

## Monthly Credit View

Wednesday, 05 October 2016

### Monthly Themes

- Credit markets had a somewhat difficult time making up its mind in the month of September as the divergence between technicals and fundamentals shrunk thanks to several event risks. Much of this indecision continues to rest with how the Fed sees the tightening path ahead although as 2016 rolls on, it seems that the way forward is becoming clearer. Although non-farm payrolls at the beginning of the month were weaker than expected, there was increasing dissent compared to prior FOMC meetings with regards to keeping rates steady in September meeting which points in our view to a more than likely chance of rates being raised in December. The US presidential election though continues to be a wild card (with emphasis on the wild). Another influence has been continued volatility in oil prices which saw Brent Crude rise above USD50/bbl in the early part of the month before falling to a touch below USD46/bbl in the middle of the month. Although Brent Crude rose above the \$50/bbl mark again at the start of October following OPEC's agreement to cut oil production, our commodities analyst<sup>1</sup> thinks that fundamentals remain unchanged and that the production cut will not be enough to arrest the supply glut. In any case, the start of October has seen a further crystallization of a rate hike in December following the release of better-than-expected September US ISM manufacturing data that raised the implied probability for an interest rate hike in December to 60%, up from 51% a week earlier.
- Another event risk during September which occurred at the end of the month was the negative sentiment towards Deutsche Bank AG ("DB") following the announcement that the US Department of Justice was seeking USD14bn in civil claims related to DB's US residential mortgage backed securities business during 2005-2007. This cast a shadow over credit markets and hit European financials' equity and credit instruments given the potential for the claim to possibly lead to a systemic risk event in global credit markets due to DB's position as a global systemically important bank. It also overshadowed a strong month for issuance by financials which included DBS Group Holdings Ltd's USD750mn AT1 issue (its first USD AT1 issue that was priced at a record low for USD Tier 1 issues), as well as China Cinda Asset Management Co Ltd's inaugural AT1 preference share issuance which raised USD3.2bn (the first AT1 issue by a Chinese non-bank issuer).
- The above events along with profit taking following the strong technical environment in July and August that ran ahead of fundamentals influenced spreads in the Asia dollar space during the month. The spread on JACI IG corporates widened from 195bps at the beginning of the month to 207bps at the end of September while the yield on JACI HY corporates increased by 7bps from 6.41% to 6.48%. That said, the technical environment remained strong from a lack of supply for the year to date and low yields in developed markets and drove issuance volumes to record levels over the July-September quarter in the Asia ex-Japan space. Financials continued to be a strong contributor to issuance volumes highlighted by the DBS and China

#### Treasury Advisory

##### Corporate FX & Structured Products

Tel: 6349-1888 / 1881

##### Interest Rate Derivatives

Tel: 6349-1899

##### Investments & Structured Products

Tel: 6349-1886

#### GT Institutional Sales

Tel: 6349-1810

#### Andrew Wong

+65 6530 4736

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

#### Nick Wong Liang Mian, CFA

+65 6530 7348

[NickWong@ocbc.com](mailto:NickWong@ocbc.com)

#### Ezien Hoo, CFA

+65 6722 2215

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

<sup>1</sup> Crude Oil: Nothing fundamentally has changed, September 29, 2016

Cinda deals mentioned above as well as the State Bank of India's inaugural USD AT1 issue. We expect risk-on conditions to remain in the coming months ahead and provide support for further technical driven issuance volumes.

- Closer to home, things were much quieter. In the SGD space, the SGD swap curve steepened, with short term tenors (<1Y) lower by 8-14bps while the 5Y-10Y swaps traded 5-10bps higher. Following the change in policy in Apr 2016 to not allow the SGD to appreciate, the markets will look towards the upcoming October MAS Monetary Policy Statement for any updates. While markets were still digesting the implosion of Swiber, September saw the attempted restructuring of three offshore marine issues maturing in October. One of these restructurings failed earlier this week when Perisai, a Malaysian offshore service provider, defaulted on its SGD125mn issue, after bondholders rejected the proposal for a 4-month extension of the bond maturity. Another offshore marine issuer, Swissco Holdings Ltd, announced yesterday that it would be appointing Ernst & Young as independent financial advisor to assist in restructuring its balance sheet. This may dampen appetite for higher yielding bonds, especially in the oil and gas and retail bond space and contribute to overall subdued issuance volumes in the SGD space in the coming month.

