

A scenic landscape photograph of a valley with green fields, a winding river, and a village, surrounded by numerous sharp, conical mountains under a blue sky with light clouds.

# Credit Week in Brief

Global Markets Research

04 Aug 2025

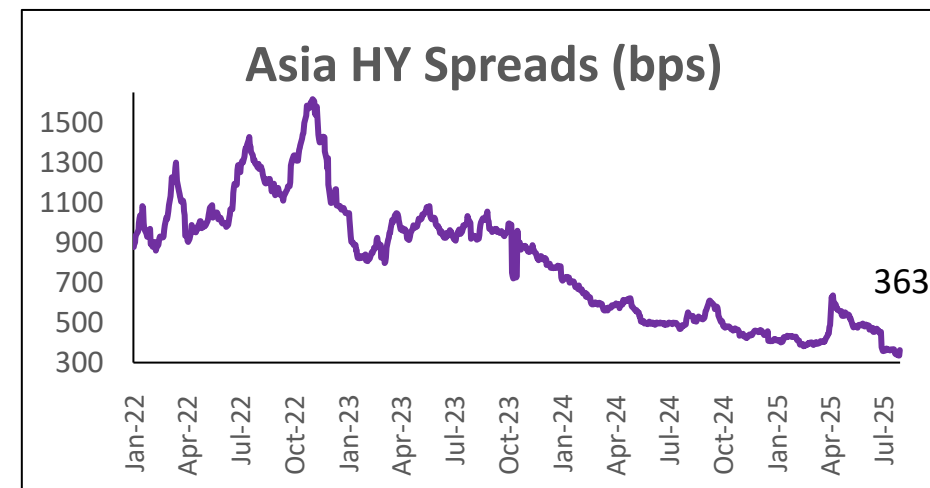
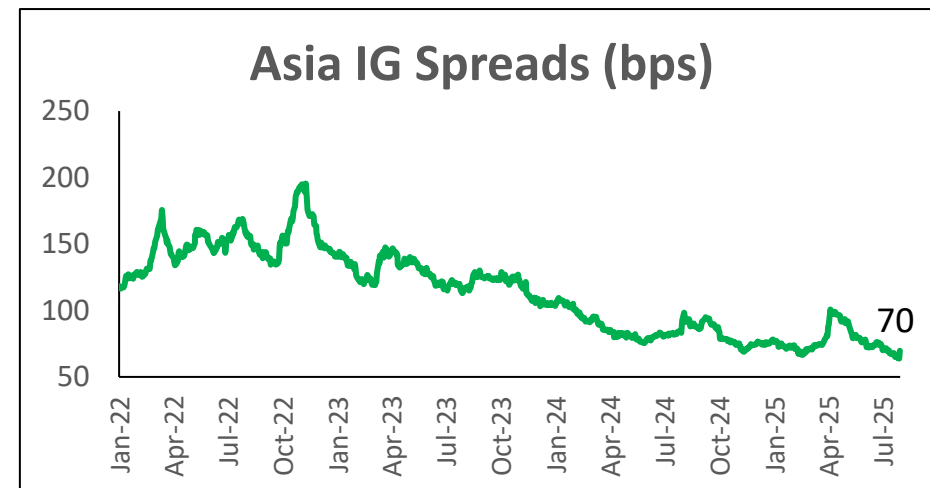
# Credit: Asiadollar Weekly Overview

## Asia credit spreads retracing from all-time lows

| Indices                 | 1 Week Change (bps) | OAS Spread |
|-------------------------|---------------------|------------|
| Asia IG (BAIGOAS Index) | +4                  | 70bps      |
| Asia HY (BAHYOAS Index) | +21                 | 363bps     |

- **Spreads widened from a record low** after US jobs data.
- **Value of new-home sales by 100 largest property companies fell 24% y/y to CNY211.2bn.**
- **China Vanke's offered another loan by its largest shareholder, Shenzhen Metro Group.**
- **Seazen Holdings Co plans to issue up to RMB1bn in bonds** to boost liquidity, build homes and repay its dollar bonds.
- **New World projects are selling well.** Deep Water Pavilia II, a joint development including New World Development, sold ~93% of its first tranche units, with 467 units sold to date generating over HKD8.3bn. Separately, another joint project "The Southside Phase 5" has sold 500 units as of 30 July, generating nearly HKD8.8bn. Meanwhile, Shanghai's "City Gather" has sold all 488 units.

