

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

# Credit Week in Brief

Global Markets Research

08 Sep 2025

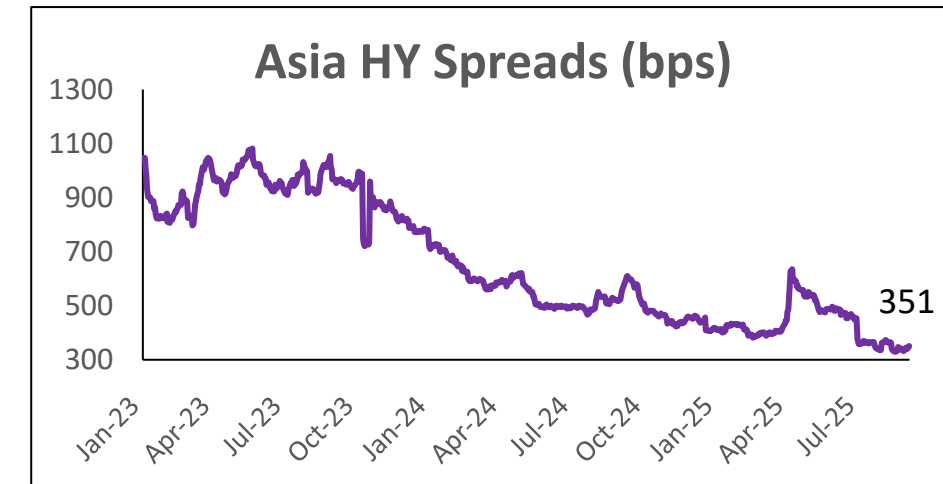
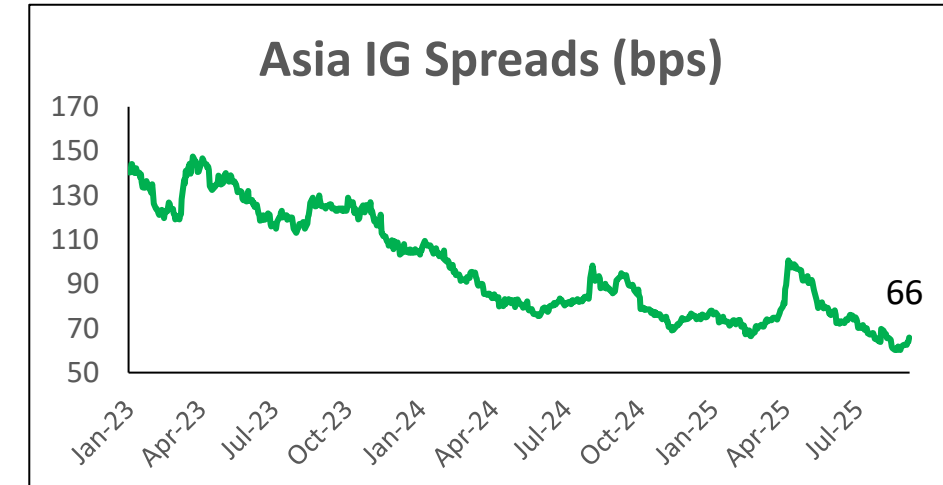
# Credit: Asiadollar Weekly Overview

## Widening from a low base and low payrolls

Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	+4	66bps
Asia HY (BAHYOAS Index)	+19	351bps

- **Asia IG spreads widened from record lows last week and weaker jobs data:** Credit default swaps on Asian and North American debt also widened highlighting a more cautious tone ahead of FOMC later this month.
- **Surge before the change in sentiments:** Asiadollar issuance surged last week as issuers took advantage of the still tight spreads and elevated yields, in line with global bond markets with 27 issuers pricing USD43.3bn in the US last Tuesday, the third largest volume ever while Europe saw record debt sales on the same day of almost EUR50bn across sectors on front loading by issuers and investors.
- **APAC economies and corporates holding firm:** S&P Global saw resilient Asian economic performance as of 1H2025 data due to domestic demand and tech/electronics exports but caution that indirect tariff-related slowdown impacts may show going forward. As for corporate impacts, 51% of issuers are exposed to indirect impacts, 23% to direct impacts, while 16% and 10% will see impacts to their investment plans and refinancing risks.

