

Monthly Credit View

Thursday, 03 May 2018

Monthly Themes

- April saw markets and investors sway with prevailing event risk and movements in US treasuries. 10-yr US treasuries were somewhat volatile in the first half of the month, as risk-off sentiment from US-China trade tensions and geopolitical concerns from missile strikes on Syria and possible sanctions on Russia were mixed with eventual conciliatory tones from US President Trump and Chinese President Xi Jinping to ease trade tensions as well as news that US President Trump may be considering rejoining the Trans-Pacific Partnership. The second half of the month however saw a one way trajectory in yields as positive news on the US economy and better than expected economic data heightened inflation concerns and market expectations for a fourth rate hike in 2018, driving 10Y US Treasuries to break the 3.0% barrier towards the end of the month before retracing to 2.95% by the end of April. High yield bonds became increasingly pressured through the month as investors and funds switched to government bonds and equities.
- Issuance trends for AxJ G3 currency bonds were influenced in kind as ongoing uncertainty over interest rate trajectories muted issuance in the early part of April. This though gave way to the busiest two week issuance period so far in 2018 as the risk-off respite in the middle of the month, bond markets still carrying the effects of March's correction and primary deals still providing attractive new issue concessions led to a flurry of deals. Issuance volume thereafter fell as treasuries spiked and issuers such as Huawei Technologies Co. and Mongolyn Alt Corp. postponed deals due to US Department of Justice investigations and uncertain market conditions respectively. Still, the middle of the month bump in activity pushed monthly issuance above market expectations to USD35bn and drove year to date issuance 7% higher than last year's record volumes. Chinese issuers continue to support volumes with high profile Chinese issuers such as CNOOC Ltd, State Grid Overseas Investment Ltd and Bank of China Ltd tapping the market before rates rise and Chinese property companies such as CHMT Peaceful Development Asia Property Ltd, China Vanke Co Ltd and Yuexiu Property Co Ltd also continuing to be active in primary markets.
- For SGD corporate bonds, the market was also heavy as the bear flattening of the SGD swap curve through the month put consistent downward pressure on cash prices of bonds. Spreads continued to widen but at a slower pace as it did at the end of March but this eventually amplified towards the end of the month. Primary activity was soft with new issuance for April 2018 at just ~SGD917mn, 70% below the April 2017 issuance volume of ~SGD3.0bn. This includes SGD122.5mn of Ezion Holdings Ltd's refinancing bonds which were used to redeem its outstanding bonds as part of its [approved restructuring plan](#). Similar to AxJ G3 issuance trends, China property companies made up a meaningful proportion of issuance volumes with Central China Real Estate Ltd pricing a SGD150mn 2-year bond and Logan Property Holdings Co Ltd pricing a SGD200mn 3NC2 bond. Looking ahead, we expect credit markets to remain heavy with ongoing upward pressure on USD rates.