## Issuer Profile Changes / Updates

- The Monthly Credit View provides a comprehensive set of issuers and bonds covered by our analyst team and we would like to reiterate our rating methodology used. Our analysis is anchored in our issuer profile rating which reflects our fundamental view on the issuer (incorporating business and financial analysis). Our bond-level recommendations incorporate our valuation driven views on the bond based on prices current at the beginning of the month. They serve as a point in time guide to each bond's relative value and investors should be aware that these views may change as bond prices fluctuate throughout the month. The definitions are appended at the end of the report.
- Gallant Venture Ltd ("GALV"): GALV's listed equity price has declined a further 25% post our last credit update on the company on 5th August 2016. As of today, the company's market cap is SGD594 mn, shrinking from ~SGD947mn immediately before its' 2Q2016 results were released on 4th August 2016. In total, the company has lost ~37% in market cap since then (though low liquidity in the stock has exacerbated the price moves). While there is no additional publicly available information that has come to our attention, we see this market movement as a compression in GALV's standalone financial flexibility. As a recap, GALV reported a SGD48mn loss after taxation for the period for 1H2016. The issuer is subjected to two covenants (i) consolidated NTA shall not be less than SGD1bn and (ii) Net debt-to-NTA shall not exceed 2.25x. NTA has contracted following consecutive losses and stands ~SGD180mn above its covenanted level. Net debt-to-NTA has been constant at 1.8x versus 31 March 2016. We remain concern that there has been no meaningful improvement at IMAS to support the high leverage taken by GALV for the acquisition, especially as GALV's SGD bonds are structurally subordinated to IDR bonds issued by IMAS' auto financing and vehicle rental arm. We continue to maintain our Negative issuer profile on the issuer but keeping the bond ratings neutral on valuation.
- Swissco Holdings Ltd ("SWCH") announced that it would be appointing Ernst & Young as independent financial advisor to the issuer to assist in the refinancing and restructuring of the SGD100mn in bonds. We have reviewed the situation in a separate credit update<sup>2</sup> and have withdrawn our bond level recommendation in the interim until more information regarding the potential restructuring is disclosed. We will continue to hold its issuer profile rating at Negative.

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<sup>2</sup> OCBC Asia Credit - Swissco Holdings - Credit Update - 051016

- Moody's upgraded Genting Singapore ("GENS")'s issuer rating to "A3" from "Baa1" with a stable outlook on 21/09/16<sup>3</sup>. We have held GENS's issuer profile at Positive since February 2015
- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: ASL Marine Holdings Ltd

## Trade Ideas

- Perennial Real Estate Holdings ("PREHL") secured RMB6.4b (c.SGD1.3bn) loans from the Bank of China with attractive interest rate and long repayment tenor. This is credit positive as RMB loans creates a natural FX hedge for the China-focused PREHL, while interest coverage ratios may improve with lower funding costs. Given the large size of the loans with favourable terms, we see a lower supply risk for PREHL bonds. We are now Overweight on PREHSP 4.25% '18s and PREHSP 4.55% '20s.
- We upgrade HFCSP 4.75% '18s to Overweight on valuation after prices retreated, as we see value in the short 1.3Y paper offering 4.15% yield. We similarly upgrade HFCSP 4.75% '19s to Neutral.
- We upgrade ASPSP '19s to Neutral as the paper now yields 21bps higher than ASPSP '18s after coming off by 82bps. While Aspiac Corp is highly levered, we take comfort that its Melbourne projects are nearly fully sold, while the Melbourne residential markets continue to be buoyant.

## Upcoming Bond Maturities – October 2016

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
PERISAI CAPITAL LABUAN	PPTMK 6.875	125	10/3/2016
LMIRT CAPITAL PTE LTD	LMRTSP 4.25	150	10/4/2016
SWIBER HOLDINGS LTD	SWIBSP 5.55	100	10/10/2016
CENTURION CORP LTD	CENSP 5.25	100	10/10/2016
OSIM INTERNATIONAL LTD	OSIMSP 0	170	10/10/2016*
UNITED ENGY FIN BERMUDA	UNIENE 6.85	100	10/17/2016
MARCO POLO MARINE LTD	MPMSP 5.75	50	10/18/2016
HOUSING & DEVELOPMENT BRD	HDBSP 3.622	250	10/18/2016
NEPTUNE ORIENT LINES LTD	NOLSP 4.4	300	10/18/2016*
AUSGROUP LTD	AUSGSP 7.45	110	10/20/2016
TA CORP LTD	TACLSP 5.25	75	10/24/2016
STANDARD CHARTERED BK HK	STANLN 4.15	750	10/28/2016*
OXLEY MTN PTE LTD	OHLSP 5.15	75	10/31/2016

