Credit Week in Brief

OCBC Group Research

04 August 2026

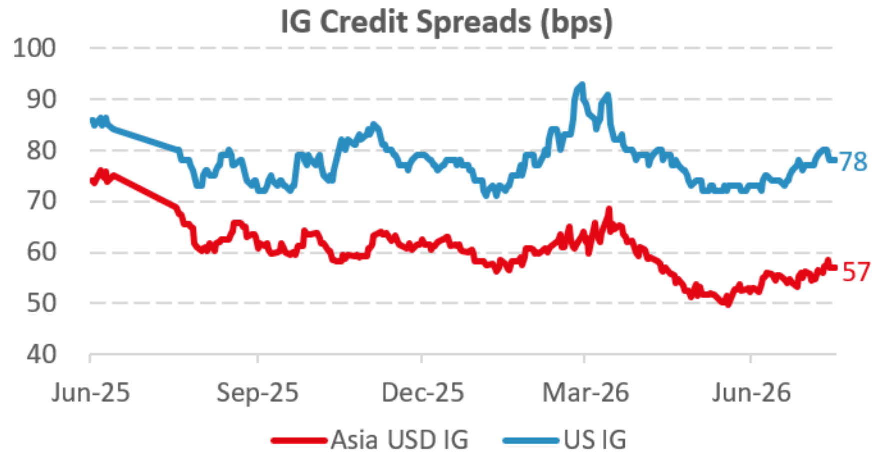
Credit: Weekly Overview

Spread movements lagged wider market sentiments

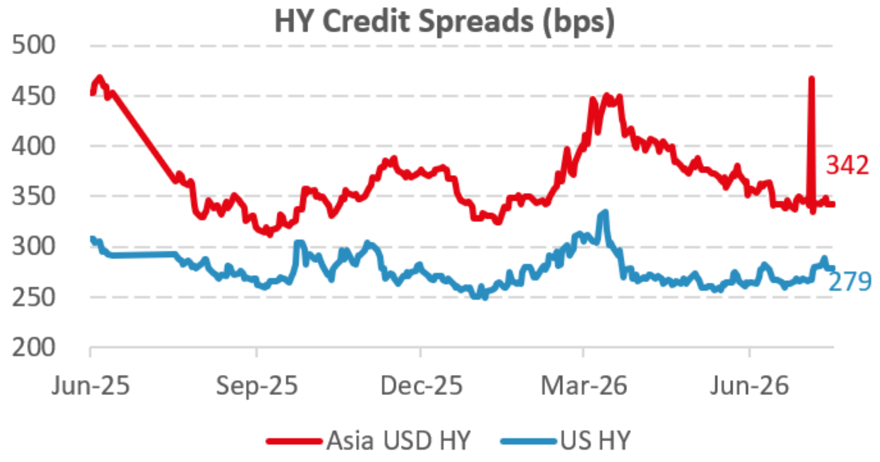
- **Asia USD IG OAS was stable to marginally wider w/w to 57bp and HY tightened 1bp to 342bp**, amidst a broadly improved risk tone on renewed negotiations in the Middle East that offset tech driven weakness earlier in the week. BBB underperformed while sovereigns supported HY. FOMC however drove a tentative primary market with two deals for USD350mn (USD7.8bn prior week).
- **US IG spreads were similarly unchanged highlighting resilience at tight valuations amidst fundamental and technical considerations.** Earnings remain supportive while July was a record month for issuance. August issuance outlook similarly robust due to M&A and AI related capex. Spread performance likely to be muted as a result.

Indices	OAS Spread w/w Change (bps)	OAS Spread (bps)	Yield	Total Returns (w/w)
Asia USD IG	0	57	5.11 %	-0.25%
Asia USD HY	-1	342	7.94 %	0.09 %
US IG	-1	78	5.46 %	-0.27%
US HY	-1	279	7.41 %	0.11 %

IG: US vs Asia(bps)



HY: US vs Asia (bps)



Source: Bloomberg, OCBC Group Research.

