

Monthly Credit View

Wednesday, 09 January 2019

Monthly Themes

- December risk sentiments started on a positive note from a pause in trade tensions and dovish talk from the Fed. This drove strong early month issuance volume, particularly by Chinese property issuers who tapped the market on a needs basis and before the year-end NDRC quota expiry. Indonesia also joined the party with a USD3bn issue as 10Y USTs fell below 3% and part of the treasury curve inverted. Good feelings were short-lived however as markets returned to risk-off territory by mid-month as economic growth concerns, a stalemate on the trade wars and BREXIT and hawkish comments from a fed official turned the market bearish. The arrest of Huawei's CFO only added to negative sentiments and drove USTs lower ending the year at 2.68% and Fantasia Holdings issuing a non-put 2-year bond at 15%, the highest coupon among public deals in Asia this year. While the fall in yields looked to provide the best monthly returns for Asia dollar bonds since July 2016, overall returns for 2018 were marginally negative on the credit market correction throughout the year.
- SGD primary market activity was destitute in December as issuers and investors likely digested gyrations in market sentiment and held their positions while awaiting the Fed's rate hike decision at the end of December. Instead, news flow was centred mostly on on-going restructurings including Noble Group (restructuring eventually approved in a Bermuda Court), Pacific Radiance (Noteholders Extraordinary Resolution passed with all outstanding notes redeemed via Option 1 (Cash and Shares)), EZRA (Court approved Chapter 11 liquidating plan became effective on December 31st) and Hyflux (extensions by SGX for publication of accounts and Maybank for a binding agreement to be executed with a bidder/investor).
- Looking forward, although credit markets ended the year in risk-off territory, expectations are high that sentiments will be more bullish in 1Q2019, given the strong correction seen in 2018 and a slow moderation in economic growth which should result in selective buying opportunities, particularly in high yield. Overall however, spreads are expected to continue to widen on the back of significant bond maturities and interest rates still rising. These trends should be consistent across the Asia-dollar and SGD space.
- We recently published our [Singapore Credit Outlook 2019](#). For the SGD space, we think spreads for higher grade issues may widen relative to higher yielding papers, specifically for bonds that we rate with Issuer Profile Rating of Neutral (3) and above that have benefitted from an ongoing flight to quality. Comparatively, those rated at Issuer Profile Rating of Neutral (4) and below may no longer sell off significantly – spreads may even tighten given the correction seen in Nov-Dec 2018 and reduced high yield supply in the past few years. While we expect markets to remain volatile, we think carry will outweigh price volatility for select high yield issuers. Careful credit selection however is key.

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

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

wonghongwei@ocbc.com

Seow Zhi Qi

+65 6530 7348

ZhiQiSeow@ocbc.com

Issuer Profile Changes / Updates

- We have initiated coverage on one new name. Please see the [Singapore Credit Outlook 2019](#), published 7 January 2019, for the detailed issuer profile changes or initiation commentary.

Issuer Name	Issuer Profile	
	Previous	Current
G8 Education Ltd	Negative (6)	Neutral (5)
Soilbuild Business Space REIT	Neutral (4)	Neutral (5)
Bank of China Ltd	Neutral (4)	Neutral (3)
BPCE SA	Neutral (4)	Neutral (3)

- China Construction Bank (“CCB”)**: We initiated coverage on CCB with a Neutral (3) issuer profile. CCB is the second largest bank in China by domestic market share of both loans and deposits (14,920 branches across China) and the second largest bank globally by assets after Industrial and Commercial Bank of China. CCB is one of 29 global systematically important bank with total assets of RMB23,354.1bn as at 30 September 2018.
- We see improved fundamentals for the Financial Institutions under our coverage from entrenched market positions, the ongoing implementation of strategic plans in place in the past few years, solid capital positions and regulator pro-activeness. These factors should mitigate potential negative market influences in 2019 from slowing economic growth (particularly in China), political risks, as well as a general tightening in monetary policy. These factors could impact credit demand at the same time as elevated operating costs from compliance and regulatory initiatives, investment in digital transformation (the savings of which will not be seen in the near term) and higher funding costs, thus putting pressure on earnings and profitability (and hence internal capital generation) in 2019. Resilient performance in 2018 based on fundamentals is a key reason why the Issuer Profiles on Bank of China Ltd and BPCA SA were raised.
- 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: **China Aoyuan Property Group Limited**.

