

Daily Credit Snapshot

Market Commentary

- US equities extended their gains last Friday, with the Dow posting a record closing high. Treasury yields eased slightly as oil prices retreated, with WTI falling 8.5% to US\$96.46/bbl and Brent declining 5.5% last week. The pullback reflected intermittent speculation over a potential US-Iran ceasefire, as well as growing concerns about demand destruction from elevated oil prices. The IEA's May Oil Market Report cut 2026 global oil demand to about 104 million barrels/day — a figure that is 420k b/d below 2025 actual consumption, and 1.3 million b/d below the pre-Iran-war forecast issued before late February. On data, the University of Michigan Consumer Sentiment Index fell to a final reading of 44.8 in May, an all-time low, down from 48.2 earlier in the month and below market expectations. Sentiment among Republicans dropped to the lowest level since November 2024, while sentiment among Democrats was broadly unchanged. Inflation expectations also continued to rise. One-year inflation expectations edged up to 4.8% from 4.7% in April, while five-year expectations jumped to 3.9% from 3.5%. This suggests that concerns over the cost of living continue to outweigh the positive wealth effect from buoyant equity markets. Fed Governor Christopher Waller, previously seen as an advocate of lower interest rates, struck a more balanced tone. He said he would support removing the “easing bias” language from the policy statement to make clear that a rate cut is no more likely than a rate increase. Waller highlighted inflation expectations over the two- to four-year horizon as a key variable to watch, warning that any increase there would be “alarming.” On the labour market, he remained relatively positive, saying he did not see the prospect of a weakening labour market as the dominant force that should guide monetary policy in the months ahead. In Europe, stagflation concerns continued to build. The European Commission now expects eurozone growth to slow to 0.9% in 2026 from 1.3% in 2025, while inflation is forecast to rise to 3.0% from 1.9%, well above the ECB's 2% target. ECB President Christine Lagarde warned finance ministers that if governments loosen fiscal policy too aggressively to cushion the impact of higher energy prices, the ECB would respond with higher interest rates. The European Commission also urged governments to keep fiscal support targeted and temporary, focusing on the most vulnerable groups. In Japan, BoJ Governor Kazuo Ueda said he met Prime Minister Takaichi on Friday as part of a regular exchange of views on the economy and explained the central bank's basic thinking on monetary policy. However, he added that they did not discuss the possibility of a June rate hike.
- The SGD SORA OIS curve traded lower Friday with shorter tenors trading 2-3bps lower while belly tenors and 10Y traded 3-4bps lower.
- Flows in SGD corporates were light, with flows in AAREIT 4.7%-PERP.

