Credit Week in Brief

Global Markets Research

03 Nov 2025

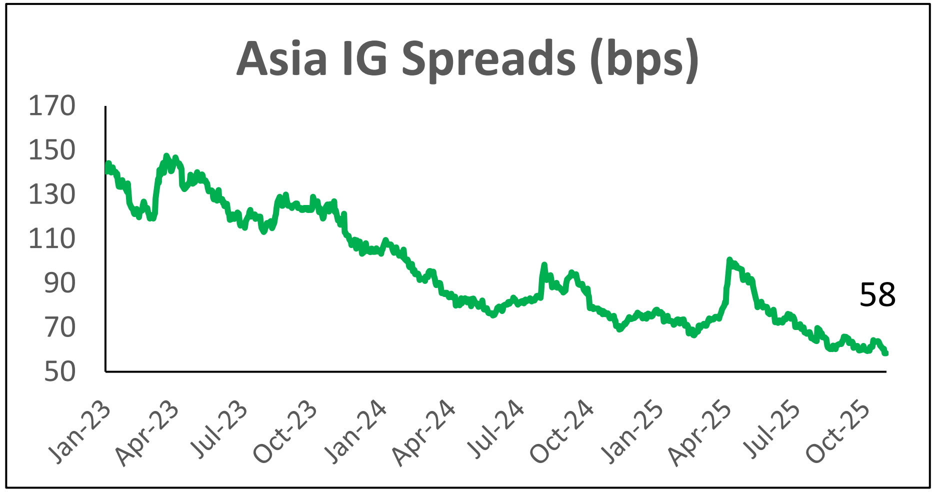
Credit: Asiadollar Weekly Overview

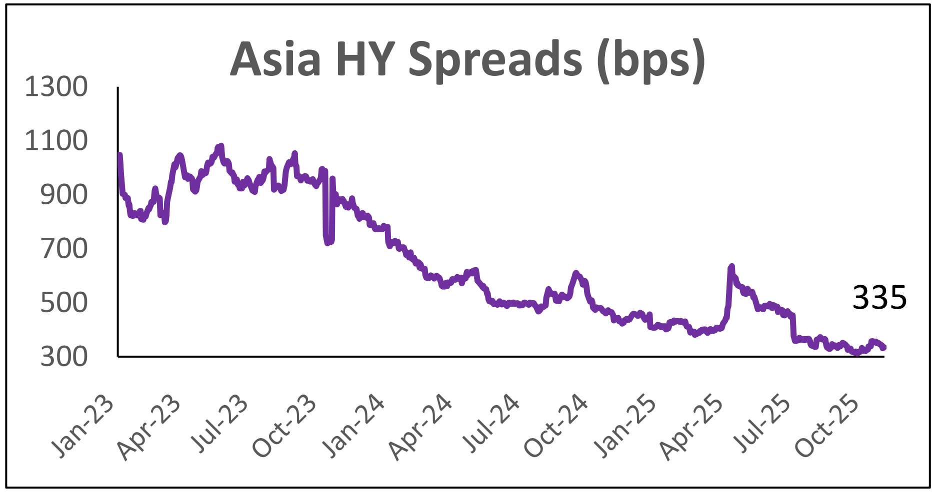
Credit spreads back to another all-time low

Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	-4	58bps
Asia HY (BAHYOAS Index)	-15	335bps

- **China Vanke's 2027s and 2029s fell >11 pts**, after Shenzhen Metro Group requested collateral/pledges for CNY20.37bn of previously unsecured loans to ensure repayment. In its 3Q results, losses nearly doubled to RMB16.1bn (USD2.3bn) due to the property market downturn.
- **Fitch Ratings warns that China's property crisis may persist into 2026.** New home sales by area may fall 15-20% with transaction values dropping 7-10%. Elevated bad debts in the property sector and weakened household repayment capacity will likely worsen banks' asset quality.
- **New World to raise USD1.9bn of new debt for liquidity,** including as much as USD1.6bn in new perpetual securities yielding 9% and USD300mn in 2031s notes yielding 7%, as part of an exchange offer.
- **Fitch placed Genting Bhd's "BBB" long-term issuer default rating on watch negative,** after a proposal to acquire the remaining 50.6% stake it does not own in Genting Malaysia for up to MYR6.7bn.