<sup>3</sup> OCBC Asian Credit Daily - 22 September 2016

## **Current / Recent Reports From OCBC Credit Research**

- Swissco Holdings Limited: Credit Update (5 October 2016)
- China Property Sector Update (4 October 2016)
- Deutsche Bank AG: Status Update (29 September 2016)
- Century Sunshine Group: Credit Update (29 September 2016)
- Olam International Ltd: Credit Update (13 September 2016)
- Industrial REIT Sector Update (6 September 2016)
- Sembcorp Industries Ltd: Credit Update (17 August 2016)
- Keppel Corporation Ltd: Credit Update (10 August 2016)
- Soilbuild Business Space REIT: Credit Update (1 August 2016)
- CapitaLand Commercial Trust: Credit Update (28 July 2016)
- First REIT: Credit Update (27 July 2016)
- CapitaLand Mall Trust: Credit Update (22 July 2016)
- Ezra Holdings Limited: Credit Update (21 July 2016)
- Singapore Mid-Year Credit Outlook (11 July 2016)

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Bond Ratings	Recommendation	
							Current	Previous
<u>China/HK property</u>								
Central China Real Estate	N	CENCHI 6.5 '17	5/26/2017	101.70	3.78	B+/Ba3/NR	OW	OW
CK Hutchison Holdings Ltd	N	CHEUNG 3.408 '18	7/20/2018	102.60	1.91	A-/A3/A- (Issuer)	N	N
China Vanke Co Ltd	N	VANKE 3.275 '17	11/6/2017	100.85	2.48	BBB+/Baa1/BBB+ (Issuer)	N	N
Henderson Land Development	N	HENLND 4 '18	9/19/2018	103.50	2.16	NR/NR/NR	N	N
Hongkong Land Holdings	Pos	HKLSP 3.86 '17	12/29/2017	103.35	1.11	A/A2/NR	UW	UW
Hongkong Land Holdings	Pos	HKLSP 3.43 '20	5/14/2020	104.25	2.20	A/A2/NR	N	N
Wharf Holdings Ltd/The	N	WHARF 4.3 '18	10/28/2018	104.80	1.90	NR/NR/A- (Issuer)	N	N
Wharf Holdings Ltd/The	N	WHARF 4.5 '21	7/20/2021	107.50	2.81	NR/NR/A- (Issuer)	N	N
Wheelock & Co Ltd	Pos	WHEELK 4.5 '21	9/2/2021	106.75	3.01	NR/NR/NR	N	OW
Wing Tai Properties Ltd	Pos	WINGTA 4.25 '22	11/29/2022	102.05	3.87	NR/NR/NR	N	OW
<b>Yanlord Land Group Ltd</b>	<b>N</b>	<b>YLLGSP 6.2 '17</b>	<b>5/8/2017</b>	<b>102.00</b>	<b>2.74</b>	<b>BB-/Ba3/NR</b>	<b>N</b>	<b>UW</b>
First Sponsor Group Ltd	N	FSGSP 4.0 '18	6/4/2018	96.00	6.59	NR/NR/NR	OW	OW
<b>Perennial Real Estate Holdings Ltd</b>	<b>N</b>	<b>PREHSP 4.25 '18</b>	<b>3/16/2018</b>	<b>99.50</b>	<b>4.61</b>	<b>NR/NR/NR</b>	<b>OW</b>	<b>N</b>
Perennial Real Estate Holdings Ltd	N	PREHSP 4.65 '18	10/23/2018	99.13	5.10	NR/NR/NR	OW	OW
<b>Perennial Real Estate Holdings Ltd</b>	<b>N</b>	<b>PREHSP 4.90 '19</b>	<b>3/18/2019</b>	<b>102.10</b>	<b>3.99</b>	<b>NR/NR/NR</b>	<b>N</b>	<b>UW</b>
<b>Perennial Real Estate Holdings Ltd</b>	<b>N</b>	<b>PREHSP 4.55 '20</b>	<b>4/29/2020</b>	<b>97.76</b>	<b>5.25</b>	<b>NR/NR/NR</b>	<b>OW</b>	<b>N</b>

