

Monthly Credit View

Monday, 04 June 2018

Monthly Themes

- May saw 10-yr US Treasuries firm at around and/or above 3% for much of the month though political uncertainty in Italy (Eurozone's third largest economy) reignited fears over the possibility of the Euro breaking-up in the last week of the month. The ensuing flight to safety (which is likely temporary in our view) saw 10Y US Treasuries falling sharply to 2.78% on 29/05/2018 before recovering slightly to 2.85% by month-end. Also signaling risk aversion during the month alongside fundamental and technical considerations, emerging market bond funds saw an outflow of USD6.3bn for the 4-weeks to 23/05/2018 as investors continued to rotate to equities and government securities.
- AxJ G3 bond issuance was muted in May 2018, with only USD16.0bn issued and declining 64.3% on a y/y basis. As has been the case in past months, Chinese issuers continued to influence supply volumes with high yield Chinese issuance earlier in the month depressed from somewhat challenging market conditions due to rising rates, high supply expectations and a tight onshore funding. This likely drove funding costs above issuer's comfort levels and also drove secondary prices lower. Such dynamics were not helped by reports in the middle of the month that Chinese bond underwriters were subscribing to more bonds in the primary offering to keep funding costs within promised ranges only to then sell these holdings in the secondary market and thereby amplifying pressure on issuers' existing curves. Still, a handful of Chinese high-yield property developers took the opportunity to re-tap and issue bonds in primary markets for unavoidable refinancing needs, while overall issuance activity was dominated by financial institutions issuers (eg: HSBC, QNB Finance, Westpac, ICBC), possibly given the constructive fundamental outlook and lower y/y supply. Issuance volumes were then further depressed towards the end of the month on an increasing number of defaults out of China. Following Noble Group Ltd (the first AxJ bond default in 2018), we saw three other issuers defaulting in May alone, namely Hsin Chong (a construction company and property developer), Midas (products for the rail industry) and China Energy Reserve (a company which is indirectly-state owned focusing on oil and gas). Notwithstanding idiosyncratic reasons leading to the various defaults, we think the latest default of China Energy Reserve signals a broader trend of the Chinese state (1) being more comfortable with defaults this year and (2) attempting to reduce implicit guarantees on struggling issuers, which investors have come to rely upon.
- For SGD corporate bonds, the market was also heavy despite the SGD swap curve ending the month lower. Pressure on yields moved largely in step with movements in 10Y US Treasuries with pressure more pronounced in the first half of May before stabilizing somewhat in the second half. Overall SGD primary issuance activity was soft, with total issuance of SGD0.8bn against SGD2.7bn in May 2017. Issuance in May 2018 was driven by HDB's SGD500mn 12 year bond. In the SGD high yield space, [Hyflux Ltd \("HFY"\)](#), a significant issuer (which had also tapped the retail hybrid market) entered into a court supervised reorganization process. HFY has SGD1.2bn of SGD-

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denominated instruments outstanding, the bulk of which being perpetual instruments. While issues at HFY have not had a contagion effect on other perpetuals in the SGD space, as a knock-on impact other SGD high yield issuers wishing to come to market may find themselves subject to higher level of scrutiny with a need to pay up. Following April's bear flattening of the SGD swap curve, the SGD swap curve continued to flatten in May 2018, which may encourage issuers to access the market going into June.

Issuer Profile Changes / Updates

- 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: **Nil**
- In addition, we have ceased coverage for the time being on the following names due to a variety of reasons including maturity of SGD bonds: CIMB Group Holdings Berhad, Pacific Radiance Ltd, Ezion Holdings Ltd, ASL Marine Holdings Ltd, Nam Cheong Ltd, UOL Group Ltd, CK Hutchinson Holdings Ltd, AIMS AMP Capital Industrial REIT
- Earlier on 2nd May 2018, we raised that CWT International Limited ("CWTI") the parent company of CWT Ltd) is due to pay the [acquisition debt](#) taken for the acquisition of CWT Ltd in May 2018 and September 2018. CWTI has yet to publicly disclose if this debt has been paid.
- We have downgraded [FIRT's and LMRT's Issuer Profile rating to Negative \(6\)](#) with increasing concerns over their sponsor's (Lippo Karawaci) liquidity and credit profile.

