

## Monthly Credit View

Friday, 07 December 2018

### Monthly Themes

- While October and the first week of November was characterised by a climb in 10-yr US Treasuries, this all changed by mid-November as turbulence in equity markets and a sustained fall in oil prices led investors to re-think their inflation and growth assumptions. This was compounded by less hawkish tones coming out of the Fed and resulted in a sharp fall of 6bps on November 15<sup>th</sup> and a downward trend since then to end below the 3.0% handle at 2.99% on 30<sup>th</sup> November. While Asia dollar-ex-Japan issuance continued to be skewed towards better quality names, HY issues still were absorbed and was dominated by Chinese property developers paying up to raise short term financing of 1.5 to 2 years for offshore refinancing needs while other corporates rushed to use up their NDRC quota during this short window. Issuance volumes were significant at USD22.3bn against USD20.5bn in October 2018. The HY market was dominated by negative news surrounding rising China onshore defaults which peaked in November at CNY20.4bn according to Bloomberg and are expected to remain elevated into 2019 as the economy slows. As such, HY spreads continued to widen through most of November before stabilising at 6.2% for the Bloomberg Barclays Asia USD HY Bond Index average OAS. The wider yields are what drove issuance volumes with Asia dollar bond orders against actual deal sizes rising to its highest since August at 3.6x.
- In the SGD space, a stronger footing prevailed in primary markets versus October with SGD2.3bn printed, though activity was dominated by two large sized cross-over deals by foreign issuers, namely UBS's first SGD700mn AT1 issuance in the SGD-market and Shangri-La Hotel Limited's (guaranteed by Shangri-la Asia Ltd) SGD825mn 7-year bond. In particular, the relatively generous spreads offered for the UBS 5.875% PERPc23 resulted in a re-pricing of European bank Additional Tier 1 capital instruments in the SGD space, with the HSBC 5.0% PERPc23s and HSBC 4.7% PERPc22s falling below par before a slight price recovery. Similarly, the BAERVX 5.75% PERPc22 and BAERVX 5.90% PERPc20 also fell 1-3 cents in the second half of November. In contrast, prices for Tier 2 instruments held up well and mostly tightened apart from the BACR 3.75% '30c25 which was likely impacted by BREXIT sentiment along with its relatively long tenor. Other SGD sectors that saw widening yields were corporate perpetuals and industrials.
- Sentiments in US markets and Asia dollar-ex Japan remain in bearish territory after being hammered out of a drunken stupor in the past two months. With the exception of certain HY names driven by idiosyncratic factors, the SGD secondary market had stayed relatively subdued even though credit spreads widened materially throughout the month as the swap curve fell. While we expect market liquidity to recede as we enter into year-end, a continued fall in 10-yr US Treasuries (the US Treasury yield curve between the 3 and 5 year yields actually inverted in early December and the spread between the 2 and 10 year yields are at their narrowest since 2007) and positive developments on the US-China trade front could provide an impetus to market activity and see investors reposition ahead of the new year.

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## Issuer Profile Changes / Updates

- There was no issuer profile changes since our last monthly credit view in November 2018
- 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: **Nil**.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **OUE Limited**.