Singapore property developers

CapitaLand Ltd	Pos	CAPLSP 3.78 '19	8/16/2019	104.30	2.21	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.35 '19	10/31/2019	106.25	2.22	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.3 '20	8/31/2020	106.65	2.50	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 3.8 '24	8/28/2024	104.65	3.13	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 1.75 '17	2/18/2017	100.35	0.77	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 2.45 '18	3/14/2018	101.20	1.59	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.38 '19	3/20/2019	103.50	1.91	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.00 '20	4/2/2020	102.30	2.31	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.75 '22	7/6/2022	104.75	2.85	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.48 '23	03/04/2023	103.00	2.97	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.78 '24	10/21/2024	104.35	3.16	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 3.6 '17	8/7/2017	101.15	2.19	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 3.4 '18	9/4/2018	100.75	2.99	NR/NR/NR	OW	OW
GuocoLand Ltd	N	GUOLSP 3.95 '19	4/1/2019	101.85	3.17	NR/NR/NR	OW	OW
GuocoLand Ltd	N	GUOLSP 4.1 '20	5/13/2020	102.40	3.38	NR/NR/NR	N	N
<b>Hong Fok Corp Ltd</b>	<b>Neg</b>	<b>HFCSP 4.75 '18</b>	<b>1/24/2018</b>	<b>100.75</b>	<b>4.14</b>	<b>NR/NR/NR</b>	<b>OW</b>	<b>N</b>
<b>Hong Fok Corp Ltd</b>	<b>Neg</b>	<b>HFCSP 4.75 '19</b>	<b>3/22/2019</b>	<b>101.70</b>	<b>4.01</b>	<b>NR/NR/NR</b>	<b>N</b>	<b>UW</b>
Hotel Properties Ltd	N	HPLSP 3.5 '18	1/15/2018	101.50	2.29	NR/NR/NR	N	N
Hotel Properties Ltd	N	HPLSP 3.95 '19	9/13/2019	102.75	2.96	NR/NR/NR	OW	OW
Hotel Properties Ltd	N	HPLSP 3.88 '20	4/8/2020	102.50	3.12	NR/NR/NR	N	N
Hotel Properties Ltd	N	HPLSP 3.85 '21	5/27/2021	102.25	3.32	NR/NR/NR	N	N
OUE Ltd	N	OUESP 4.95 '17	2/1/2017	100.88	2.09	NR/NR/NR	N	N
OUE Ltd	N	OUESP 4.25 '19c16	10/30/2019	101.55	3.71	NR/NR/NR	OW	OW
OUE Ltd	N	OUESP 3.8 '20	4/15/2020	100.20	3.74	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.0 '21	10/7/2021	102.90	3.36	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.5 '22	9/26/2022	104.85	3.59	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.25 '23	3/15/2023	102.90	3.74	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.7 '24	2/28/2024	104.35	4.01	NR/NR/NR	OW	OW
Aspial Corp. Ltd	Neg	ASPSP 4.50 '17	1/23/2017	100.25	3.59	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.50 '18	11/27/2018	95.75	7.69	NR/NR/NR	N	N
<b>Aspial Corp. Ltd</b>	<b>Neg</b>	<b>ASPSP 5.05 '19</b>	<b>6/12/2019</b>	<b>93.25</b>	<b>7.90</b>	<b>NR/NR/NR</b>	<b>N</b>	<b>UW</b>
Aspial Corp. Ltd	Neg	ASPSP 5.30 '20	4/1/2020	91.87	8.03	NR/NR/NR	UW	UW
Aspial Corp. Ltd	Neg	ASPSP 5.25 '20	8/28/2020	91.38	7.86	NR/NR/NR	UW	UW