## IG & HY spreads widened w/w



# Credit: Asiadollar New Issues

Issuance of Asia ex-Japan USD bonds jumped to USD6.95bn (prior week: ~USD2.3bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Sep	Mitsubishi UFJ Financial Group Inc	Fixed	USD	1,000	6NC5	T+80bps (Yield: 4.527%)
02 Sep	Mitsubishi UFJ Financial Group Inc	FRN	USD	1,000	6NC5	SOFR+113bps
02 Sep	Mitsubishi UFJ Financial Group Inc	Fixed	USD	1,000	11NC10	T+93bps (Yield 5.188%)
02 Sep	Mitsubishi UFJ Financial Group Inc	Perpetual, Fixed, Junior Subordinated	USD	1,000	PerpNC10	6.350%
02 Sep	Mitsubishi Corp	Fixed	USD	500	5Y	T+50bps (Reoffer price 99.491 to yield 4.239%)
02 Sep	Mitsubishi Corp	Fixed	USD	400	10Y	T+65bps (Reoffer price 99.593 to yield 4.927%)
02 Sep	Mitsubishi Corp	FRN	USD	400	3Y	SOFR+70bps
02 Sep	Mitsubishi Corp	Fixed	USD	300	3Y	T+45bps (Reoffer price 99.807 to yield 4.069%)



Source: Bloomberg, OCBC

\* 17 significant USD issuances by nine JPY issuer

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Issuance of Asia ex-Japan USD bonds jumped to USD6.95bn (prior week: ~USD2.3bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Sep	Sumitomo Mitsui Trust Bank Ltd	FRN	USD	750	3Y	SOFR+75bps
02 Sep	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	5Y	T+65bps (Reoffer price 99.902 to yield 4.372%)
02 Sep	Sumitomo Mitsui Trust Group Inc	Fixed-to-FRN, Subordinated (FRN after 10Y)	USD	500	11NC10	T+115bps (Yield: 5.416%)
02 Sep	Norinchukin Bank	Fixed	USD	500	5Y	T+93bps (Yield: 4.674%)
02 Sep	Norinchukin Bank	Fixed	USD	500	10Y	T+108bps (Yield: 5.359%)
02 Sep	Nomura Holdings Inc	Fixed, Subordinated	USD	750	10.75NC5.75	T+130bps (Yield: 5.043%)
02 Sep	Kyushu Electric Power Co Inc	Fixed	USD	500	10Y	T+95bps (Yield: 5.246%)
02 Sep	ORIX Corp	Fixed	USD	500	5Y	T+75bps (Reoffer price 99.827 to yield 4.489%)



Source: Bloomberg, OCBC

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Issuance of Asia ex-Japan USD bonds jumped to USD6.95bn (prior week: ~USD2.3bn)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Sep	HSBC Holdings PLC	Fixed-to-FRN, Subordinated (FRN after 10Y)	USD	1,500	11NC10	T+147bps (Yield: 5.741%)
02 Sep	State Bank of India	Fixed	USD	500	5Y	T+75bps (Reoffer price 99.987 to yield 4.503%)
02 Sep	Fortune Star BVI Ltd (guarantor: Fosun International Ltd)	Fixed	USD	400	4NC2.5	6.80%
02 Sep	Zhengding State-Owned Assets Holding & Operating Group Co. Ltd.	Fixed	USD	100	3Y	6.90%
03 Sep	Sumitomo Life Insurance Co	Fixed, Subordinated	USD	1,200	30NC10	5.875%
03 Sep	GC Treasury Center Co Ltd (guarantor: PTT Global Chemical PCL)	Fixed, Subordinated, Perpetual	USD	600	PerpNC5.25	T+281.50bps (99.962 to yield 6.50%)
03 Sep	GC Treasury Center Co Ltd (guarantor: PTT Global Chemical PCL)	Fixed, Subordinated, Perpetual	USD	500	PerpNC10	T+291.20bps (Yield: 7.125%)