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

- US Investment Grade spreads tightened 1bps to 72bps, US High Yield spreads tightened by 7bps to 260ps and Bloomberg Global Contingent Capital Index tightened by 4bps to 222bps.
- Bloomberg Asia USD Investment Grade spreads traded flat at 52bps and Asia USD High Yield spreads tightened by 6bps to 377bps. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
Mapletree Industrial Trust	MINTSP	<ul style="list-style-type: none"> Mapletree Industrial Trust Management Ltd as REIT Manager of MINTSP announced that DBS Trustee Limited, as trustee of MINT, has entered into a Purchase and Sale Agreement for the proposed divestment of 2000 Kubach Road, Philadelphia, Pennsylvania in the USA to a third party for a proposed sale price of USD14.5mn (31 March 2026 valuation was USD13.9mn). This is a small transaction for MINTSP where the property is a data centre where the lease had expired on 31 December 2024. The net proceeds may be used to pare down debts and/or fund working capital requirements. (Company) <p>Latest report: Credit Update – 22 May 2025</p>
Woodside Energy Group Ltd	WDSAU	<ul style="list-style-type: none"> Per Bloomberg, WDSAU is increasingly likely to exercise its pre-emptive rights to block PetroChina's sale of its 10.67%-stake in the Browse Project to Inpex, a Japanese company. The transaction value for the proposed sale of the stake by PetroChina to Inpex was not provided, though per Reuters, in December 2012, PetroChina bought the stake for AUD1.6bn. WDSAU is expected to match Inpex's offer if it exercises its pre-emptive rights. The Browse project is Australia's largest undeveloped gas resources, off the coast of Western Australia. The total development cost for the Browse Project is estimated at ~AUD48.7bn. WDSAU holds a 30.6%-interest in the Browse Project and increasing its stake would increase its incentive to see the project through to final investment decision. The other partners in the project include BP p.l.c as well as a joint venture between Mitsui and Mitsubishi. (Bloomberg, Reuters) <p>Latest report: Credit Update – 14 May 2025</p>
Julius Baer Group Ltd	BAERVX	<ul style="list-style-type: none"> BAERVX announced its interim management statement for the four months ended 30 April 2026 ("4M2026"), reporting its strongest start to a year on record with record assets under management, a significant rise in client activity and cost discipline. As such, management has guided for 1H2026 profit to be substantially higher than 1H2025 that was impacted by elevated net credit losses tied to management's ongoing review of its private debt and mortgage books. Client activity drove BAERVX's adjusted gross margin to 90bps, up 10bps against the underlying 2H2025 level of 80bps, reflecting strong activity-driven income, particularly in 1Q2026 before moderating in April. Included in the gross margin was recurring income of 37bps (stable compared to 2H2025), activity-driven income of 29bps (+9bps vs 2H2025) and interest-driven income of 23bps (-1bps vs 2H2025). The adjusted cost-to-income ratio improved to 62% (vs 67% in 2H2025) while the adjusted pre-tax margin increased to 32bps, reflecting positive operating leverage and continued cost discipline. BAERVX did not report material credit charges in the period, with performance instead driven by strong operating income and continued efficiency programme execution, which remains on track to deliver CHF130mn of gross savings. Performance also reflected assets under management ("AuM") rising to a record CHF528bn (+1% vs end-2025), supported by market performance and net inflows despite a stronger Swiss franc. Net new money inflows of CHF3.0bn represented annualised growth of 1.7%, somewhat lower than expectations and CHF4.2bn during 4M2025, impacted by continued implementation of the revised risk and

		<p>compliance framework, geopolitical uncertainty (particularly the Middle East conflict) and a pause in client re-leveraging.</p> <ul style="list-style-type: none"> • BAERVX’s already solid capital position strengthened further, with a Swiss Basel III CET1 ratio of 18.1% as at 30 April 2026 (vs 17.4% at end-2025), driven primarily by strong profitability and capital generation. The ratio remains well above JBG’s internal floor of 11% and regulatory requirement of 8.4%. • Management expects client activity to normalise from the exceptionally elevated levels seen in 1Q2026 but appears constructive of 2026 performance given the strong start to date, absence of material one-offs and franchise building with relationship manager hires expected to support its medium-term net new money growth target of 4–5% by 2028. This should offset the potential impact on net new money growth from ongoing de-risking and macro uncertainty. Overall fundamental performance remains stable in our view. (Company, OCBC) <p>Latest report: Credit Updated dated 04/09/2025</p>
<p>CapitaLand Group Pte Ltd</p> <p>CapitaLand Ascendas REIT</p>	<p>CAPLSP</p> <p>AREIT</p>	<ul style="list-style-type: none"> • Opening of SGD1.4bn Geneo last Friday: Geneo is a life sciences and innovation hub within Singapore Science Park, comprising three properties (1, 5 and 7 Science Park Drive) with total GFA of ~180,600 sqm. The total investment cost is reported at SGD1.4bn, with SGD883mn invested into the development of 1 Science Park Drive (reported in 2023) while 5 Science Park Drive was acquired for SGD245.0mn in 2025, while we estimate that 7 Science Park Drive was developed for SGD272mn. • Ownership split at asset level between AREIT and CLD: The portfolio totals ~180,600 sqm GFA, with ownership split by assets. CLD is a wholly-owned subsidiary of CAPLSP. <ul style="list-style-type: none"> ○ 1 Science Park Drive is the largest property (112,600 sqm), jointly held (CLD 66% / AREIT 34%), comprising wet lab, lab-ready and business park space. ○ 5 Science Park Drive (25,600 sqm) is fully owned by AREIT, comprising business park space. ○ 7 Science Park Drive (38,800 sqm) is fully owned by CLD, comprising business park space and Citadines serviced residence. ○ In addition, Retail and F&B amenities makes up ~3,600 sqm. • Comprises blue-chip tenants, including Agency for Science, Technology and Research (A*STAR), Barry Callebaut, Chugai Pharmabody Research, Henkel, and NSG Bio. According AREIT’s CEO, 1 Science Park Drive and 5 Science Park Drive are high quality properties seeing strong tenancy demand. • Geneo strengthens AREIT’s leadership in Singapore Science Park. Including Geneo, AREIT’s portfolio of 4.5mn sq ft of properties in Singapore Science Park makes it the largest provider of business park and life sciences space in the precinct. • Opening of Geneo likely to contribute decently: According to AREIT’s 2025 earnings call, yield on cost of Geneo was ‘much better than 6.3%’, with 6.3% being the number that was first announced. We think Geneo is most likely near full occupancy or fully occupied, with 95% leases pre-committed and in advance negotiations as of 3Q2025. • Will AREIT acquire or develop more? 5 Science Park was acquired by AREIT from CAPLSP. We think it is possible for CAPLSP (and CLD) to continue recycling assets to AREIT. Geneo previously utilized AREIT’s development limit, with SGD300.2mn total redevelopment cost of 1 Science Park Drive attributed to AREIT (completion date: 3 March 2025). As of 1Q2026 business update, ongoing projects total SGD730.3mn. As of 31 March 2026, investment properties stood at SGD18.6bn in

