

Daily Credit Snapshot

Market Commentary

- The S&P 500 and Nasdaq posted record closing highs on Thursday after reports suggested that the U.S. and Iran had reached a tentative agreement on a 60-day memorandum of understanding to extend the ceasefire and restart nuclear talks. It was arguably the most contradictory day of the conflict so far, with a military exchange and a diplomatic breakthrough unfolding within the same 24-hour window. Key terms of the proposed MoU reportedly include unrestricted shipping through the Strait of Hormuz and Iran's commitment to remove all mines from the waterway within 30 days. The first phase of the 60-day window will focus on arrangements for removing Iran's highly enriched uranium. However, the MoU still requires approval from both leaders. The ECB's latest accounts showed that its April decision to keep rates unchanged was a close call for some policymakers. "A number of members noted that the decision was a close call and that they would not have opposed raising rates at the current meeting had this been on the table," the ECB said in the accounts of its April 29–30 meeting. Policymakers noted that they would have a much richer information set by the June meeting. Expectations for a June hike increased, as energy prices are likely to remain elevated for longer. The accounts also echoed recent concerns that governments could again offer subsidies to shield consumers from high energy prices, similar to 2022, potentially worsening the inflation problem. In the U.S., St. Louis Fed President Alberto Musalem warned on Thursday that it would be risky to rely on the prospect of higher future productivity growth to solve today's inflation problem.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 1-2bps lower while belly tenors traded 2-3bps lower and 10Y traded 3bps lower.
- Flows in SGD corporates were moderate, with flows in MFCCN 2.88% '36s.
- US Investment Grade and High Yield spreads traded flat yesterday at 72bps and 260bps respectively. Bloomberg Global Contingent Capital Index widened by 2bps to 225bps.
- Bloomberg Asia USD Investment Grade traded flat yesterday at 52bps while Asia USD High Yield spreads tightened by 1ps to at 373bps. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
CapitaLand Ascott Trust	ARTSP	<ul style="list-style-type: none"> Robertson House by The Crest Collection in Singapore is being divested for SGD360mn (4% premium to the book value as at end-2025) to an unnamed third party. The transaction is notable versus ARTSP's market cap of SGD3.5bn as at 29 May 2026. The price tag represents SGD1.1mn per key and we see the 2025 EBITDA exit yield of 2.3% as attractive. The net gain is ~SGD38.1mn. ARTSP expects to complete the transaction in 3Q2026. The transaction enhances ARTSP's financial flexibility, enabling redeployment of proceeds into higher-yielding properties, support asset enhancement initiatives ("AEIs"), repay higher-interest debt, and/or fund general corporate purposes per company. Separately, ARTSP's redevelopment of Somerset Clarke Quay in Singapore is on track to complete by end-2026 and expected to begin contributing income progressively from early-2027. This is a 192-unit serviced residence with a hotel licence. (Company, OCBC) <p>Latest report: Credit Update – 17 April 2026</p>
Keppel Ltd	KEPSP	<ul style="list-style-type: none"> KEPSP announced that commercial operations at the Keppel Sakra Cogen Plant has commenced. This is a 600MW combined cycle gas turbine facility which increases KEPSP's power capacity by ~45%. The plant is hydrogen-compatible which provides KEPSP with optionality as Singapore and the region transition towards lower-carbon fuels. KEPSP now has up to 1900MW of power capacity which is supplanted by up to 200MW of imported low-carbon power from the region. The power plant is 70% owned by Keppel Asia Infrastructure Fund, KEPSP's flagship unlisted infrastructure fund and 30% owned by KEPSP. In our view, this is also an asset that may form pipeline assets for its other sponsored funds, such as Keppel Infrastructure Trust ("KITSP"). (Company, OCBC) <p>Latest report: Credit Update – 30 April 2026</p>
Toronto-Dominion Bank	TD	<ul style="list-style-type: none"> TD delivered a strong set of 2QFY2026 results; adjusted earnings are up 15% y/y, provision for credit losses ("PCL") are down and capital profile remains strong despite buybacks. The US anti money laundering ("AML") remediation remains the lingering uncertainty around the US restructuring program. Net income reported at CAD4.25bn (+15% y/y) ; with all four core segments contributing to the bottom-line results: <ul style="list-style-type: none"> Canadian banking: Net income was CAD1.93bn (+15% y/y) on revenue growth (+5% y/y) and lower PCL. NIM +2bps q/q to 2.85%, efficiency ratio at 39.7%, ROE at 31.3%. US banking: Net income of CAD960m (+12% y/y), PCL is USD61m lower y/y, with recurring USD173m for AML remediation costs. Efficiency ratio at 65.4%. Wealth Management & Insurance and wholesale banking: Wholesale banking net income of CAD612m (+46% y/y), revenue was up 12% y/y on Global Markets and Corporate & IB; ROE of 14.5%. PCL was at 39bps, modestly lower than fiscal 2026 guidance of 40-50bps. Results are consistent with prior quarters and no deterioration despite trade/policy

