

Daily Credit Snapshot

Market Commentary

- US semiconductor and AI-related stocks staged a solid rebound on Monday, pushing the S&P 500 and Nasdaq higher following last week's sharp pullback. Elsewhere, violent protests in France rattled European assets, while a stronger-than-expected China 3Q26 GDP print provided a positive backdrop for Asian equities. Indonesian authorities said they would remove stocks with concentrated ownership from the benchmark index following its deepest two-day sell-off on record and MSCI's warning of a possible downgrade. US Treasuries fell as the tech rebound reduced demand for safe-haven assets. French OATs came under heavy selling pressure, with the sell-off spilling over into Bund and Gilt markets, although losses there were more contained. The US dollar was firmer, while G10 currencies were mixed against the greenback. The euro was the notable underperformer, weighed down by the dual headwinds of French political risk and escalating tensions in Ukraine. Brent crude settled above USD109/bbl as Iran reportedly asserted control over the Strait of Hormuz. On the economic data front, Canada's headline inflation accelerated to 3.1% in September, driven by sharp increases in energy prices. Gasoline prices jumped 27.8% YoY during the month. Meanwhile, the BoC's preferred core inflation measures, the trimmed mean and median CPI, held steady at 1.8% and 1.9%, respectively, in September. This suggests that inflationary pressures remain largely energy-driven rather than broad-based.
- The SGD SORA OIS curve traded higher yesterday; shorter tenors traded 1bps higher, belly tenors traded 1-2bps higher, and 10Y tenor traded 1bps higher.
- Flows in SGD corporates were moderate, with flows in BNP 5.9%-PERP, UBS 5.6%-PERP, UOLSP 2.78% '32s.
- US Investment Grade spreads widened by 1bps to 85bps, and US High Yield spreads tightened by 2bps to 329bps. Bloomberg Global Contingent Capital spreads traded tightened by 1bps to 237bps.
- Bloomberg Asia USD Investment Grade spread tightened by 1bps to 63bps, and the Asia USD High Yield spreads tightened by 4bps to 373bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Barclays Plc	BARC	- The Bank of England's Prudential Regulation Authority ("PRA") is reviewing how Barclays classifies total return swaps referencing illiquid private-credit loans, following a complaint that some exposures were placed in the trading book rather than the banking book. The concern is that this treatment may attract lower regulatory capital despite the illiquidity of the underlying loans. - If the PRA requires affected swaps to be moved into the banking book, risk-weighted assets could rise and the CET1 ratio could decline. This could potentially reduce management's capacity for share buybacks. The quantum is presently unclear because the portion of the GBP15bn exposure of private credit exposure that are held in the trading book has not been disclosed. - This remains a regulatory review rather than an enforcement action for now. (Financial Times, Bloomberg, OCBC) Latest report: Credit Update – 30 July 2026
Keppel Ltd, Keppel Real Estate Investment Trust	KEPSP, KREITS	- KEPSP announced that its wholly-owned subsidiary, K-Commercial Investment Pte. Ltd. ("vendor") has entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of KREITS) to sell the vendor's 51%-stake in K-Commercial Pte. Ltd ("KCPL") to KREITS. KCPL holds Keppel South Central, a 33-storey Grade A commercial building located in Tanjong Pagar. - The purchase consideration in cash amounts to ~SGD611mn while the total acquisition cost is ~SGD627.1mn. - The underlying property is on freehold land though KREIT will only be buying a 70Y leasehold interest. KEPSP will have a call option to re-acquire the 51%-equity stake for a nominal consideration after 70Y, subject to the terms of the call option. - As at 30 September 2026, committed occupancy was 48.8% based on committed leases only. As at 15 October 2026, based on committed leases as well as leases that are in the process of documentation, the occupancy was ~60%. Another 20% of the space is under negotiation. Rental support will be provided given that this is a new property that has not fully stabilised. - The transaction is subject to KREITS equity holders' approval and expected to be completed in 2Q2027. - KEPSP has been undergoing an asset monetisation, and the proposed divestment is not surprising, though at the beginning of the year, KREITS shared with the market that it was not emphasising acquisitions in the short term. - From the perspective of KREITS, post-acquisition aggregate leverage expected to be at 39.2% (30 June 2026: 40%) which assumes cash (including from recent divestment proceeds will be used to help fund the new acquisition) as well as bank loans, perpetuums, and/or equity financing. We see the deal size as manageable KREITS versus its total assets of SGD9.98bn as at 30 June 2026 and as such we are maintaining our credit view on KREITS. (Company, OCBC) KEPSP Credit Update – 30 April 2026 KREITS Credit Update – 16 March 2026

