



# Credit Week in Brief

OCBC Group Research

07 April 2026

# Credit: Weekly Overview

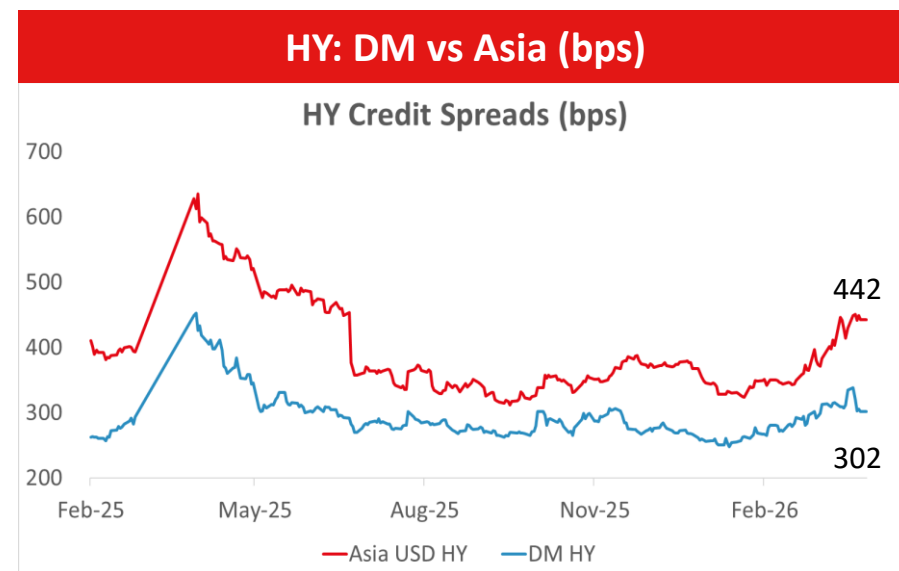
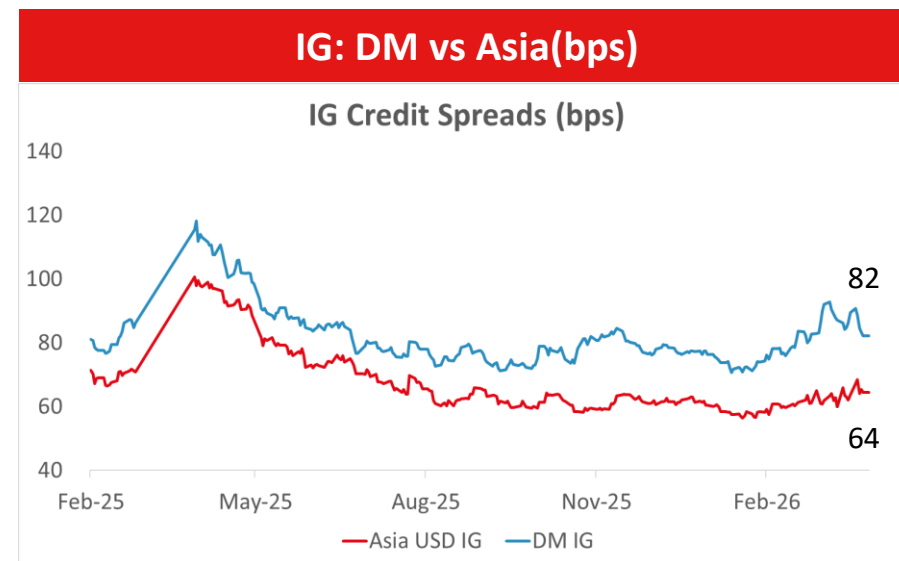
## Increasing dispersion on prolonged conflict and uncertainty

- **Market Commentary:** Credit markets remain jittery as the worst was postponed but uncertainty remained on any Middle East conflict resolution. The trend remains negative with wider escalation likely to keep spreads under pressure and lead to wider dispersion.
- **Asia USD credits:** Spreads were weighed by BBB and B/CCC credits on oil impact. Maintain defensive stance; prefer IG to HY. Expect returns to be supported by strong credit fundamentals and technical tailwinds.
- **DM credits:** Spread compression in IG and HY with a rally in rates leading to total return gains, despite increasingly mixed headlines on war.

Indices	OAS Spread w/w Change (bps)	OAS Spread (bps)	Yield	Total Returns (w/w)
Asia USD IG	+1	64	4.79 %	0.13 %
Asia USD HY	+12	442	8.56 %	0.76 %
Developed Market IG	-7	82	5.14 %	0.54 %
Developed Market HY	-33	302	7.27 %	1.02 %



Source: Bloomberg, OCBC Group Research.