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- One sector though that may fare well in the rising rate environment is Financial Institutions. So far, there have been consistent themes in recently released results for the banks under our coverage. Macro-economic fundamentals remain broadly supportive and this has supported both loan volume growth and loan quality indicators. Rising interest rates have supported net interest income growth along with loan growth. Earnings performance has therefore continued to be robust and contributed to varying improvement in capital ratios depending on where banks are in their restructuring process. Banks such as Standard Chartered PLC ('StanChart') and Australia and New Zealand Banking Group Ltd ('ANZ') are starting to see the benefits of prior year efforts, while National Australia Bank Ltd's ('NAB') results continue to be impacted by ongoing restructuring related costs. As a result, the y/y improvement in capital ratios for NAB was more muted compared to that for StanChart and ANZ. Conversely, the 1Q2018 results for DBS Group Holdings Ltd and United Overseas Bank Ltd highlight their solid positions to take advantage of the current operating environment. In general, underlying sector performance remains consistent with our constructive sector outlook for financial institutions and we therefore tend to look to better yielding names and bonds lower in the capital structure for higher yield.
- April also saw the start of results announcements for REITs. Thus far, 2017 trends have persisted for office REITs, with some easing of negative rental reversions seen as CBD Grade A rents continue to recover. Office transactions that occurred include Frasers Commercial Trust's acquisition of 50% of Farnborough Business Park as well as Suntec REIT's acquisition of the 25% stake in Southgate, Melbourne. CapitaLand Commercial Trust has also indicated looking beyond Singapore for future assets. For Retail REITs, environment remains challenging, with shopper traffic declining and softness in tenant sales. Property specific performance remains a broad spectrum, though there seems to be some stabilization in rental reversion. FCT's results were strong, though due to Northpoint transiting out of AEI. All Industrial REITs under our coverage (with the exception of VIVA Industrial Trust) has announced their latest financials for the quarter ending March 2018. Broadly, the sector has undergone a difficult 10 quarters due to significant oversupply and weakness in certain tenant sectors. Rental reversions remain negative although encouragingly independent valuations show stable-to-slight improvements in asset values. JTC had also released its industrial property market report for 1Q2018. Q/q price index for all industrial is down 0.1% to 89.9 and while it is still down q/q, this has narrowed from the q/q decline of 1.1% in 4Q2017. Rental index was also down 0.1% q/q, after a similarly narrow decline in 4Q2017. Net-net rental decline has decelerated significantly from levels seen in 2016 and 2017. Overall vacancies were 11.0% for the industrial space sector. Going forward in the next 12 months, three industrial REITs would face significant lease expiries above 20% of portfolio expiries, namely Sabana Shari'ah Industrial Trust, Mapletree Logistics Trust and Soilbuild Business Space REIT (though 2/3 relates to Solaris building which faces low renewal risk in our view).

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: Perennial Real Estate Holdings Limited.

Trade Ideas

- With a 3.5 points pullback since Nov 2017, we think HPLSP 4.65% PERP looks attractive trading at 4.56% YTC. We also prefer the perpetuals of HPLSP over its straight seniors, and recommend investors to switch from HPLSP 3.95% '19s to HPLSP 4.65% PERP for a ~200bps yield pickup.
- Although the Singapore property market is still hot, we think GUOLSP 3.95% '19s and GUOLSP 4.1% '20s are trading too tight. We prefer switching into HTONSP 6.1% '20s and HTONSP 6.08% '21s for a ~250bps yield pickup.
- We remain overweight the KREITS 4.98%-perp. It offers a YTC of almost 4% for 2.5 years to first call. This is almost a 100bps pickup compared to the AREIT 4.75%-perp with similar call date and more than compensates for the slightly higher leverage.
- Despite the 15bps widening on the First REIT perpetual, the FIRT 5.68%-PERP, we continue to maintain our Underweight call on the back of rising credit profile concerns. We are reviewing both First REIT and Lippo Mall Indonesia Retail Trust's Neutral (5) Issuer Profile for a potential downgrade.

Upcoming Bond Maturities – May 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Raffles Education Corp Ltd	RLSSP	80	03/05/2018
QNB Finance Ltd	QNBK	77.8	04/05/2018
Heineken NV	HEIANA	95	04/05/2018
Industrial & Commercial Bank of China Ltd/Sydney	ICBCAS	11	07/05/2018
China Construction Bank Corp/Singapore	CCB	18.1	08/05/2018
Medco Energi Global Pte Ltd	MEDCIJ	100	14/05/2018
Neptune Orient Lines Ltd	NOLSP	300	15/05/2018*
Soilbuild Business Space REIT	SBREIT	100	21/05/2018
Industrial & Commercial Bank of China Ltd/Sydney	ICBCAS	135.4	21/05/2018
First Real Estate Investment Trust	FIRTSP	100	22/05/2018
Industrial & Commercial Bank of China Ltd/Sydney	ICBCAS	19	22/05/2018
Cooperatieve Rabobank UA	RABOBK	14	24/05/2018
Sumitomo Mitsui Banking Corp/Singapore	SUMIBK	50	28/05/2018
Housing & Development Board	HDBSP	500	29/05/2018
Sumitomo Mitsui Banking Corp/Singapore	SUMIBK	17	30/05/2018
Ascendas India Trust	AITSP	65	30/05/2018*
Hyflux Ltd	HYFSP	400	30/05/2018*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- 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>