Trade Ideas

- Perennial Real Estate Holdings Ltd (“PREH”) is an integrated real estate owner and developer focused in China (62.5% by asset value) and Singapore (28.6%). The company is 82.3%-owned by Mr Kuok (CEO of Wilmar), Mr Ron SIM (CEO of OSIM), Wilmar International and Mr Pua (CEO of PREH). While credit metrics look somewhat weak with 0.75x net gearing and PREH will need funding to redeem the upcoming PREHSP 4.9% ‘19s, we remain comfortable as PREH may obtain liquidity and deleverage from divestments (e.g. sale of AXA Tower). We are recommending an Overweight on the PREHSP 3.85% ‘20s.
- Golden Agri-Resources Ltd (“GGR”) is a palm oil company focused on Indonesia. The company is ~50.5% owned by the Widjaja family. At YTM of 7.16% (522 bps spread) for a 2 year paper, the GGRSP 4.75% ‘21s is trading wide which more than compensates for its illiquidity. We are Overweight on this paper. While GGRSP faces short term debt of USD1.59bn as at 30 September 2018, we estimate that ~USD1.0bn relates to working capital and would be typically be rolled-forward. This leaves around USD590mn to be refinanced. Adjusted tangible asset of USD5.9bn should aid in accessing bank debt markets amidst improving sentiments for the palm oil sector.
- City Developments Ltd (“CDL”) is an international property and hotel conglomerate with a portfolio of investment and development properties. CDL is a subsidiary of Hong Leong Group Singapore. While property sales industry-wide has slowed following the July 2018 cooling measures, units at its launched projects at New

Futura, The Tapestry and Whistler Grand continue to move. We remain comfortable with CDL's credit profile which remains anchored by high recurring income (which accounts for ~56% of total EBITDA) and manageable level of net gearing (0.24x) and are recommending Overweight on the CITSP 3.75% '22s

- Frasers Property Ltd ("FPL") is a leading Singapore developer by total assets (end-2018: SGD32.4bn) and sponsors 4 listed REITs in Singapore. We are Overweight the FPLSP 5% PERP as we expect it to be called.
- Frasers Hospitality Trust ("FHREIT") is a hospitality REIT with total assets of SGD2.5bn as at 30 September 2018. We are Overweight the FHREIT 3.08% '24s which is trading at 124bps above swaps. We see refinancing risk as significant but manageable on account of its considerable access to debt markets and SGD2.3bn of unencumbered portfolio (largely upscale and luxury hotels and serviced apartments).
- Ascendas REIT ("AREIT") is the largest industrial REIT in Singapore with total assets of SGD10.8bn as at 30 September 2018. We think the AREIT 2.655% '21s trading at 60bps over swaps is not compelling and prefer the AREIT 4.75%-PERP instead which faces a short first call date in October 2020. Assuming AREIT calls at first call, the YTC is 149bps while the senior-perpetual spread has widened to 100bps, adjusting for tenor.
- Singapore Telecommunications Ltd ("SingTel") is the largest listed communications companies in Singapore. We do not find STSP 3.4875% '20s compelling as it offers a mere 39bps over swaps while results have been deteriorating amidst intense competition.
- StarHub Ltd ("StarHub") is a communications company listed in Singapore. We are Underweight the STHSP 3.95% PERP. Similar to SingTel, StarHub is facing intense competition which may pressure its credit profile. We also see risks that the call will not be exercised given its poor structure (5Y call but 10Y reset).
- Keppel Corp Ltd ("KEP") is a conglomerate listed in Singapore. We are Underweight the KEPSP 3.1% '20s. While KEP's access to financing markets remains strong, we expect credit metrics to weaken on large capital commitments and think 76bps over swaps is too tight.

