



Credit Week in Brief

OCBC Group Research

16 June 2026

Credit: Weekly Overview

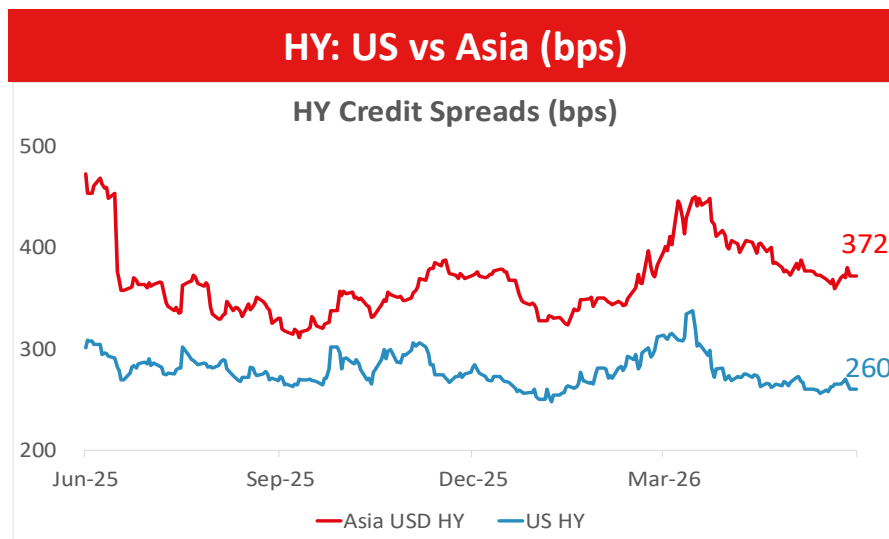
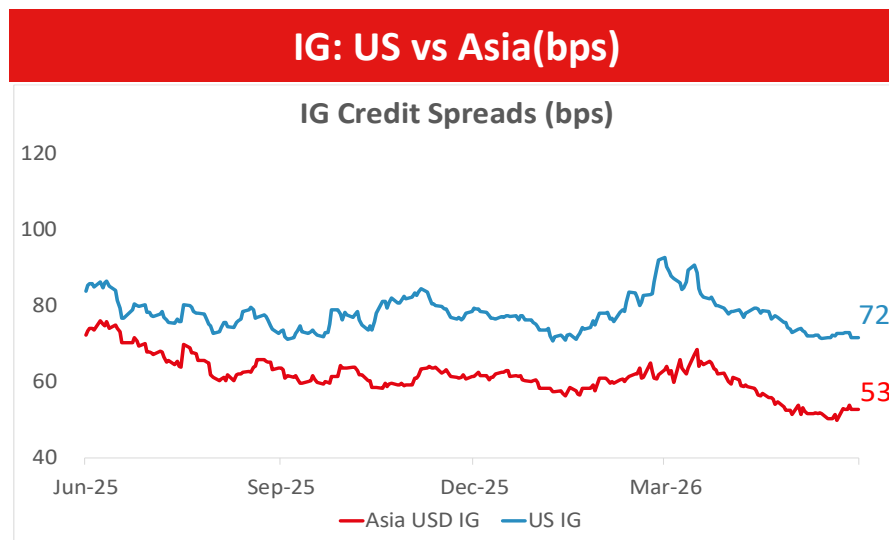
Credit markets were mixed

- **Asia broadly resilient, but off the lows:** Bloomberg IG spreads widened 3bps w/w, off the lows of 50bps on 5 June 2026, partly due to an acute Indonesia market rout (with IDR reaching record low of 18,180 against the USD), Indonesia 10Y yields surged >50bps w/w. Total returns remained positive that said.
- **USD markets remained strong despite sizeable issuance:** Investor demand for yield appear to remain robust. US HY benefited more than proportionally, coinciding with US-Iran peace deal.
- **Issuance remains strong in DM IG, ahead of Asia and SG:** DM IG new supply totaled USD26.18bn vs USD6.93bn for Asia, and nil for SGD.
- **PIMCO declared that credit loss cycle has begun,** with heavy spending on AI widening economic outcomes and hit lower-quality borrowers. PIMCO also noted ‘increased instances of maturity extensions and payment-in-kind’. Meanwhile, Apollo’s Shutterfly priced a USD1.15bn bond at 12.5% yield – highest yield in months.