Source: Bloomberg, OCBC

\* 17 significant USD issuances by nine JPY issuer

# Credit: Asiadollar New Issues

**Issuance of Asia ex-Japan USD bonds jumped to USD6.95bn (prior week: ~USD2.3bn)**

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
03 Sep	Fubon Life Singapore Pte. Ltd. (guarantor: Fubon Life Insurance Co Ltd)	Fixed, Tier 2 Subordinated	USD	650	10.25Y	T+120bps (Reoffer price 99.826 to yield 5.469%)
04 Sep	China Construction Bank Corp of London	Green, FRN	USD	1,000	3Y	SOFR+50bps
04 Sep	China Construction Bank Corp of London	Green, FRN	USD	500	5Y	SOFR+58bps
04 Sep	SK Hynix Inc	Fixed	USD	600	3Y	T+73bps (Reoffer price 99.905 to yield 4.284%)
04 Sep	SK Hynix Inc	Fixed	USD	600	5Y	T+80bps (Reoffer price 99.632 to yield 4.458%)



Source: Bloomberg, OCBC

\* 17 significant USD issuances by nine JPY issuer



## Credit: New issues in SGD

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Sep	Housing & Development Board	Green, Fixed	SGD	1,000	10Y	2.162%
04 Sep	Netlink Trust	Fixed (Privately placed)	SGD	300	20Y	10.50%

# Credit Research Views: SGD Weekly Overview

SGD Credit market rose 0.04% last week (+ 0.31% prior week) with weaker longer tenors offsetting Bank cap/perps

	Key Statistics			Total Returns			
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021
<b><u>By Tenor &amp; Structure</u></b>							
AT1S	116.2	3.0	\$13,047m	0.19%	1.2%	7.7%	16.2%
NON-FIN PERP	122.9	11.2	\$14,354m	0.27%	1.4%	8.2%	22.9%
TIER 2S & Other Sub	119.5	4.3	\$18,630m	0.10%	0.6%	7.9%	19.5%
LONGER TENORS (>9YRS)	109.0	23.2	\$15,054m	-0.47%	1.6%	13.7%	9.0%
MID TENORS (>3Y-9YRS)	113.8	5.0	\$44,045m	0.05%	0.9%	7.6%	13.8%
SHORT TENORS (1-3YRS)	115.1	1.8	\$25,859m	0.08%	0.6%	5.5%	15.1%
MONEY MARKET (<12M)	116.6	0.4	\$13,462m	0.04%	0.3%	4.0%	16.6%
<b><u>By Issuer Profile Rating</u></b>							
POS (2)	115.4	8.0Y	\$7,507m	0.17%	1.0%	7.3%	15.4%
N(3)	118.4	3.5Y	\$25,469m	0.15%	0.7%	7.9%	18.4%
N(4)	118.0	7.8Y	\$22,305m	0.17%	0.9%	7.3%	18.0%
N(5)	117.2	3.5Y	\$5,680m	0.20%	1.0%	7.7%	17.2%
<b>OCBC MODEL PORTFOLIO</b>	126.3	13.9Y	\$6m	0.43%	1.9%	9.7%	26.3%
<b>SGD Credit Universe</b>	114.5	6.2Y	\$144,453m	0.04%	0.9%	7.6%	14.5%



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



# Credit: Top Happenings in SGD Credit Market

## Monthly Credit View for September

- **Strong activity slowing down:** The SGD primary market's overall issuance activity moderated somewhat in August from a high base, with ~SGD3.64bn across 12 issues (SGD4.09bn across 13 issuers in July). While most issues continue to be well absorbed with orderbooks significantly exceeding issuance, we find that it is no longer a given for new issues to trade above par in the secondary market.
- **Themes remain selectivity and hunt for duration:** Generally spread widening m/m on lower rates but expect widening to be contained against expectations of slower growth (no recession), lower rates and still low corporate defaults. Prefer higher quality and longer duration issues, in view of higher yields while HY credit spreads have compressed significantly relative to that of IG.



Source: OCBC



## GLOBAL MARKETS RESEARCH

### Monthly Credit View

02 September 2025

### Monthly Themes & House View

- **Strong issuance in the SGD primary market:** The SGD primary market's overall issuance activity moderated somewhat in August from a high base, with ~SGD3.64bn across 12 issues (SGD4.09bn across 13 issuers in July).
- **Overall, new issuances tend to be priced without new issue premiums:** While most issues continue to be well absorbed with orderbooks significantly exceeding issuance, we find that it is no longer a given for new issues to trade above par in the secondary market.
- **Locking in cost of funding:** Separately, we find that majority of the new issues by issuance amount are longer duration (e.g. longer than 5Y) papers, signaling the desire for issuers to lock in borrowing cost. We note that yields have generally trended lower. For example, 5Y SORA OIS yields have fallen to ~1.4%, which is the lowest level since 2H2023.