Indicative prices from Bloomberg as of 5 October 2016

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Bond Ratings	Recommendation	
							Current	Previous
<b>REITS</b>								
AIMS AMP REIT	N	AAREIT 3.8 '19	5/21/2019	101.47	3.21	BBB-/NR/NR (Issuer)	N	N
AIMS AMP REIT	N	AAREIT 4.35 '19	12/5/2019	102.00	3.67	BBB-/NR/NR (Issuer)	N	N
Ascendas REIT	N	AREIT 2.5 '19	5/16/2019	101.30	1.99	NR/A3/NR	UW	UW
Ascendas REIT	N	AREIT 2.95 '20	8/3/2020	102.50	2.26	NR/A3/NR	N	N
Ascendas REIT	N	AREIT 4 '22	2/3/2022	107.50	2.49	NR/A3/NR	N	N
Ascendas REIT	N	AREIT 3.2 '22	6/3/2022	103.85	2.47	NR/A3/NR	N	N
<b>Ascott Residence Trust</b>	<b>N</b>	<b>ARTSP 4.3 '18</b>	<b>11/30/2018</b>	<b>104.15</b>	<b>2.30</b>	<b>NR/Baa3/NR</b>	<b>N</b>	<b>UW</b>
Ascott Residence Trust	N	ARTSP 4.205 '22	11/23/2022	106.00	3.12	NR/Baa3/NR	N	N
<b>Cambridge Industrial Trust</b>	<b>N</b>	<b>CREISP 3.5 '18</b>	<b>11/5/2018</b>	<b>102.35</b>	<b>2.33</b>	<b>NR/Baa3/NR</b>	<b>N</b>	<b>OW</b>
Cambridge Industrial Trust	N	CREISP 4.1 '20	4/29/2020	103.15	3.16	NR/Baa3/NR	N	N
Cambridge Industrial Trust	N	CREISP 3.95 '20	21/05/2020	103.00	3.07	NR/Baa3/NR	N	N
Cambridge Industrial Trust	N	CREISP 3.95 '23	09/05/2023	101.53	3.69	NR/Baa3/NR	UW	UW
CapitaCommercial Trust	N	CCTSP 2.96 '21	8/13/2021	102.25	2.46	NR/A3/NR	N	N
CapitaCommercial Trust	N	CCTSP 2.77 '22	7/4/2022	101.00	2.58	A-/NR/NR	N	N
CapitaMall Trust	N	CAPITA 3.85 '17	3/15/2017	101.35	0.68	NR/A2/NR	UW	UW
CapitaMall Trust	N	CAPITA 3.55 '17	9/1/2017	102.15	1.13	NR/A2/NR	UW	UW
CapitaMall Trust	N	CAPITA 3.15 '20	12/18/2020	103.35	2.31	NR/A2/NR	N	N
<b>CapitaMall Trust</b>	<b>N</b>	<b>CAPITA 3.75 '24</b>	<b>8/2/2024</b>	<b>107.00</b>	<b>2.75</b>	<b>NR/A2/NR</b>	<b>UW</b>	<b>N</b>
<b>CapitaMall Trust</b>	<b>N</b>	<b>CAPITA 3.48 '24</b>	<b>8/6/2024</b>	<b>104.60</b>	<b>2.82</b>	<b>NR/A2/NR</b>	<b>UW</b>	<b>N</b>
CapitaMall Trust	N	CAPITA 3.35 '31	7/7/2031	102.50	3.14	NR/A2/NR	UW	UW
First REIT	N	FIRTSP 4.125 '18	5/22/2018	101.25	3.32	NR/NR/NR	N	N
Frasers Centrepoint Trust	N	FACTSP 2.9 '19	4/10/2019	100.50	2.69	BBB+/NR/NR	OW	OW
Frasers Centrepoint Trust	N	FACTSP 3 '20	1/21/2020	100.00	3.00	BBB+/NR/NR	OW	OW
Mapletree Commercial Trust	N	MCTSP 2.65 '19	11/7/2019	102.00	1.98	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.6 '20	8/24/2020	105.05	2.23	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.2 '21	4/12/2021	103.25	2.43	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.25 '23	2/3/2023	103.15	2.70	NR/Baa1/NR	UW	UW
Mapletree Industrial Trust	N	MINTSP 3.75 '19	3/8/2019	104.03	2.03	NR/NR/BBB+	N	N
Mapletree Industrial Trust	N	MINTSP 3.65 '22	9/7/2022	105.60	2.62	NR/NR/BBB+	N	N
Mapletree Industrial Trust	N	MINTSP 3.79 '26	3/2/2026	105.01	3.17	NR/NR/BBB+	UW	UW
Sabana Industrial REIT	Neg	SSREIT 4.00 '18	3/19/2018	98.29	5.24	NR/NR/NR	OW	OW
Sabana Industrial REIT	Neg	SSREIT 4.25 '19	4/3/2019	97.00	5.56	NR/NR/NR	OW	OW
Soilbuild Business Space REIT	N	SBREIT 3.45 '18	5/21/2018	100.60	3.06	NR/Baa3/NR (Issuer)	OW	OW
Soilbuild Business Space REIT	N	SBREIT 3.6 '21	4/8/2021	100.20	3.55	NR/Baa3/NR	OW	OW
Starhill Global REIT	N	SGREIT 3.5 '21	2/26/2021	103.25	2.71	BBB+/NR/NR	N	N
Starhill Global REIT	N	SGREIT 3.4 '23	5/26/2023	102.75	2.94	BBB+/NR/NR	N	N
Suntec REIT	N	SUNSP 2.83 '18	11/12/2018	101.70	2.00	NR/Baa2/NR	UW	UW
Suntec REIT	N	SUNSP 3.35 '20	2/10/2020	102.60	2.53	NR/Baa2/NR	N	N
<b>VIVA Industrial Trust</b>	<b>N</b>	<b>VITSP 4.15 '18</b>	<b>9/19/2018</b>	<b>99.90</b>	<b>4.20</b>	<b>BB+/NR/NR</b>	<b>OW</b>	<b>N</b>