IG & HY spreads tightened w/w





OCBC

Source: Bloomberg, IFR, Viet Nam News, OCBC

Credit: Asiadollar New Issues

USD2.75bn of issues in Asiadollar ex-Japan excluding HSBC, dominated by Meituan (USD2bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
27 Oct	Korea East-West Power Co Ltd	Fixed	USD	300	5.5Y	T+48bps (reoffer price 99.429 to yield 4.117%)
27 Oct	Zhongtai International Finance (BVI) Company Limited (keepwell agreement: Zhongtai Financial International Ltd)	Subordinated, Fixed, Perpetual	USD	100	PerpNC3	6.00%
28 Oct	Meituan	Fixed	USD	800	10Y	T+115bps (reoffer price 99.876 to yield 5.141%)
28 Oct	Meituan	Fixed	USD	600	7Y	T+105bps (reoffer price 99.471 to yield 4.84%)
28 Oct	Meituan	Fixed	USD	600	5.5Y	T+95bps (reoffer price 99.649 to yield 4.573%)
28 Oct	Peak RE Bvi Holding Ltd (guarantor: Peak Reinsurance Co Ltd)	Subordinated, Fixed, Perpetual	USD	350	PerpNC5.25	Par to yield 5.625%

Source: Bloomberg, OCBC

Credit: Asiadollar New Issues

HSBC launched a jumbo USD5bn debt offering

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
30 Oct	HSBC	Fixed-to-FRN	USD	2250	6NC5	T+90bps (reoffer price to yield 4.619%)
30 Oct	HSBC	Fixed-to-FRN	USD	2250	11NC10	T+105bps (reoffer price par to yield 5.133%)
30 Oct	HSBC	FRN	USD	500	6NC5	SOFR+119bps

OCBC Source: Bloomberg, OCBC

Credit: New issues in SGD

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
27 Oct	Barclays PLC	AT1	SGD	500	PerpNC6	4.65%
28 Oct	Wee Hur Holdings Ltd	Fixed	SGD	175	5Y	4.80%
30 Oct	Al Rajhi Sukuk Ltd	Fixed	SGD	100	2Y	2.00%
31 Oct	Riyad Sukuk Ltd	Fixed, Sukuk Al Wakala Bel	SGD	32.5	2Y	2.00%

Source: Bloomberg, OCBC

Credit Research Views: SGD Weekly Overview

The SGD Credit market was flattish w/w last week. While non-financial perpetuals and Tier 2s outperformed, this was offset by declines in longer-tenor papers.

	Key Statistics			Total Returns			
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021
By Tenor & Structure							
AT1S	116.6	3.1	$11,994m	0.02%	-0.5%	6.1%	16.6%
NON-FIN PERP	124.7	11.9	$13,579m	0.17%	0.3%	7.6%	24.7%
TIER 2S & Other Sub	120.3	4.1	$18,563m	0.11%	0.1%	7.0%	20.3%
LONGER TENORS (>9YRS)	109.1	23.0	$14,996m	-0.40%	-0.4%	13.4%	9.1%
MID TENORS (>3Y-9YRS)	114.6	4.8	$44,096m	0.03%	0.4%	7.9%	14.6%
SHORT TENORS (1-3YRS)	115.7	1.7	$25,836m	0.04%	0.3%	5.3%	15.7%
MONEY MARKET (<12M)	117.1	0.4	$9,634m	0.04%	0.2%	3.7%	17.1%
By Issuer Profile Rating							
POS (2)	116.6	9.3Y	$6,527m	0.07%	0.2%	6.6%	16.6%
N(3)	119.0	3.4Y	$25,029m	0.08%	-0.1%	6.8%	19.0%
N(4)	119.2	7.8Y	$21,753m	0.08%	0.2%	6.6%	19.2%
N(5)	118.3	3.3Y	$5,692m	0.14%	0.4%	7.3%	18.3%
OCBC MODEL PORTFOLIO	128.2	15.5Y	$5m	0.16%	0.2%	9.3%	28.2%
SGD Credit Universe	115.2	6.3Y	$138,698m	0.01%	0.1%	7.3%	15.2%