China/HK property

CK Hutchison Holdings Ltd	Pos (2)	CKHH 3.408 '18	20/07/2018	100.335	1.71	N	N
Hongkong Land Holdings	Pos (2)	HKLSP 3.43 '20	14/05/2020	102.381	2.22	UW	UW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	105.10	2.82	N	UW
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	105.65	2.71	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.30	3.70	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.65 '18	23/10/2018	101.11	2.21	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.90 '19	18/03/2019	101.40	3.26	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	101.49	3.76	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	99.75	3.97	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	99.30	4.18	N	-

Singapore property developers

CapitaLand Ltd / Ascott Capital Pte Ltd	N (3)	CAPLSP 3.78 '19	16/08/2019	101.75	2.39	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	102.85	2.38	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	103.70	2.64	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.50	3.18	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	101.25	1.92	N	N
City Developments Ltd	Pos (2)	CITSP 3.00 '20	02/04/2020	100.95	2.49	N	N
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.50	2.75	N	UW
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	103.45	2.86	N	N
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	102.00	3.04	N	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.25	3.22	N	N
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	99.70	3.52	N	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.75 '21	14/06/2021	101.89	4.09	N	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.9 '22	19/05/2022	101.84	4.40	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	102.50	3.17	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	99.60	4.31	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	98.50	4.36	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.95 '19	01/04/2019	101.17	2.64	UW	N
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.65	3.25	UW	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.10	3.58	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.00	3.71	N	OW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.80	3.90	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	101.00	5.57	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	101.00	5.73	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	101.10	3.48	N	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	102.00	2.45	UW	N
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.90	2.86	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	101.90	3.19	N	N
OUE Ltd	N (4)	OUESP 4.25 '19c16	30/10/2019	101.40	2.40	N	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	100.75	3.40	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	99.75	3.82	OW	OW
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	99.30	3.70	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	101.46	3.99	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	101.09	4.58	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	98.50	6.15	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.0 '21	07/10/2021	103.32	2.97	UW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	104.50	3.39	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	103.14	3.54	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	105.04	3.73	OW	OW
UOL Group Ltd	N (3)	UOLSP 2.5 '20	29/09/2020	99.65	2.65	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.50 '18	27/11/2018	100.42	4.78	OW	OW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.05 '19	12/06/2019	98.84	6.25	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.30 '20	01/04/2020	99.26	5.71	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	98.81	5.81	UW	UW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	100.04	5.88	UW	UW

Indicative prices from Bloomberg as of 3 May 2018

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
AIMS AMP REIT	N (4)	AAREIT 4.35 '19	05/12/2019	100.69	3.89	OW	OW
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	101.12	2.70	UW	N
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.00	2.52	N	N
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.50	2.72	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.50	2.83	N	N
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.60	2.98	N	UW
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	3.20	N	N
Ascott Residence Trust	N (4)	ARTSP 4.3 '18	30/11/2018	101.18	2.19	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.94	3.03	OW	OW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	104.07	3.23	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	99.30	2.95	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	99.70	3.23	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	99.80	3.36	OW	N
CapitaLand Mall Trust	N (3)	CAPITA 3.15 '20	18/12/2020	101.40	2.59	N	N
CapitaLand Mall Trust	N (3)	CAPITA 2.8 '23	13/03/2023	99.40	2.93	UW	UW
CapitaLand Mall Trust	N (3)	CAPITA 3.48 '24	06/08/2024	102.15	3.10	N	N
CapitaLand Mall Trust	N (3)	CAPITA 3.5 '26	25/02/2026	100.97	3.36	N	N
CapitaLand Mall Trust	N (3)	CAPITA 2.88 '27	10/11/2027	95.82	3.40	UW	N
CapitaLand Mall Trust	N (3)	CAPITA 3.35 '31	07/07/2031	97.07	3.63	UW	N
ESR REIT	N (4)	EREIT 3.5 '18	05/11/2018	100.55	2.39	OW	OW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	101.51	3.18	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 2.9 '19	10/04/2019	100.30	2.58	N	UW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.85	2.49	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.645 '22	06/06/2022	98.68	2.99	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	97.40	3.22	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	99.97	2.64	UW	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.88	2.87	UW	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.45	3.03	N	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	99.00	3.25	UW	UW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.37	3.21	UW	N
Lippo Malls Indonesia Retail Trust	N (5)	LMRTSP 4.5 '18	23/11/2018	100.50	3.59	OW	OW
Lippo Malls Indonesia Retail Trust	N (5)	LMRTSP 4.1 '20	22/06/2020	99.50	4.35	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	100.25	2.48	OW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	102.05	2.67	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.10	2.81	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	100.20	3.20	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	99.75	3.32	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	98.00	3.39	UW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	96.15	3.53	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.25	2.80	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.60	2.98	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.75 '19	08/03/2019	101.26	2.22	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	103.11	2.88	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	99.78	3.07	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.86	3.19	UW	UW
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	99.65	3.73	N	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.95	2.77	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.30	3.12	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	97.55	3.48	N	N
Suntec REIT	N (4)	SUNSP 2.83 '18	12/11/2018	100.50	1.86	UW	N
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	101.55	2.44	UW	UW
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	100.39	2.92	UW	UW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	99.05	3.05	N	N
VIVA Industrial Trust	N (5)	VITSP 4.15 '18	19/09/2018	100.40	3.03	OW	OW