#### Offshore & Marine and Logistics

Ezion Holdings Ltd	Neg	EZISP 4.7 '19	5/22/2019	89.00	9.55	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.875 '21	6/11/2021	85.00	10.16	NR/NR/NR	N	N
Ezion Holdings Ltd (CF by DBS)	Neg	EZISP 3.65 '20	8/5/2020	99.00	3.93	NR/NR/NR	N	N
Ezra Holdings Ltd	Neg	EZRASP 4.875 '18	4/24/2018	62.00	44.48	NR/NR/NR	OW	OW
Keppel Corp Ltd	N	KEPSP 3.1 '20	10/12/2020	101.38	2.73	NR/NR/NR	UW	UW
<b>Keppel Corp Ltd</b>	<b>N</b>	<b>KEPSP 3.145 '22</b>	<b>2/14/2022</b>	<b>99.50</b>	<b>3.25</b>	<b>NR/NR/NR</b>	<b>N</b>	<b>UW</b>
Keppel Corp Ltd	N	KEPSP 3.725 '23	11/30/2023	101.65	3.46	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.8 '27c22	4/23/2027	100.60	3.68	NR/NR/NR	N	N
Keppel Corp Ltd	N	KEPSP 4 '42	9/7/2042	98.50	4.09	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 5 '17	8/28/2017	84.00	28.22	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 6.5 '18	7/23/2018	72.00	27.33	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 5.05 '19	8/26/2019	55.00	29.22	NR/NR/NR	N	N
Neptune Orient Lines Ltd	N	NOLSP 4.25 '17	4/26/2017	97.00	11.81	NR/NR/NR	OW	OW
Neptune Orient Lines Ltd	N	NOLSP 4.4 '19c17	11/8/2019	79.00	14.55	NR/NR/NR	OW	OW
Neptune Orient Lines Ltd	N	NOLSP 4.65 '20c15	9/9/2020	69.00	15.50	NR/NR/NR	N	N
Neptune Orient Lines Ltd	N	NOLSP 4.4 '21c16	6/22/2021	62.70	15.98	NR/NR/NR	N	N
Pacific Radiance Ltd	Neg	PACRA 4.3 '18	8/29/2018	53.00	43.20	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.7325 '20	4/9/2020	101.20	3.37	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.64 '24	5/27/2024	99.75	3.68	NR/NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 3.593 '26	11/26/2026	98.25	3.80	NR/NR/NR	UW	UW
Singapore Post Ltd	N	SPOST 3.5 '20	3/30/2020	105.50	1.86	A-/NR/NR	UW	UW
<b>Swisco Holdings Ltd</b>	<b>Neg</b>	<b>SWCHSP 5.7 '18</b>	<b>4/16/2018</b>	<b>63.00</b>	<b>44.93</b>	<b>NR/NR/NR</b>	<b>N</b>	<b>N</b>

Indicative prices from Bloomberg as of 5 October 2016

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Bond Ratings	Recommendation	
							Current	Previous