## Trade Ideas

- **IG Pick: FCTSP 3.0% 21/01/2020 (Offer YTC 2.66%):** Frasers Centrepoint Trust ("FCT") is a pure-play suburban retail REIT in Singapore sponsored by Frasers Centrepoint Ltd ("FCL") which holds a 42% interest in FCT. As at 30 September 2018, portfolio value is SGD2.75bn comprising six suburban retail malls in Singapore – Causeway Point, Changi City Point, Northpoint, Bedok Point, Anchorpoint and YewTee Point. FCT also owns a 31.5%-stake in Malaysia-listed Hektar REIT. Aggregate leverage is low relative to peers at 28.6% while reported interest coverage is healthy at 6.3x. We think FCTSP 3.0% '20s looks interesting at 2.66% YTC, providing a 27bps pickup over its FCTSP 2.365% '20s and a 46bps pickup over its FCTSP 2.9% '19s
- **IG Pick: OUE 3.75% 17/04/2022 (Offer YTW 5.39%):** OUE Limited ("OUE"), 68.6%-owned by the Lippo Group, is a holding company with exposures in real estate development, investment holdings in property assets and healthcare. OUE is the sponsor and holds a significant stake in both OUE Hospitality Trust ("OUE-HT") and OUE Commercial REIT ("OUE-CT"). OUE also holds a ~64.4%-stake in OUE Lippo Healthcare. The OUE curve had widened following OUE and its subsidiary's purchases of SGD202mn in Indonesia-linked assets from its sister company Lippo Karawaci. While OUE is now more exposed to Indonesia, in our view, this is still a manageable quantum versus OUE's total asset base (eg: stakes in listed REITs, properties located in the developed markets of Singapore, US, Japan) against its debt levels. We are maintaining OUE's issuer profile at Neutral (4) until such time there are further material changes to its asset base (eg: sales of developed market assets to buy more in Indonesia).
- **IG Pick: ARTSP 4.0% 22/03/2024 (Offer YTW 3.56%):** Ascott Residence Trust ("ART"), Sponsored by CapitaLand Ltd is the largest hospitality REIT listed on the SGX, focusing on the extended stay segment. We expect ARTs adjusted aggregate leverage (including 50% of perpetual as debt) to tilt upwards to ~40% following the development of its first co-living property at one-north, though we expect interest coverage ratio of ART to remain manageable. The ARTSP's 4.0% '24s is paying a 12bps pick-up over the new ARTSP 3.523% '23s, for only a four month additional tenure.

## Upcoming Bond Maturities – December 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Korea Development Bank/The	KDB	200	03/12/2018
Neptune Orient Lines Ltd/Singapore	NOLSP	300	18/12/2018*

(OCBC, Company, Bloomberg)

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

[Research Archive: <http://www.ocbc.com/group/research/index.html>]

- CMA CGM: Credit Update (30 November 2018)
- OUE Ltd: Credit Update (14 November 2018)
- China Aoyuan Property Group Ltd: New Credit Review (8 November 2018)
- ARA Asset Management Ltd: Special Interest Commentary (8 November 2018)
- Keppel Corp Ltd: Credit Update (29 October 2018)
- Hyflux Ltd: Special Interest Commentary (22 October 2018)
- Chip Eng Seng Corp. Ltd: Credit Update (15 October 2018)
- Asrial Corp Ltd - New Issue View (2 October 2018)
- HSBC Holdings PLC - New Issue View (17 September 2018)
- Asrial Corp Ltd: Credit Update (13 September 2018)
- CapitaLand Retail China Trust: New Credit Review (13 September 2018)
- Pacific Radiance Ltd: Credit Update (10 August 2018)
- Mapletree Investments Pte Ltd: Special Interest Commentary (6 August 2018)
- CWT International Limited: Credit Update (16 July 2018)
- Singapore Mid-Year 2018 Credit Outlook 2018 (6 July 2018)

Latest Earnings Update:

