

A wide-angle landscape photograph of a valley with numerous karst mountains in the background. The foreground shows green fields, a winding river, and a small village with white buildings. The sky is blue with light clouds.

Credit Week in Brief

Global Markets Research

01 Sep 2025

Credit: Asiadollar Weekly Overview

Spreads tightened again to record low

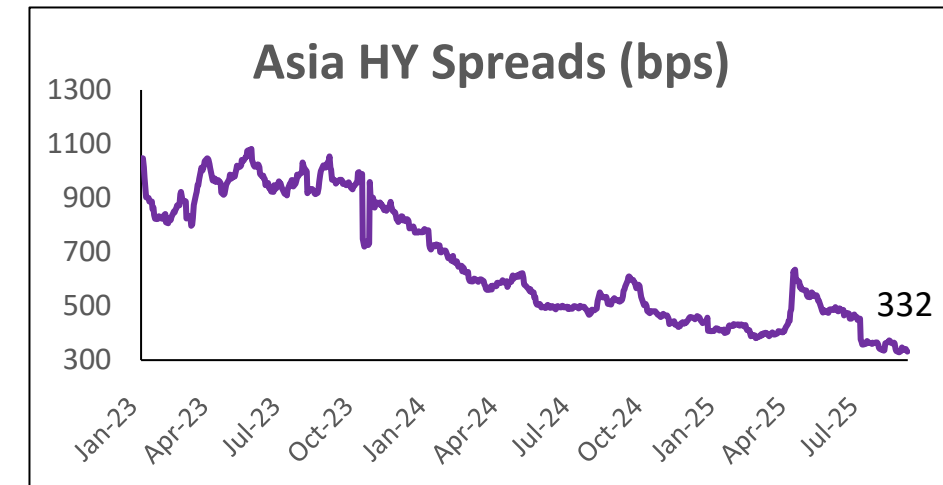
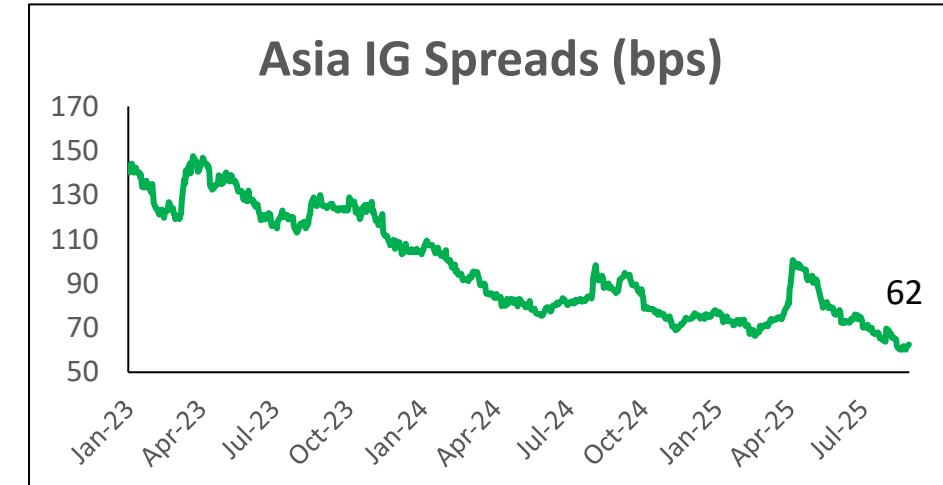
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	+0	62bps
Asia HY (BAHYOAS Index)	-15	332bps

- **Asia IG spreads touched its record low at the start of the week:** With risk-on / expectation of Fed rate cut and still contained issuance.
- **Prices of GLP PERP up 10 cts**, with Abu Dhabi Investment Authority investing up to USD1.5bn to support GLP Holdings LP's growth in sectors such as e-commerce, artificial intelligence and sustainable energy.
- **Shanghai easing home-buying rules:** Eligible residents, including non-locals, can now buy unlimited homes in outer suburbs, while non-residents with three years of pension payments can purchase new homes in urban areas.
- **New World Development's family is considering capital injection of HKD10bn (~USD1.3bn)**, and is seeking a partner that can provide a roughly similar amount for an equity stake. New World's perps rose >10% on the news while its longer dated vanilla bonds rose by close to 10%. We note that New World Development has been selling assets.
- **China Construction Bank Corp net profit (-1.45% y/y) weighed by material rise in credit impairment losses (+22.8% y/y) and lower NIM (-14bps y/y to 1.40%).**