# SGD Weekly Overview

SGD Credit Universe posted 0.18% w/w returns; driven by the long-end

	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	117.0	2.8	\$12,094m	0.05%	-0.8%	4.8%	17.0%
NON-FIN PERP	125.2	11.7	\$13,818m	-0.13%	-0.7%	5.8%	25.2%
TIER 2S & Other Sub	120.5	3.8	\$18,405m	0.01%	-0.7%	5.8%	20.5%
LONGER TENORS (>9YRS)	103.5	21.7	\$15,627m	0.95%	-2.2%	5.1%	3.5%
MID TENORS (>3Y-9YRS)	114.2	5.0	\$42,553m	0.21%	-0.9%	5.5%	14.2%
SHORT TENORS (1-3YRS)	116.5	1.8	\$29,254m	0.11%	-0.2%	4.3%	16.5%
MONEY MARKET (<12M)	117.9	0.5	\$9,897m	0.03%	0.1%	2.8%	17.9%
<b><u>By Issuer Profile Rating</u></b>							
POS (2)	117.1	8.4Y	\$8,298m	0.04%	-0.4%	5.5%	17.1%
N(3)	119.2	3.3Y	\$26,138m	-0.01%	-0.6%	5.4%	19.2%
N(4)	119.6	8.4Y	\$18,754m	0.01%	-0.4%	5.1%	19.6%
N(5)	118.8	3.1Y	\$6,714m	0.01%	-0.2%	5.6%	18.8%
<b>OCBC MODEL PORTFOLIO</b>	129.0	14.0Y	\$6m	-0.09%	-0.5%	7.9%	29.0%
<b>SGD Credit Universe</b>	114.7	6.2Y	\$141,648m	0.18%	-0.8%	4.9%	14.7%



# Credit Strategy: Stay defensive, remain invested

- **Staying Neutral in US credit, prefer IG over HY, stay defensive**
- **The market appears to be underpricing late-cycle risks, as spreads remain near historical tights** despite shrinking margins for error.
  - **Sectors to benefit:** Oil & Gas, due to elevated energy prices
  - **Sectors under pressure:** TMT (energy cost), petrochemicals (input cost), real estate (mortgage/construction cost) and consumer discretionary (weaker/deferral of spending).
  - **Sectors that are neutral/defensive:** Banks (challenged by weaker economy, but supported by higher NIM if rates rise, however sentiment fragile due to ongoing concerns on private credit), Healthcare (low market correlation).
- **Neutral on Asia credit, with expectations of relative resilience versus broader EM credit.**
  - **Supported by relative resilience of agency and financial services sectors linked to the strength of the state.**
  - **China has some buffer:** Stockpiled on strategic reserves of oil.
- **Expect SGD credits to be a beneficiary from diversification flows away from other markets.**
  - **Main industries are resilient,** including statutory boards, financial services, REITs and real estate
  - **No longer selectively OW corporate perpetuals, continue to be comfortable with crossover credits.**

# SGD Credit: Top Happenings within our Coverage

## Earnings Highlight & Other Developments

Wing Tai Properties Ltd (“WINGTP”) reported its 2025 financial results.

- **2025 underlying performance was stable**, supported by recurring rental income, improved hospitality results, lower financing costs, and a one-off London disposal gain; statutory losses narrowed materially as non-cash valuation losses eased, though leverage ticked up slightly due to higher net debt.
- Credit fundamentals are expected to improve meaningfully from 2026–27, as completion of three major development projects drives higher earnings and operating cash flow with limited post-completion capital needs, supported by adequate liquidity and improving property market conditions.

**First REIT (“FIRTSP”): Full exit from Indonesia through hospital asset divestment**

- FIRTSP has requested a trading halt on SGX as FIRTSP has entered into definitive agreements to divest all its Indonesia assets through sale of 8 hospital assets to PT Siloam International Hospitals Tbk (“Siloam”) for SGD471.5mn (2.8% premium) and a put option granted to First REIT to sell the remaining 6 hospitals for SGD294.8mn (2.1% premium) to Siloam by 31 October 2026.
- The transaction will result in a full exit from Indonesia, materially reducing pro-forma gearing to 16.7% from 42.1%, and allow recovery of SGD6.9mn in rental arrears. It will also reduce revenue concentration and IDR foreign-exchange risks, with proceeds to be redeployed into developed markets.



