

Monthly Credit View

Tuesday, 4 June 2019

Monthly Themes

- Following a firm finish to April and a solid start to the month, Trump's trade rhetoric progressively weighed on markets through May. While the high yield segment took the bigger brunt of the hit with the Bloomberg Barclays Asia USD HY Bond Index widening 38bps, higher quality credits were not immune with the Bloomberg Barclays Asia USD IG Bond Index widening by 11bps. This was the first pronounced widening in the IG space since the tightening in spreads that began in early January following the sharp correction in 4Q2018. Rates also retreated across the curve with 10Y UST yields starting the month at 2.50% and falling to 2.12% by the end of May. The rates outlook appears in general to have greater clarity on the forward trajectory, with the US Federal Reserve's stance that a patient approach to future rate movements "would likely remain appropriate for some time."
- With bearish sentiment prevailing through May as well as several public holidays, issuers weren't in the mood to issue with issuance in the Asia (ex-Japan) G3 space falling month on month to USD23.5bn (Apr 2019: USD37.1bn) though still higher y/y (May 2018: USD22.2bn). As expected, we saw increasing dispersion amongst primary issues with a lack of demand for true high yield issuers given the weaker macro-economic growth outlook, trade concerns and ongoing challenges to Brexit. High yield issuers that were seeking to come to market were made to pay up with Oceanwide Holdings Co Ltd and Kaisa Group Holdings Ltd issuing short tenor bonds with 2 year maturity and 2 year call respectively at yields above 10% while Mongolian issuers Trade and Development Bank of Mongolia and Tagan Bogd pulled USD bond deals in mid-May (albeit on legal and corporate governance concerns). While the Chinese government continues to appear supportive to the economy, the benefits appear to be localized towards state owned enterprises (2 May) with Chinese industrial issuers continuing to face stress. According to Bloomberg, Chinese onshore defaults for the first four months of the year are now three times the record levels of defaults seen in 2018 with more than 51 Chinese companies facing debt repayment pressure (May 31). The Chinese government's takeover of Baoshang Bank also raised concerns about underlying systemic risks in China's financial sector, particularly amongst smaller banks. Still, investors continue to look through the clouds for adequate reasons to deploy funds and this helped several high grade Chinese issuers including State Development & Investment Corp, Ltd (USD1bn over two tranches) and The Asian Infrastructure Investment Bank (debut USD2.5bn 5 year issue) attract strong investor demand with order books of USD4.7bn and 4.4bn respectively.
- The mood in the primary SGD space was similarly muted even though issuance volumes were noticeably higher month on month. Overall, SGD3.7bn was issued during May across 11 issues compared to SGD2.5bn in April (8 issues) and SGD 2.4bn in March (16 issues). A look at individual issuances however highlights the following trends: (1) all issuance occurred in the second half of the month with no primary deals done before May 14th; (2) over half of issuance (SGD2.1bn) were due to large deals by Land Transport Authority of Singapore (SGD1.4bn) and Housing &

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Development Board (SGD700mn) while high yield issuers continue to avoid the market; and (3) there was an increasing desire for duration as the month wore on with Land Transport Authority of Singapore issuing a 35 year bond and three new perpetuals being priced matching the total number of perpetuals issued in the first 4 months of the year.

- With the rates outlook still somewhat unclear (although the market is skewed towards future rate cuts), increasing aversion to true high yield issuers and still ample market liquidity searching for yield, we expect demand for duration will increase and that structural high yield papers (ie: perpetuals) from high grade issuers may rise in popularity. We advocate investors look at medium term duration to maximise returns and to remain mindful of the structure of perpetuals as they come to market including the incentives and likelihood of the instrument to call. Overall, we expect market dynamics will be in a push and pull mode between technical and fundamental factors and keep spreads sticky at current levels. Combined with the likely persistence of negative headlines and resultant market volatility, we think credit spreads have more potential to widen on downside risks given the significant rally YTD, despite some pullback in May. We prefer high quality credits that are better able to withstand market influences amongst a slowdown in global economic growth and uncertainties over trade and typically exhibit less cash price volatility throughout the cycle. We also think higher grade issuances have more potential to benefit from lower interest rates/potential rate cuts in the horizon.

