



# Credit Week in Brief

Global Markets Research

10 March 2025

# Credit: Asiadollar Weekly Overview

Mixed spreads movement w/w, HY tightened somewhat

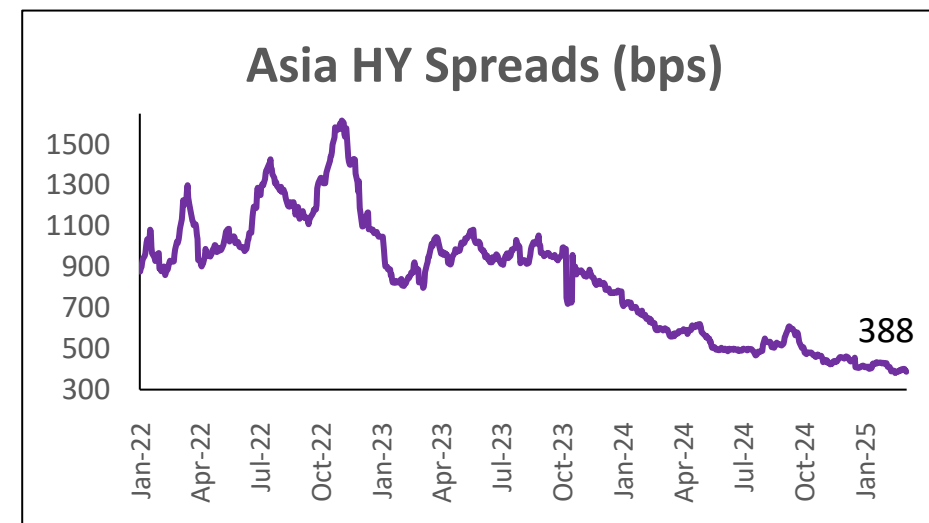
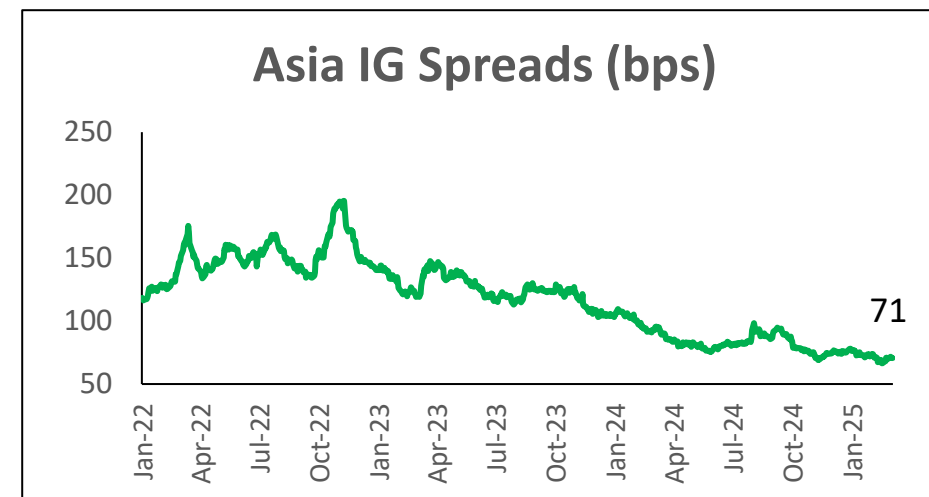
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	+1	71bps
Asia HY (BAHYOAS Index)	-11	388bps

- **HY spreads tightened somewhat w/w amidst some recovery from real estate issuers** namely LNGFOR, NWDEVL and GLPSP.
- **Some positive developments on China Property:** China's new home sales from the top 100 developers rose 1.2% y/y to CNY188bn (Jan: -3.2% y/y). Besides, China will grant greater autonomy to local governments in the acquisition of unsold property to curb the decline in housing prices.
- **Improvements on New World Development Co Ltd ("NW"):** Price of NWDEVL 6.15% perpetual increased by 20 cents to ~77 cents per dollar w/w. NW aims to reduce costs and divest HKD26bn in non-core assets, while also raising mainland China contracted sales target to RMB14bn for the year. Liquidity risks improved after New World achieved 47% (HKSAR) and 53% (mainland China) of FY2025 contracted sales target.
- **China will firmly limit the rise of hidden debt.** As of March 5, local governments issued RMB2.96tn in debt swap bonds to support key growth areas. The government will encourage early issuance of these bonds and has sufficient policy tools to address potential external uncertainties.