# SGD Credit: Top Happenings within our Coverage

## Singapore Residential Property prices flatten as market momentum softens

- Flash estimates show largely flat residential prices in 1Q2026 where private home prices rose modestly by 0.3% q/q (vs. 0.6% in 4Q2025), while HDB resale prices dipped slightly by 0.1% q/q after being largely unchanged in 4Q2025.
- Some divergence between sub-segments as Outside Central Region (“OCR”) and Rest of Central Region (“RCR”) private residential continued to outperform, while Core Central Region (“CCR”) gains were mild and landed property prices declined. Transaction volumes also fell q/q to about 4,041 units (from 6,699).

## Olam Group Limited (“OLGPSP”):

- OLGPSP announced that it has entered into a definitive agreement with Wipro Limited (“Wipro”) to sell its 100%-stake in Mindsprint Pte. Ltd. (“Mindsprint”) for a cash consideration of USD375mn (~SGD482mn), subject to closing adjustments. Mindsprint provides technology, cybersecurity and digital solutions including to the OLGPSP business. India-headquartered Wipro is an IT consulting answer services company with operations globally.
- OLGPSP has also awarded an eight-year deal to Wipro with a committed annual spend of USD100mn (~SGD290mn), representing ~55%-60% of the annual total spend by OLGPSP on technology and shared services. Effectively, Wipro’s economic risk from the acquisition is reduced by the revenue stream from OLGPSP.

# APAC Credit: Top Happenings within our Coverage

## Earnings Highlight

### Fosun International Limited (“FOSUNI”):

- FOSUNI reported a wider FY2025 net loss of RMB23.4bn mainly due to non-cash impairments in real estate and non-core businesses, while underlying industrial operating profit remained stable at RMB4.0bn y/y, reflecting broadly resilient core operations and management’s balance-sheet reset strategy.
- Mixed segment performance and balance-sheet pressure: Group revenue fell 9.7% y/y amid weakness in the Happiness and Intelligent Manufacturing segments, partly offset by continued growth in Health and Insurance. Leverage edged up with a higher debt-to-capital ratio of 57.1%, though liquidity remains adequate with sizeable banking facilities and a lower average cost of debt as management targets further deleveraging.

### PT Medco Energi Internasional Tbk (“MEDCIJ”):

- FY2025 net income attributable to shareholders fell to USD100.9mn (from USD367.4mn in 2024), largely reflecting non-recurring items. The y/y decline was driven by non-cash asset impairments, dry hole expenses at the Beluga PSC, a lower contribution from Amman Mineral Internasional, and weaker commodity prices including a 15% y/y fall in realized oil prices to USD67/bbl and marginally softer gas prices. Nonetheless, total revenues and gross profit were stable y/y.
- Operating momentum and outlook remain constructive as production rose to 156 mboepd in 2025 and is guided to increase further to 165-170 mboepd in 2026, supported by new field ramp ups, expanded gas sales agreements, and recently commissioned renewable assets.



# APAC Credit: Top Happenings within our Coverage

## Other Developments:

### PT Pertamina Persero (“PERTIJ”): Fuel prices to remain unchanged for now

- PERTIJ announced it will not yet raise prices of subsidized and non-subsidized fuels as part of the government’s guarantee of fuel availability at current prices, amongst other measures.
- Indonesia is considering fuel rationing (including a 50-litre daily cap for private vehicles) and a B50 biofuel blend, while holding emergency talks with Iran to secure the safe transit of Pertamina tankers near the Strait of Hormuz.

### Santos Ltd (“STOAU”), Woodside Energy Group Ltd (“WDSAU”): Australia reviews gas and oil tax regime ahead of budget

- The Australian Senate has approved a new committee named the “Select Committee on the Taxation of Gas Resources” to look at raising taxes for Australia’s oil and gas firms, including reforms to the Petroleum Resources Rent Tax.
- The review will assess energy price outlooks, LNG exporter profits, and international tax regimes, with recommendations expected in early May ahead of the federal budget, partly aimed at easing cost-of-living pressures.

# DM Credit: Private Credits, Public Concerns

- **We continue to favour a defensive stance at this stage of the cycle** and reiterate our preference for high quality credits.
- While much of the maturity of loans in BDCs was addressed through refinancing and extensions in 2024-25, this has largely deferred risk into 2027-28, potentially entrenching weaker credits and delaying necessary restructurings.
- **Payment-in-kind (“PIK”)** as a warning signal as PIK usage has surged from ~7% of loans in 2021 to over 11% by end 2025, masking cash flow weakness.
- The single most **concentrated risk in private credit portfolios** today is exposure to the software and services sector – and specifically, the AI disruption unfolding within it. **Software and services represent nearly a third of all BDC loan exposure.**



Source: Business Times, EdgeProp, The Edge, Company, OCBC Group Research.