Indicative prices from Bloomberg as of 3 May 2018

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

Offshore & Marine and Logistics

ASL Marine Holdings Ltd	Neg (6)	ASLSP 4.75 '20	28/03/2020	50.46	51.86	N	N
ASL Marine Holdings Ltd	Neg (6)	ASLSP 5.35 '21	01/10/2021	50.46	34.46	N	N
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20c15	09/09/2020	98.43	5.37	N	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21c16	22/06/2021	95.77	5.90	OW	OW
Ezion Holdings Ltd	Neg (7)	EZISP 0.25 '23	20/11/2023	N/A	N/A	WD	-
Ezion Holdings Ltd	Neg (7)	EZISP 0.25 '24	20/11/2024	N/A	N/A	WD	-
Ezion Holdings Ltd	Neg (7)	EZISP 0.25 '27	20/11/2027	N/A	N/A	WD	-
Keppel Corp Ltd	N (3)	KEPSP 3.1 '20	12/10/2020	101.05	2.65	UW	UW
Keppel Corp Ltd	N (3)	KEPSP 3.145 '22	14/02/2022	100.20	3.09	N	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
Nam Cheong Ltd	Neg (7)	NCLSP 5 '17	28/08/2017	N/A	N/A	WD	WD
Nam Cheong Ltd	Neg (7)	NCLSP 6.5 '18	23/07/2018	N/A	N/A	WD	WD
Nam Cheong Ltd	Neg (7)	NCLSP 5.05 '19	26/08/2019	N/A	N/A	WD	WD
Pacific Radiancance Ltd	Neg (7)	PACRA 4.3 '18	29/08/2018	N/A	N/A	WD	WD
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	102.00	2.66	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	98.70	3.33	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	100.70	3.51	UW	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	102.70	3.82	UW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.83	4.03	UW	UW
Singapore Post Ltd	N (3)	SPOST 3.5 '20	30/03/2020	102.20	2.31	UW	UW

Others

Banyan Tree Holdings Ltd	N (5)	BTHSP 5.75 '18	31/07/2018	100.74	2.47	UW	UW
Banyan Tree Holdings Ltd	N (5)	BTHSP 5.35 '18	26/11/2018	100.87	3.78	UW	UW
Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.58	4.36	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4.6 '19	01/04/2019	101.80	2.57	UW	N
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.25	3.94	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	99.45	3.03	OW	OW
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	95.88	8.71	UW	N
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	91.60	9.84	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	100.50	2.95	UW	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	99.20	3.00	UW	N
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	97.50	8.23	UW	UW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	99.17	5.08	OW	OW
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2024	97.33	3.52	OW	OW
Olam International Ltd	N (5)	OLAMSP 6.00 '18	10/08/2018	101.05	1.89	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.80 '19	17/07/2019	102.75	3.45	UW	UW
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	100.93	3.48	UW	UW
Olam International Ltd	N (5)	OLAMSP 6.00 '22	25/10/2022	104.93	4.76	UW	N
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.60	2.46	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.35	2.66	UW	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.60	3.08	N	UW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	99.00	3.20	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	98.80	3.29	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.00	3.38	N	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	102.17	2.32	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.32	2.44	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.12	2.68	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.36	2.99	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	101.70	3.31	UW	UW