Trade Ideas

- With the flattening of the SGD swap curve and pullback in rates, we see opportunities to buy into longer duration papers which have previously been sold off due to the surge in interest rates in the following:
- The BAERVX 5.75% PERPc'22 (4.82% YTC) sold off noticeably since the start of May. Julius Baer Group Ltd (JBG)'s assets under management (AUM) grew CHF13bn, or 3% from 31 December 2017 to a record CHF401bn, crossing the CHF400bn mark for the first time as at 30 April 2018. While growth has slowed since the change in CEO, net new money inflows remained healthy at over 5% annualized (target of 4% – 6%) with particularly strong inflows from Europe, Switzerland and Asia. Gross margins also expanded driven by heightened client activity in January and March, boosting both net commission and fee income as well as net trading income. Despite the acquisition of the residual 20% stake in Kairos (January 2018), BIS CET1 ratios had remained relatively stable at 13.3% (end-2017: 13.5%). JBG is unique amongst our coverage as the only pure play private bank. Its solid franchise and scale, which is mostly in Europe and growing in Asia, provides diversification and support to its credit profile (which otherwise is susceptible to high market risk).
- We continue to see value in the older Fraser Property Ltd's older perpetuals, including FPLSP 4.88% PERPc'19 (3.98% YTC) and FPLSP 5% PERPc'20 (4.24% YTC) due to their short call dates and higher reset spreads. We also like the longer dated FPLSP seniors such as FPLSP 4.25% '26s given the high 4.2% carry.

- In light of the Issuer Profile downgrades mentioned above and the potential overhang from the negative news flow, we maintain an Underweight recommendation for FIRT 5.68% PERP and downgrade LMRTSP 6.6% PERP and LMRTSP 7% PERP to Neutral. Nevertheless, we continue to Overweight LMRTSP '18s and LMRTSP '20s as they offer decent yields for short durations and we believe LMRT's liquidity situation should be resolved.
- We recommend a switch from BTHSP 4.85% '20 (Ask YTC: 4.83%) to HTONSP 6.1% '20 (Ask YTC: 5.54%). Heeton Holdings Ltd ("HHL") is a smaller residential property developer focused on the Singapore market. Net gearing of HHL is moderate at 0.5x though may increase to 0.8x when cash proceeds from the SGD118mn issuance of HTONSP 6.08% '21s are utilized (we think for expansion of its hospitality portfolio). The BTHSP 4.85% '20 and HTONSP 6.1% '20 have a similar maturity profile and a switch trade allows a spread pick-up of 70 bps. While BTHSP has a highly recognizable brand name, we have both the issuer profile at Neutral (5). Following BTHSP's increasing its stake in its subsidiary Laguna Resorts & Hotels Pcl, we think BTH's net gearing has tilted up (31 March 2018: 0.5x).