## IG & HY spreads widened w/w



# Credit: Asiadollar New Issues

Only USD1.35bn of Asia ex-Japan bonds were issued last week

| Date   | Issuer   | Type  | Currency | Size (mn) | Tenor     | Final Pricing         |
|--------|--|-------|----------|-----------|-----------|-----------------------|
| 29 Jul | China Citic Bank Corp Ltd/London   | FRN   | USD      | 300       | 3Y        | SOFR+50bps            |
| 29 Jul | Li & Fung Ltd (guarantors: Li & Fung Trading Ltd, Product Development Partners Ltd and Lf Centennial Pte Ltd)  | Fixed | USD      | 300       | 3.5NC2    | 8.75%                 |
| 29 Jul | Chengdu Xisheng Investment Group Co Ltd  | Fixed | USD      | 92.5      | 3Y        | 4.95%                 |
| 30 Jul | Bank of China Limited/Hong Kong  | FRN   | USD      | 200       | 3Y        | SOFR1X+52bps          |
| 31 Jul | Boroo Investments Pte. Ltd. (guarantor: Bastion Mining Pte Ltd, Aurifera Tres Cruces SA, Boroo Pte Ltd, Minera Boroo Misquichilca SA, Boroo Latam SAC and Co Transmisora Autonoma SAC) | Fixed | USD      | 300       | 9.5% 7NC3 | 98.753 to yield 9.75% |
| 31 Jul | Chengdu Qingbaijiang Rong'ou Park Operation Management Co., Ltd. (guarantor: Chongqing Sanxia Financing Guarantee Group Corp)  | Fixed | USD      | 156       | 3Y        | 6.95%                 |



Source: Bloomberg, OCBC

## Credit: New issues in SGD

| Date   | Issuer      | Type                       | Currency | Size (mn) | Tenor   | Final Pricing |
|--------|-------------|----------------------------|----------|-----------|---------|---------------|
| 30 Jul | SATS Ltd.   | Fixed                      | SGD      | 300       | 7Y      | 2.45%         |
| 31 Jul | Keppel REIT | Subordinated,<br>Perpetual | SGD      | 300       | PerpNC3 | 3.78%         |

# Credit Research Views: SGD Weekly Overview

**SGD Credit market rose 0.08% last week (0.14% prior week) with broadly stable rates. Tier 2s outperformed.**

|  | Key Statistics     |         |            | Total Returns |      |       |                |
|--|--------------------|---------|------------|---------------|------|-------|----------------|
|  | (1 Jan 2021 = 100) | Eff Mty | Market Cap | w/w           | m/m  | y/y   | Since Jan 2021 |
| <b><u>By Tenor &amp; Structure</u></b> |                    |         |            |               |      |       |                |
| AT1S                                   | 114.7              | 3.1     | \$12,927m  | 0.20%         | 1.1% | 7.7%  | 14.7%          |
| NON-FIN PERP                           | 121.1              | 11.2    | \$13,925m  | 0.03%         | 0.7% | 7.6%  | 21.1%          |
| TIER 2S & Other Sub                    | 118.7              | 4.2     | \$19,051m  | 0.25%         | 1.5% | 8.6%  | 18.7%          |
| LONGER TENORS (>9YRS)                  | 106.8              | 23.6    | \$14,215m  | -0.07%        | 1.5% | 17.1% | 6.8%           |
| MID TENORS (>3Y-9YRS)                  | 112.6              | 5.0     | \$41,366m  | 0.05%         | 0.6% | 8.1%  | 12.6%          |
| SHORT TENORS (1-3YRS)                  | 114.3              | 1.9     | \$26,524m  | 0.05%         | 0.4% | 5.7%  | 14.3%          |
| MONEY MARKET (<12M)                    | 116.2              | 0.4     | \$13,389m  | 0.04%         | 0.3% | 4.2%  | 16.2%          |
| <b><u>By Issuer Profile Rating</u></b> |                    |         |            |               |      |       |                |
| POS (2)                                | 114.1              | 7.5Y    | \$7,432m   | 0.13%         | 0.7% | 7.2%  | 14.1%          |
| N(3)                                   | 117.5              | 3.5Y    | \$24,670m  | 0.22%         | 1.2% | 8.4%  | 17.5%          |
| N(4)                                   | 117.1              | 7.1Y    | \$21,068m  | 0.15%         | 0.9% | 7.5%  | 17.1%          |
| N(5)                                   | 116.0              | 3.1Y    | \$6,482m   | 0.18%         | 0.9% | 7.5%  | 16.0%          |
| <b>OCBC MODEL PORTFOLIO</b>            | 123.6              | 12.3Y   | \$6m       | 0.37%         | 1.4% | 9.1%  | 23.6%          |
| <b>SGD Credit Universe</b>             | 113.3              | 6.2Y    | \$141,397m | 0.08%         | 0.8% | 8.1%  | 13.3%          |