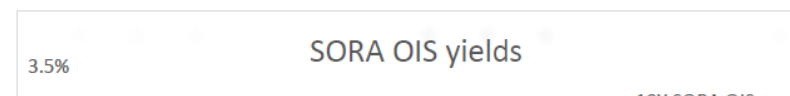
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#### SORA OIS yields have fallen to near multi-year lows



# Credit: Top Happenings in SGD Credit Market

## Corporate actions

- **Industry Outlook – Singapore Property:**

- National University of Singapore's (NUS) Real Estate Sentiment Index shows that property players in Singapore have turned distinctly more optimistic on the prime and suburban residential sectors. Industry players were most favourable towards the prime housing market in 2Q2025, a segment where sentiment was negative for some time as sales were depressed by high additional buyer's stamp duty and a lack of foreign buyers. The outlook has turned, after a slew of Core Central Region launches saw strong sales. More developers surveyed now expect prices to rise (44% versus 29% in 1Q2025). Only 6.3% expected prices to fall and the rest expect prices to hold.
- Market commentators mentioned that despite an uncertain economy, residential property in Singapore is seen as safe haven that is resilient against headwinds and can buffer inflation. On top concerns, land costs is the key concern, followed by labour and building material costs.
- **GuocoLand Ltd ("GUOL"):** Selling a hotel at Johor Bahru for MYR150mn to Restoran Kisap, a wholly-owned subsidiary of YTL Hotels & Properties Sdn Bhd. According to GUOL, the sale is an 'opportunity to realise the capital value of the Property and the Assets'.
- **Sembcorp Industries Ltd ("SCI")**, through its wholly-owned subsidiary Sembcorp Solar Singapore, has been named the winning bidder by PUB, Singapore's National Water Agency, to build a ~86MWp floating solar photovoltaic system on Pandan Reservoir.
- **Keppel Infrastructure Trust ("KIT"):** Keppel Infrastructure Fund Management Pte Ltd in its capacity as trustee-manager of KIT announced that it has obtained a SGD75mn multi-currency revolving credit facility. (Company)

# Credit: Top Happenings in SGD Credit Market

## Earnings / Business Updates

- **China Construction Bank Corporation (“CCB”)** – fundamentals hold despite a still challenging operating environment due to its solid business position within China that drives resilient loan quality and solid capital buffers.
  - **Performance weighed by operating environment:** CCB reported 1H2025 results with profit before tax down 5.48% y/y to RMB182.44bn, despite operating income rising 2.95% y/y to RMB385.9bn. This was due to more cyclical influences that offset weaker net interest income. Credit impairment losses rose 22.8% y/y to RMB107.7bn and as a result, 1H2025 net profit declined 1.45% y/y to RMB162.6bn. CET1 ratio of 14.34% as at 30 June 2025 was marginally down h/h.
  - **Non-interest income supporting operating income:** Operating income supported by higher non-interest income (+25.9% y/y), primarily from other net non-interest income that rose 111.4% y/y to RMB34.0bn due to improved investments and net gains on derecognition of financial assets measured at amortised cost related to the bank’s bond holdings.
  - **Cost effectiveness:** CCB achieved positive JAWS with a 1.18% y/y rise in operating expenses and as such the cost to income ratio improved marginally to 23.72% in 1H2025 vs 24.15% in 1H2024. Underpinning the cost performance was a 3.12% y/y rise in staff costs that was offset partially by a 5.95% y/y fall in premises and equipment expenses.
  - **Higher impairments but looks pre-emptive:** Total allowances for impairment losses were RMB869.4bn as at 30 June 2025, up 8.3% h/h. The largest increase was in stage 1 allowances (+14.9%) followed by stage 2 allowances (+4.1%). Stage 3 allowances of RMB263bn rose 3.3% with the reported non-performing loan ratio stable h/h at 1.33% as at 30 June 2025 (1.34% as at 31 December 2024). At the same time, the allowance ratio to non-performing loans improved to 239.4% as at 30 June 2025, from 233.6% over the same period.

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