Upcoming Bond Maturities – June 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Valuemax Group Ltd	VMAXSP	50	06/06/2018
CDLHT MTN Pte Ltd	CDREIT	120	07/06/2018
Kreditanstalt fuer Wiederaufbau	KFW	500	13/06/2018
Export-Import Bank of Korea	EIBKOR	68	15/06/2018
BPCE SA	BPCEGP	63	22/06/2018
CW Advanced Technologies Pte Ltd	CWADTE	55.25	25/06/2018
Malayan Banking Bhd	MAYMK	54	26/06/2018
CIMB Bank Bhd/Singapore	CIMBMK	100	30/06/2018
Neptune Orient Lines Ltd/Singapore	NOLSP	300	18/06/2018*
Commonwealth Bank of Australia	CBAAU	240	13/06/2018*
DBS Capital Funding II Corp	DBSSP	1500	18/06/2018*
Commonwealth Bank of Australia	CBAAU	120.7	29/06/2018*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- Frasers Property Limited: Credit Update (31 May 2018)
- Hyflux Ltd: Special Interest Commentary (24 May 2018)
- First REIT / Lippo Malls: Credit Update (7 May 2018)
- Singapore Property: Sector Update (3 May 2018)
- Perennial Real Estate Holdings Ltd Credit Update (16 Apr 2018)
- SGD Corporate Perpetual Bonds (9 Mar 2018)
- Heeton Holdings Ltd: Credit Update (28 Feb 2018)
- Pacific Radiance Ltd: Credit Update (28 Feb 2018)
- GuocoLand Ltd: Credit Update (22 Feb 2018)
- Oxley Holdings Ltd: Credit Update (14 Feb 2018)
- Ezion Holdings Ltd: Credit Update (08 Feb 2018)
- Pacific Radiance Ltd: Credit Update (07 Feb 2018)
- Lai Fung Holdings Ltd: Recent Issue View (01 Feb 2018)
- BreadTalk Group Ltd: Credit Update (31 January 2018)
- ESR-REIT / Viva Industrial Trust: Credit Update (30 January 2018)
- First REIT: Credit Update (24 January 2018)
- Wharf Real Estate Investment Co Ltd - New Issue View (11 January 2018)
- Singapore Credit Outlook 2018 (9 January 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
China/HK property							
Hongkong Land Holdings	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.76	2.49	N	UW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.83	2.87	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	105.00	2.87	OW	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.30	3.69	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.90 '19	18/03/2019	101.40	3.08	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	101.01	3.99	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	99.75	3.98	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	99.30	4.19	N	N

Singapore property developers

CapitaLand Ltd / Ascott Capital Pte Ltd	N (3)	CAPLSP 3.78 '19	16/08/2019	101.70	2.34	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	102.65	2.41	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	103.70	2.58	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.01	3.26	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	96.20	3.56	N	N
City Developments Ltd	Pos (2)	CITSP 3.38 '19	20/03/2019	100.90	2.22	N	N
City Developments Ltd	Pos (2)	CITSP 3.00 '20	02/04/2020	100.65	2.63	N	N
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.50	2.74	N	N
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.45	3.11	OW	N
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	100.80	3.30	OW	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	101.95	3.44	OW	N
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	98.50	3.70	OW	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.75 '21	14/06/2021	101.56	4.19	UW	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.9 '22	19/05/2022	100.82	4.67	UW	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	102.30	3.22	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	100.20	4.22	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	99.60	4.20	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.95 '19	01/04/2019	101.07	2.63	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.70	3.19	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.50	3.43	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.50	3.56	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	100.75	3.67	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	101.00	5.54	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	100.50	5.90	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	101.00	3.48	OW	N
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	102.00	2.35	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.90	2.81	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	101.25	3.40	OW	N
OUE Ltd	N (4)	OUESP 4.25 '19c18	30/10/2019	101.10	2.78	OW	N
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	100.50	3.52	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	99.20	3.97	OW	OW
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	99.30	3.71	UW	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	99.75	5.18	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	97.22	6.69	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	96.50	6.79	N	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.0 '21	07/10/2021	103.21	2.98	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	104.49	3.37	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	102.28	3.72	OW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	104.20	3.87	OW	OW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.05 '19	12/06/2019	99.06	6.11	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.30 '20	01/04/2020	99.03	5.87	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.88	6.28	N	UW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	96.04	7.45	UW	UW

