



Credit Week in Brief

Global Markets Research

08 Dec 2025

Credit: Asiadollar Weekly Overview

Credit spreads tightened amidst limited supply

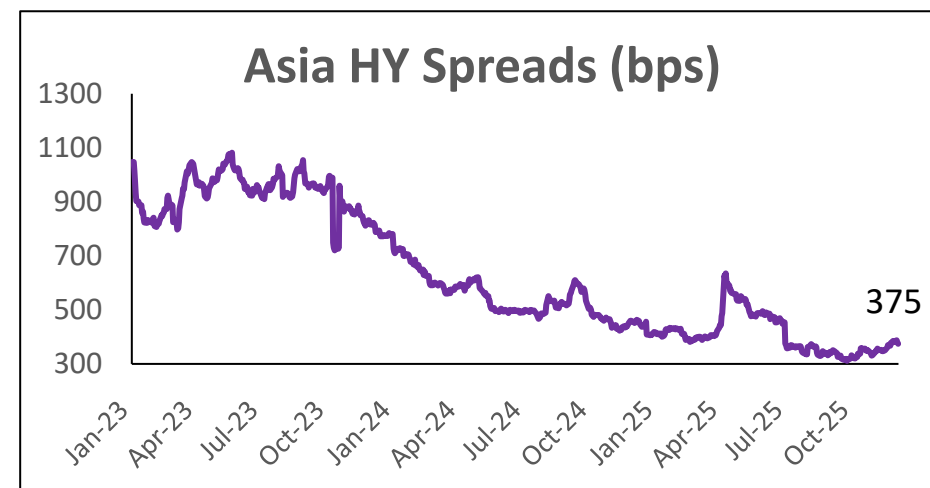
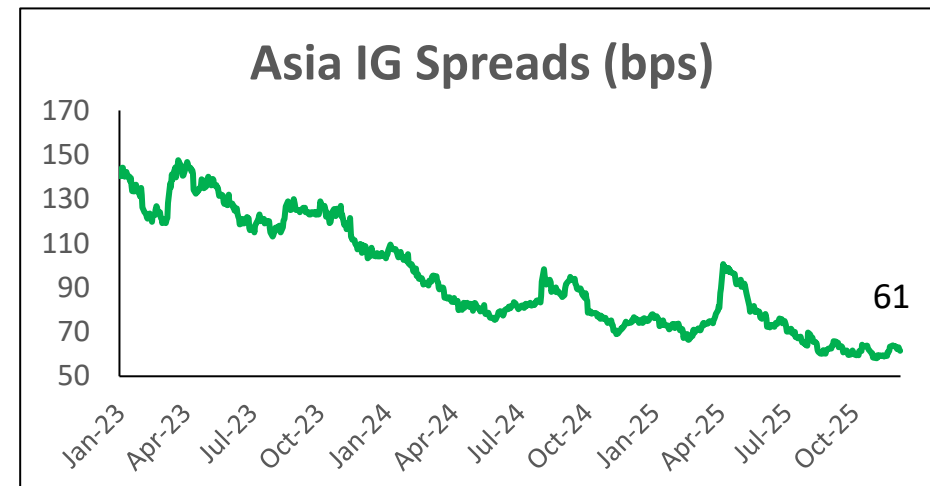
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	-3	61bps
Asia HY (BAHYOAS Index)	-11	375bps

- **Asiadollar credit spreads tightened w/w** amidst limited supply as we go into year end and ahead of US data.
- **New World Development Co Ltd (“New World”)** announced the final settlement of its exchange offer, with USD2.29bn in perpetuals and USD236mn in notes exchanged and cancelled. New World managed to obtain approval from investors holding ~72% of the maximum amount under its perpetual/bond-exchange plan. Separately, New World’s key shareholders have been reportedly looking to sell assets (some Rosewood hotels and Alinta Energy).
- **China Vanke Co Ltd (“Vanke”)** has proposed postponing repayment on a **RMB3.7bn note due 28 December 2025** and will meet bondholders on 22 December 2025 to discuss, as it faces RMB13.4bn in bonds maturing or under pressure through mid-2026. Additionally, Vanke has chosen not to exercise its right to redeem a RMB1.1bn bond ahead of maturity, and it will also not adjust the 3.98% coupon rate on this bond. **Dalian Wanda Commercial Management Group Co. Ltd. (“Dalwan”)** is seeking a **2Y extension** on its USD400mn bond due February 2026. The company is also proposing to redeem the bond in instalments and reduce the minimum total equity requirement for Wanda HK.



