Credit Week in Brief

OCBC Group Research

1 September 2026

Credit: Weekly Overview

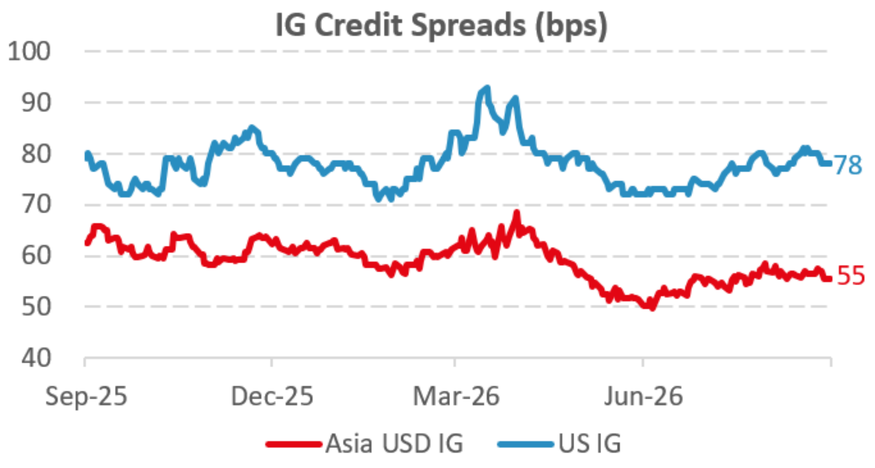
Jackson Hole resets rates risk

- **Hawkish rate repricing driving a bear flattening**, quality HY should prove more resilient than duration heavy US IG. The move is about rates, not weaker credit.
- **Carry, rather than spread compression for returns,** given already tight credit valuations. Banks should benefit from the higher-for-longer rates.
- **Maintain quality bias in HY**, where lower duration with sufficient carry to offset potential mark-to-market volatility.
- **Underweight excessive duration in IG**, where greater rates sensitivity and limited spread cushion create an unfavourable risk-reward.

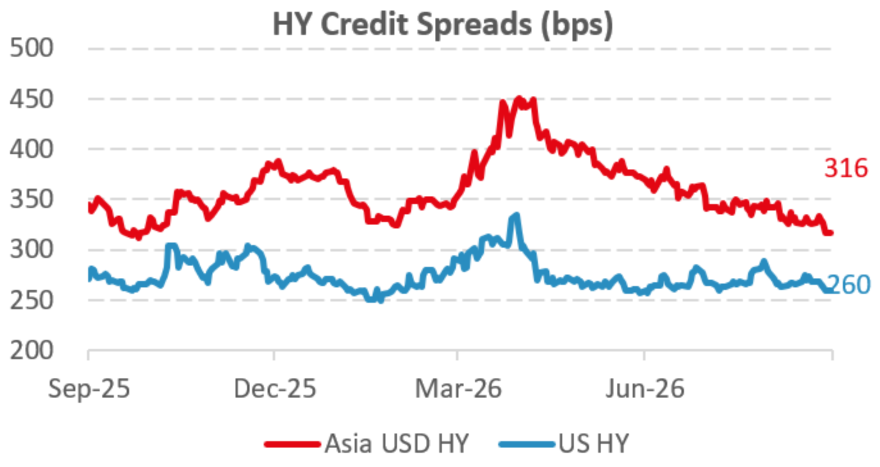
Indices	OAS Spread w/w Change (bps)	OAS Spread (bps)	Yield	Total Returns (w/w)
Asia USD IG	-1	55	5.14 %	-0.09%
Asia USD HY	-10	316	7.73 %	0.15 %
US IG	-2	78	5.48 %	0.10 %
US HY	-9	260	7.27 %	0.19 %

Note: w/w refers to the week of 21-28 August

IG: US vs Asia(bps)



HY: US vs Asia (bps)



Source: Bloomberg, OCBC Group Research.

SGD Weekly Overview

SGD Credit down again w/w with largest drop in bank capital and mid to longer tenors driven by spreads

