



Credit Week in Brief

OCBC Group Research

30 June 2026

Credit: Weekly Overview

Wider spreads amidst sticky inflation, Iran War and Fed's hawkish tone

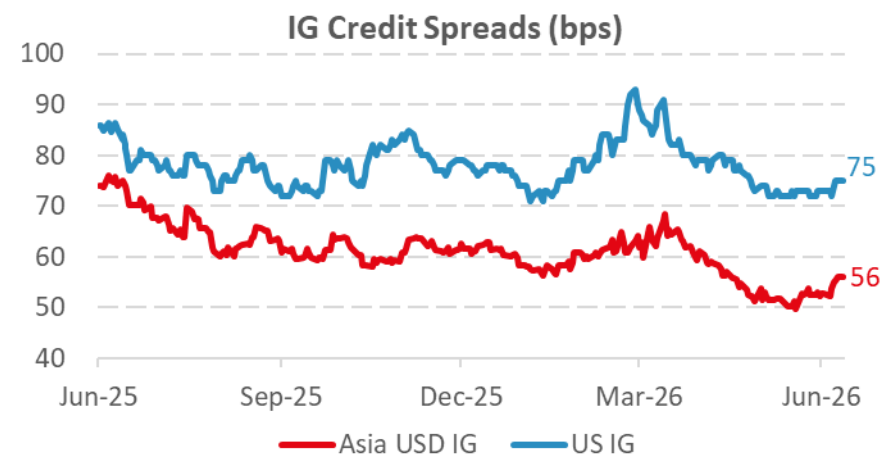
- **Credit spreads widened** amidst the Fed's hawkish tone, sticky inflation, steady labour data and the fragile Iran ceasefire agreement. Meanwhile, 10Y US Treasury yield fell 8bps to 4.38%.
- All four credit spreads as shown below widened w/w by 2 to 17bps. US HY was the underperformer with marginally lower total returns as spreads widened by 17bps to 282bps.
- **Spreads remained contained and near multi-year lows** despite the uncertainties and potentially more hawkish stance of the Fed.
- **Active issuance:** Last week, we saw active issuance across SGD, Asia USD and US IG markets. The most notable ones are SpaceX's USD25bn new issuance, though there appears some concerns over the valuation of these bonds and the assigned credit ratings given its unique business risks and sustained negative free cash flow in the AI business until 2030 with heavy capex over 2027 and 2028.

Indices	OAS Spread w/w Change (bps)	OAS Spread (bps)	Yield	Total Returns (w/w)
Asia USD IG	3	56	4.84 %	0.49 %
Asia USD HY	6	363	7.94 %	0.12 %
US IG	2	75	5.14 %	0.69 %
US HY	17	282	7.21 %	-0.04%

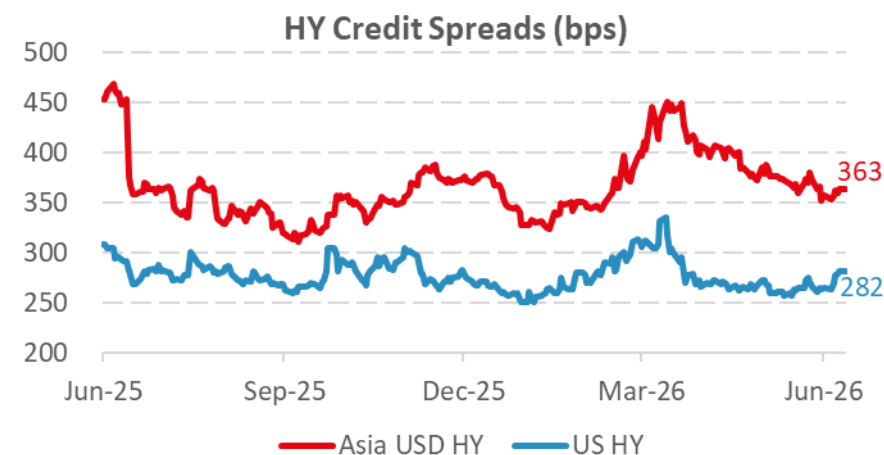


Source: Bloomberg, OCBC Group Research.

