	115.5	1.8	\$25,879m	0.07%	0.3%	5.3%	15.5%
MONEY MARKET (<12M)	116.9	0.4	\$10,845m	0.04%	0.2%	3.8%	16.9%
<u>By Issuer Profile Rating</u>							
POS (2)	116.5	9.4Y	\$6,534m	0.31%	0.9%	6.6%	16.5%
N(3)	119.2	3.5Y	\$25,220m	0.13%	0.7%	7.1%	19.2%
N(4)	119.0	3.7Y	\$22,092m	0.12%	0.8%	6.9%	19.0%
N(5)	117.9	3.4Y	\$5,690m	0.00%	0.6%	7.2%	17.9%
OCBC MODEL PORTFOLIO	128.1	14.8Y	\$6m	0.17%	1.4%	9.8%	28.1%
SGD Credit Universe	115.1	5.7Y	\$140,439m	0.07%	0.5%	7.2%	15.1%



Source: Bloomberg, OCBC full description in SGD Credit Outlook 2023, pg lxi

Credit: Top Happenings in SGD Credit Market

Industry Outlook – Singapore Property

- **Prices rose 1.2% q/q:** According to URA flash estimates, private residential property prices rose 1.2% y/y in 3Q2025, following an increase of 1.0% in 2Q2025. YTD2025, prices have cumulatively increased by 3.1%.
- **CCR saw the largest gain:** Core Central Region property prices rose 2.4% q/q, continuing its outperformance (2Q2025: +3.0% q/q). Prices also rose in Rest of Central Region by 0.4% q/q (2Q2025: -1.1% q/q) and Outside Central Region by 1.0% q/q (2Q2025: +1.1% q/q). Meanwhile, Landed property rose by 1.4% q/q (2Q2025: +2.2% q/q).
- **Transaction volumes are higher q/q,** totaling 6,594 up to mid-September in 3Q2025 (entire 2Q2025: 5,128).
- **Price increase is at the upper end of our forecast:** We expected property prices to increase by 2-4% in 2025. With YTD2025 at +3.1%, this is at the upper end of our forecast. We keep our forecast unchanged for now, as we await further data to be released in the full 3Q2025 real estate statistics. (URA, OCBC)

Credit: Top Happenings in SGD Credit Market

Monthly Credit View for October

- Following another strong issuance month and together with spread tightening, we see selectivity and caution seeping into the market. Most new issues from September are trading slightly under par as of writing, in line with our expectations in the Monthly Credit View for September that it is no longer a given for new issues to trade above par in the secondary market.
- The exceptions to this are the two perpetuals issued, with structurally higher yielding papers continuing to see demand in the current technical environment where senior papers are trading tight.
- Of note as well is the average issuance amount in September (excluding the two issues from Housing & Development Board) of ~SGD150mn, against the ~SGD300mn in August.



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Monthly Credit View

03 October 2025

Monthly Themes & House View

- **Another strong issuance month in the SGD primary market:** The SGD primary market's overall issuance amount rose m/m with SGD4.1bn printed in September across 14 issuers, higher than the ~SGD3.50bn in August across 9 issuers and in line with the SGD4.09bn issued across 13 issuers in July. Issuances were focused on property related companies with the bulk or SGD2.4bn coming from Housing & Development Board across two issues. Other issues included a SGD400mn guaranteed subordinated perpetual from Lendlease Asia Treasury Pte. Ltd (Principal Guarantors: Lendlease Corporation Limited ("LLC") and Lendlease Responsible Entity Limited ("Lendlease RE") in its capacity as responsible entity of the Lendlease Trust).
- **Coming to a crossroads?** With strong issuance year to date and spread tightening through the month, we see selectivity and caution seeping into the market. Most new issues from September are trading slightly under par as of writing, in line with our expectations in the Monthly Credit View for September that it is no longer a given for new issues to trade above par in the secondary market. The exceptions to this are the two perpetuals issued in September that are trading above par, with structurally higher yielding papers continuing to see demand in the current technical environment where senior papers are trading tight. Of note as well is the average issuance amount in September (excluding the two issues from Housing & Development Board) of ~SGD150mn, against the ~SGD300mn in August. With valuations tight and some indications of market indigestion, supply may slow in the coming months and be potentially pushed back to 2026. This however may provide support for spreads to remain broadly in line with current levels.

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SORA OIS yields recovered slightly m/m from near multi-year lows

3.5%

SORA OIS yield

Credit Research

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