

Daily Credit Snapshot

Market Commentary

- US data painted a softer picture of the economy overnight. The Conference Board's consumer confidence index fell 6.7 points to 81.9 in September, its lowest reading in over a decade, with both current conditions and expectations deteriorating. Meanwhile, JOLTS job openings declined to 7.08m in August from 7.34m previously, suggesting labour demand continues to cool. Alongside the poorer data, New York Fed President Williams suggested there was no urgency for further tightening after September's move, helping US Treasury yields retreat from recent highs. Two-year yields fell around 5-6bp, while markets reduced the probability of another Fed hike at the next meeting from around 70% to near 50%. Elsewhere, the RBA raised its cash rate by 25bp to 4.60%, citing stronger-than-expected growth, persistent inflation and the broader pass-through of higher energy costs. Policymakers maintained a tightening bias, underscoring that slowing activity alone may not be sufficient to bring inflation back to target. In the UK, MPC member Taylor highlighted the difficulty of delivering a single rate increase without markets expecting further moves. Risk assets were mixed. US equities ended little changed, with the S&P 500 falling 0.2%, as investors balanced softer economic data against still-elevated long-term yields. The 30-year Treasury yield briefly reached 5.62%, its highest level since 2002. Meanwhile, crude prices fell nearly 4% after the Trump administration authorised the release of up to 40m barrels from the Strategic Petroleum Reserve, pushing oil below USD90/bbl.
- The SGD SORA OIS curve traded lower yesterday; shorter tenors traded 1-2bps lower, belly tenors traded 2-3bps lower, and 10Y tenor traded 3bps lower.
- Flows in SGD corporates were heavy, with flows in OCBCSP 3.2%-PERP, STANLN 4.3%-PERP, HSBC 5.25%-PERP, LMRTSP 6.4751%-PERP.
- US Investment Grade traded flat at 82bps, and US High Yield spreads widened by 6bps to 309bps respectively. Bloomberg Global Contingent Capital spreads widened by 3bps to 218bps.
- Bloomberg Asia USD Investment Grade spread widened by 1bps to 57bps, and the Asia USD High Yield spreads widened by 11bps to 341bps. (Bloomberg, OCBC)

Andrew Wong
Credit Research Analyst

Ezien Hoo
Credit Research Analyst

Wong Hong Wei
Credit Research Analyst

Chin Meng Tee
Credit Research Analyst

Aleen Lee Li Fei
Credit Research Analyst

Yao Liu
Credit Research Analyst

Eshita Suvarna
Credit Research Analyst

Credit Summary:

Company	Ticker	Description
Julius Baer Group Ltd	BAER	- Swiss regulator FINMA concluded its enforcement proceedings on BAER today and lifted/relaxed certain restrictive measures in areas concerning capital and liquidity. - This resolves the proceedings initially launched in December 2024, where a newly installed management team has since begun a major reorganisation. - The probe uncovered violations pertaining to lapses in risk management and anti-money-laundering obligations. ~CHF10mn of profits from supervisory violations were confiscated and proceedings were launched against three former employees. - Other actions taken includes the requirement to hold additional CET1 capital of CHF250mn (or a de facto minimum CET1 capital ratio requirement of 9.4%), representing a reduction from the previous requirement of CHF500mn. - BAER has also applied for permission to resume its share buyback programme to FINMA, given such corporate actions were suspended throughout the enforcement period. (Company, OCBC) Latest report: Credit Update – 04 September 2025
Commerzbank AG UniCredit SpA	CMZB UniCredit	- According to a report published by the Financial Times, UniCredit CEO Andrea Orcel is preparing to take control of CMZB and revamp its supervisory board as early as January, accelerating what could become the largest European bank takeover since the global financial crisis. UniCredit plans to convene an extraordinary general meeting once it secures the remaining regulatory approvals required to gain control of CMZB. - UniCredit's base-case scenario is to secure control by end-February and replace all 10 shareholder representatives on the supervisory board to gain effective control. The move accelerates an earlier timeline that envisaged taking control in 2Q next year, although implementation could be delayed until CMZB's May AGM if challenged. - Orcel is also planning to remove current CMZB CEO Bettina Orlopp and has pushed back against the German government's demands to retain its two seats on the supervisory board. (Financial Times, Bloomberg, OCBC) Latest report: CMZB Credit Update – 28 July 2026