Indices	OAS Spread w/w Change (bps)	OAS Spread (bps)	Yield	Total Returns (w/w)
Asia USD IG	+3	53	4.86 %	0.50 %
Asia USD HY	+13	372	8.07 %	0.24 %
US IG	-1	72	5.18 %	0.66 %
US HY	-5	260	7.10 %	0.41 %



Source: Bloomberg, OCBC Group Research.



SGD Weekly Overview

SGD Credit Universe was up w/w by 0.13% (+0.16% prior), driven by stronger longer tenor outperformance (+0.76%).

	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	118.7	2.6	\$12,252m	0.03%	0.0%	5.1%	18.7%
NON-FIN PERP	126.7	12.2	\$13,135m	0.06%	0.3%	6.2%	26.7%
TIER 2S & Other Sub	121.8	3.7	\$18,130m	0.03%	0.1%	5.0%	21.8%
LONGER TENORS (>9YRS)	109.0	21.7	\$16,381m	0.76%	1.4%	8.7%	9.0%
MID TENORS (>3Y-9YRS)	115.5	4.8	\$42,773m	0.06%	0.2%	4.1%	15.5%
SHORT TENORS (1-3YRS)	117.2	1.6	\$29,220m	0.04%	0.1%	3.4%	17.2%
MONEY MARKET (<12M)	118.3	0.3	\$8,185m	0.03%	0.1%	2.4%	18.3%
<u>By Issuer Profile Rating</u>							
POS (2)	117.9	8.2Y	\$8,286m	0.03%	0.1%	4.9%	17.9%
N(3)	120.6	3.3Y	\$24,938m	0.07%	0.1%	4.6%	20.6%
N(4)	120.9	8.5Y	\$18,408m	0.08%	0.2%	4.9%	20.9%
N(5)	119.6	3.0Y	\$6,718m	0.05%	0.2%	4.8%	19.6%
OCBC MODEL PORTFOLIO	130.5	14.4Y	\$6m	0.07%	0.3%	7.8%	30.5%
SGD Credit Universe	116.4	6.2Y	\$140,077m	0.13%	0.3%	4.7%	16.4%



Credit: Top Happenings within our Coverage (SGD)

Industry developments

Industry Outlook – Singapore Property: Land bids at higher prices, Chinese developers are participating in GLS

- **CITSP tie-up topped bid for Peck Hay plot at SGD542.4mn offer (SGD1,865 psf ppr).** The site is near Newton MRT interchange station. The tie-up is between CITSP (80%) and Hong Realty (20%).
- **Winning bid somewhat significantly ahead of others:** While the winning bid led by CITSP was 2.5% more than the SGD1,820 psf ppr fetched for a nearby plot in November 2025, the winning bid is somewhat significantly ahead of the other bidders, with the second highest bid at SGD1,720.02 psf ppr. According to CDL Group CEO Sherman Kwek, they will be ‘shaping the precinct’s next phase of transformation with a distinctive residential landmark’.
- **Chinese developers are getting involved in land bids:** We note that the second bidder is a tie-up between Sunway MCL and CSC Land Group Singapore (parentage: China State Construction Engineering Corporation), while the third bid came from a unit of China Overseas Land & Investment.

City Developments Ltd (“CITSP”): Deleveraging may slow due to landbank replenishment

- **Landbank replenishment may slow deleveraging:** While CITSP has achieved strong sales thus far, with plans to undertake asset recycling, deleveraging has been slow. As a recap, in 1Q2026 reported net gearing rose q/q to 72% from 69% (including fair value on investment properties) mainly due to acquisition of GLS sites. (Company, Business Times, OCBC)



Credit: Top Happenings within our Coverage (SGD)

Issuer Updates

Lendlease Group (“LLCAU”): Deleveraging delayed

- **CEO transition underway:** LLCAU appointed Nick O’Neil, currently AustralianSuper’s Head of Australian Real Estate, as its new Group CEO.
- **Deleveraging delayed:** FY2026 IDC EPS guidance remains AUD0.28–0.34, but reported gearing is now expected in the mid-30% range as slower disposals and development spend delay the path back to lower gearing.
- **FY2027 cashflow recovery:** Asset recycling completions are pushed into early FY2027, but lower CRU outflows, settlements and debt reduction should support cash flow stabilisation from FY2027.