Upcoming Bond Maturities – January 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Neptune Orient Lines Ltd/Singapore	NOLSP	300	22/01/2019*
RHT Health Trust	RHTSP	120	22/01/2019
Mapletree Treasury Services Ltd	MAPLSP	200	21/01/2019
Wilmar International Ltd	WILSP	100	25/01/2019
ARMF Whitesands Pte Ltd	ARMFSG	111	29/01/2019*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- City Developments Ltd: New Issue View (8 January 2019)
- Singapore Credit Outlook 2019 (7 January 2019)
- 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)
- Aspial Corp Ltd - New Issue View (2 October 2018)
- HSBC Holdings PLC - New Issue View (17 September 2018)
- Aspial 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)

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 Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	2.10	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.88	3.85	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	97.50	5.63	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	95.45	6.35	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.20	2.77	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.30	2.80	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.90	3.72	OW	OW

Singapore property developers

Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	97.92	7.10	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	96.54	7.54	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	100.25	5.78	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.65	2.29	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.90	2.49	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.65	3.09	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	97.70	3.38	N	N
City Developments Ltd	Pos (2)	CITSP 3 '20	02/04/2020	100.55	2.54	N	N
City Developments Ltd	Pos (2)	CITSP 3 '20	27/10/2020	100.40	2.77	OW	OW
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.21	2.83	OW	N
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.50	2.99	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	101.20	3.17	OW	OW
City Developments Ltd	Pos (2)	CITSP 3 '24	17/01/2024	100.00	3.00	N	
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.40	3.13	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	100.60	3.39	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	101.17	3.50	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	100.00	4.25	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	99.05	4.29	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.10	3.25	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.05	3.59	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	100.40	3.86	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.10	4.09	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	99.70	6.33	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.20	6.43	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	100.28	3.27	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.10	2.31	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.70	2.48	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.97	N	N
OUE Ltd	N (4)	OUESP 4.25 '19	30/10/2019	100.10	4.16	OW	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	97.60	5.78	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	94.50	5.61	OW	OW
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	93.00	5.38	N	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	98.88	6.52	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	98.94	5.97	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	90.00	9.54	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	102.20	3.16	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.40	3.51	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	101.25	3.92	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	103.47	3.95	OW	OW

Indicative prices from Bloomberg as of 9 January 2019

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	100.90	2.56	UW	UW
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.05	2.35	UW	UW
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.75	2.46	UW	UW
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.25	2.54	UW	N
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.70	2.74	N	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.40	2.77	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	98.20	2.89	N	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	100.10	3.12	N	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.10	3.07	N	OW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.50	3.47	OW	OW
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	100.90	3.32	UW	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.60	2.72	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.60	2.89	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.70	3.02	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.00	3.33	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.20	2.51	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	100.00	2.80	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.40	2.90	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.50	2.99	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	101.70	3.23	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	96.70	3.31	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	96.50	3.70	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	100.80	3.07	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	100.50	3.10	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.20	3.80	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.58	2.44	UW	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	96.80	3.38	OW	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.00	2.62	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.50	3.04	N	UW
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.25	3.16	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.60	3.35	OW	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.50	3.38	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	89.00	12.62	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	100.10	2.54	OW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.61	2.58	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	100.82	2.82	OW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	100.75	3.05	OW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	100.25	3.23	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	98.10	3.39	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	96.70	3.49	N	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.20	2.73	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.10	2.73	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	101.70	3.15	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	98.90	3.29	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.60	3.24	N	OW
Sabana Shari'ah Compliant REIT	N (5)	SSREIT 4.25 '19	03/04/2019	99.50	6.38	N	OW
Soilbuild Business Space REIT	N (5)	SBREIT 3.6 '21	08/04/2021	98.70	4.21	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.65	2.70	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.60	3.01	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	98.00	3.44	UW	N
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.70	2.71	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	99.90	3.04	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.30	3.26	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	97.70	3.40	UW	UW
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	100.30	3.32	UW	N