Source: Bloomberg, OCBC full description in SGD Credit Outlook 2023, pg lxi



# Credit: Top Happenings in SGD Credit Market

## Earnings / Business Updates

- **Keppel Ltd – Divided its business between “New Keppel” which grew well and “non-core” which it is divesting.** New Keppel 1H2025 up 25% y/y, mainly due to Infrastructure, followed by Real Estate and Connectivity. Looking to monetise SGD14.4bn non-core comprising legacy offshore and marine assets, residential landbank and selected property developments and investment properties, which can be used to reduce debt, fund growth and return capital. Net debt to EBITDA for New Keppel was 2.4x.
- **Singapore Airlines Ltd – 1QFY2026 operating profit down 13.8% as post-pandemic booms fades, net profit weighed by Air India.** Passenger yields fell 2.9% due to intensified competition, cargo yields down 4.4% y/y due to ongoing tariffs leading to unpredictable and uncertain demand. Net profit fell 58.8% y/y to SGD186mn, weighed by share of losses from Air India. EBITDA/Interest still healthy at 9.4x, with access to SGD3.3bn of undrawn credit lines.
- **Hongkong Land Holdings Ltd – 1H2025 underlying results improved due to stronger BTS segment though HK office rents declined.** Underlying profit rose 11% y/y to USD320mn due to Build-to-Sell segment operating profit turning from –USD260mn to USD135mn in 1H2025. Valuation of investment properties remained largely stable. However, operating profit from prime investment properties fell 12% y/y to USD425mn due to weaker HKSAR office rents and temporary retail disruptions from renovations. HKL credit profile remains strong with recurring income and divestment of BTS assets and conservative credit metrics.
- **Keppel Infrastructure Trust – 1H2025 operational cashflow stable with new assets offsetting declines elsewhere.** Renewables OCF fell to only SGD0.6mn in 1H2025 (from SGD14.9mn) due to lower wind production/prices, Singapore Waste and Water fell to SGD23.3mn (from SGD37.5mn) due to Senoko Waste-to-Energy, transition assets fell to SGD29.6mn (from SGD40.5mn) from higher interest rate, mitigated by Ventura (new acquisition), Ixom (one-offs), City Energy (higher volume). Net debt/EBITDA = 4.6x.

# Credit: Top Happenings in SGD Credit Market

## Earnings / Business Updates

- **Frasers Logistics & Commercial Trust – 3QFY2025 rental reversions still strong, however occupancy fell.** Australia and Singapore portfolio occupancy fell, resulting in occupancy rate falling 1.4 ppts q/q to 92.5%. Meanwhile, reversions still strong at +43.3%, mainly due to expiry of long-dated leases. Credit metrics still manageable at 36.8% aggregate leverage, though FLCT may acquire.
- **Mapletree Pan Asia Commercial Trust – Credit metrics remain stable, however overseas portfolio still show weakness.** NPI fell 7.5% y/y to SGD166.0mn, weighed by overseas properties which saw NPI fall 12.2% y/y. Meanwhile, Singapore properties (e.g. VivoCity, Mapletree Business City) remain stable. Aggregate leverage at 37.9%, reported interest coverage at 2.9x.
- **AIMS APAC REIT – stable 1QFY2026 results.** NPI declined 1.0% y/y to SGD34.1mn, weighed by vacancy from AELs. Rental reversion +5.4%. Limited exposure to trade tariff risks according to management. Aggregate leverage was 28.9%, however may turn acquisitive with management comfortable with high 30% aggregate leverage. Reported interest coverage at 2.4x.
- **Starhill Global REIT – stable results, stable credit metrics however tenant sales and occupancy are down.** NPI grew 0.8% y/y. However, occupancy fell 2.8 ppts q/q to 94.6% while tenant sales fell 5.2% y/y for its Singapore retail portfolio, likely weighed by lower luxury sales. Credit metrics stable with aggregate leverage at 36.0% while reported interest coverage remained at 2.9x.
- **CapitaLand China Trust – Lacklustre results due to negative rental reversion, however occupancy is healthy:** NPI fell 8.1% y/y to RMB580.3mn. Negative rental reversion for retail (-2.7%), Business Park (-8.0%), Logistics Park (-24.7%). That said, occupancy stabilized and rose for Business Park and Logistics Park. Aggregate leverage stable at 42.1%, reported interest coverage at 2.9x.