Source: Bloomberg, Reuters, OCBC

IG flattened & HY tightened w/w



Credit: Asiadollar New Issues

Issuance of Asia ex-Japan USD bonds declined to ~USD2.3bn last week (prior week: USD4.1bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
26 Aug	Oversea-Chinese Banking Corp Ltd	Fixed, Subordinated	USD	1,000	10NC5	T+80bps (Par to Yield: 4.55%)
26 Aug	Muthoot Finance Ltd	Fixed, Senior Secured	USD	600	4.5Y	Reoffer price at 99.996 to Yield: 6.375%
26 Aug	BOC Aviation Ltd	Fixed	USD	500	5.5Y	T+58bps (Reoffer price of 99.544 to Yield: 4.344%)
26 Aug	Boxinyuan International Co. Ltd (guarantor: Nanjing Pukou Economic Development Co Ltd)	Fixed	USD	180	3Y	4.88%
26 Aug	Fukoku Mutual Life Insurance Co	Fixed, Subordinated (100bps coupon step up at year 10)	USD	700	30NC10	T+147bps (Par to Yield: 5.75%)
26 Aug	Mitsui & Co Ltd	Fixed	USD	500	5Y	T+63bps (Par to Yield: 4.398%)



Source: Bloomberg, OCBC

* Four significant USD issuances by JPY issuer

Credit: Asiadollar New Issues

Issuance of Asia ex-Japan USD bonds declined to ~USD2.3bn last week (prior week: USD4.1bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
26 Aug	JERA Co Inc	Fixed	USD	500	5Y	T+78bps (Par to Yield: 4.544%)
27 Aug	Hokkaido Electric Power Co Inc	Green, Fixed	USD	500	5Y	T+83bps (Par to Yield: 4.587%)
27 Aug	Luoyang Cultural Tourism Investment Group Co. Ltd. (guarantor: Henan Zhongyu Credit Promotion Co Ltd)	Fixed	USD	37.3	3Y	7.40%



Source: Bloomberg, OCBC

* Four significant USD issuances by JPY issuer

Credit: New issues in SGD

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
26 Aug	Netlink Treasury Pte. Ltd. (guarantor: NetLink NBN Management Pte Ltd (in its capacity as Trustee-Manager of NetLink NBN Trust))	Fixed	SGD	300	10Y	2.65%

Credit Research Views: SGD Weekly Overview

SGD Credit market rose 0.31% last week (+0.07% prior week) with longer-dated papers and AT1s/perps outperforming

	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	116.0	3.1	\$13,022m	0.21%	1.1%	7.8%	16.0%
NON-FIN PERP	122.6	11.2	\$14,343m	0.44%	1.2%	8.1%	22.6%
TIER 2S & Other Sub	119.4	4.2	\$19,123m	0.06%	0.7%	8.1%	19.4%
LONGER TENORS (>9YRS)	109.5	23.3	\$15,126m	0.76%	2.3%	14.9%	9.5%
MID TENORS (>3Y-9YRS)	113.8	5.0	\$44,037m	0.39%	1.0%	8.0%	13.8%
SHORT TENORS (1-3YRS)	115.0	1.9	\$25,843m	0.19%	0.6%	5.6%	15.0%
MONEY MARKET (<12M)	116.6	0.4	\$13,713m	0.10%	0.3%	4.1%	16.6%
<u>By Issuer Profile Rating</u>							
POS (2)	115.2	8.0Y	\$7,495m	0.46%	0.9%	7.5%	15.2%
N(3)	118.2	3.5Y	\$25,437m	0.08%	0.7%	8.0%	18.2%
N(4)	117.8	7.6Y	\$22,889m	0.26%	0.8%	7.4%	17.8%
N(5)	117.0	3.4Y	\$5,818m	0.28%	0.9%	7.6%	17.0%
OCBC MODEL PORTFOLIO	125.8	13.9Y	\$6m	0.75%	1.8%	9.4%	25.8%
SGD Credit Universe	114.4	6.2Y	\$145,208m	0.31%	1.0%	7.9%	14.4%