IG: US vs Asia(bps)



HY: US vs Asia (bps)



SGD Weekly Overview

SGD Credit Universe was up w/w by 0.11%, anchored by Longer Tenors. SORA curve fell 6 to 10bps w/w

	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	119.0	3.0	\$13,812m	0.12%	0.5%	5.2%	19.0%
NON-FIN PERP	127.2	11.8	\$13,949m	0.08%	0.6%	6.0%	27.2%
TIER 2S & Other Sub	122.4	3.9	\$20,189m	0.14%	0.5%	4.9%	22.4%
LONGER TENORS (>9YRS)	109.1	20.9	\$18,384m	0.21%	2.0%	5.6%	9.1%
MID TENORS (>3Y-9YRS)	115.7	5.1	\$45,694m	0.12%	0.5%	3.8%	15.7%
SHORT TENORS (1-3YRS)	117.3	1.9	\$25,673m	0.05%	0.3%	3.3%	17.3%
MONEY MARKET (<12M)	118.4	0.5	\$15,375m	0.03%	0.2%	2.3%	18.4%
<u>By Issuer Profile Rating</u>							
POS (2)	118.2	7.8Y	\$10,773m	0.14%	0.4%	4.7%	18.2%
N(3)	121.0	3.5Y	\$27,470m	0.10%	0.4%	4.4%	21.0%
N(4)	121.3	8.1Y	\$20,395m	0.15%	0.5%	4.8%	21.3%
N(5)	119.7	3.1Y	\$7,682m	0.02%	0.3%	4.5%	19.7%
OCBC MODEL PORTFOLIO	131.0	13.5Y	\$6m	0.03%	0.5%	7.7%	31.0%
SGD Credit Universe	116.6	6.3Y	\$153,075m	0.11%	0.6%	4.2%	16.6%



Credit: Top Happenings within our Coverage (SGD)

Issuer Updates

Singapore Telecommunications Ltd (“STSP”)

- **STSP sold a 2.8% stake in Gulf Development PCL (“Gulf Development”) for ~SGD1bn, booking gains of ~SGD140mn and retaining a 4.95% interest.** The stake originated from the 7.7% holding STSP received in 2025 following the amalgamation of Intouch Holdings and Gulf to simplify its interest in Thai associate AIS. The disposal advances STSP’s Singtel28 capital recycling plan, under which SGD6.8bn of its SGD9bn target has been unlocked since 2024.

Lendlease Group (“LLCAU”)

- **LLCAU announced two disposals (combined AUD785mn) last week** including its entire 25.1% stake in Keyton Retirement Living for AUD525mn to existing co-investor Aware Super and a portfolio of 904 residences at Elephant Park in London for GBP138mn (~AUD260mn) to Greystar
- **Both are broadly in line with end-2025 book values.** The two transactions are expected to deliver combined cash proceeds of AUD785mn, with the London sale settling before 30 June 2026.
- **We view the disposals as a positive credit event,** with net adjusted debt (including perpetuals) improving to AUD3.4bn from AUD4.2bn and total Capital Release Unit recycling reaching AUD3.4bn.



Credit: Top Happenings within our Coverage (SGD)

Issuer Updates

First REIT (“FIRTSP”)

- **FIRTSP secured shareholder approval at an EGM to divest all of its Indonesian assets**, comprising eight hospital assets to PT Siloam International Hospitals Tbk (“SILOAM”) for IDR5.1tn (~SGD389mn) and non-hospital assets to PT Lippo Karawaci (“LPKR”) or PT Metropolis Propertindo Utama (“MPU”) for IDR1.1tn (~SGD82.4mn), alongside a put option to sell the remaining six hospital assets for IDR3.8tn (~SGD295mn) by 31 October 2026.
- On completion, FIRTSP would fully exit Indonesia and its pro-forma gearing would improve markedly to 16.7% from 44.6% as at 31 March 2026.

OUÉ REIT (“OUÉCT”)

- **OUÉCT proposed to sell Crowne Plaza Changi Airport, a 575-room hotel connected to Changi Airport Terminal 3, for SGD500mn**, a 1.3% premium to the average of two independent valuations as at 1 May 2026 (or a 2.1% discount to the 31 December 2025 valuation of SGD511mn), subject to unitholder approval.
- On a pro-forma basis, aggregate leverage as at 31 March 2026 would fall to 36.6% from 41.5% were the net proceeds of SGD498.5mn applied to debt repayment and a SGD20mn special distribution, with **OUÉCT intending to redeploy into prime developed-market assets**.



Credit: Top Happenings within our Coverage (SGD)

Issuer Updates

Singapore Airlines Ltd (“SIASP”)

- SIASP launched and priced RMB1.5bn (~SGD286mn) of 5-year offshore renminbi bonds at 2.38%, marking its debut renminbi issuance. A frequent SGD and USD issuer, SIASP faces sizeable upcoming capital expenditure (mainly aircraft-related) as its pandemic-era “supernormal” liquidity normalises, and we expect it to keep returning to the debt capital markets.
- **We view the currency diversification and broadened funding access as a positive for SIASP’s credit profile.**

Temasek Holdings (Private) Limited (“TEMASE”) / Mapletree Investments Pte Ltd (“MAPLSP”)

- **TEMASE appointed Ms Wendy Koh, currently CFO of MAPLSP, as CFO-designate from 1 August 2026, with her assuming the CFO role on 1 October 2026.** Ms Png Chin Yee, President, Temasek Singapore, will relinquish her concurrent CFO role to focus on TEMASE’s Singapore-based portfolio companies. Mr Wong Mun Hoong, currently Regional CEO of Australia & North Asia at MAPLSP and its CFO from 2006 to July 2019, will become CFO of MAPLSP alongside his current responsibilities.