OCBC

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

Credit: Top Happenings in SGD Credit Market

Financial Results/Business Updates

- **CapitaLand Integrated Commercial Trust (“CICT”) 9M2025 results were stable with decent portfolio and stable credit metrics.**
    - **Stable results:** Net property income rose 1.4% y/y on a like-for-like basis.
    - **Stable portfolio metrics:** Portfolio occupancy improved 0.9 ppts q/q to 97.2%, rent reversion positive for retail & office.
    - **Manageable credit metrics:** Aggregate leverage at 39.2%, reported interest coverage at 3.5x.
- **CapitaLand Ascott Trust (“ART”) 3Q2025 operating performance and credit metrics were stable**
    - **Stable results:** Reported gross profit rose 1% y/y, though lower 2% y/y due to one-off land tax.
    - **Stable portfolio metrics:** RevPAU increased by 3% y/y.
    - **Manageable credit metrics:** Aggregate leverage at 39.3%, reported interest coverage at 3.1x.
- **CapitaLand China Trust (“CLCT”) 3Q2025 results remain somewhat lacklustre, credit metrics remain manageable**
    - **Lacklustre results:** Net property income fell 4.4% y/y on same-store basis.
    - **Stable occupancy, weaker reversions:** Portfolio occupancy at 97.1%. Negative reversions for retail & business parks.
    - **Manageable credit metrics:** Aggregate leverage at 38.8%, reported interest coverage at 2.9x.

Source: Company, Bloomberg, OCBC

Credit: Top Happenings in SGD Credit Market

Financial Results/Business Updates

- **CapitaLand Ascendas REIT ("AREIT") 3Q2025 portfolio statistics look stable, aggregate leverage trended up**
    - **Stable portfolio metrics:** No financials released. Portfolio occupancy fell 0.5 ppts q/q to 91.3%, 2025 rent reversions guidance revised upwards significantly to positive low double-digit range (from positive mid-single digit).
    - **Manageable credit metrics:** Aggregate leverage at 39.8%, reported interest coverage at 3.6x.
- **Mapletree Logistics Trust ("MLT") 2QFY2026 results was stable, stable aggregate leverage.**
    - **Stable q/q results:** Net property income inched down 0.1% q/q to SGD153.3mn.
    - **Stable portfolio metrics:** Portfolio occupancy at 96.1%, overall portfolio achieved +0.6% rental reversion.
    - **Manageable credit metrics:** Aggregate leverage 41.1% (higher versus peers), reported interest coverage at 2.9x.
- **Mapletree Industrial Trust ("MINT") 2QFY2026 results were weaker while portfolio statistic was stable. Aggregate leverage fell.**
    - **NPI fell 7.8% y/y:** Loss of income from divestments in Singapore, non-renewal of leases in North America, depreciation.
    - **Stable portfolio metrics:** Portfolio occupancy was 96.3%. Singapore rental reversion was +6.2%
    - **Aggregate leverage improved:** Aggregate leverage fell 2.8 ppts q/q to 37.3% due to divestments. To continue divesting another SGD500mn-SGD600mn.

Source: Company, Bloomberg, OCBC

Credit: Top Happenings in SGD Credit Market

Financial Results/Business Updates

- **Keppel Real Estate Investment Trust ("KREIT") 3Q2025 results shows improvement, however aggregate leverage increased**
    - **Higher property income:** 9M2025 property income rose 5.5% y/y to SGD204.5mn
    - **Stable portfolio metrics:** Portfolio occupancy was 96.3%.
    - **Aggregate leverage increased:** Aggregate leverage was 42.2% (30 June 2025: 41.7%). Expect KREIT's reported aggregate leverage to continue being on the higher side versus other REITs. Reported interest coverage was 2.6x.
- **Keppel Infrastructure Trust ("KREIT") 9M2025 results boosted by new acquisitions, reported leverage stable q/q**
    - **Higher distributable income,** rising 3.6% y/y to SGD194.8mn. While most segments saw a fall in Distributable Income, this was offset by Ixom and City Energy and Ventura which was bought in June 2024.
    - **Asset movements:** Sold 50% in Philippine Coastal, acquiring 46.7% in Global Marine Group, may buy KEP's assets.
    - **Stable credit metrics:** Reported net debt to EBITDA was 4.6x.
- **Keppel Ltd ("KEP") 9M2025 seeing improvements**
    - **Stronger profit**: Overall net profit rose >5% in 9M2025, with growth of >25% y/y for New Keppel (excluding non-core portfolio for divestment and discontinued operations). Recurring income grew ~15% y/y. Targeting EBITDA to grow still.
    - **Asset movements:** Divesting M1's telecommunications business, sale of 800 Super.