Woodside Energy Group Ltd	WDSAU	Bloomberg reported that WDSAU has shared that commissioning work at its Scarborough liquified natural gas ("LNG") export project in offshore Western Australia has resumed after a temporary pause after protestors climbed aboard the gas platform. The Scarborough project is a new project was 98% complete as of 2Q2026, on budget and on track for first LNG cargo in 4Q2026. (Bloomberg) Latest report: WDSAU Credit Update – 14 August 2026
National Australia Bank Ltd	NAB	- NAB plans to cut up to 2,500 roles, roughly 6% of its ~42,000-strong workforce, focused on management and corporate functions. The overhaul comes as the bank navigates intensifying competition, a sluggish economy weighing on home lending, and rapid technological change. - The bank will take a AUD300mn pre-tax restructuring charge in FY2027 for the job cuts, while also scaling back reliance on external contractors and consultants to streamline decision-making and reduce duplication. - NAB had previously restructured its Corporate and Institutional division affecting 68 jobs. (Bloomberg, OCBC) Latest report: Credit Update – 26 August 2026
BHP Group Limited	BHP	- BHP announced its operational review for the quarter ended 30 September 2026 ("1QFY2027"). Copper production was lower in 1QFY2027, reflecting planned grade declines and scheduled maintenance, alongside temporary disruptions from severe weather in Chile, stops for safety and conveyor failure at Carrapateena in South Australia. - Western Australian Iron Ore ("WAIO") set records at both the mine and port while BMA and NSW Energy Coal delivered higher production in 1QFY2027 compared to 1QFY2026. 1QFY2027 also saw stronger commodity prices especially copper where the average realised price was higher by ~53% y/y. - In copper, total production declined 18.8% y/y in 1QFY2027 to 401 kilotonnes. For FY2027, copper production is still guided to be between 1,650 and 1,800 kilotonnes, remaining unchanged from previous guidance. The FY2027 guidance is lower than the FY2026's actual production of 1,953 kilotonnes. - Iron ore production increased by 3.7% y/y to 66.5Mt in 1QFY2027 while production for FY2027 is guided to be between 260 and 272Mt, remaining unchanged from previous guidance. Average realised price fell 9% y/y in 1QFY2027. - Production at Steelmaking coal increased by ~1% y/y to 4.9Mt in 1QFY2027, with production guidance for FY2027 unchanged at 18.5-20.5Mt. In 1QFY2027, average realised price was higher by 34% y/y. - Production for Energy coal increased by 25.7% y/y to 4.4Mt in 1QFY2027, with production guidance for FY2027 unchanged at 14.0-16.0Mt. In 1QFY2027, average realised price was higher by 23% y/y. - The latest announcement does not change our fundamental credit view of BHP. (Company) Latest report: Credit Update – 8 September 2026

New Issues:

- There were zero and USD10.4bn of issuances in the APAC and DM IG markets respectively (prior business day: zero and USD8bn).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
19 Oct	Baiduri Bank Bhd	Fixed	SGD	280	3	2.95%
19 Oct	Walmart Inc	Fixed	USD	750	10	T + 45bps
19 Oct	Walmart Inc	Fixed	USD	1,000	7	T + 35bps
19 Oct	Walmart Inc	Fixed	USD	750	3	T + 20bps
19 Oct	Walmart Inc	Fixed	USD	500	5	T + 27bps
19 Oct	Kimberly-Clark Corp	Fixed	USD	1,250	5	T + 57bps
19 Oct	Kimberly-Clark Corp	Fixed	USD	1,150	10	T + 72bps
19 Oct	Kimberly-Clark Corp	Fixed	USD	750	Long 7	T + 67bps
19 Oct	Kimberly-Clark Corp	Fixed	USD	1,000	3	T + 47bps
19 Oct	Kimberly-Clark Corp	Fixed	USD	750	2	T + 37bps
19 Oct	Manufacturers & Traders Trust Co	FRN	USD	350	3NC2	SOFR+ 82bps

19 Oct	Manufacturers & Traders Trust Co	Fixed	USD	850	3NC2	T + 72bps
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Mandates:

- ASB Bank Limited, a wholly owned subsidiary of the Commonwealth Bank of Australia may issue USD-denominated 3Y bonds.
- Queensland Treasury Corporation may issue USD-denominated 10Y bonds.

Key Market Movements

	Last Price	1W chg (bps)	1M chg (bps)		Last Price	1W chg	1M chg
US IG Credit Spread	85	4	10	Brent Crude Spot (\$/bbl)	110.0	4.0%	5.9%
US HY Credit Spread	329	21	62	Gold Spot (\$/oz)	4,134	-0.7%	-4.8%
Global Contingent Capital Credit Spread	237	2	36	CRB Commodity Index	419	0.9%	-0.9%
Asia IG Credit Spread	63	3	10	S&P Commodity Index - GSCI	750	0.9%	0.2%
Asia HY Credit Spread	373	14	50	VIX	18.4	21.2%	24.5%
				US10Y Yield	5.11%	-9bp	12bp
iTraxx Asiax IG	75	4	5				
iTraxx Japan	69	3	15	AUD/USD	0.698	-0.0%	-1.9%
iTraxx Australia	77	3	5	EUR/USD	1.123	0.3%	-2.0%
CDX NA IG	62	4	6	USD/SGD	1.279	0.1%	-0.2%
CDX NA HY	106	-1	-2	AUD/SGD	0.893	0.1%	1.7%
iTraxx Eur Main	65	1	7				
iTraxx Eur XO	321	6	36	ASX200	8,817	0.4%	1.0%
iTraxx Eur Snr Fin	73	2	11	DJIA	51,966	0.2%	0.5%
iTraxx Eur Sub Fin	122	2	22	SPX	7,691	-1.5%	0.5%
				MSCI Asiax	1,060	-2.8%	-6.3%
USD Swap Spread 10Y	-39	-0	3	HSI	23,900	-1.5%	-3.4%
USD Swap Spread 30Y	-63	2	7	STI	5,403	-0.5%	-4.5%
				KLCI	1,599	-1.5%	-4.0%
China 5Y CDS	38	1	4	JCI	5,205	-12.2%	-19.2%
Malaysia 5Y CDS	36	1	1	EU Stoxx 50	6,145	-0.9%	-1.5%
Indonesia 5Y CDS	100	7	12				
Thailand 5Y CDS	40	1	-2				
Australia 5Y CDS	16	0	1				

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

Source: Bloomberg

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