Indicative prices from Bloomberg as of 4 June 2018

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	100.70	2.90	UW	UW
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.00	2.37	N	N
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.50	2.71	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.50	2.84	N	N
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.60	2.95	N	N
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	100.50	3.07	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	96.50	3.21	N	N
Ascott Residence Trust	N (4)	ARTSP 4.3 '18	30/11/2018	101.12	1.96	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	103.50	3.35	OW	OW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.20	3.58	UW	UW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.20	2.89	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	98.45	2.99	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	99.50	3.27	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	99.91	3.34	OW	OW
CapitaLand Mall Trust	N (3)	CAPITA 3.15 '20	18/12/2020	101.25	2.64	N	N
CapitaLand Mall Trust	N (3)	CAPITA 2.8 '23	13/03/2023	98.92	3.04	N	UW
CapitaLand Mall Trust	N (3)	CAPITA 3.48 '24	06/08/2024	101.44	3.22	N	N
CapitaLand Mall Trust	N (3)	CAPITA 3.5 '26	25/02/2026	100.60	3.41	N	N
CapitaLand Mall Trust	N (3)	CAPITA 2.88 '27	10/11/2027	94.99	3.51	UW	UW
CapitaLand Mall Trust	N (3)	CAPITA 3.35 '31	07/07/2031	95.20	3.82	N	UW
ESR REIT	N (4)	EREIT 3.5 '18	05/11/2018	100.25	2.88	OW	OW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	101.34	3.24	N	OW
Frasers Centrepoint Trust	N (3)	FCTSP 2.9 '19	10/04/2019	100.30	2.55	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.40	2.75	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	97.40	3.22	UW	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.03	2.61	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.58	2.97	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.21	3.10	N	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.50	3.34	UW	UW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.74	3.32	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.5 '18	23/11/2018	100.40	3.61	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	97.25	5.54	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	99.95	2.69	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	102.05	2.64	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	100.50	3.01	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	100.00	3.25	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	99.30	3.40	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	98.00	3.39	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	96.10	3.54	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.23	2.80	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.28	3.07	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.75 '19	08/03/2019	101.09	2.28	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	102.44	3.03	N	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	99.45	3.14	N	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.21	3.31	N	UW
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	98.60	4.13	OW	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.35	2.98	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	100.30	3.33	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	97.16	3.54	N	N
Suntec REIT	N (4)	SUNSP 2.83 '18	12/11/2018	100.50	1.66	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	101.00	2.74	UW	UW
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.64	3.13	N	UW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	97.00	3.49	OW	N
VIVA Industrial Trust	N (5)	VITSP 4.15 '18	19/09/2018	100.40	2.71	OW	OW

Indicative prices from Bloomberg as of 4 June 2018

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

Offshore & Marine and Logistics

CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20c15	09/09/2020	97.64	5.77	N	N
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21c16	22/06/2021	95.50	6.04	OW	OW
Keppel Corp Ltd	N (3)	KEPSP 3.1 '20	12/10/2020	100.65	2.81	UW	UW
Keppel Corp Ltd	N (3)	KEPSP 3.145 '22	14/02/2022	100.20	3.09	UW	N
Keppel Corp Ltd	N (3)	KEPSP 3.725 '23	30/11/2023	100.20	3.68	N	N
Keppel Corp Ltd	N (3)	KEPSP 3.8 '27c22	23/04/2027	100.20	3.74	N	N
Keppel Corp Ltd	N (3)	KEPSP 4 '42	07/09/2042	95.20	4.32	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	102.00	2.61	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	98.70	3.34	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	100.70	3.51	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	102.70	3.82	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	98.06	3.86	UW	UW
Singapore Post Ltd	N (3)	SPOST 3.5 '20	30/03/2020	102.10	2.31	UW	UW

Others

Banyan Tree Holdings Ltd	N (5)	BTHSP 5.35 '18	26/11/2018	100.68	3.88	UW	UW
Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.33	4.58	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4.6 '19	01/04/2019	101.55	2.68	N	UW
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.15	3.96	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2020	99.70	7.15	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.41	3.05	OW	OW
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	95.64	9.53	UW	UW
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	90.16	11.03	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	100.40	2.98	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	98.65	3.14	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	100.75	3.70	N	N
G8 Education Ltd	N (5)	GEMAU 5.5 '19	18/05/2019	98.00	7.86	UW	UW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	98.82	5.23	N	OW
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2024	97.34	3.53	N	OW
Olam International Ltd	N (5)	OLAMSP 6.00 '18	10/08/2018	100.65	2.22	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.80 '19	17/07/2019	103.05	3.01	UW	UW
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	101.26	3.12	UW	UW
Olam International Ltd	N (5)	OLAMSP 6.00 '22	25/10/2022	104.98	4.73	N	UW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.45	2.50	N	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.40	2.63	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.10	3.16	UW	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	98.90	3.21	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	99.30	3.23	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.00	3.38	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	102.07	2.33	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.38	2.41	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.39	2.59	UW	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.43	2.97	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	99.70	3.59	UW	UW