#### Others

Golden Agri-Resources Ltd	Neg	GGRSP 4.2 '17	4/30/2017	100.35	3.60	NR/NR/NR	N	N
Golden Agri-Resources Ltd	Neg	GGRSP 5.5 '18	4/27/2018	101.00	4.82	NR/NR/NR	N	N
CITIC Envirotech Ltd	N	CELSP 4.7 '18	4/29/2018	100.61	4.29	NR/NR/NR	N	N
Gallant Venture Ltd	Neg	GALVSP 5.90 '17	5/12/2017	97.00	11.52	NR/NR/NR	N	N
Gallant Venture Ltd	Neg	GALVSP 7 '17	8/2/2017	96.00	12.61	NR/NR/NR	N	N
Gallant Venture Ltd	Neg	GALVSP 7 '18	4/6/2018	90.00	14.67	NR/NR/NR	N	N
CWT Ltd	N	CWTSP 4 '17	3/13/2017	100.25	3.39	NR/NR/NR	N	N
CWT Ltd	N	CWTSP 3.9 '19	4/18/2019	98.50	4.54	NR/NR/NR	N	N
CWT Ltd	N	CWTSP 4.8 '20	3/18/2020	100.00	4.80	NR/NR/NR	N	N
Century Sunshine Group	N	CENSUN 7.2 '18	6/4/2018	99.00	7.85	NR/NR/NR	OW	OW
Olam International Ltd	N	OLAMSP 6.00 '18	8/10/2018	106.00	2.62	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 5.80 '19	7/17/2019	105.00	3.87	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 4.25 '19	7/22/2019	101.00	3.87	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 6.00 '22	10/25/2022	103.00	5.41	NR/NR/NR	N	N

#### Financial Institutions - Senior Issues

Australia & New Zealand Banking Group	N	ANZ 4 '25	2/12/2025	106.36	3.17	AA-/Aa2/NR	N	N
Bank of China Ltd/Singapore	N	BCHINA 2.75 '19	6/30/2019	101.65	2.17	NR/A1/A	N	N
Bank of Communications Co Ltd/Hong K	N	BOCOM 2.1 '17	7/24/2017	100.45	1.67	NR/A2/NR	N	N
Bank of East Asia/Singapore	N	BNKEA 2.0 '17	7/10/2017	100.56	1.44	A/NR/NR	N	N
CIMB Bank Bhd/Singapore	N	CIMBMK 2.12 '18	6/30/2018	100.22	2.11	NR/A3/NR	N	N
DBS Group Holdings Ltd	N	DBSSP 2.78 '21	1/11/2021	102.84	2.14	NR/Aa2/AA-	N	N
Malayan Banking Bhd	N	MAYMK 1.9 '17	4/10/2017	100.55	1.46	NR/A3/A-	N	N
Malayan Banking Bhd	N	MAYMK 2.1 '18	6/26/2018	100.56	1.90	NR/A3/NR	N	N
Westpac Banking Corp	N	WSTP 4.1 '25	4/15/2025	111.18	2.68	NR/Aa2/NR	N	N

Issuer	Issuer Profile	Issue	First Call	Ask Price	YTC	Bond Ratings	Recommendation	
							Current	Previous

#### Corporate perpetuals

Ascendas REIT	N	AREIT 4.75 '49	10/14/2020	104.85	3.44	NR/Baa2/NR	N	N
Ascott Residence Trust	N	ARTSP 5 '49	10/27/2019	103.35	3.82	NR/Baa3/NR (Issuer)	N	N
Ascott Residence Trust	N	ARTSP 4.68 '49	6/30/2020	102.70	3.89	NR/Baa3/NR (Issuer)	N	N
Ezion Holdings Ltd	Neg	EZISP 7 '49	11/19/2018	85.00	15.24	NR/NR/NR	N	N
First REIT	N	FIRTSP 5.68 '49	7/8/2021	100.35	5.59	NR/NR/NR	N	N
Frasers Hospitality Trust	N	FHREIT 4.45 '49	5/12/2021	100.90	4.23	NR/NR/NR	N	N
<b>Genting Singapore Plc</b>	<b>Pos</b>	<b>GENSSP 5.125 '49</b>	<b>9/12/2017</b>	<b>101.45</b>	<b>3.51</b>	<b>NR/Baa2/BBB</b>	<b>N</b>	<b>N</b>
Hotel Properties Ltd	N	HPLSP 6.125 '49	5/4/2017	102.50	1.65	NR/NR/NR	N	N
Keppel REIT	N	KREITS 4.98 '49	11/2/2020	103.65	3.99	NR/Baa3/NR (Issuer)	N	N
Mapletree Logistics Trust	N	MLTSP 5.375 '49	9/19/2017	102.85	2.32	NR/Baa3/NR	N	N
Mapletree Logistics Trust	N	MLTSP 4.18 '49	11/25/2021	100.65	4.04	NR/Baa1/NR (Issuer)	OW	OW
Sembcorp Industries Ltd	N	SCISP 5 '49	8/21/2018	101.15	4.34	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 4.75 '49	5/20/2020	100.10	4.71	NR/NR/NR	N	N
Singapore Post Ltd	N	SPOST 4.25 '49	3/2/2022	104.95	3.24	BBB+ /NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 7.00 '49	3/1/2017	101.00	4.43	NR/NR/NR	OW	OW

