

A scenic landscape photograph of a valley with green fields, a winding river, and a village, surrounded by numerous sharp, conical mountains under a blue sky with light clouds.

Credit Week in Brief

Global Markets Research

07 July 2025

Credit: Asiadollar Weekly Overview

New tariff news is old tariff news?

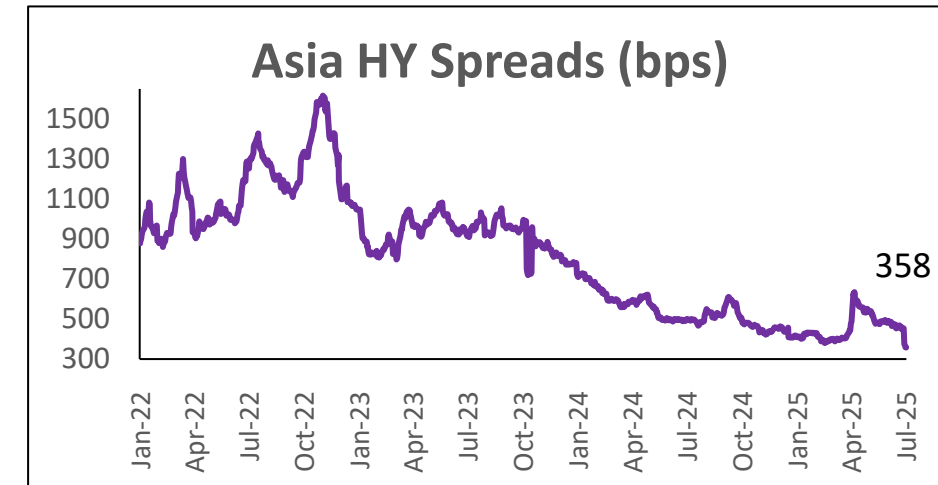
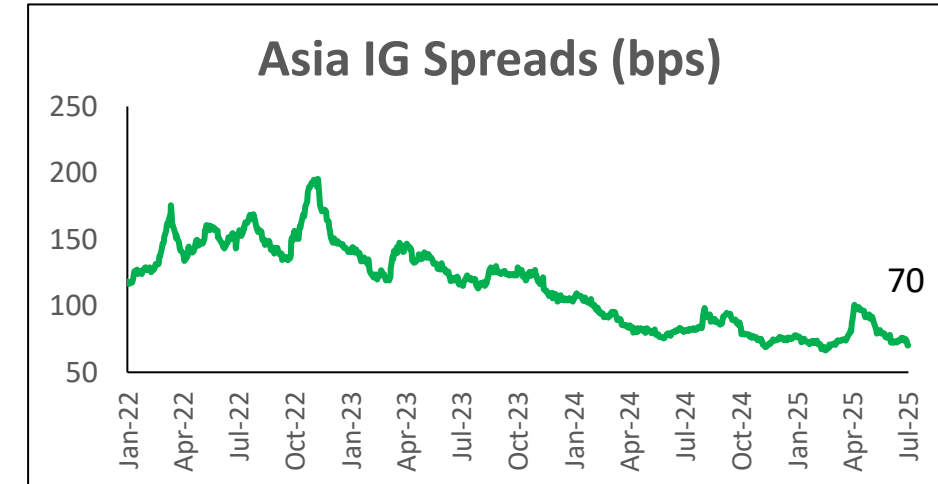
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	-4	70bps
Asia HY (BAHYOAS Index)	-91	358bps