StarHub Ltd. (“STHSP”)

- **STHSP announced that Matthew Williams will succeed Nikhil Eapen as CEO on 1 January 2027,** following Mr Eapen’s departure at end-2026, with a gradual six-month handover as part of succession planning. The incoming CEO is a telco veteran with more than 30 years’ experience across Australia, New Zealand and Europe, signalling a potential shift in emphasis from strategy towards execution, with stated priorities of “people, technology and relentless focus on customers”.



Credit: Top Happenings within our Coverage (USD)

Industry developments

Banks & Financial Institutions: Capital Regulation US Banks

- **The Federal Reserve's annual stress test found all 32 large banks stayed above minimum capital requirements under a severely adverse scenario** (a global recession with 10% unemployment, a 39% fall in commercial real estate prices and a 30% decline in home prices), which generated USD708bn of aggregate loan losses and a 1.6% aggregate capital decline. The largest banks (JPM, GS, WFC, MS and C) responded with buyback and dividend increases. We view the results as affirming US banks' credit quality, with higher payouts being made from a position of strength.

Canadian Banks (Industry Outlook)

- **The Office of the Superintendent of Financial Institutions ("OSFI") lowered the Domestic Stability Buffer ("DSB") by 50bps to 3% and narrowed its range to 0-3%, cutting the CET1 hurdle for the six largest banks (RY, TD, BMO, BNS, CIBC and National Bank) to 11% from 11.5%.** OSFI estimated the freed-up cushion at roughly CAD74bn, equivalent to ~CAD673bn of additional risk-weighted assets. With Canadian banks among the best-capitalised globally, we read the move as a growth

Issuer Updates

Lloyds Banking Group PLC ("LLOYDS")

- Sky News reported that **LLOYDS is preparing a bid for Aldermore, a small UK lender with a loan book of ~GBP17bn** owned by South Africa's FirstRand, amid the ongoing motor finance redress scheme. Given Aldermore is a fraction of LLOYDS' ~GBP900bn asset base, we see only a **modest CET1 impact.**



Credit: Upcoming SGD Maturities

July 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
United Overseas Bank Ltd	UOBSP	750	3.58	-	07/17/2026	07/17/2026
Olam Group Ltd*	OLGPSP	604.5	5.375	-	07/18/2026	07/18/2026
Eastern Air Overseas Hong Kong Co Ltd	CHIEAS	500	2	07/15/2026	-	-
Housing & Development Board	HDBSP	965	3.244	07/23/2026	-	-

**Olam Group Ltd has missed the 30-day call date but it plans to redeem all remaining outstanding perpetual. More details will be provided at a later date per the company's announcement*



Credit: New Issues in SGD

Decent issuance activity in the SGD credit primary market

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
22 Jun	GLL IHT Pte Ltd (guarantor: GuocoLand Ltd)	Fixed	SGD	110	4.25	2.5%
23 Jun	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	94	1	1.84%
23 Jun	Ho Bee Land Ltd	Green, Fixed	SGD	150	5	3.3%
23 Jun	Optus Finance Pty Ltd (guarantor: SingTel Optus Pty Ltd)	Fixed	SGD	200	10	2.84%
24 Jun	Heeton Holdings Ltd	Fixed	SGD	90	3.5	5.5%



Source: Bloomberg, OCBC Group Research.

Credit: APAC (Asia) Notable New Issues

APAC primary market activity totaling USD21.17bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
22 Jun	China Construction Bank Corp Singapore Branch	FRN	USD	195	3	SOFRIX +38bps
22 Jun	DBS Bank Ltd (guarantor: Bayfront Covered Bonds Pte Ltd)	Fixed, Secured	USD	2,000	3	SOFRMS + 42bps
22 Jun	NH Investment & Securities Co Ltd	Fixed	USD	300	3	4.937%
22 Jun	NH Investment & Securities Co Ltd	Fixed	USD	300	5	5.038%
22 Jun	Posco International Corp	Fixed	USD	500	5	T + 90bps
23 Jun	Axis Bank Ltd/Gandhinagar	Fixed	USD	300	5	T + 110bps
23 Jun	Axis Bank Ltd/Gandhinagar	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	500	PerpNC5.5	6.875%
24 Jun	Shaoxing City Development Group Ltd	Green, Fixed	USD	698	3	4.35%