Issuer Profile Changes / Updates

- We are **suspending coverage on CWT International Ltd (“CWTI”)**, parent company of CWT Pte Ltd (“CWT SG”). CWT SG is the bond issuer of CWTSP 4.8% ‘20s with an outstanding amount of SGD100mn. We had formerly cover CWT SG directly although post-delisting, we have assumed coverage of CWT SG via CWTI instead, with CWT SG had been the main asset and profit generator at CWTI. In April 2019, CWTI announced that it was unable to repay lenders on one of its’ secured facilities. As such, the security agent of the charged assets under this facility has taken enforcement actions over CWTI’s assets, including its 100%-stake in CWT SG. Subsequent to this announcement, the media has reported that CWT SG has been placed under receivership, although day-to-day operations remain per usual for now. Due to the lack of public information over the receivership process and other pertinent information (eg: financial, business and management changes) we are no longer able to credibly maintain our issuer profile on CWTI. We last held CWTI at an issuer profile of Negative (6).
- We are **suspending coverage on CMA CGM** (previously acquired Neptune Orient Lines (“NOL”)). [CMA CGM’s 1Q2019 results](#) were weaker than expected with underlying expense growth (excluding the impact of the recently acquired CEVA Logistics “CEVA”) outpacing revenue growth. Combined with the debt funded acquisition of CEVA along with the recognition of lease liabilities under IFRS16, net gearing rose substantially to 319%. We are reviewing our Neutral (5) issuer profile in the context of the weaker numbers and industry outlook from prevailing negative sentiment towards global growth and the impacts from on-going trade negotiations between the US and China and . Note that we [had previously lowered CMA CGM’s issuer profile](#) to Neutral (5) from Neutral (4) on the expectation that the weaker financial metrics due to additional leverage from the acquisition more than offsets any potential synergies from the business combination.
- 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: **QUE Limited, Shangri-La Asia Ltd.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC’s engagement: **Metro Holdings Ltd, Keppel Corporation Limited.**

Trade Ideas

- While we expect City Development Ltd's credit profile to weaken due to its SGD1.35bn investment into Sincere property Group and Hongqiao Property in China, we expect net gearing to remain manageable at ~40%. We now hold the issuer profile at Neutral (3) after lowering the issuer profile from Positive (2) since 17 May 2019. The CITSP 3.48% '23s have a YTM of 2.92% and offer a 106bps spread to swaps. Adjusting for tenor, the CITSP 3.48% '23s offers a 15bps pick up against a CAPLSP 3.8% '24s.
- Sembcorp Industries Ltd's income contribution is now mainly derived by its Energy segment (previously known as Utilities) which generated a profit from operations excluding exception items of SGD216mn in 1Q2019. Net gearing was slightly lower at 1.09x as at 31 March 2019. The SCISP 4.75%-PERP is now trading at a YTC to first call of 3.79%. While the reset date of the SCISP 4.75%-PERP only occurs in May 2025, it faces first call in May 2020. We see probability of a call as high as in our view, SCISP would be able to replace this perpetual at a lower cost.

Upcoming Bond Maturities – June 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Banyan Tree Holdings Ltd	BTHSP	125	03/06/2019
DBS Group Holdings Ltd	DBSSP	805	03/06/2019*
Citydev Nahdah Pte Ltd	CITSP	50	04/06/2019
PSA Corp Ltd	PSASP	300	05/06/2019
GSH Corp Ltd	GSHSP	60	07/06/2019
Housing & Development Board	HDBSP	150	11/06/2019
Aspial Corp Ltd	ASPSP	62.75	12/06/2019
Commonwealth Bank of Australia	CBAAU	240	13/06/2019*
Hyflux Ltd	HYFSP	400	12/06/2019*
Housing & Development Board	HDBSP	500	18/06/2019
KrisEnergy Ltd	KRISSP	130	22/06/2019*
ASL Marine Holdings Ltd	ASLSP	92	28/06/2019*
Commonwealth Bank of Australia	CBAAU	120.7	29/06/2019*
Bank of China Ltd/Singapore	BCHINA	500	30/06/2019