OCBC Group Research

By Global Markets | 1 April 2026

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## Developed Market Financials

### Private credit; public concerns

#### Executive Summary

- Private credit has expanded rapidly in an unusually benign cycle, driven by ultra-low rates in 2020-21 and limited credit stress, leaving asset quality largely untested until now.
- An approaching maturity wall and higher-for-longer rates are set to intensify refinancing risk, particularly for highly leveraged, floating-rate loans to middle-market borrowers. While much of the maturity was addressed through refinancing and extensions in 2024-25, this has largely deferred risk into 2027-28, potentially entrenching weaker credits and delaying necessary restructurings.
- Elevated PIK usage creates structural vulnerabilities, inflating LTVs, obscuring underlying cash flow weakness and generating fund-level liquidity mismatches. For BDCs, high PI income complicates dividend requirements.
- Default rates are likely to rise, with loss severity tied to tighter monetary conditions and slowing growth. The adjustment process is likely to be gradual - through reduced distributions, widening secondary market discounts and isolated credit losses - rather than through sudden or systemically disruptive events.

# Credit: Upcoming SGD Maturities

April, May 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
Cagamas Global PLC	CAGA	120	2.83	10 Apr 2026	-	-
Frasers Property Treasury Pte Ltd	FPLSP	280	4.25	21 Apr 2026	-	-
Cagamas Global PLC	CAGA	90	3.57	27 Apr 2026	-	-
Perennial Holdings Pte Ltd	PREHSP	33.5	6.5	29 Apr 2026	-	-
Straits Trading Co Ltd/Singapore	STRTR	170	4.1	04 May 2026	-	-
Ascott REIT MTN Pte Ltd	ARTSP	165	5	18 May 2026	-	-
Societe Generale SA	SOCGEN	425	4.3	19 May 2026	-	-
United Overseas Bank Ltd	UOBSP	500	3.5	22 May 2026	-	-
Fraser and Neave Ltd	FNNSP	75	3.56	22 May 2026	-	-
Manulife Financial Corp	MFCCN	500	3.85	25 May 2026	-	-
Centurion Corp Ltd	CENSP	53	6.5	28 May 2026	-	-
Keppel Management Ltd	KPLDSP	280	2	28 May 2026	-	-



Source: Bloomberg, OCBC Group Research.

# Credit: Upcoming SGD Maturities

April, May 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
Cagamas Global PLC	CAGA	193	2.42	28 May 2026	-	-
Erajaya Digital Pte Ltd	ERJDIG	50	4.5	24 Aug 2026	24 May 2026	-
Rikvin Capital Pte Ltd	RIKCAP	100	5	31 Mar 2027	31 Mar 2026	-
Credit Agricole SA	ACAFP	325	3.8	30 Apr 2031	30 Apr 2026	-
Goldman Sachs International	GS	30	4.4	01 Mar 2036	-	-
ESR Group Ltd	ESRCAY	350	5.65	-	-	-
Mapletree Industrial Trust	MINTSP	300	3.15	-	11 May 2026	-



Source: Bloomberg, OCBC Group Research.

# Credit: New Issues in SGD

No notable issuance activity in SGD credit primary market

-	-	-	-	-	-	-

# Credit: APAC (Asia) Notable New Issues

Modest APAC primary market activity totaling USD2.35bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
31 Mar	Bank Mandiri Persero Tbk PT	Fixed	USD	750	5	T + 150bps
31 Mar	Korea Mine Rehabilitation & Mineral Resources Corp	Fixed	USD	500	5	T + 100bps
01 Apr	Export-Import Bank of Korea (guarantor: Republic of Korea)	Fixed	USD	500	5	T + 27bps
01 Apr	Shinhan Bank Co Ltd	FRN	USD	300	3	SOFR+ 58bps
01 Apr	Shinhan Bank Co Ltd	Fixed	USD	300	5	T + 43bps



# Credit: APAC (Japan and AU/NZ) Notable New Issues

No active issuers in Japan and AU/NZ last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
-	-	-	-	-	-	-

# Credit: DM Notable New Issues

Limited new supply totaling USD8.25bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
30 Mar	JBS NV/JBS USA Foods Group Holdings Inc/JBS USA Food Co Holdings	Fixed	USD	1,250	11	T + 130bps
30 Mar	JBS NV/JBS USA Foods Group Holdings Inc/JBS USA Food Co Holdings	Fixed	USD	750	31	T + 155bps
31 Mar	Hyundai Capital America	Fixed	USD	650	2	T + 83bps
31 Mar	Hyundai Capital America	Fixed	USD	750	3	T + 95bps
31 Mar	Hyundai Capital America	Fixed	USD	600	5	T + 110bps
01 Apr	General Motors Financial Co Inc	Fixed	USD	1,400	3	T + 93bps



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