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	103.22	3.48	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.50	2.37	N	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.51	2.60	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.46	2.65	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	105.65	3.22	N	N

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

Indicative prices from Bloomberg as of 4 June 2018

Issuer	Issuer Profile	Issue	First Call	Ask Price	YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
Ascendas REIT	N (3)	AREIT 4.75 '49	14/10/2020	103.00	3.41	UW	UW
Ascott Residence Trust	N (4)	ARTSP 5 '49	27/10/2019	101.70	3.72	N	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 '49	30/06/2020	101.20	4.07	OW	OW
First REIT	Neg (6)	FIRTSP 5.68 '49	08/07/2021	99.00	6.05	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 '49	12/05/2021	100.10	4.41	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 '49	24/09/2019	101.10	4.02	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 '49	09/03/2020	101.25	4.24	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '49	05/10/2022	93.95	5.54	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 '49	17/01/2023	96.00	4.91	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 '49	23/01/2023	97.50	5.05	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 '49	05/05/2022	100.20	4.59	OW	OW
Keppel REIT	N (4)	KREITS 4.98 '49	02/11/2020	102.50	3.87	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 '49	27/09/2021	98.50	7.51	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 '49	19/12/2022	96.05	7.65	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 '49	25/11/2021	100.75	3.94	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 '49	28/03/2023	97.55	4.21	UW	UW
ESR REIT	N (4)	EREIT 4.6 '49	03/11/2022	95.36	5.80	OW	OW
CITIC Envirotech Ltd	N (4)	CELSP 3.9 '49	19/10/2020	98.27	4.68	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 '49	11/07/2022	99.33	5.69	N	N
Singapore Post Ltd	N (3)	SPOST 4.25 '49	02/03/2022	102.80	3.44	N	N
Sembcorp Industries Ltd	N (4)	SCISP 5 '49	21/08/2018	100.50	2.62	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 '49	20/05/2020	100.25	4.60	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7 '49	22/06/2020	98.00	4.24	UW	UW
StarHub Ltd	N (3)	STHSP 3.95 '49	16/06/2022	98.50	4.15	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 '49	28/06/2022	98.00	4.63	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 '49	24/08/2020	96.10	4.88	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	103.64	3.46	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.80	3.32	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	92.50	5.08	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	100.40	4.21	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	103.25	3.13	N	N
BPCE SA*	N (4)	BPCEGP 4.5 '26	03/06/2021	101.95	3.84	OW	N
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.00	4.33	OW	OW
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 '49	22/11/2020	102.60	3.59	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	104.50	2.82	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 '49	03/06/2019	102.45	2.29	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 '49	08/06/2022	100.50	4.63	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 '49	18/11/2020	103.50	4.48	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 '49	20/04/2022	103.25	4.92	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	99.20	3.99	N	N
Malayan Banking Bhd	N (3)	MAYMK 6.0 '49	11/08/2018	101.00	1.63	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.00	3.54	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	100.20	4.26	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.80	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.9 '49	23/07/2018	100.45	1.78	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.45	2.78	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 '49	19/11/2019	103.00	2.69	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.0 '49	18/05/2021	101.50	3.51	OW	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	102.20	3.12	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.0 '27	12/08/2022	103.00	3.30	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 4 June 2018

Explanation of Issuer Profile Rating / Issuer Profile Score

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 into a 7 point Issuer Profile Score 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.

The Credit Research team would like to acknowledge and give due credit to the contribution of Nick Wong Liang Mian.

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, Ezion Holdings Ltd

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