Source: Bloomberg, OCBC

IG & HY spreads tightened w/w



Credit: Asiadollar New Issues

Limited new supply in Asiadollar (ex-Japan and Australia) primary market activity, concentrated on China names

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
01 Dec	Agricultural Bank Of China Ltd/Tokyo	FRN	USD	300	3Y	SOFR+42bps
04 Dec	Bank of China Limited/Hong Kong	FRN	USD	300	3Y	SOFR+41bps

Credit: Aus/NZ & JP New Issues

Primary market activity led by two issuers

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
01 Dec	Australia & New Zealand Banking Group Ltd/New York NY	Fixed	USD	750	3Y	T+37bps (reoffer price par to yield 3.919%)
01 Dec	Australia & New Zealand Banking Group Ltd	FRN	USD	750	3Y	SOFR+59bps
01 Dec	Australia & New Zealand Banking Group Ltd	FRN	USD	500	5Y	SOFR+68bps
03 Dec	Fuyo General Lease Co Ltd	Fixed	USD	100	5Y	4.688%
03 Dec	Fuyo General Lease Co Ltd	Fixed	USD	100	3Y	4.411%

^ AU/NZ & JPY Issuances

Credit: New issues in SGD

Relatively quiet primary market in SGD

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
02 Dec	BNP Paribas SA	Senior Preferred, Fixed	SGD	100	3.3Y	2.12%
05 Dec	Hyundai Capital Services, Inc.	Fixed	SGD	70	2Y	2.0%

Credit Research Views: SGD Weekly Overview

The SGD Credit market continued to fall, albeit more modestly, as SORA rates rose for mid-to-longer tenors. Within SGD credit, longer tenors, Tier 2s and mid tenors underperformed.

	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	116.9	3.1	\$12,526m	0.04%	0.2%	6.5%	16.9%
NON-FIN PERP	124.9	11.3	\$14,732m	0.02%	0.1%	7.4%	24.9%
TIER 2S & Other Sub	120.1	4.0	\$18,491m	-0.06%	-0.2%	7.0%	20.1%
LONGER TENORS (>9YRS)	107.1	22.4	\$16,028m	-0.63%	-2.1%	10.9%	7.1%
MID TENORS (>3Y-9YRS)	114.2	5.1	\$45,560m	-0.04%	-0.5%	7.1%	14.2%
SHORT TENORS (1-3YRS)	115.8	1.8	\$28,262m	0.03%	0.0%	5.0%	15.8%
MONEY MARKET (<12M)	117.2	0.5	\$10,489m	0.09%	0.1%	3.5%	17.2%
<u>By Issuer Profile Rating</u>							
POS (2)	116.8	8.7Y	\$8,538m	-0.05%	0.1%	6.7%	16.8%
N(3)	119.0	3.5Y	\$26,773m	-0.05%	-0.1%	6.7%	19.0%
N(4)	119.3	7.9Y	\$21,769m	0.03%	0.0%	6.5%	19.3%
N(5)	118.3	3.3Y	\$5,457m	-0.05%	-0.1%	6.9%	18.3%
OCBC MODEL PORTFOLIO	128.2	14.0Y	\$6m	-0.04%	0.0%	9.1%	28.2%
SGD Credit Universe	114.9	6.3Y	\$146,089m	-0.07%	-0.4%	6.7%	14.9%



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

Credit: Top Happenings in SGD Credit Market

Mergers & Acquisitions

- **Sembcorp Industries Ltd (“SCI”)**: Australian media reported that SCI is close to signing a deal to buy Alinta Energy Pty Ltd (“Alinta”) from Hong Kong based Chow Tai Fook Enterprises Ltd. Alinta is an Australian electricity generating and gas retailing company. Subsequently, **SCI announced to the market that as part of its ongoing strategic initiative to deliver shareholder value, it is currently considering potential acquisition opportunities which include Alinta and are in current discussions with relevant parties.** That said, discussions are ongoing and no definitive transaction has been entered into. The target is private but may be a sizeable transaction for SCI if it does go through.
- **City Developments Limited (“CDL”)**: CDL, through its wholly-owned subsidiary **Copthorne Hotel Holdings Limited, has completed the acquisition of the 706-room Holiday Inn London – Kensington High Street.** The hotel spans 6,356 square metres and was acquired for GBP280mn (~SGD480.2mn), or approximately GBP396.6k (~SGD680.2k) per room. This acquisition is part of CDL Group’s capital recycling plans, with ~SGD1.9bn in contracted divestments year-to-date. Meanwhile, total investments for the year, including this acquisition, amounts to SGD1.7bn. The transaction increases CDL Group’s total hotel presence in Central London to over 3,000 rooms and supports the group’s strategy of investing in high-quality assets, creating long-term shareholder value, and capitalising on the further easing of interest rates in UK. This transaction appears manageable for CDL from a credit perspective.