Lendlease Group	LLCAU	• LLCAU completed the disposal of remaining 25.1% interest in Keyton Retirement Living Trust to existing co-investor, Aware Super. Lendlease will receive total proceeds of AUD525mn. • This disposal is part of LLCAU's AUD1.3bn of contracted asset sales announced in FY2026 (ended June 2026). The remaining AUD0.8bn is expected to be received by 30 December 2026. The proforma gearing defined as Adjusted Net Debt including perpetual-to-total tangible assets, less cash is expected to improve to 30.2% (June 2026: 37.7%) after receiving the total proceeds of AUD1.3bn. • LLCAU expects additional ~AUD1.2bn of gross proceeds in FY2027 (ended June 2027) from pre-sold apartments at One Circular Quay (Sydney) and Victoria Harbour (Melbourne). • Additionally, LLCAU is also disposing AUD2.5bn of non-core assets although there is no guidance on expected completion date. • FY2027 is anticipated to be a stronger year for underlying earnings, supported by pre-sold apartment revenues in Development and continued growth in Construction. Meanwhile, Investments segment earnings are expected to be impacted by lower co-investment income and lower funds management income, arising from portfolio recycling initiatives, and the absence of large transactional profits. (Company, OCBC) Latest report: Credit Update – 08 June 2026
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New Issues:

- APAC and DM IG issuance were USD750mn and zero yesterday (prior day: USD500mn and USD1.5bn).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
29 Sep	Housing & Development Board	Green, Fixed	SGD	1,200	4	2.586%
29 Sep	Development Bank of Japan Inc (guarantor: Japan)	Fixed	USD	500	10	SOFRMS + 69bps
29 Sep	Westpac Banking Corp (guarantor: Trustee for the Westpac Covered Bond Trust/The)	FRN, Secured	USD	250	7	SOFR+56bps

Mandates:

- There were no notable mandates today.

Key Market Movements

	Last Price	1W chg (bps)	1M chg (bps)		Last Price	1W chg	1M chg
US IG Credit Spread	82	7	4	Brent Crude Spot (\$/bbl)	103.2	0.1%	14.0%
US HY Credit Spread	309	43	49	Gold Spot (\$/oz)	4,181	-2.5%	-5.8%
Global Contingent Capital Credit Spread	218	12	17	CRB Commodity Index	409	-2.5%	-0.3%
Asia IG Credit Spread	57	2	1	S&P Commodity Index - GSCI	723	-2.5%	0.9%
Asia HY Credit Spread	341	16	25	VIX	16.0	12.9%	7.5%
				US10Y Yield	5.22%	10bp	50bp
iTraxx Asiax IG	70	2	3				
iTraxx Japan	64	9	8	AUD/USD	0.698	-0.9%	-2.6%
iTraxx Australia	73	3	6	EUR/USD	1.135	-0.3%	-2.3%
CDX NA IG	60	2	9	USD/SGD	1.277	0.2%	-0.5%
CDX NA HY	107	-1	-1	AUD/SGD	0.891	1.1%	2.2%
iTraxx Eur Main	63	4	12				
iTraxx Eur XO	302	17	54	ASX200	8,806	0.5%	-3.0%
iTraxx Eur Snr Fin	69	5	15	DJIA	51,350	-1.0%	-3.5%
iTraxx Eur Sub Fin	113	9	26	SPX	7,671	-1.2%	-0.2%
				MSCI Asiax	1,130	-2.6%	-0.8%
USD Swap Spread 10Y	-38	0	-4	HSI	24,554	-1.1%	-4.0%
USD Swap Spread 30Y	-66	1	-2	STI	5,701	-0.2%	-0.9%
				KLCI	1,654	-1.3%	-4.2%
China 5Y CDS	35	1	-0	JCI	6,131	-3.8%	-6.0%
Malaysia 5Y CDS	35	1	2	EU Stoxx 50	6,320	-0.1%	-1.6%
Indonesia 5Y CDS	91	4	7				
Thailand 5Y CDS	40	0	0				
Australia 5Y CDS	16	1	1				

Prices shown above are based on the latest available price or the previous market close

Source: Bloomberg

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