	Key Statistics			Total Returns				
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021	YTD
By Tenor & Structure								
AT1S	119.6	2.9	$12,996m	-0.29%	0.0%	3.0%	19.6%	1.89%
NON-FIN PERP	128.1	11.9	$13,563m	-0.21%	0.1%	4.5%	28.1%	2.19%
TIER 2S & Other Sub	122.1	3.7	$20,052m	-0.18%	-0.2%	2.2%	22.1%	1.32%
LONGER TENORS (>9YRS)	106.5	20.6	$17,861m	-0.10%	-0.7%	-2.9%	6.5%	2.39%
MID TENORS (>3Y-9YRS)	115.2	4.9	$45,344m	-0.11%	-0.1%	1.2%	15.2%	1.15%
SHORT TENORS (1-3YRS)	117.5	1.8	$25,569m	-0.07%	0.1%	2.1%	17.5%	1.36%
MONEY MARKET (<12M)	118.7	0.4	$13,583m	-0.02%	0.1%	1.8%	18.7%	1.12%
By Issuer Profile Rating								
POS (2)	118.1	8.3Y	$9,949m	-0.17%	-0.3%	2.5%	18.1%	1.04%
N(3)	121.1	3.3Y	$27,129m	-0.17%	-0.1%	2.3%	21.1%	1.53%
N(4)	121.5	7.9Y	$20,194m	-0.24%	-0.2%	3.1%	21.5%	1.66%
N(5)	120.1	2.9Y	$7,650m	-0.09%	0.0%	2.8%	20.1%	1.41%
OCBC MODEL PORTFOLIO	131.4	13.8Y	$6m	-0.13%	0.0%	4.4%	31.4%	2.02%
SGD Credit Universe	116.2	6.1Y	$148,969m	-0.13%	-0.1%	1.6%	16.2%	1.50%

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

Credit: Top Happenings within our Coverage (USD)

Positive Results

Canadian Banks: RY and TD reported strong 3QFY2026 results

• Toronto-Dominion (“TD”) reported strong 3QFY2026 earnings, with growth-broad across core franchises, led by Wholesale Banking at +87%y/y. ROE improved to 10.2% and NIM rose 6bps q/q to 3.47%. It’s CET1 ratio was stable at 14.3%, and LCR had strengthened by 3ppts q/q to 133%.

• Royal Bank of Canada (“RY”) 3QFY2026 results were overall credit supportive with an 18.1% adjusted ROE and adjusted net income rising 10% y/y and 9% q/q to CAD6.1bn. The CET1 ratio also remained stable at 13.5%, and its leverage ratio remained at 4.3%

FWDGHD: New business and operating earnings remain strong

• FWD Group Holdings Limited ("FWDGHD") reported new business sales rising 7% y/y and new business CSM increasing 25%, supported by favourable mix and growth across Japan, Expansion Markets and Hong Kong &Macau.

• Operating profit after tax rose 20% to USD298mn, while leverage was stable at 21.4%; the solvency ratio declined to 203% mainly due to Japan's new solvency regime and market movements.

PRUFIN: Healthy Asian growth and robust capitalisation

• Prudential PLC ("PRUFIN") reported new business profit rising 8% y/y to USD1.4bn excluding Chinese Mainland, led by ASEAN, India and Africa, while margins improved 2ppts to 40%.

• The capital position remained robust, with a 209% shareholder cover ratio and 14% Moody's-based leverage; the company also announced an additional approximately USD0.3bn share buyback.

Source: Company, OCBC Group Research.

Credit: Top Happenings within our Coverage (USD)

Positive Results

CNOOC: Strong profitability

• CNOOC Limited ("CNOOC") reported revenue rising 16.9% y/y to RMB242.7bn and operating profit increasing 18.5% to RMB112.7bn, supported by higher oil and gas prices and 3.7% production growth.

• Liquidity remained substantial, with RMB314bn of cash and short-term deposits versus RMB57.6bn of debt; all-in costs remained competitive at USD29.7/BOE.

SLHSP: Hotel recovery supports higher profitability

• Shangri-La Asia Limited ("SLHSP") reported revenue rising 6.4% y/y to USD1.1bn and profit increasing 58.8% to USD101.3mn, supported by stronger hotel room revenue and higher RevPAR across key markets.

• Refinancing risk remains highly manageable, with USD1.26bn of cash and USD1.46bn of longer-dated deposits versus USD748.3mn of short-term debt; net gearing was broadly stable at 0.93x.

Source: Company, OCBC Group Research.

Credit: Top Happenings within our Coverage (USD, SGD)

Mixed Results

QANAU: Higher revenue offset by cost and capex pressure

• Qantas Airways Limited ("QANAU") reported revenue rising 7% y/y to AUD25.5bn, but statutory profit fell to AUD1.3bn as expenditure increased 10%, led by higher fuel costs.

• Gross debt-to-underlying EBITDA remained healthy at 2.3x, although FY2027 net capex guidance of AUD4.3bn to AUD4.6bn points to higher leverage as fleet renewal continues.

FOSUNI: Better earnings and deleveraging, supported by disposals

• Fosun International Limited ("FOSUNI") reported net profit rising to RMB1.7bn from RMB0.7bn, with no material impairments during 1H2026.