<https://www.ocbc.com/group/research/credit%20research/corporate.html>

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>China/HK property</b>							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	2.19	UW	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	101.06	3.75	N	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	97.52	5.52	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	95.92	5.99	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	103.85	2.96	N	N
<b>Wheelock &amp; Co Ltd</b>	<b>Pos (2)</b>	<b>WHEELK 4.5 '21</b>	<b>02/09/2021</b>	<b>104.00</b>	<b>2.97</b>	<b>OW</b>	<b>N</b>
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.45	3.85	OW	OW
<b>Singapore property developers</b>							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	98.57	6.45	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.09	7.07	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	96.07	7.74	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.40	2.78	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.10	3.05	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	101.90	3.43	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	95.20	3.72	N	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.75 '21	14/06/2021	97.50	5.83	UW	UW
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.9 '22	19/05/2022	95.50	6.37	UW	UW
City Developments Ltd	Pos (2)	CITSP 3 '20	02/04/2020	100.47	2.64	N	N
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3 '20</b>	<b>27/10/2020</b>	<b>100.41</b>	<b>2.77</b>	<b>OW</b>	<b>N</b>
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.25	2.82	N	N
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.75 '22</b>	<b>06/07/2022</b>	<b>102.44</b>	<b>3.02</b>	<b>OW</b>	<b>N</b>
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	101.02	3.22	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	102.20	3.36	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	99.38	3.58	OW	OW
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 3.95 '21</b>	<b>07/10/2021</b>	<b>100.63</b>	<b>3.71</b>	<b>OW</b>	<b>N</b>
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	99.38	4.35	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	97.80	4.47	OW	OW
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 4.1 '20</b>	<b>13/05/2020</b>	<b>101.10</b>	<b>3.31</b>	<b>UW</b>	<b>N</b>
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	99.95	3.64	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	100.30	3.90	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.06	4.10	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	100.12	6.01	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.45	6.31	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	100.38	3.40	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.10	2.51	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.70	2.58	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	101.88	3.05	N	N
OUE Ltd	N (4)	OUESP 4.25 '19	30/10/2019	100.05	4.23	OW	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	99.15	4.45	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	95.00	5.39	OW	OW
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	92.00	5.62	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	98.11	7.33	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	97.21	7.21	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	89.63	9.58	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	101.60	3.40	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.18	3.60	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	101.40	3.89	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	103.06	4.04	OW	OW

*Indicative prices from Bloomberg as of 6 December 2018*

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>REITS</b>							
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	100.95	2.57	UW	UW
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.20	2.04	UW	UW
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 2.95 '20</b>	<b>03/08/2020</b>	<b>100.65</b>	<b>2.55</b>	<b>UW</b>	<b>N</b>
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.50	2.88	N	N
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 4 '22</b>	<b>03/02/2022</b>	<b>103.20</b>	<b>2.93</b>	<b>UW</b>	<b>N</b>
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	100.65	3.00	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	97.10	3.14	N	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	98.90	3.34	N	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	103.10	3.36	OW	OW
<b>Ascott Residence Trust</b>	<b>N (4)</b>	<b>ARTSP 4 '24</b>	<b>22/03/2024</b>	<b>101.60</b>	<b>3.66</b>	<b>OW</b>	<b>N</b>
<b>Ascott Residence Trust</b>	<b>N (4)</b>	<b>AREIT 3.523 '23</b>	<b>09/11/2023</b>	<b>100.00</b>	<b>3.52</b>	<b>N</b>	<b>OW</b>
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.10	2.92	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	98.85	3.11	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	99.60	3.25	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	99.30	3.45	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	100.90	2.69	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	98.80	3.10	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	100.60	3.08	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	101.55	3.18	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	100.35	3.44	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	94.25	3.64	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	94.00	3.96	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	99.40	3.30	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.20	3.81	OW	OW
<b>Frasers Centrepoint Trust</b>	<b>N (3)</b>	<b>FCTSP 2.9 '19</b>	<b>10/04/2019</b>	<b>100.28</b>	<b>2.07</b>	<b>UW</b>	<b>N</b>
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.50	2.56	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	96.15	3.49	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.10	2.54	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.50	3.03	UW	UW
<b>Frasers Hospitality Trust</b>	<b>N (3)</b>	<b>FHREIT 2.63 '22</b>	<b>06/07/2022</b>	<b>97.85</b>	<b>3.27</b>	<b>OW</b>	<b>N</b>
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	97.80	3.49	N	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.05	3.47	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	89.26	11.91	OW	OW
<b>Mapletree Commercial Trust</b>	<b>N (3)</b>	<b>MCTSP 2.65 '19</b>	<b>07/11/2019</b>	<b>100.10</b>	<b>2.55</b>	<b>N</b>	<b>OW</b>
<b>Mapletree Commercial Trust</b>	<b>N (3)</b>	<b>MCTSP 3.6 '20</b>	<b>24/08/2020</b>	<b>101.40</b>	<b>2.76</b>	<b>N</b>	<b>OW</b>
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	100.50	2.98	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	100.25	3.18	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	99.55	3.37	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	96.80	3.59	N	N
<b>Mapletree Commercial Trust</b>	<b>N (3)</b>	<b>MCTSP 3.045 '27</b>	<b>27/08/2027</b>	<b>94.90</b>	<b>3.73</b>	<b>N</b>	<b>UW</b>
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	100.90	2.86	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.45	2.96	UW	UW
<b>Mapletree Industrial Trust</b>	<b>N (3)</b>	<b>MINTSP 3.75 '19</b>	<b>08/03/2019</b>	<b>100.40</b>	<b>2.13</b>	<b>N</b>	<b>UW</b>
<b>Mapletree Industrial Trust</b>	<b>N (3)</b>	<b>MINTSP 3.65 '22</b>	<b>07/09/2022</b>	<b>101.70</b>	<b>3.17</b>	<b>N</b>	<b>UW</b>
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	98.90	3.29	OW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	98.40	3.49	OW	N
Sabana Shari'ah Compliant REIT	N (5)	SSREIT 4.25 '19	03/04/2019	99.50	5.78	OW	OW
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	98.70	4.19	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.30	2.89	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	100.45	3.29	UW	UW
<b>Starhill Global REIT</b>	<b>N (4)</b>	<b>SGREIT 3.14 '26</b>	<b>03/10/2026</b>	<b>96.30</b>	<b>3.69</b>	<b>UW</b>	<b>N</b>
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.60	2.85	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	99.30	3.28	N	N
<b>Suntec REIT</b>	<b>N (4)</b>	<b>SUNSP 3.025 '22</b>	<b>16/03/2022</b>	<b>99.00</b>	<b>3.35</b>	<b>N</b>	<b>UW</b>
<b>Suntec REIT</b>	<b>N (4)</b>	<b>SUNSP 2.85 '23</b>	<b>02/08/2023</b>	<b>97.10</b>	<b>3.53</b>	<b>N</b>	<b>UW</b>
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	100.30	3.33	N	N