Credit: Top Happenings in SGD Credit Market

Industry Outlook – Singapore Retail Mall Property

- An entity linked to **The Elegant Group** has been reported to enter into a transaction to buy **The Clementi Mall** for **SGD809mn** from Cuscaden Peak Investments. The buyer already owns another five retail malls in Singapore, bringing the total to six at completion. The net yield is ~4.1% (based on net price inclusive of buyer's stamp duty).
- This property is a 99-year leasehold property with ~84 years lease left. The transaction saw 12 offers at initial close of submissions, a sign of the underlying investment sales market for Singapore retail malls being very active.

Industry Outlook – Financial Institutions, Barclays PLC (“Barclays”), HSBC Holdings PLC (“HSBC”), Standard Chartered PLC (“StanChart”)

- The Bank of England (“BoE”) published its latest Financial Stability Report, including the results of the 2025 Bank Capital Stress Test and an assessment of the resilience of major UK banks. **The BoE concluded that the UK banking system remains well-capitalised and able to support households and businesses even under a severe global stress scenario. No individual bank was required to strengthen its capital position as a result of the test.**
- The stress scenario assumed a deep global recession, sharp asset price falls, and elevated geopolitical risks. Despite these shocks, all major UK banks—including Barclays, HSBC, and StanChart—maintained capital and leverage ratios above regulatory minimums and systemic buffers throughout the stress. The BoE highlighted that credit impairments and traded risk were the main drivers of capital depletion, partially offset by higher net interest income. Aggregate CET1 fell by 3.5 percentage points system-wide but remained GBP60bn above regulatory minimums and buffers at the low point. The Financial Policy Committee reaffirmed that the UK banking system is resilient and capable of absorbing severe shocks without amplifying stress.



Source: Company, Business Times, OCBC, Bloomberg

Credit: Top Happenings in SGD Credit Market

Others

- **First Real Estate Investment Trust (“FIRT”) to redeem all remaining SGD33.25mn FIRTSP 4.9817%-PERP on 8 January 2026 at a price of 100.** This is in line with our expectations that FIRT will redeem this perpetual given that FIRT will receive net proceeds of SGD25.5mn from disposal of Imperial Aryaduta Hotel & Country Club (“IAHCC”), if the conditional disposal is completed.
- **HSBC Holdings PLC (“HSBC”) announced the appointment of Brendan Nelson as Group Chair.** Mr Nelson had been serving on an interim basis since 1 October 2025. Mr Nelson has been a board member of HSBC since September 2023. Mr Nelson is currently also Chairman of the Group Audit Committee and will remain so until the publication of the 2025 results in February 2026. Prior chairman Mark Tucker announced in early June that he would stand down on 30 September and take on a non-executive chairman role at AIA Group Ltd.
- **UBS Group AG (“UBS”) / UBS AG (“UBSAG”): UBS shares rose on Friday last week after reports that Switzerland may ease planned capital rules, related to how financial institutions quantify intangible items such as deferred tax assets and in-house software.** These proposed changes were to take effect around the beginning of 2027 and result in a USD3bn increase to UBS’s capital requirements in 2026. The increase is part of Switzerland’s Federal Council’s previously announced proposed amendments to Switzerland’s too big to fail regulatory regime that will be submitted for consultation in stages. Specifically, it is part of proposed stricter capital requirements for systemically important banks with foreign subsidiaries with Swiss systemically important banks to fully deduct the carrying value of foreign subsidiaries from the parent bank's CET1 capital. The reported impact on UBS will be additional going-concern capital requirements of USD23bn for boosting capital reserves in UBS AG to fully cover foreign subsidiaries. **Together with the above USD3bn increase next year, total additional capital requirements would be USD26bn. This larger amendment still remains under parliamentary review and would come into force in 2028 or 2029.**



Source: Company, Bloomberg, Council of States, Federal Assembly, OCBC

Credit Research

Andrew Wong

Credit Research Analyst

WongVKAM@ocbc.com

Ezien Hoo

Credit Research Analyst

EzienHoo@ocbc.com

Wong Hong Wei

Credit Research Analyst

WongHongWei@ocbc.com

Chin Meng Tee

Credit Research Analyst

MengTeeChin@ocbc.com

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