# Credit: Top Happenings in SGD Credit Market

## Earnings / Business Updates

- **ESR-REIT – NPI grew, however aggregate leverage remains relatively high.** NPI grew 4.7% y/y on a same-store basis. While occupancy dipped slightly, rental reversion was strong at +9.7%. Aggregate leverage was at 42.6%, reported interest cover at 2.4x.
- **CapitaLand Ascott Trust – Stronger operating performance though aggregate leverage rose.** Gross report rose 6% y/y to SGD182.5mn. Aggregate leverage at 39.6%, reported interest coverage was at 3.1x.

## Other top happenings

- **STTGDC – Reportedly in talks to be sold to KKR.** If KKR buys STTGDC, the shareholder would change from SINTEC (100%-owned by Temasek) to KKR. There's no change of Control for both STTGDC bonds and perps. A change of ownership may lead to changes in the capital structure and strategic direction. As STTGDC is an unlisted issuer, we have no access to more recent financials. Prices of STTGDC bonds and perps have fallen following the report.
- **Singapore Telecommunications – Shared positives on business performance, responses to Optus & governance:** Responded to questions in advance of its AGM. Optus is on recovery path, is expected to be a key driver of SingTel's EBIT in FY2026. Nxera on track to double its reported EBITDA, with NCS and Nxera targeted to achieve 20% EBITDA contribution by FY2028. GXs to breakeven by end-2026. Optus has closed the matter in relation to the November 2023 outage, and has agreed to pay AUD100mn in relation to unconscionable conduct when selling to consumers. Received 178 whistleblowing reports, which were majority in relation to Optus. Out of 72 substantiated cases, 32 were due to employee fraud & theft, 23 due to employee misconduct etc, 57 due to breach of policy including IT security policy, 8 due to identity theft and 1 due to corruption.



# Credit: Top Happenings in SGD Credit Market

## Industry developments

- **SG Property – Insights from three projects launched over the weekend**
  - **Good sales rate at good prices:** River Green (88% sold out of 524 units, SGD3,130 psf), Promenade Peak (54% sold out of 596 units, SGD2,894 for one to three-bedrooms, SGD3,343 psf for three to five-bedrooms), Canberra Crescent Residences (40% sold out of 376 units, SGD1,974 psf).
  - **Interest in CCR looks sustained:** Strong sales at River Green and Promenade followed decent sales at Orchard Boulevard (sold 54% of 348 units at SGD3,350 psf) and The Robertson Opus (sold 41% of 348 units at SGD3,360 psf).
  - **Buyers are mostly residents, including HDB upgraders.** 98% of buyers were Singaporeans and PRs for River Green. Singaporeans made up 90% of buyers for Promenade Peak, followed by PRs (9%) and foreigners (1%). Property agencies highlighted that HDB upgraders were amongst the group of buyers.
  - **Larger units sold better:** Less than 90% of three-bedroom units and four-bedroom units remain available for River Green, while three to five-bedroom units achieved a better sales rate (60%) for Promenade Peak in addition to achieving a higher psf.
  - **Potential upside risk to property prices:** Private residential property prices grew 1.8% h/h in 1H2025, in-line with our expectations for 2-4% growth in the full year. We see potential for further upside in property prices should property sales continue to do well. Remains to be seen if government will tighten property cooling measures further.

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