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

Credit: Top Happenings in SGD Credit Market

Reorganising of portfolio at Temasek: More clarity on which companies will be considered Temasek-Linked

- **Temasek is reorganizing its structure into three distinct portfolio segments**, namely (1) Temasek Global Investments, (2) Temasek Singapore and (3) Temasek Partnership Solutions.
 - **Temasek Global Investments:** Focused on investing in Global Direct Investments which are established and emerging market leaders, aligned to the trends of digitization, sustainable living, future of consumption and longer lifespans. Includes resilient compounders that can deliver stable returns and investments in dynamics growth areas with higher expected returns.
 - **Temasek Singapore:** Focus on active portfolio management to enhance value of Singapore-based Temasek Portfolio Companies to enable them to be globally competitive while staying rooted in Singapore. These are long-term investments, typically with a minimum shareholding interest of 20%, and are the stalwarts of its portfolio that deliver stable and sustainable returns over the long term. These companies employ over 160,000 people in Singapore.
 - **Temasek Partnership Solutions:** Work with Sevia Holdings which will be the main Asset Management Platform. Temasek's Asset Management Companies ("AMC") have over SGD90bn of AUM as at 31 March 2025. Currently this segment is undertaking a strategic review of existing AMCs and explore growing new ones.
- With this change, it will be clearer which companies under Temasek Singapore may be considered as Temasek-Linked Companies. Such companies typically trade at tighter yields.

Credit: Top Happenings in SGD Credit Market

Earnings / Business Updates

- **GuocoLand Ltd – China was a drag, however results excluding China was decent. Credit metrics remain manageable**
 - SG investment properties revenue up 20.5% y/y, driving SG operating profit growth of 15% y/y to SGD382mn. However, China operating loss was SGD92.1mn due to foreseeable losses on China properties.
 - Net gearing rose to 85% due to redemption of SGD400mn GUOLSP 4.6% PERP and replenishment of landbank.
 - Cashflow generative with recurring income from investment properties + strong SG property sales.
- **Shangri-La Asia Ltd – Better operating profit, stable credit metrics**
 - Reported operating profit rose 19% y/y,, due to higher contribution from Hotel properties in Singapore and Hong Kong, as well as investment properties.
 - Net gearing stable at 0.92x. Sufficient cash and committed facilities to refinance.
- **Wing Tai Holdings Ltd – Weaker results, stable credit metrics, stable outlook**
 - Operating profit (excl JVs/associates) fell 67% y/y, due to absence of contribution from completed projects.
 - Net gearing at 28.6%, adjusted EBITDA/Interest at 1.6x.
 - Outlook stable with contribution from JVs/associates (Uniqlo), sales from LakeGarden Residences/Investment Properties.

Credit: Top Happenings in SGD Credit Market

Corporate actions

- **Keppel Ltd vs Seatrium Ltd – Contesting SGD68.4mn indemnity claim arising from Operation Car Wash**
 - Indemnity for Keppel against losses in relation to Operation Car Wash provided by Seatrium was up till February 2025. However, since the expiry, Seatrium has signed leniency agreements with authorities amounting to SGD168.4mn. Keppel's indemnity claim against Seatrium is SGD68.4mn which Seatrium stated it will contest.
 - Both Seatrium and Keppel were implicated in Operation Car Wash (criminal investigation in Brazil).
- **Mapletree Investments Pte Ltd – entering Australia student housing sector**
 - Bought 1,398 sqm land site in Australia to develop a premium 835-bed student housing.
 - Both Seatrium and Keppel were implicated in Operation Car Wash (criminal investigation in Brazil).
- **Olam Group – closing Jiva AG, as part of reorganisation plan to de-lever and divest all assets/businesses**
- **UniCredit SpA taking up more direct stakes in Commerzbank AG**
 - UniCredit now holds ~26% direct ownership stake (up from ~20%), after converting derivatives into shares.
 - While UniCredit is the largest shareholder, followed by the German government's Financial Market Stabilisation Fund (12.0%), UniCredit positions its stake as a financial interest for now.

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