- **Despite 9 July coming, credit markets remained firm** last week with Asiadollar spreads tighter with tightening across most markets as all in yield buyers helped keep valuations high due to higher rates. Other technical supports include relatively lower supply and earnings blackouts ahead of the Summer lull.
- With spreads to possibly grind tighter ahead and any widening to be shallow, credit compression is driving investors down the credit curve. That said, we remain mindful of continuing uncertainties and see **credit selection as critical**.
- **Asiadollar issuance (ex Japan) was USD2.25bn** and consisted mostly of Korean issuers (Korea Gas Corp and NongHyup Financial Group Inc through NH Investment & Securities Co., Ltd.) with Chinese issuers comprising the rest. Relatively lower issuance reflected US holidays and higher supply in May/June.
- **EUR issues are becoming popular** as the de-dollarisation theme catches steam with EUR1.7bn issued by SoftBank Group Corp across three tranches as part of USD4.2bn in total issuance across 7 tranches. Bright Food Singapore Holdings Pte. Ltd. Issued EUR800mn and received orders of EUR4.85bn per BBG including EUR2.3bn in JLM interest.



Source: Bloomberg, OCBC

IG and HY tightened w/w



Credit: Asiadollar New Issues

Excluding Japan, USD2.25bn issued last week which was down materially w/w on holidays and prior week supply

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	6NC5	T+87bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	8NC7	T+97bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	700	11NC10	T+102bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	FRN	USD	900	6NC5	SOFR+119bps
30 Jun	Sumitomo Mitsui Financial Group, Inc.	Subordinated, Tier 2	USD	1000	21NC20	T+102bps
30 Jun	SoftBank Corp.	Fixed	USD	500	5Y	T+90bps
30 Jun	SoftBank Corp.	Fixed	USD	500	10Y	T+110bps
02 Jul	SoftBank Group Corp.	Fixed	USD	500	3.75Y	6.50%
02 Jul	SoftBank Group Corp.	Fixed	USD	500	10Y	7.50%
02 Jul	SoftBank Group Corp.	Fixed	USD	600	5.5Y	6.875%
02 Jul	SoftBank Group Corp.	Fixed	USD	600	7Y	7.25%
02 Jul	Korea Gas Corporation	FRN	USD	300	3Y	SOFR+65bps
02 Jul	Korea Gas Corporation	Fixed	USD	500	5Y	T+47bps (Yield: 4.328%)
02 Jul	NH Investment & Securities Co., Ltd.	Fixed	USD	300	3Y	T+90bps (Yield:4.676%)
02 Jul	NH Investment & Securities Co., Ltd.	Fixed	USD	300	5Y	T+100bps (Yield: 4.873%)



Source: Bloomberg, OCBC

^ Includes JPY issuances

Credit: Asiadollar New Issues (Cont.)

Excluding Japan, USD2.25bn issued last week which was down materially w/w on holidays and prior week supply

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Jul	China Modern Dairy Holdings Ltd	Sustainability, Fixed	USD	350	5Y	T+115bps (Yield: 5.018%)
03 Jul	Zhangzhou Jiulongjiang Group Co Ltd	Green, Transition, Fixed	USD	500	3Y	4.55%



Source: Bloomberg, OCBC

^ Includes JPY issuances

Credit: SGD Primary Market includes frequent and infrequent issuers

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
01 Jul	Housing & Development Board	Green, Fixed	SGD	875	5Y	1.837%
03 Jul	Q & M Dental Group (Singapore) Limited	Fixed	SGD	130	3Y	3.95%

Credit Research Views: SGD Weekly Overview

SGD Credit market rose 0.34% last week (0.55% prior week) in continued solid performance aided by fall in SORA rates