		<p>asset value. We estimate AREIT has at least another SGD1bn headroom to undertake development, as Singapore REITs are allowed 10% base limit for development (up to 25% under enhanced limit). (Company, OCBC)</p> <p>CAPLSP's latest report: Credit Updated dated 08/07/2025 AREIT's latest report: Credit Updated dated 22/09/2025</p>
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New Issues:

The total issuance volumes for APAC and DM IG markets last Friday were USD125mn and zero respectively.

Mandates:

- Nil



Key Market Movements

	25-May	1W chg (bps)	1M chg (bps)		25-May	1W chg	1M chg
iTraxx Asiax IG	74	-2	-2	Brent Crude Spot (\$/bbl)	98.6	-12.0%	-6.4%
				Gold Spot (\$/oz)	4,554	-0.3%	-2.7%
iTraxx Japan	63	-1	0	CRB Commodity Index	393	-1.7%	3.6%
iTraxx Australia	74	-2	-0	S&P Commodity Index - GSCI	732	-2.6%	0.4%
CDX NA IG	52	-1	-2	VIX	16.7	-9.4%	-10.7%
CDX NA HY	108	0	1	US10Y Yield	4.56%	-4bp	26bp
iTraxx Eur Main	55	-2	-3				
iTraxx Eur XO	273	-7	-15	AUD/USD	0.715	-0.2%	-0.4%
iTraxx Eur Snr Fin	58	-2	-5	EUR/USD	1.163	-0.2%	-0.8%
iTraxx Eur Sub Fin	95	-4	-9	USD/SGD	1.278	0.0%	-0.3%
				AUD/SGD	0.914	0.3%	0.2%
USD Swap Spread 10Y	-41	2	3	ASX200	8,692	2.2%	-1.1%
USD Swap Spread 30Y	-73	2	4	DJIA	50,580	2.1%	2.7%
				SPX	7,473	0.9%	4.3%
China 5Y CDS	40	-3	-3	MSCI Asiax	1,116	1.6%	6.4%
Malaysia 5Y CDS	34	-1	-4	HSI	25,606	-1.4%	-1.4%
Indonesia 5Y CDS	92	3	4	STI	5,069	1.4%	3.0%
Thailand 5Y CDS	50	-2	-3	KLCI	1,711	-1.0%	-0.6%
Australia 5Y CDS	14	0	-0	JCI	6,219	-5.8%	-12.8%
				EU Stoxx 50	6,087	4.1%	3.5%

Source: Bloomberg

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