Indicative prices from Bloomberg as of 6 December 2018

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>Offshore &amp; Marine and Logistics</b>							
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20	09/09/2019	98.60	5.49	N	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21	15/10/2018	94.60	6.74	N	OW
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.15	3.01	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	99.50	3.31	N	UW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	101.00	3.50	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	100.20	3.74	N	UW
Keppel Corp Ltd	N (4)	KEPSP 4 '42	07/09/2042	99.00	4.07	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	100.40	3.42	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	99.50	3.12	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	99.50	3.74	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	101.25	4.04	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.10	4.17	N	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.30	2.49	UW	UW

**Others**

Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.25	4.35	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.25	3.93	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2019	98.20	8.24	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.20	3.23	UW	N
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	90.00	34.62	N	N
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	78.50	27.08	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	99.02	3.41	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	97.70	3.47	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	98.40	4.03	OW	OW
G8 Education Ltd	Neg (6)	GEMAU 5.5 '19	18/05/2019	99.75	6.15	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	96.00	6.79	N	N
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2022	97.55	3.55	OW	OW
Olam International Ltd	N (5)	OLAMSP 5.8 '19	17/07/2019	101.30	3.65	UW	N
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	100.40	3.62	UW	N
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	104.10	4.83	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	100.80	2.70	UW	N
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	100.75	2.81	UW	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	102.30	3.28	N	UW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	98.70	3.26	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	98.20	3.39	UW	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	97.30	3.49	UW	N
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	100.10	3.14	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.49	2.35	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.40	2.35	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.50	2.53	N	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.21	3.02	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.66	3.45	N	N

**Financial Institutions - Senior Issues**

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.20	3.56	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.30	2.22	OW	OW
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.23	2.62	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.10	2.73	OW	OW
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	105.25	3.16	N	N