Source: Bloomberg, OCBC

IG widened while HY tightened w/w



# Credit: Asiadollar New Issues

Substantial Asiadollar (including JP and AU) issuance, increasing by 48% w/w to USD15.5bn

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	3Y	T+60bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	5Y	T+75bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	FRN	USD	1000	5Y	SOFR+99bps
03 Mar	Sumitomo Mitsui Trust Bank Ltd	Fixed	USD	500	10Y	T+90bps
03 Mar	Bocom Leasing Management Hong Kong Co Ltd (Keepwell Provider: Bank of Communications Financial Leasing Co Ltd)	Green, FRN	USD	500	3Y	SOFR+67bps
03 Mar	Bocom Leasing Management Hong Kong Co Ltd (Keepwell Provider: Bank of Communications Financial Leasing Co Ltd)	FRN	USD	500	5Y	SOFR+77bps
03 Mar	Rudong County Mintai Urban and Rural Construction Engineering Co Ltd (guarantor: Rudong County Jinxin Transportation Engineering Construction Investment Co Ltd)	Fixed	USD	100	3Y	6.30%
03 Mar	American Honda Finance Corp	Fixed	USD	650	3Y	T+65bps
03 Mar	American Honda Finance Corp	FRN	USD	400	3Y	SOFR+82bps
03 Mar	American Honda Finance Corp	Fixed	USD	500	5Y	T+85bps
03 Mar	American Honda Finance Corp	Fixed	USD	500	10Y	T+105bps

^ Includes AUS & JPY Issuance



Source: Bloomberg, OCBC

# Credit: Asiadollar New Issues

**Substantial Asiadollar (including JP and AU) issuance, increasing by 48% w/w to USD15.5bn**

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
04 Mar	Meiji Yasuda Life Insurance Co	Fixed, Subordinated	USD	2100	30.25NC10.25	6.10%
04 Mar	Knowledge City Guangzhou Investment Group Co Ltd	Fixed	USD	450	3Y	5.40%
04 Mar	Shenwan Hongyuan International Finance Ltd (guarantor: Shenwan Hongyuan Securities Co Ltd)	FRN	USD	300	3Y	SOFR+63bps
04 Mar	Elect Global Investments Ltd (guarantor: Hysan Development Co.)	Perpetual, Subordinated	USD	750	PerpNC5.5	7.20%
05 Mar	Cikarang Listrindo Tbk PT	Fixed	USD	350	10Y	5.65%
05 Mar	Korea Gas Corporation	FRN	USD	200	3Y	SOFR+57bps
05 Mar	IIFL Finance Ltd	Fixed	USD	100	Retap of IIFOIN 8.75% '28s	8.35%
06 Mar	Commonwealth Bank of Australia/New York NY	Fixed	USD	750	3Y	5.65%
06 Mar	Commonwealth Bank of Australia/New York NY	FRN	USD	1000	3Y	SOFR+57bps
06 Mar	Commonwealth Bank of Australia/New York NY	Fixed	USD	500	5Y	8.35%
06 Mar	Commonwealth Bank of Australia/New York NY	FRN	USD	1500	5Y	SOFR+81bps
06 Mar	Commonwealth Bank of Australia/New York NY	Subordinated	USD	1250	21NC20	T+132bps
06 Mar	GF Financial Holdings BVI Ltd (guarantors: GF SECURITIES and subsidiaries)	FRN	USD	380	3Y	SOFR+62bps
06 Mar	Zhangzhou Longhai State-owned Asset Investment & Operating Co Ltd (guarantor: Fujian Mangrove Investment Group Co., Ltd)	Fixed	USD	200	3Y	7.10%

^ Includes AUS & JPY Issuance



Source: Bloomberg, OCBC

# Credit: SGD New Issues

**Strong SGD primary issuance, rising +150% w/w to SGD700mn**

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
06 Mar	Equinix Asia Financing Corporation Pte. Ltd. (guarantor: Equinix Inc)	Green, Fixed	SGD	500	5Y	3.50%
06 Mar	Allgreen Treasury Pte Ltd (Allgreen Properties Ltd)	Fixed	SGD	200	5Y	3.16%

# Credit Research Views: SGD Weekly Overview

SGD credit market rose +0.21% w/w following significant decline in SORA OIS yields (-7 to 18bps).