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- City Developments Ltd: Credit Update (17 May 2019)
- Century Sunshine Group Holdings Limited: Credit Update (22 April 2019)
- Metro Holdings Limited: New Credit Review (16 April 2019)
- Lendlease Group: New Credit Review (10 April 2019)
- Shangri-La Asia Limited: New Credit Review (9 April 2019)
- Hong Fok Corporation: New Issue View (20 March 2019)
- First Real Estate Investment Trust ("FIRT") and Lippo Malls Real Estate Retail Trust ("LMRT"): Credit Update (15 March 2019)
- CMA CGM: Credit Update (6 March 2019)
- Hyflux Ltd: Special Interest Commentary (21 February 2019)
- Hyflux Ltd: Special Interest Commentary (01 February 2019)
- Oxley Holdings Ltd: Credit Update (24 January 2019)
- ASL Marine Holdings Ltd ("ASL"): Special Interest Commentary (21 January 2019)
- CapitalLand Ltd / Ascendas Pte Ltd / Ascendas REIT and Ascendas Hospitality Trust: Credit Update (18 January 2019)
- City Developments Ltd: New Issue View (8 January 2019)
- Singapore Credit Outlook 2019 (7 January 2019)

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

China Aoyuan Group Ltd	N (5)	CAPG 7.15 '21	07/09/2020	102.00	7.00	OW	N
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	1.58	UW	UW
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	100.73	3.68	OW	
Metro Holdings Ltd	N (4)	METRO 4.3 '24	02/04/2024	100.55	4.17	OW	
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	99.73	4.92	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	98.80	5.06	N	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	98.00	5.27	N	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	103.85	2.64	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.10	2.62	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.00	3.63	OW	OW

Singapore property developers

Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	98.54	7.27	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	94.59	10.27	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.00	1.94	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.45	2.32	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	104.45	2.88	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	98.50	3.29	N	N
City Developments Ltd	N (3)	CITSP 3 '20	02/04/2020	100.37	2.57	N	N
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.57	2.59	N	OW
City Developments Ltd	N (3)	CITSP 2.93 '21	24/03/2021	100.52	2.63	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	06/07/2022	102.82	2.79	N	OW
City Developments Ltd	N (3)	CITSP 3.48 '23	03/04/2023	101.90	2.95	OW	OW
City Developments Ltd	N (3)	CITSP 3 '24	17/01/2024	100.48	2.89	N	OW
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	103.82	3.01	OW	OW
City Developments Ltd	N (3)	CITSP 3.48 '26	15/06/2026	101.70	3.21	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	102.15	2.99	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	101.95	3.92	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	100.85	4.02	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	100.98	3.06	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.65	3.25	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.20	3.52	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	101.20	3.50	UW	UW
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	99.70	6.53	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.20	6.48	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/03/2022	100.80	3.90	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.35	2.28	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.81	UW	UW
Oxley Holdings Ltd	N (5)	OHLSP 5 '19	05/11/2019	99.76	5.56	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	98.73	6.65	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	89.00	10.53	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	101.50	3.33	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.75	3.30	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	102.55	3.52	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	104.50	3.66	OW	OW

Indicative prices from Bloomberg as of 4 June 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.65	2.40	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.20	2.54	OW	N
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	104.00	2.45	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.70	2.61	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	99.00	2.72	OW	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	101.30	2.89	OW	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.75	2.76	UW	N
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	102.45	2.93	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	104.35	3.02	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.10	2.91	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.40	2.97	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.30	3.10	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.40	3.25	OW	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	100.60	2.77	OW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	100.10	2.77	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.30	2.90	OW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.90	2.87	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	100.90	3.04	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/02/2026	100.40	3.08	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	102.00	3.17	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	96.80	3.32	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	96.80	3.68	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	101.10	2.87	UW	UW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.50	3.45	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.50	2.22	UW	UW
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	97.50	3.27	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.05	2.57	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.80	2.93	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	99.00	2.97	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '22	08/11/2024	99.20	3.24	N	UW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.60	3.14	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	97.00	7.22	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.54	2.34	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.10	2.59	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	101.40	2.85	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	101.60	2.95	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	100.00	3.11	UW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	98.70	3.23	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.15	2.67	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.80	2.75	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	103.10	2.65	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	100.80	2.80	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	101.10	2.91	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/03/2029	102.00	3.34	UW	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.60	2.55	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	102.00	2.86	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	99.20	3.26	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.60	2.48	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	100.00	3.00	OW	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.80	3.10	OW	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	101.10	3.10	OW	N
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	99.05	3.09	OW	N
Suntec REIT	N (4)	SUNSP 3.355 '25	07/02/2025	100.30	3.30	N	N