\* Issuer/Branch profile ratings are equal to parent issuer profile ratings

Indicative prices from Bloomberg as of 6 December 2018

Issuer	Issuer Profile	Issue	Maturity / First Call	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>Corporate perpetuals</b>							
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 4.75 'PERP</b>	<b>14/10/2020</b>	<b>102.10</b>	<b>3.57</b>	<b>OW</b>	<b>N</b>
Ascott Residence Trust	N (4)	ARTSP 5 'PERP	27/10/2019	100.60	4.35	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	100.90	4.07	UW	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	97.00	5.61	UW	UW
<b>ESR REIT</b>	<b>N (4)</b>	<b>EREIT 4.6 'PERP</b>	<b>11/03/2022</b>	<b>94.30</b>	<b>6.27</b>	<b>OW</b>	<b>N</b>
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	85.00	12.63	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	99.90	4.50	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.60	4.51	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	92.98	6.03	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	92.75	5.40	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	94.40	5.69	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	100.00	4.65	OW	OW
<b>Keppel REIT</b>	<b>N (4)</b>	<b>KREITS 4.98 'PERP</b>	<b>11/02/2020</b>	<b>101.70</b>	<b>4.05</b>	<b>OW</b>	<b>N</b>
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	83.28	14.46	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	80.00	13.14	N	N
<b>Mapletree Logistics Trust</b>	<b>N (4)</b>	<b>MLTSP 4.18 'PERP</b>	<b>25/11/2021</b>	<b>100.05</b>	<b>4.17</b>	<b>UW</b>	<b>N</b>
<b>Mapletree Logistics Trust</b>	<b>N (4)</b>	<b>MLTSP 3.65 'PERP</b>	<b>28/03/2023</b>	<b>97.20</b>	<b>4.37</b>	<b>UW</b>	<b>N</b>
<b>Olam International Ltd</b>	<b>N (5)</b>	<b>OLAMSP 5.5 'PERP</b>	<b>07/11/2022</b>	<b>96.40</b>	<b>6.63</b>	<b>N</b>	<b>UW</b>
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	99.30	4.88	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	98.20	4.25	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	101.75	3.68	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	97.25	4.34	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	95.12	5.62	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	94.69	5.11	N	N

**Financial Institutions - Capital Instruments**

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	102.17	3.76	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	99.50	3.92	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	92.50	5.13	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	100.60	3.98	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	101.30	3.78	OW	OW
BPCE SA*	N (4)	BPCEGP 4.5 '26	03/06/2021	101.45	3.89	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	101.40	4.41	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	98.10	4.65	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.10	4.65	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 'PERP	06/03/2019	100.85	2.95	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	102.00	3.27	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	99.40	4.08	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	99.60	4.82	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	100.20	4.96	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	98.40	4.26	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	101.10	3.88	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	100.90	5.42	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	100.60	5.55	OW	OW
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	100.85	3.93	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.60	N	N
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 4.75 'PERP</b>	<b>19/11/2019</b>	<b>101.95</b>	<b>2.69</b>	<b>OW</b>	<b>N</b>
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 3.5 '26</b>	<b>22/05/2020</b>	<b>101.05</b>	<b>2.77</b>	<b>N</b>	<b>OW</b>
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	100.60	3.75	OW	OW
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 3.5 '29</b>	<b>27/02/2024</b>	<b>100.90</b>	<b>3.31</b>	<b>N</b>	<b>UW</b>
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/08/2022	100.85	3.74	N	N

\* Issuer/Branch profile ratings are equal to parent issuer profile ratings

<b>Upgrades</b>
<b>Downgrades</b>
<b>New / Resume Coverage</b>

Indicative prices from Bloomberg as of 6 December 2018

### Explanation of Issuer Profile Rating (“IPR”) / Issuer Profile Score (“IPS”)

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

To better differentiate relative credit quality of the issuers under our coverage, we have further sub-divided our Issuer Profile Ratings (“IPR”) into a 7 point Issuer Profile Score (“IPS”) scale.

IPR	Positive		Neutral			Negative	
IPS	1	2	3	4	5	6	7

### 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.



**Analyst Declaration**

The analyst(s) who wrote this report and/or her or his respective connected persons held securities in the following above-mentioned issuers or companies as at the time of the publication of this report: GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust, Singapore Telecommunications Ltd

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