Indicative prices from Bloomberg as of 9 January 2019

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 '20	09/09/2019	98.60	5.54	OW	N
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21	15/10/2018	94.60	6.83	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.70	2.69	UW	N
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	99.90	3.18	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	101.70	3.35	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	101.10	3.44	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	07/09/2042	98.00	4.13	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	100.10	3.65	OW	N
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	UW	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	101.25	4.03	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.10	4.18	N	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.30	2.41	UW	UW

Others

Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.25	4.21	N	UW
Banyan Tree Holdings Ltd	N (5)	BTHSP 4.85 '20	05/06/2020	100.00	4.85	UW	N
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	03/07/2019	98.20	8.31	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.20	3.25	UW	UW
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	90.00	44.46	N	N
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	70.00	42.12	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	98.75	3.50	OW	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	97.50	3.54	OW	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	98.60	4.00	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	95.50	7.15	OW	N
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2022	97.55	3.57	OW	OW
Olam International Ltd	N (5)	OLAMSP 5.8 '19	17/07/2019	101.30	3.27	UW	UW
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	100.40	3.51	UW	UW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	104.50	4.69	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.10	2.47	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.05	2.66	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.10	3.10	N	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	99.10	3.19	N	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	99.40	3.22	N	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.10	3.39	N	UW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	101.30	2.87	N	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.40	2.34	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.35	2.37	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.50	2.52	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.56	2.92	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.20	3.52	N	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.00	3.60	N	N
Bank of China Ltd/Singapore*	N (3)	BCHINA 2.75 '19	30/06/2019	100.30	2.11	OW	OW
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.31	2.56	N	N
China Construction Bank Corp/Singapore	N (3)	CCB 2.643 '20	21/09/2020	100.31	2.45	N	N
China Construction Bank Corp/Singapore	N (3)	CCB 2.08 '20	26/10/2020	99.28	2.49	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	105.27	3.14	N	N

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

Indicative prices from Bloomberg as of 9 January 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
Ascendas REIT	N (3)	AREIT 4.75 'PERP	14/10/2020	102.25	3.42	OW	OW
Ascott Residence Trust	N (4)	ARTSP 5 'PERP	27/10/2019	101.20	3.50	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	100.90	4.05	N	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	97.25	5.55	UW	UW
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	94.30	6.32	OW	OW
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	85.00	7.48	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	100.15	4.39	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 'PERP	24/09/2019	100.55	4.14	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.75	4.34	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	93.35	5.96	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	93.30	5.32	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	95.00	5.58	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	99.70	4.75	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.20	3.72	OW	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	68.00	11.27	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	70.00	10.25	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	100.35	4.05	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	97.55	4.30	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	96.90	6.50	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.20	4.61	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	96.95	4.67	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	102.35	3.46	OW	OW
Soilbuild Business Space REIT	N (5)	SBREIT 6 'PERP	27/09/2021	99.50	6.20	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	97.10	4.37	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	94.65	5.81	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	94.50	5.14	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	102.29	3.67	OW	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	99.90	3.79	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	91.90	5.27	N	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	101.40	3.53	N	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.50	3.64	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	03/06/2021	101.65	3.77	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	101.40	4.40	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	98.40	4.59	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.10	4.64	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	102.40	3.16	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 'PERP	06/03/2019	100.74	2.82	N	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	100.15	3.96	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	100.40	4.57	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	100.30	4.93	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	100.90	5.39	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	100.60	5.55	N	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	98.60	4.21	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	101.70	3.73	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	100.90	3.90	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.57	UW	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.10	2.68	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	101.40	3.20	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	102.00	2.41	N	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.10	3.51	N	OW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/08/2022	101.00	3.69	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 9 January 2019

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

Disclaimer for research report

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "**Relevant Materials**") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "**Relevant Entity**") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("**MiFID**") and the EU's Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") (together referred to as "**MiFID II**"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).