	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	113.5	3.2	\$12,835m	0.21%	0.7%	7.2%	13.5%
NON-FIN PERP	120.3	11.2	\$13,896m	0.31%	1.0%	7.6%	20.3%
TIER 2S & Other Sub	117.1	4.3	\$18,826m	0.43%	1.2%	8.0%	17.1%
LONGER TENORS (>9YRS)	105.2	23.7	\$14,055m	1.01%	5.3%	16.4%	5.2%
MID TENORS (>3Y-9YRS)	111.9	5.0	\$41,223m	0.32%	1.2%	8.8%	11.9%
SHORT TENORS (1-3YRS)	113.9	1.9	\$26,477m	0.17%	0.7%	5.9%	13.9%
MONEY MARKET (<12M)	115.9	0.5	\$13,742m	0.09%	0.4%	4.3%	15.9%
<u>By Issuer Profile Rating</u>							
POS (2)	113.4	7.5Y	\$7,422m	0.33%	1.1%	7.1%	13.4%
N(3)	116.1	3.6Y	\$24,422m	0.31%	1.1%	7.9%	16.1%
N(4)	116.0	7.2Y	\$20,917m	0.19%	0.9%	7.1%	16.0%
N(5)	114.9	3.2Y	\$6,442m	0.21%	1.0%	7.2%	14.9%
OCBC MODEL PORTFOLIO	121.9	12.3Y	\$6m	0.19%	1.0%	8.3%	21.9%
SGD Credit Universe	112.4	6.2Y	\$141,054m	0.34%	1.3%	8.2%	12.4%



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

Credit: Top Happenings in SGD Credit Market

Publications

- **Published OCBC Monthly Credit View for July**
 - **Spread widening has generated value** with 19 bonds upgraded m/m and 3 downgraded. Curves of note include Mapletree (MPACT and MAPL) and resuming of coverage on HSBC and StanChart following suspension for OCBC's other business.
 - **EREIT 4.05% '30 (SGD bullet):** ESR-REIT ("EREIT") is the fourth largest industrial REIT listed on the Singapore Stock Exchange by total assets. EREIT's property portfolio focuses on Singapore, with some exposure to Australia and Japan. EREIT is a higher yielding industrial REIT, whose bullet bonds are trading wider compared to REIT peers.
 - **BNP 5.9%-PERP (SGD Additional Tier 1)** BNP Paribas SA ("BNPP") is a Global Systemically Important Bank with operations that span domestic and international retail and commercial banking as well as Corporate and Institutional Banking with its Investment & Protection Services division offering savings, investment and insurance solutions. Management focused on execution of BNPP's current strategic plan centred on its Personal Finance strategic plan that has been extended to 2028, as has the current CEO and Chairman.



Source: Bloomberg, OCBC

Credit: Top Happenings in SGD Credit Market

Industry developments

- **SG Property**

- The government has tightened the Seller's Stamp Duty by increasing the holding period from 3Y to 4Y and increasing the rates by 4ppts for each tier. Essentially, SSD rules are reverted to pre-2017 levels. **Change is manageable: The change in SSD is not major, as sub-sales account for just 4.4% of total properties transacted in 1Q2025.** (URA, OCBC)
- Resale prices inched up by 0.9% q/q for HDB and 0.5% q/q for private residential in 2Q2025, according to flash estimates by HDB and URA respectively. **Price growth in-line with expectations.** In total, private residential prices rose 1.3% in YTD2025 (till mid-June 2025), consistent with our expectations for private residential prices to increase by 2-4% in the whole of 2025.

- **Financial Institutions – Litigation**

- The Monetary Authority of Singapore (“MAS”) has imposed **SGD27.5mn in total fines on nine financial institutions** in connection with a two-year supervisory review into money-laundering lapses related to the seizure of ~SGD3bn in assets. UBS Group AG was assessed the largest penalty with SGD8.8mn (including SGD5.8mn tied to Credit Suisse Group AG). UOB Group was the next largest including UOB (SGD5.6mn) and UOB Kay Hian (SGD2.9mn). **Fines are insignificant** relative to the bank's respective businesses and other money laundering lapse fines assessed overseas in North America and Europe.
- Liquidators for 1Malaysia Development Berhad (“1MDB”) have filed a **claim for USD2.7bn against Standard Chartered PLC (“StanChart”)** in the High Court of Singapore for shortfalls in anti-money laundering checks and processes. StanChart rejected the claims. StanChart reported USD94mn in other provisions for legal claims and regulatory and enforcement investigations and proceedings in its 2024 Annual Report with no mention of 1MDB litigation or investigations.



Source: Bloomberg, HDB, URA, The Edge, OCBC

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