SGD Weekly Overview

SGD Credit Universe up w/w with SORA yields lower across the curve. Other movements were idiosyncratic

	Key Statistics			Total Returns			
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021
By Tenor & Structure							
AT1S	119.6	3.0	$13,049m	0.10%	0.4%	4.3%	19.6%
NON-FIN PERP	127.9	12.1	$13,601m	0.24%	0.5%	5.5%	27.9%
TIER 2S & Other Sub	122.4	3.8	$20,143m	-0.06%	0.0%	3.1%	22.4%
LONGER TENORS (>9YRS)	107.3	20.7	$18,007m	0.28%	-1.5%	0.3%	7.3%
MID TENORS (>3Y-9YRS)	115.4	5.0	$45,482m	0.20%	-0.2%	2.5%	15.4%
SHORT TENORS (1-3YRS)	117.4	1.9	$25,576m	0.09%	0.0%	2.7%	17.4%
MONEY MARKET (<12M)	118.6	0.5	$13,900m	0.05%	0.1%	2.1%	18.6%
By Issuer Profile Rating							
POS (2)	118.5	8.3Y	$9,989m	0.01%	0.1%	3.8%	18.5%
N(3)	121.2	3.4Y	$27,455m	0.01%	0.1%	3.1%	21.2%
N(4)	121.6	8.1Y	$20,389m	0.05%	0.2%	4.0%	21.6%
N(5)	120.1	3.0Y	$7,675m	0.03%	0.2%	3.5%	20.1%
OCBC MODEL PORTFOLIO	131.5	13.4Y	$6m	0.08%	0.3%	6.2%	31.5%
SGD Credit Universe	116.4	6.2Y	$149,758m	0.14%	-0.2%	2.8%	16.4%

Source: Bloomberg, OCBC Group Research (full description in SGD Credit Outlook 2023, pg lxi)

Credit: Top Happenings within our Coverage

Financial Institutions resilient to record results

- **Banks reporting included BARC, STANLN, LLOYDS, DB, SocGen, Credit Agricole, UBS:** consistent theme of strong income generation, benign impairment trends and strong capital generation. Wealth Management and equity trading continues to support performance.

Industrials also broadly constructive

- **Hongkong Land Holdings Ltd ("HKLSP")** 1H2026 results highlight a positive outlook for HK property supported by improving Hong Kong prime office leasing sentiment, strong luxury retail momentum and favourable Singapore office fundamentals.
- **Keppel Ltd** net profit for 1H2026 from continuing ops was SGD530mn, higher by 25% y/y. The performance was driven by higher profits from the Infrastructure and Connectivity segments, Recurring income contributed SGD467mn in 1H2026, increasing by 13% y/y.
- **Fosun International (FOSUNI)** guided for 1H net profit to rise 172% to RMB1.5-1.8bn, driven by improved operating performance and stronger industrial earnings. Absence of significant impairment charges suggests balance-sheet pressures have eased.
- **The Coca-Cola Co ("KO"):** Strong quarter with volume-led growth and margin expansion.

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Source: Company, OCBC Group Research.

Credit: Top Happenings within our Coverage

Industrials also broadly constructive (cont)

- **Woodside Energy Group Ltd:** WDSAU announced its 2Q2026 report. Per WDSAU, the company saw production volumes fell 9% q/q to 41.3 mmboe in 2Q2026, due to the planned maintenance at Pluto Train 1 and recovery from cyclone impacts. Average realised price was USD85 per boe in 2Q2026 versus USD63 per boe in 1Q2026.
- **Singapore Airlines Limited ("SIASP"):** The one weak spot with operating profit in 1QFY2027 lower by 73.8% y/y at SGD106mn in 1QFY2027, driven by much higher net fuel costs (+78.5% y/y) which outweighed record revenue. SIASP reported a net loss of SGD76mn in 1QFY2027, versus the net profit of SGD186mn in 1QFY2026, mainly due to the lower operating profit and share of losses from Air India. The share of losses from Air India is a non-cash impact.

REITS remain stable

- REITs reporting included AIMS APAC Reit, Keppel REIT, Mapletree Logistics Trust, Mapletree Pan Asia Commercial Trust, Keppel Infrastructure Trust, ESR-REIT, Frasers Centrepoint Trust, CapitaLand Ascott Trust, CDL Hospitality REIT, Frasers Logistics & Commercial Trust, Starhill Global REIT, Capitaland India Trust, First Reit, and Landmark Reit.
- One thing to note for Capitaland India Trust ("AITSP"): India office absorption has been strong. Largely driven by Global Capability Centres and flex operators that support these Global Capability Centres. Contrary to talks on AI leading to large job losses IT related fields in India, CLINT did a survey of 20-25% of its tenant base recently, spread across industry clusters and 80% of these surveyed employees expect net employee number will increase.