#### Financial Institutions - Capital Instruments

Australia & New Zealand Banking Group	N	ANZ 3.75 '27	3/23/2022	101.38	3.49	BBB+/A3/A+	N	N
Bank of East Asia Ltd/The	N	BNKEA 4.25 '22	9/13/2017	101.80	2.57	A-/Baa3/NR	N	N
DBS Bank Ltd	N	DBSSP 3.3 '22	2/21/2017	100.68	1.54	A+/Aa3/A+	N	N
DBS Bank Ltd	N	DBSSP 3.1 '23	2/14/2018	101.80	1.84	A+/Aa3/A+	N	N
DBS Bank Ltd	N	DBSSP 4.7 '49	11/22/2020	106.50	3.20	BBB/A3/BBB	N	N
DBS Group Holdings Ltd	N	DBSSP 3.8 '28	1/20/2023	105.00	2.96	NR/A2/A+	N	N
DBS Group Holdings Ltd	N	DBSSP 4.7 '49	6/3/2019	104.40	3.01	NR/A3/BBB	N	N
DBS Capital Funding II Corp	N	DBSSP 5.75 '49	6/15/2018	105.15	2.70	BBB/A3/BBB	N	N
Dah Sing Bank Ltd	N	DAHSIN 4.875 '22	2/9/2017	101.15	1.72	NR/Baa1/BBB	N	N
Malayan Banking Bhd	N	MAYMK 6.0 '49	8/11/2018	104.90	3.37	BB+/Baa2/BB+	N	N
National Australia Bank Ltd	N	NAB 4.15 '28	5/19/2023	103.50	3.58	BBB+/A3/A+	N	N
United Overseas Bank Ltd	N	UOBSP 4.9 '49	7/23/2018	103.45	2.96	BBB-/A3/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '26	5/22/2020	104.00	2.41	BBB+/A2/A+	N	N
United Overseas Bank Ltd	N	UOBSP 3.15 '22	7/11/2017	101.00	1.86	A+/Aa3/A+	N	N
United Overseas Bank Ltd	N	UOBSP 4.75 '49	11/19/2019	104.50	3.25	BBB-/A3/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 4.0 '49	5/18/2021	102.70	3.38	NR/A3/BBB	N	N
Westpac Banking Corp	N	WSTP 4.0 '27	8/12/2022	102.75	3.50	BBB+/A3/A+	N	N

Indicative prices from Bloomberg as of 5 October 2016

### Explanation of Issuer Profile Rating

**Positive (“Pos”)** – The issuer’s credit profile is either strong on an absolute basis, or expected to improve over the next six months.

**Neutral (“N”)** – The issuer’s credit profile is fair on an absolute basis, or expected to improve / deteriorate to a fair level over the next six months.

**Negative (“Neg”)** – The issuer’s credit profile is either poor on an absolute basis, or expected to deteriorate to a poor level over the next six months.

### Explanation of Bond Recommendation

**Overweight (“OW”)** – The performance of the issuer’s specific bond is expected to outperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

**Neutral (“N”)** – The performance of the issuer’s specific bond is expected to perform in line with the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

**Underweight (“UW”)** – The performance of the issuer’s specific bond is expected to underperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

### Other

**Suspension** – We may suspend our issuer rating and bond level recommendation on specific issuers from time to time when OCBC is engaged in other business activities with the issuer. Examples of such activities include acting as a joint lead manager or book runner in a new issue or as an agent in a consent solicitation exercise. We will resume our coverage once these activities are completed.

**Withdrawal (“WD”)** – We may withdraw our issuer rating and bond level recommendation on specific issuers from time to time when corporate actions are announced but the outcome of these actions are highly uncertain. We will resume our coverage once there is sufficient clarity in our view on the impact of the proposed action.

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