	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	111.3	3.4	\$11,964m	0.08%	0.7%	6.9%	11.3%
Non-Financial Corp Perp	118.1	11.6	\$13,046m	0.17%	0.7%	9.7%	18.1%
Tier 2s and Other Sub	113.7	4.0	\$16,811m	0.15%	0.7%	6.6%	13.7%
Longer Tenors (>9Y)	97.7	23.1	\$13,712m	0.37%	1.1%	10.4%	-2.3%
Mid Tenors (>3Y to 9Y)	107.8	4.9	\$38,733m	0.29%	0.9%	6.1%	7.8%
Short Tenors (>1Y to 3Y)	111.4	1.8	\$25,747m	0.19%	0.6%	5.2%	11.4%
Money Market (<12 months)	114.4	0.4	\$11,516m	0.10%	0.3%	4.6%	14.4%
<b><u>By Issuer Profile Rating</u></b>							
POS (2)	110.6	7.9Y	\$7,324m	0.15%	0.7%	6.0%	10.6%
N(3)	112.8	3.5Y	\$22,844m	0.17%	0.8%	6.5%	12.8%
N(4)	113.3	7.3Y	\$22,311m	0.17%	0.6%	6.5%	13.3%
N(5)	112.4	2.2Y	\$5,644m	0.15%	0.5%	8.7%	12.4%
<b>OCBC MODEL PORTFOLIO</b>	119.4	3.0Y	\$5m	0.18%	0.6%	9.7%	19.4%
<b>SGD Credit Universe</b>	108.2	6.3Y	\$128,354m	0.21%	0.7%	6.7%	8.2%



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

# Credit: Top Happenings in SGD Credit Market

## Company results

- **Olam Group Ltd (“OG”)** reported its 2H2024 and 2024 financial results. Profitability was dragged by higher financing costs from higher working capital needs which had also pushed up unadjusted net gearing levels. Reported EBITDA (excluding exceptional items) in 2H2024 was SGD1.43bn, higher by 8.9% y/y while reported EBIT (excluding exceptional items) was SGD1.0bn, increasing by 10.0% y/y in 2H2024. Adjusted net gearing (also net of readily marketable inventories and secured receivables) was 0.68x as at 31 December 2024, better than the 1.0x as at 30 June 2024 and relatively stable versus the 0.65x as at 31 December 2023).
- **OUE Limited (“OUE”)** reported 2024 results. OUE’s results are affected by non-cash losses from GPI and fair value and disposal losses from a disposed asset, Lippo Plaza in Shanghai. Excluding these impacts, overall results are still adequate and well underpinned by OUEREIT and FIRT. Operating profit fell 78.1% y/y to SGD63.4mn due primarily to SGD176.3mn in losses from share of results, with SGD210.4mn losses from Gemdale Properties and Investment Corporation Limited (“GPI”) offset by SGD30.5mn profit contribution by OUE Bayfront. Based on our calculation, OUE’s standalone net debt / standalone EBITDA (excluding OUEREIT and FIRT) plus dividend received (“Adjusted EBITDA”) in 2024 was weaker at 5.1x (2023: 3.8x) due to higher net debt of SGD368.5mn as of 31 December 2024 (31 December 2023: SGD295.8mn). **OUE’s outlook is still well underpinned by OUEREIT and FIRT.** If needed, OUEREIT still owes OUE SGD212.3mn of Convertible Perpetual Preferred Units (“CPPU”, though OUEREIT has the sole right to decide when to redeem the CPPU).