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Source: Company, Bloomberg, OCBC

Credit: Top Happenings in SGD Credit Market

<u>Financial Results/Business Updates</u>

- **Starhill Global REIT ("SGREIT") 1QFY2026 results and credit metrics remain stable**
    - **Stable results:** Net property income grew 0.2% y/y (+1.3% y/y excluding divestment of Wisma Atria office strata units).
    - **Stable portfolio metrics:** Portfolio occupancy was 94.8%, tenant sales at Wisma grew 7.5% y/y (FY2025: -5.2% y/y)
    - **Stable credit metrics:** Aggregate leverage at 36.7%, with reported interest cover of 2.9x. Redeeming SGREIT 3.85% PERP.
- **Lendlease Global Commercial REIT ("LREIT") 1QFY2026 results were stable, capital structure to significantly improve**
    - **Decent portfolio metrics:** Retail rental reversion was +8.9% y/y, portfolio occupancy at 95.0%
    - **Healthy credit metrics:** SGD462mn disposal of Jem office may reduce aggregate leverage to 35%. Reported interest coverage remained stable at 1.6x q/q.
- **ESR-REIT ("EREIT") 3Q2025 results driven by recent acquisitions, slightly weaker occupancy, obtained investment grade rating**
    - **Higher NPI**: NPI grew by 28.6% y/y to SGD247.8mn, due to acquisitions. Same-store NPI grew 4.2% y/y due to positive rental reversions, contributions from properties that underwent AEI.
    - **Lower occupancy, still high reversions:** Occupancy inched down 0.9 ppts q/q to 90.3%. Positive rental reversion of +8.4%.
    - **Obtained investment grade:** "BBB" from Fitch, which we view as generous. Aggregate leverage was 43.3%, higher relative to peers. Reported interest coverage of 2.4x.

Source: Company, Bloomberg, OCBC

Credit: Top Happenings in SGD Credit Market

Financial Results/Business Updates

- **Mapletree Investments Pte Ltd ("MAPL"):** Redeveloping Harbourfront Centre into a new 33-storey upscale retail and office integrated development, with 26 floors of Grade A office space and five floors of retail/experiential spaces. Harbourfront Centre slated for closure in 2H2026, new development to complete by 1H2031.
- **A merger between MAPL and CapitaLand Investment Ltd ("CLI")?:** As reported by Dow Jones, MAPL and CLI are exploring a potential business combination. Plans are in initial stages; the deal may or may not materialize. This is neither confirmed nor denied by MAPL, CLI and Temasek Holdings Pte Ltd.
- **Air India seeking USD1.1bn capital infusion from Tata Group and Singapore Airlines Ltd ("SIA"):** Funding to be proportional to ownership stake, SIA holds 25.1% stake (share of capital = USD276.1mn). Air India continues to face significant challenges.
- **A flurry of results, captured in our OCBC Asian Credit Daily. Other results include:**
    - **Other REITs:** First Real Estate Investment Trust, Lippo Malls Indonesia Retail Trust.
    - **European financials:** BNP Paribas SA, Deutsche Bank AG, Société Générale SA, Crédit Agricole Group, UBS Group AG
    - **Australian financials:** ANZ Group Holdings Ltd, Westpac Banking Corporation
    - **UK-listed financials with Asian presence:** HSBC Holdings PLC, Standard Chartered PLC
    - **Others:** China Construction Bank Corporation, AIA Group Limited

Source: Company, Bloomberg, OCBC

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