Source: Company, OCBC Group Research.

Credit: Upcoming SGD Maturities

August 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
ESR-REIT	EREIT	92.50MM	2.6%	08/04/2026	-	-
MPACT Treasury Co Pte Ltd	MCTSP	129.19MM	3.11%	08/24/2026	-	-
Perennial Holdings Pte Ltd	PREHSP	33.94MM	6.5%	08/28/2026	-	-
QNB Finance Ltd	QNBK	45.55MM	3.27%	08/14/2026	-	-

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Source: Bloomberg, OCBC Group Research.

Credit: New Issues in SGD

Moderate issuance activity in the SGD credit primary market

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
28 Jul	Toronto-Dominion Bank/The	Fixed, Subordinated, Tier 2	SGD	350	10NC5	3.125%
29 Jul	Cagamas Global PLC (guarantor: Cagamas Bhd)	Fixed	SGD	98	1	1.95%

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Source: Bloomberg, OCBC Group Research.

Credit: APAC (Asia) Notable New Issues

APAC primary market activity totaling USD350mn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor (yr)	Final Pricing
27 Jul	KEB Hana Bank	Fixed, Sustainability	USD	300	5	SOFR+68

Source: Bloomberg, OCBC Group Research.

Credit: DM Notable New Issues

New supply totaling USD33.3bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
27 Jul	Pacific Gas and Electric Co	Fixed, 1st lien	USD	700	5	T + 90bps
27 Jul	Pacific Gas and Electric Co	Fixed, 1st lien	USD	1,000	10	T + 122bps
27 Jul	American Airlines 2026-2 Class A Pass Through	Fixed, 1st lien	USD	1,050	12.5	T+105.3bps
27 Jul	American Airlines 2026-2 Class A Pass Through	Fixed, 1st lien	USD	273.9	9	T+189.4bps
28 Jul	Kinder Morgan Inc (guarantor: Subsidiaries)	Fixed	USD	600	30	T + 110bps
28 Jul	Kinder Morgan Inc (guarantor: Subsidiaries)	Fixed	USD	1,150	10	T + 95bps
28 Jul	Booz Allen Hamilton Inc (guarantor: Booz Allen Hamilton Holding Corp)	Fixed	USD	500	Long 7	T + 148bps
28 Jul	Booz Allen Hamilton Inc (guarantor: Booz Allen Hamilton Holding Corp)	Fixed	USD	700	Long 3	T + 108bps
28 Jul	Synchrony Financial	Fixed	USD	500	11NC10	T + 167bps
28 Jul	Synchrony Financial	Fixed	USD	600	4NC3	T + 117bps

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Source: Bloomberg, OCBC Group Research.

Credit: DM Notable New Issues

New supply totaling USD33.3bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
29 Jul	Barclays Bank PLC	Fixed	USD	2,000	2	SOFR + 50bps
30 Jul	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	FRN	USD	450	2	SOFR+ 66bps
30 Jul	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	400	7	T + 97bps
30 Jul	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	750	3	T + 65bps
30 Jul	Equinix Inc	Fixed	USD	850	3	T + 75bps
30 Jul	Equinix Inc	Fixed	USD	650	7	T + 110bps
30 Jul	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	750	2	T + 55bps
30 Jul	Equinix Europe 2 Financing Corp LLC (guarantor: Equinix Inc)	Fixed	USD	850	5	T + 95bps

Source: Bloomberg, OCBC Group Research.

Credit: DM Notable New Issues

New supply totaling USD33.3bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
30 Jul	Mercedes-Benz Finance North America LLC (guarantor: Mercedes-Benz Group AG)	Fixed	USD	650	5	T + 83bps
30 Jul	Equinix Inc	Fixed	USD	650	10	T + 120bps
31 Jul	Citigroup Global Markets Funding Luxembourg SCA	Floating	USD	1,000	5	SOFR+98

Source: Bloomberg, OCBC Group Research.

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