Indicative prices from Bloomberg as of 4 June 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Offshore & Marine and Logistics							
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.85	2.48	N	
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	100.80	2.83	N	
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	103.25	2.95	N	
Keppel Corp Ltd	N (4)	KEPSP 3 '24	07/05/2024	100.20	2.96	UW	
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	100.80	3.51	OW	
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	07/05/2029	100.40	3.61	UW	
Keppel Corp Ltd	N (4)	KEPSP 4 '42	09/07/2032	98.00	4.20	N	
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	101.05	2.49	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	100.40	2.77	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	102.00	3.20	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	103.00	3.71	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	98.50	3.83	OW	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.08	2.20	UW	UW

Others

BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.80	3.76	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	01/03/2020	96.50	92.73	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	99.71	3.20	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	98.76	3.21	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	100.34	3.75	OW	OW
Golden Agri-Resources Ltd	N (5)	GGSP 4.75 '21	25/01/2021	96.00	7.50	OW	OW
Lendlease Group	N (4)	LLCAU 3.28 '21	03/09/2021	100.06	3.25	OW	
Lendlease Group	N (4)	LLCAU 3.9 '27	27/04/2027	100.65	3.80	OW	N
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	104.90	4.43	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	100.85	2.45	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.09	2.54	OW	OW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	101.15	2.88	OW	OW
Singapore Airlines	N (3)	SIASP 3.03 '24	28/03/2024	100.90	2.83	N	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.90	2.88	N	OW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	100.35	2.97	N	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	100.10	3.11	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	99.65	3.18	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.15	2.14	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.42	2.25	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.84	2.33	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	101.09	2.73	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	101.30	3.34	OW	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.50	3.48	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/09/2020	100.28	2.44	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.55	2.42	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.00	2.80	OW	OW

Indicative prices from Bloomberg as of 4 June 2019

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						Current	Previous
Corporate perpetuals							
Ascendas REIT	N (3)	AREIT 4.75 'PERP	14/10/2020	102.30	3.04	N	N
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	101.80	2.99	UW	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	99.35	4.43	N	UW
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	96.55	5.72	N	N
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	90.90	10.59	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	101.45	3.66	N	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 'PERP	24/09/2019	100.45	3.32	N	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.55	4.27	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	95.80	5.34	N	N
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	96.96	4.82	N	N
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	04/11/2024	100.98	4.75	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	100.00	4.60	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	99.50	4.83	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.60	3.10	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	90.00	12.05	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	90.00	10.02	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.45	3.56	N	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	99.55	3.77	N	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	100.00	5.51	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.90	3.81	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	99.65	3.82	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	102.95	3.12	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	98.52	4.17	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	99.45	4.28	UW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/05/2024	99.70	4.54	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	98.85	4.52	UW	UW

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNAV 4.75 '26	04/01/2021	102.90	3.10	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	100.70	3.48	OW	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.25	4.87	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	103.80	3.46	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	12/03/2020	101.80	3.09	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.70	3.34	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	06/03/2021	102.00	3.45	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.10	4.05	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	100.00	4.19	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.00	4.70	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	103.10	3.42	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	103.00	2.93	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.20	4.27	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	102.50	4.35	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.00	4.50	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	102.70	4.73	N	N
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	100.00	3.74	OW	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.10	3.30	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/04/2024	101.08	5.87	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.70	3.40	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.42	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	100.80	2.94	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.80	3.04	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	100.70	2.77	OW	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	103.30	2.75	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	08/12/2022	101.80	3.40	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 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.

Please note that Bond Recommendations are dependent on a bond’s price, underlying risk free rates and an implied credit spread that reflects the strength of the issuer’s credit profile. Bond Recommendations may not be relied upon if one or more of these factors change.

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 financial interests in the following above-mentioned issuers or companies as at the time of the publication of this report: Singapore Airlines Ltd, GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust, Frasers Hospitality Trust, CapitaLand Commercial Trust, Mapletree Commercial Trust, Sabana Shari'ah Compliant Industrial REIT, Oxley Holdings Ltd, United Overseas Bank Ltd.

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