• Holdco debt declined RMB4.5bn to RMB85.4bn as over RMB12bn of divestments supported liquidity and deleveraging, although portfolio value fell to RMB191bn from RMB207bn.

GUOLSP: Underlying improvement offset by China allowances

• GuocoLand Limited ("GUOLSP") recorded a reported operating loss after SGD209.8mn of development-property allowances, mainly in China, although underlying operating profit rose 12% y/y.

• Strong sales collections reduced loans and borrowings 19% y/y to SGD4.45bn and net gearing to 66%, but new Singapore land commitments could moderate further deleveraging.

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Source: Company, OCBC Group Research.

Credit: Top Happenings within our Coverage (USD)

Regulatory & Capital Update

UBS: Swiss capital proposal remains a key credit consideration

• The Swiss National Bank reiterated support for requiring UBS Group AG ("UBS") to fully capitalise its foreign subsidiaries with CET1 at the parent level.

• The comments restate the regulator's existing position and reinforce the prospect of materially higher capital requirements following the Credit Suisse acquisition, subject to the legislative process.

Capital implications

• A stricter parent-level capital framework would strengthen loss-absorption capacity and structural resilience, but could constrain capital flexibility, distributions and returns.

• Implementation details, transition arrangements and the final legislative outcome remain the key uncertainties for creditors.

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Source: Company, OCBC Group Research.

Credit: Upcoming SGD Maturities

September 2026

Issuer	Ticker	Amt. Outstanding (SGDmn)	Coupon	Maturity Date	Call Date	Reset Date
ESR Asset Management Ltd	ARASP	350MM	5.6%	-	04/09/2026	-
AIMS APAC REIT	AAREIT	250MM	5.375%	-	01/09/2026	-
OUE Treasury Pte Ltd	OUESP	200MM	3.5%	21/09/2026	-	-
Housing & Development Board	HDBSP	600MM	2.035%	16/09/2026	-	-
Mapletree Treasury Services Ltd	MAPLSP	300MM	3.4%	03/09/2026	-	-
Deutsche Bank AG	DB	500MM	5%	05/09/2026	05/09/2025	-
Rikvin Capital Pte Ltd	RIKCAP	100MM	5%	30/09/2026	30/09/2025	-

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Source: Bloomberg, OCBC Group Research.

Credit: New Issues in SGD

Relatively active in the SGD credit primary market

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
24 Aug	Centurion Corp Ltd	Fixed	SGD	200	5	4%
24 Aug	Frasers Property Treasury Pte Ltd (guarantor: Frasers Property Ltd)	Fixed	SGD	150	10	3.5%
25 Aug	BNP Paribas SA	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	SGD	400	PerpNC5	4.25%
25 Aug	Morgan Stanley Finance LLC	Fixed	SGD	76.25	5	2.7%

Source: Bloomberg, OCBC Group Research.

Credit: APAC (Asia) Notable New Issues

APAC primary market activity totaled USD6.7bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor (yr)	Final Pricing
24 Aug	ICICI Bank Ltd/IFSC	Fixed	USD	1,000	5	5.41%
24 Aug	JERA Co Inc	Fixed	USD	500	5	5.317%
24 Aug	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	3	T + 55bps
24 Aug	Sumitomo Mitsui Trust Bank Ltd	FRN	USD	750	3	SOFR+ 71bps
24 Aug	Sumitomo Mitsui Trust Bank Ltd	FRN	USD	1,000	5	SOFR+ 80bps
24 Aug	Union Bank of India Ltd	Fixed, Unsecured	USD	300	3	T + 93bps
24 Aug	Union Bank of India Ltd	Fixed, Unsecured	USD	300	5	T + 102bps

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Source: Bloomberg, OCBC Group Research.

Credit: APAC (Asia) Notable New Issues

APAC primary market activity totaled USD6.7bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor (yr)	Final Pricing
25 Aug	Kyushu Electric Power Co Inc	Fixed	USD	500	10	T + 115bps
25 Aug	NEC Corp	Fixed	USD	500	5	T + 75bps

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Source: Bloomberg, OCBC Group Research.

Credit: DM Notable New Issues

New supply totaling USD4.57bn last week

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
25 Aug	Banco Bilbao Vizcaya Argentaria SA	Fixed, Sr Non Preferred	USD	1,000	5	T + 90bps
25 Aug	Banco Bilbao Vizcaya Argentaria SA	FRN, Sr Non Preferred	USD	300	3	SOFR Equiv + 89bps
25 Aug	Banco Bilbao Vizcaya Argentaria SA	Fixed, Sr Non Preferred	USD	1,000	3	T + 73bps

Source: Bloomberg, OCBC Group Research.

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