Starhill Global REIT (“SGREIT”): New CEO, watch out for change in strategy

- **CEO handover accelerated:** Starhill Global REIT confirmed Kemmy Tan will succeed Ho Sing on 1 July 2026, ahead of the previously planned 10 August transition.
- **Experienced YTL-linked developer:** Tan previously led M+S, developer of Marina One and DUO, and was CEO of YTL Land & Development, linking her closely to SGREIT’s sponsor.
- **Strategy watch ahead:** Her development background may point to more proactive redevelopment/AEI, alongside potential asset recycling or acquisitions after relatively flat results.

Credit: Top Happenings within our Coverage (SGD)

Issuer Updates

Singapore Telecommunications Ltd (“STPS”): Leaning more on NCS for growth

- **AI growth focus:** NCS is positioning for its next growth phase by capturing rising demand for AI-led digitalisation, especially in sectors where it has strong domain expertise and customer relationships.
- **Public sector push:** NCS plans to deepen its Singapore government presence, supported by rising AI implementation demand and robust need for systems integrators across infrastructure and cyber security.
- **Healthcare opportunity:** Singapore healthcare is another key growth area, driven by ageing demographics and manpower shortages. Early AI use cases include rostering, digital prescriptions and medical insights capture.
- **Lean AI delivery:** NCS has reorganised into 10 domain pillars and is reskilling over 1,000 engineers, using AI to reduce project headcount needs. NCS remains a key STSP growth driver.

Credit: Top Happenings within our Coverage (USD)

Issuer Updates

Royal Bank of Canada (“RY”): US capital markets push

- **US expansion push:** RY plans to increase headcount in its US investment banking business.
- **Capital markets growth:** The division remains a key growth engine, with the US contributing around 50% of FY2025 capital markets revenue. RY is expanding to leverage the currently robust capital markets environment.

Westpac Banking Corp (“WSTP”): Softer but resilient consumer

- **Consumer momentum softens:** WSTP flagged modest slowing in consumer spending and mortgage applications, reflecting uncertainty, higher rates and policy tightening.
- **Resilience still intact:** Customer activity remains supported by population growth and structural housing undersupply, though housing credit growth should stay moderate amid competition and deposit pricing pressure.

UniCredit / Commerzbank: Takeover acceptance disputed

- **Tender support limited:** UniCredit said shareholders representing 10.91% of Commerzbank’s share capital accepted its offer, while its direct stake remains 26.77%.
- **Ownership still conditional:** The theoretical combined stake is 37.68%, but tendered shares are not owned until offer completion and regulatory approvals.
- **Commerzbank pushes back:** Commerzbank disputes UniCredit’s claims, citing limited identified institutional acceptance and weak incentive given the below-market offer.



Credit: Top Happenings within our Coverage (USD)

Issuer Updates

BP p.l.c (“BP”): Simpler structure, clearer accountability

- **Simplified operating model:** BP will reorganise from three segments into two — Upstream and Downstream — from 1 July 2026 to improve accountability and decision-making.
- **Clearer business focus:** Upstream covers resource development and production, while Downstream includes refining, mobility, biofuels, aviation, hydrogen and Castrol.
- **Leadership reshuffle:** Gordon Birrell becomes EVP Upstream, while Richard Harding is interim EVP Downstream. No job cuts.

UBS Group AG (“UBS”): Capital burden may ease

- **Capital rules softened:** Swiss lawmakers may reduce UBS foreign subsidiary backing to 70–80% CET1 (original: 100%).
- **AT1 relief possible:** A new proposal may allow partial use of cheaper AT1 capital alongside CET1, reducing the burden on UBS.
- **Vote still ahead:** Legislation requires a parliamentary vote later this year. Implementation likely over a multi-year transition period.

Johnson & Johnson (“JNN”): Oncology bolt-on, credit intact

- **Targeted cancer technology:** JNJ’s acquisition of Firefly, worth up to USD1bn, gives it access to degrader-antibody conjugate technology targeting tumour cells while limiting damage to healthy cells. The deal strengthens JNJ’s cancer drug pipeline. Oncology already contributes 41% of 2025 sales.
- **Credit strength maintained:** Despite continued acquisitions, JNJ’s credit remains strong, supported by resilient results, robust cash flow, blockbuster drugs and emerging therapies.