		<p>uncertainty. Gross impaired loan ratio was 54bps (-4bps q/q) with improvement noted in US banking and wholesale banking.</p> <ul style="list-style-type: none"> • CET1 of 14.3% has a 280bps buffer over OSFI 11.5% requirement. (Bloomberg, OCBC) <p>Latest report: Credit Update – 24 October 2025</p>
<p>Royal Bank of Canada</p>	<p>RY</p>	<ul style="list-style-type: none"> • RY registered net income of CAD5.5bn (+25% y/y) with all five business segments delivering strong performance and ROE of 17.4%. Credit losses moderated further. Core equity ratio sits at the upper end of stated target. • Segment breakdown shows every segment delivering stronger results y/y: <ul style="list-style-type: none"> Personal Banking: Net income of CAD1.9bn (+18% y/y), NII +6% y/y, non-interest income +4% y/y. <ul style="list-style-type: none"> ○ Commercial Banking: Net income of CAD854mn (+43% y/y), ROE of 17.4%. ○ Wealth Management: Net income of CAD1.2bn (+28% y/y), AUM grew to CAD 1.6bn (+20% y/y) ○ Capital Markets: Net income of CAD1.5bn (+23% y/y); revenue was driven by higher M&A activity and debt/equity issuances. • PCL of CAD912m (-16% q/q) represents 35bps of loans. Gross impaired loan was 90bps (+4bps q/q), with the increase concentrated in a single corporate name in capital markets and in the Wealth segment. • CET1 of 13.5% is at the top end of RY’s stated 12.5%-13.5% target range. Buybacks shaved off 23bps of CET1. (Bloomberg, OCBC) <p>Latest report: Credit Update – 24 October 2025</p>



New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD3.13bn and USD5.54bn respectively (prior day: USD350mn and USD20.3bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
28 May	National Australia Bank Ltd	FRN	USD	750	3	SOFR+ 54bps
28 May	National Australia Bank Ltd	Fixed, Subordinated, Tier 2	USD	1,000	11NC10	T + 118bps
28 May	National Australia Bank Ltd/New York	Fixed	USD	1,250	3	T + 37bps
28 May	Bank of Montreal	Fixed-to-FRN	USD	750	3NC2	T + 53bps
28 May	Bank of Montreal	Fixed-to-FRN	USD	750	6NC5	T + 73bps
28 May	Bank of Montreal	Fixed-to-FRN	USD	1,250	11NC10	T + 85bps
28 May	National Bank of Canada (guarantor: National Bank of Canada/New York NY)	Fixed-to-FRN	USD	1,000	6NC5	T + 78bps
28 May	Standard Chartered PLC	Fixed, Perpetual, Jr Subordinated, Additional Tier 1	USD	1,000	PerpNC7	7%

Mandates:

- Standard Chartered PLC may issue a USD-denominated PerpNC7 AT1 with First Reset Date in December 2033.

Key Market Movements

	29-May	1W chg (bps)	1M chg (bps)		29-May	1W chg	1M chg
iTraxx Asiax IG	71	-2	-5	Brent Crude Spot (\$/bbl)	93.0	-10.2%	-21.2%
				Gold Spot (\$/oz)	4,514	0.1%	-0.7%
iTraxx Japan	61	-2	-2	CRB Commodity Index	385	-3.1%	-2.5%
iTraxx Australia	73	-1	-2	S&P Commodity Index - GSCI	703	-3.9%	-8.8%
CDX NA IG	51	-1	-5	VIX	15.7	-9.7%	-16.3%
CDX NA HY	108	0	1	US10Y Yield	4.44%	-11bp	1bp
iTraxx Eur Main	53	-2	-7				
iTraxx Eur XO	263	-10	-34	AUD/USD	0.717	0.5%	0.7%
iTraxx Eur Snr Fin	56	-2	-8	EUR/USD	1.165	0.4%	-0.3%
iTraxx Eur Sub Fin	92	-4	-15	USD/SGD	1.277	0.3%	0.4%
				AUD/SGD	0.915	-0.3%	-0.3%
USD Swap Spread 10Y	-41	1	5	ASX200	8,732	0.9%	0.5%
USD Swap Spread 30Y	-73	0	6	DJIA	50,669	1.3%	3.7%
				SPX	7,564	1.8%	6.0%
China 5Y CDS	40	-0	-3	MSCI Asiax	1,140	2.2%	7.6%
Malaysia 5Y CDS	35	0	-3	HSI	25,226	-0.6%	-3.4%
Indonesia 5Y CDS	90	-2	1	STI	5,036	-0.2%	3.6%
Thailand 5Y CDS	48	-2	-5	KLCI	1,691	-1.0%	-1.7%
Australia 5Y CDS	14	-0	0	JCI	6,218	-1.6%	-12.4%
				EU Stoxx 50	6,055	1.6%	4.1%

Source: Bloomberg

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