Credit: APAC (Asia) Notable New Issues

APAC primary market activity totaling USD21.17bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
24 Jun	Trafigura Funding SA (guarantor: Multiple Guarantors)	Fixed	USD	500	5	T + 160bps
25 Jun	Vedanta Resources Finance II PLC (guarantor: multiple)	Fixed, 1 st lien	USD	700	8	7.375%
25 Jun	Vedanta Resources Finance II PLC (guarantor: multiple)	Fixed, 1 st lien	USD	500	6	7%
25 Jun	Vedanta Resources Finance II PLC (guarantor: multiple)	Fixed, 1 st lien	USD	550	11	7.75%
25 Jun	Development Bank of Mongolia LLC	Fixed	USD	500	5	7.2%
25 Jun	Mirae Assets Securities Co. Ltd.	Fixed	USD	300	5	T + 110bps
25 Jun	Mirae Assets Securities Co. Ltd.	Fixed	USD	300	3	T + 100bps



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
22 Jun	Denso Corp	Fixed	USD	500	5	T + 58bps
23 Jun	Nomura Holdings Inc	FRN	USD	500	3	SOFR+ 95bps
23 Jun	Nomura Holdings Inc	Fixed	USD	1,000	3	T + 78bps
23 Jun	Nomura Holdings Inc	Fixed	USD	700	5	T + 90bps
23 Jun	Nomura Holdings Inc	FRN	USD	300	5	SOFR+ 114bps
23 Jun	Nomura Holdings Inc	Fixed	USD	1,000	10	T + 105bps
23 Jun	Sony Group Corp	Fixed	USD	500	5	T + 40bps
23 Jun	Sony Group Corp	Fixed	USD	500	10	T + 60bps



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
24 Jun	NTT Finance Corp	Fixed	USD	1,000	Short 2	T + 60bps
24 Jun	NTT Finance Corp	FRN	USD	500	3	SOFR+ 83bps
24 Jun	NTT Finance Corp	Fixed	USD	750	Long 3	T + 68bps
24 Jun	NTT Finance Corp	FRN	USD	750	5	SOFR+ 103bps
24 Jun	NTT Finance Corp	Fixed	USD	750	Long 5	T + 83bps
24 Jun	NTT Finance Corp	Fixed	USD	1,000	Long 7	T + 98bps
24 Jun	NTT Finance Corp	Fixed	USD	750	Long 10	T + 108bps
25 Jun	Japan Bank for International Corporation (guarantor: Japan Government)	Fixed	USD	1500	10	SOFR MS + 65bps



Credit: DM Notable New Issues

New supply totaling USD48.2bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
22 Jun	Credit Agricole SA	Fixed-to-FRN, Sr Non Preferred	USD	1,250	6NC5	T + 90bps
22 Jun	Intesa Sanpaolo SpA	Fixed, Sr Non Preferred	USD	1,000	6NC5	T + 95bps
22 Jun	Intesa Sanpaolo SpA	Fixed, Subordinated, Tier 2	USD	1,000	11NC10	T + 150bps
22 Jun	Intesa Sanpaolo SpA	Fixed, Sr Non Preferred	USD	1,500	4NC3	T+80bps
22 Jun	Republic Services Inc	Fixed	USD	700	5	T + 50bps
22 Jun	Republic Services Inc	Fixed	USD	500	10	T + 62bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	7,000	5	T + 110bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	6,000	7	T + 130bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	6,000	10	T + 140bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	2,500	20	T + 165bps
23 Jun	Space Exploration Technologies Corp	Fixed	USD	3,500	30	T + 175bps



Source: Bloomberg, OCBC Group Research.

Credit: DM Notable New Issues

New supply totaling USD48.2bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
24 Jun	Gaia Purchaser Inc	Fixed, Secured	USD	1,000	7NC3	7.625%
24 Jun	Southwestern Public Service Co	Fixed, 1st lien	USD	650	10	T + 90bps
24 Jun	Southwestern Public Service Co	Fixed, 1st lien	USD	550	30	T + 103bps
25 Jun	BNP Paribas SA	Senior non-preferred, Fixed-to-FRN	USD	1500	4NC3	T + 77bps
25 Jun	Rio Grande LNG LLC	Fixed	USD	1000	5	T + 110bps
25 Jun	Rio Grande LNG LLC	Fixed	USD	500	Long 7	T + 125bps
25 Jun	Rio Grande LNG LLC	Fixed	USD	1250	10	T + 135bps
25 Jun	Rio Grande LNG LLC	Fixed	USD	750	15	T + 175bps



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