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	103.50	3.44	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.70	2.17	N	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.53	2.60	N	N
BPCE SA*	N (4)	BPCEGP 2.305 '18	22/06/2018	100.30	1.12	N	N
CIMB Bank Bhd/Singapore*	N (4)	CIMBMK 2.12 '18	30/06/2018	100.10	1.76	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.29	2.71	N	N
Malayan Banking Bhd	N (3)	MAYMK 2.08 '18	26/06/2018	100.03	2.09	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	106.12	3.15	N	N

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

Indicative prices from Bloomberg as of 3 May 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	3.45	UW	UW
Ascott Residence Trust	N (4)	ARTSP 5 '49	27/10/2019	102.15	3.51	UW	N
Ascott Residence Trust	N (4)	ARTSP 4.68 '49	30/06/2020	101.40	3.99	OW	OW
Ezion Holdings Ltd	Neg (7)	EZISP 0.25 '49	19/11/2018	N/A	N/A	WD	-
First REIT	N (5)	FIRTSP 5.68 '49	08/07/2021	100.47	5.52	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 '49	12/05/2021	100.25	4.37	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 '49	24/09/2019	101.10	4.08	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 '49	09/03/2020	101.10	4.36	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '49	05/10/2022	94.80	5.28	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 '49	17/01/2023	97.00	4.77	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 '49	23/01/2023	98.75	4.82	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 '49	05/05/2022	100.10	4.62	OW	OW
Keppel REIT	N (4)	KREITS 4.98 '49	02/11/2020	102.50	3.91	OW	OW
Lippo Malls Indonesia Retail Trust	N (5)	LMRTSP 7 '49	27/09/2021	100.50	6.82	OW	OW
Lippo Malls Indonesia Retail Trust	N (5)	LMRTSP 6.6 '49	19/12/2022	98.91	6.88	N	OW
Mapletree Logistics Trust	N (4)	MLTSP 4.18 '49	25/11/2021	101.20	3.82	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 '49	28/03/2023	98.50	3.99	UW	UW
ESR REIT	N (4)	EREIT 4.6 '49	03/11/2022	96.11	5.59	OW	OW
CITIC Envirotech Ltd	N (4)	CELSP 3.9 '49	19/10/2020	98.63	4.49	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 '49	11/07/2022	99.02	5.77	N	N
Singapore Post Ltd	N (3)	SPOST 4.25 '49	02/03/2022	103.35	3.30	N	N
Sembcorp Industries Ltd	N (4)	SCISP 5 '49	21/08/2018	100.75	2.42	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 '49	20/05/2020	101.00	4.24	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7 '49	22/06/2020	98.70	4.05	UW	UW
StarHub Ltd	N (3)	STHSP 3.95 '49	16/06/2022	99.50	4.02	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 '49	28/06/2022	98.40	4.51	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 '49	24/08/2020	97.50	4.69	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNAV 4.75 '26	01/04/2021	103.65	3.46	N	OW
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.80	3.27	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.50	4.72	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	100.40	4.22	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	103.25	3.17	N	N
BPCE SA*	N (4)	BPCEGP 4.5 '26	03/06/2021	103.25	3.40	N	N
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	101.90	4.35	OW	OW
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 '49	22/11/2020	103.20	3.38	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	104.50	2.86	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 '49	03/06/2019	102.60	2.33	N	N
DBS Capital Funding II Corp*	Pos (2)	DBSSP 5.75 '49	15/06/2018	100.43	1.89	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 '49	08/06/2022	101.50	4.36	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 '49	18/11/2020	104.55	4.06	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 '49	20/04/2022	104.70	4.51	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	99.20	4.00	N	N
Malayan Banking Bhd	N (3)	MAYMK 6.0 '49	11/08/2018	101.20	1.76	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.30	3.46	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	3.82	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.9 '49	23/07/2018	100.70	1.84	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.35	2.87	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 '49	19/11/2019	103.20	2.68	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.0 '49	18/05/2021	102.10	3.32	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	102.35	3.09	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.0 '27	12/08/2022	103.30	3.23	N	N

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

Upgrades

Downgrades

New / Resume Coverage

Black List / Suspended

Indicative prices from Bloomberg as of 3 May 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.

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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