# Credit: Top Happenings in SGD Credit Market

## Industry Outlook – Singapore Property

- **Property sales in Singapore remain largely strong except Aurea:**
  - **Strong sales at Lentor Central Residences:** 477-unit Lentor Central Residences sold 93.3% of the units at an average price of SGD2,200 psf. According to EdgeProp, 90% of the buyers are Singaporeans while permanent residents and foreigners accounted for the remaining 10%, and buyers are said to be predominantly owner-occupiers. The strong sales are not surprising, with GuocoLand Ltd (“GUOL”) earlier guiding for the launch to be met with strong interest.
  - **Strong sales of Executive Condominium:** Aurelle of Tampines sold well too, with 682 out of 760 units sold at an average price of SGD1,766 psf.
  - **Muted sales for condo at Beach Road:** However, Aurea sold just 23 out of 188 units at SGD3,005 psf (take up rate of 12.2%). We think this could indicate that demand for Core Central Region projects at higher price points may remain lacklustre.
- **6-12 months extension to the Developers’ Additional Buyer’s Stamp Duty (“ABSD”) regime for qualified projects:**
  - The changes are: (1) Extension to the ABSD remission timelines for Complex Projects and (2) Extension to qualifying period for the ABSD remission timeline extensions for **smaller projects (total gross floor area (GFA) under 30,000 sqm) submitted through CORENET X.**
  - **Projects that fall within any of the four Complex Project categories** will be provided an extension of six months to the ABSD (12 months if >1 category). These revisions to the ABSD remission timelines will apply to projects on residential land acquired on or after 6 March 2025.



# Credit: Top Happenings in SGD Credit Market

## Significant M&A/corporate actions

- **Keppel Ltd (“KEP”)**: KEP-sponsored open-ended infrastructure fund, **Keppel Core Infrastructure Fund (“KCIF”)**, has bought a **39%-stake in the Keppel Merlimau Cogen Plant (“KMC”) from KEP**. This is KCIF’s first asset. Post this disposal from KEP, KEP, KCIF and Keppel Infrastructure Trust (“KIT”, sponsored by KEP”) will hold a 10%, 39% and 51% stake of KMC, respectively. **KMC is a 1300 MW combined-cycle gas turbine power plant which supplies ~14% of Singapore’s electricity needs**. No price details were provided in the announcement although we note that KMC is a sizeable asset for KIT.
- **Hotel Properties Ltd (“HPL”)** is purchasing **The Intercontinental Auckland in New Zealand for NZD180mn (~SGD138.5mn)**, subject to a net working capital adjustment. The hotel comprises 139 rooms, which can be expanded to 196 rooms by repurposing the current office space. The transaction is funded by way of a third-party loan financing and internal resources. **Credit metrics of HPL remain somewhat weak** with net gearing at 73%, gross profit insufficient to cover expenses including financing, and operating cashflows remaining insufficient to cover capex, finance cost and dividends while HPL is meanwhile looking to redevelop its Orchard properties. **Besides, Mr Ong Beng Seng (“Mr Ong”) intends to plead guilty at hearing on 2 April 2025**. The Nominating Committee has assessed that Mr Ong continues to be suitable to carry out his duties and responsibilities as Managing Director. Mr Ong’s suitability of the continued appointment will be re-assessed as appropriate. According to HPL, it will update on any material developments in respect of the matter.
- **StarHub Ltd (“StarHub”)** is ready to explore acquisitions locally and abroad: According to StarHub CEO, consolidation is a win-win for the firm and consumers due to economic value created for market participants which is funnelled into better technology, better innovation, better societal value while retaining a competitive marketplace. A candidate for a takeover would need to provide tangible cost and capital efficiency gains that outweigh the risk of customer attrition speeding up post-takeover, while market structure becomes more sustainable with less “price erosion” by smaller players.

# Credit: Top Happenings in SGD Credit Market

## Others

- **Westpac Banking Corporation (“Westpac”)**’s Chief Executive of its Consumer division, **Jason Yetton**, is leaving his position. Mr Yetton has held the position since August 2023 and will continue until a replacement is found. Westpac’s consumer division contributed 30.9% of the bank’s FY2024 profit before tax for the period ended 30 September 2024, second to the 33.3% from Business and Wealth.
- **Julius Baer Group Ltd’s (“JBG”)** board of directors will be nominating **ex-HSBC Holdings PLC Chief Executive Officer Noel Quinn** as **its next non-executive chairman** at the bank’s annual general meeting in 10 April. He will replace current chairman Romeo Lacher who is not seeking re-election. Mr Quinn’s appointment follows the recent commencement of Stefan Bollinger in January 2025 as JBG’s new Chief Executive Officer that will signal a total change of senior leadership at JBG following the challenges of 2023 that saw a material drop in net profit from higher loan loss provisions, management changes and regulatory investigations due to JBG’s exposure to the Signa group. JBG also announced that it will present a strategy update, including new medium-term targets, on 3 June in London. (Company, OCBC)

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