Credit: Upcoming SGD Maturities

June 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
City Developments Ltd	CITSP	150	3.48	15 Jun 2026	-	-
City Developments Ltd	CITSP	200	2	16 Jun 2026	-	-
F&N Treasury Pte Ltd	FNNSP	100	2	16 Jun 2026	-	-
Cagamas Global PLC	CAGA	125	2.25	24 Jun 2026	-	-



Source: Bloomberg, OCBC Group Research.

Credit: Upcoming SGD Maturities

June 2026 callables

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
Suntec Real Estate Investment Trust	SUNSP	150	4.25	-	15 Jun 2026	-

Credit: New Issues in SGD

No issuance activity in the SGD credit primary market

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

Credit: APAC (Asia) Notable New Issues

Muted APAC primary market activity totaling USD6.93bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
08 Jun	China Construction Bank Corp/Hong Kong	Green, FRN	USD	500	3	SOFR+ 35bps
08 Jun	China Construction Bank Corp/Hong Kong	Green, FRN	USD	500	5	SOFR+ 38bps
09 Jun	Korea Hydro & Nuclear Power Co Ltd	Fixed	USD	500	5	T + 43bps
09 Jun	Tencent Holdings Ltd	Fixed	USD	1,750	10	T + 50bps
09 Jun	Tencent Holdings Ltd	Fixed	USD	700	20	T + 60bps
11 Jun	Danantara Investment Management PT	Fixed	USD	750	5	5.35%
11 Jun	Danantara Investment Management PT	Fixed	USD	750	10	5.95%



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

Issuers in Japan/AU/NZ last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
09 Jun	Westpac Banking Corp (guarantor: Trustee for the Westpac Covered Bond Trust/The)	FRN, Secured	USD	250	7	SOFR+55bps



Credit: DM Notable New Issues

Moderate new supply totaling USD26.18bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
08 Jun	Bank of America Corp	Fixed	USD	1,164	10	5.12%
08 Jun	Canadian Imperial Bank of Commerce	Fixed	USD	1,000	3NC2	T + 57bps
08 Jun	Canadian Imperial Bank of Commerce	Fixed	USD	1,000	6NC5	T + 77bps
08 Jun	Dominion Energy Inc	Fixed, Jr Subordinated	USD	1,000	30.5NC5.25	6.15%
08 Jun	Dominion Energy Inc	Fixed, Jr Subordinated	USD	500	30.5NC10.25	6.25%
08 Jun	General Motors Financial Co Inc	Fixed	USD	1,000	5	T + 85bps
08 Jun	Intuit Inc	Fixed	USD	750	5	T + 70bps
08 Jun	Intuit Inc	Fixed	USD	1,000	10	T + 100bps
09 Jun	DTE Energy Co	Fixed, Jr Subordinated	USD	1,000	32NC7	6.2%
09 Jun	Rocket Cos Inc (guarantor: Subsidiaries)	Fixed	USD	900	5NC2	T + 186bps
09 Jun	Rocket Cos Inc (guarantor: Subsidiaries)	Fixed	USD	600	8NC3	T+ 206bps
09 Jun	Teachers Insurance & Annuity Association of America	Fixed, Subordinated	USD	1,750	30	T + 105bps



Credit: DM Notable New Issues

Moderate new supply totaling USD26.18bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
10 Jun	Commerzbank AG	FRN, Senior Preferred	USD	120	3	SOFR+59bps
11 Jun	AES Corp/The	Fixed	USD	600	3	T + 110bps
11 Jun	AES Corp/The	Fixed	USD	400	7	T + 147bps
11 Jun	Citibank NA	Fixed-to-FRN	USD	2,000	3NC2	T + 50bps
11 Jun	Citibank NA	FRN	USD	750	3NC2	SOFR+59.5bps
11 Jun	Citibank NA	Fixed-to-FRN	USD	3,000	6NC5	T + 67bps
11 Jun	Citibank NA	FRN	USD	500	2NC1	SOFR + 50bps
11 Jun	Dell International LLC / EMC Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,000	5	T + 65bps
11 Jun	Dell International LLC / EMC Corp (guarantor: Multiple Guarantors)	Fixed	USD	750	7	T + 77bps
11 Jun	Dell International LLC / EMC Corp (guarantor: Multiple Guarantors)	Fixed	USD	1,250	10	T + 87bps
11 Jun	Wells Fargo Bank NA	FRN	USD	100	5	SOFR+74bps
12 Jun	Barclays Bank PLC	Fixed	USD	100	5	5.25%



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