

Monthly Credit View

Friday, 3 May 2019

Monthly Themes

- Following a 5bps tightening in March on the Bloomberg Barclays Asia USD IG Bond Index, April similarly saw a 5bps tightening. Conversely, the Bloomberg Barclays Asia USD HY Bond Index widened 13bps in April after tightening in both February and March. Instead of a continuous non-stop tightening during the month, IG-spreads flattened out during the last week of April and climbed 1bps through end-April. The rally in high yield looks to be losing steam without immediate catalysts for a further narrowing of spreads. With the global growth outlook tepid and investors still with cash to put to work, we think IG may continue to tighten, albeit at a slower pace.
- April was a solid month for Asiadollar (ex-Japan) issuance, although at ~USD35.5bn was lower than USD37.1bn in April 2018. This was driven by financials and Tencent Holding Ltd's USD6.0bn bumper deal across five tranches which was the largest Asia dollar (ex-Japan) bond deal for the year to date. The deal was well taken up by the market and attracted orders of USD24bn (4.0x orderbook). Highly levered property developer China Evergrande Group priced USD2.0bn across three tranches on 9 April 2019 and re-tapped the market for an additional USD1.0bn across two tranches on 15 April 2019. Other large corporate issuers in April included CK Hutchison International (19) Ltd and Industrial & Commercial Bank of China Ltd pricing USD1.5bn respectively while LG Chem Ltd, AIA Group Ltd and Resorts World Las Vegas priced USD1.0bn each. In the broader emerging market, Saudi Arabian Oil Co ("Saudi Aramco") priced USD12.0bn worth of bonds, in a deal that attracted USD100bn in demand although the bonds underperformed in the aftermarket, indicative of speculative demand.
- After an active SGD primary market in March with SGD2.4bn issued, April was similarly busy with SGD2.5bn issued, higher than April 2018 which only saw SGD 0.9bn being printed. Main issues during the month were Societe Generale SA's SGD750mn Additional Tier 1 paper and Credit Agricole SA's SGD325mn first Tier 2 paper in SGD for funding diversification. Corporate issues included Frasers Property Limited's SGD400mn perpetual and ARA Asset Management Limited with a SGD100mn in maiden senior bonds. While negative events in the SGD bond space continued dominating headlines (eg: Hyflux and CWT Pte Ltd), these headlines did not have a marked impact on demand for deals priced in April 2019, which were from higher grade issuers. In our view, this is indicative of a market that is increasingly aware of credit differentiation and idiosyncratic events leading to events at Hyflux Ltd and CWT Pte Ltd. While the market and media is now highly attuned to credit risk events in the SGD space, at OCBC Credit Research we have consistently assumed that credit stress exists in any functioning market. For us, the key question to answer is whether or not investors are being paid sufficiently for assuming certain credit risk. That is to say, we do not shy away from higher credit risk issuers (those falling below Neutral (4)) and subordinated structures (eg: perpetuals) if the risk-rewards are favorable.

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Issuer Profile Changes / Updates

- We [downgraded Century Sunshine Group Holdings Limited](#) (“CENSUN”) from issuer profile of Neutral (5) to Negative (6) on the back of expectations over heightened competition of its businesses and crimping of financial flexibility where it no longer meets Neutral (5) under our Issuer Profile Score (“IPS”) scale.
- We [initiated coverage on Metro Holdings Limited](#) (“METRO”) with a Neutral (4) issuer profile. METRO is a listed company in Singapore with a market capitalisation of SGD831mn. The principal activities of the Group are property investment and development, and retail operations. METRO has an experienced management team as well as an extensive network of business partners. These have allowed the Group to exhibit strong ability to recycle capital and venture into new geographical locations and segments within a property market over the years. METRO also has healthy credit metrics, with net gearing (excluding pledged fixed deposits) at just 3% at present. The potential constraints to its credit profile are its significant exposure to China and substantial amount of associates and JVs.
- We [initiated coverage on Lendlease Group](#) (“LLC”) with a Neutral (4) issuer profile. LLC is a leading property company listed on the Australian Securities Exchange (“ASX”) with a market cap of AUD7.6bn. LLC develops, constructs and manage property and infrastructure assets in Australia, Asia, Europe and Americas. LLC boasts of AUD34.1bn Funds under Management and AUD26.6bn Assets under Management. Without accounting for development and construction segments which are more volatile, we estimate that recurring EBITDA from the investments segment should amount to ~AUD400mn p.a., which covers gross interest expense by 3.2x. Credit metrics is decent with net gearing of 37% with ample liquidity of AUD1.09bn and AUD1.02bn of undrawn facilities.
- We [initiated coverage on Shangri-La Asia Limited](#) (“SHANG”) with a Neutral (4) issuer profile. SHANG is an established hotel owner and operator, focused on the Asia-Pacific region. Its predecessor and related entities set up the first “Shangri-La” in Singapore in 1971, Hong Kong in 1981 and was an early entrant into the Mainland China luxury hotel market in 1984. SHANG’s credit profile is underpinned by its recurring income stream from the Hotel Properties segment and Mainland China-focused Investment Properties segment with an asset base that is largely unencumbered. Constraining its credit profile is its’ leverage levels (adjusted net gearing of 0.91x, assuming non-cancellable operating leases taken as debt) and extensive holdings of properties via associates.
- 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: **OUE Limited, Metro Holdings Ltd, Keppel Corporation Limited**.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC’s engagement: **Frasers Property Limited**.

Trade Ideas

- China Aoyuan Group Limited (“CAPG”), listed in Hong Kong, focuses on property development mainly in China and has an established positioning in the Greater Bay Area. We prefer the SGD-denominated CAPG 7.15% ‘21s which pays ~70bps above the USD-bond with the same put date. However, if we compare the CAPG 7.15% ‘21s with other Chinese property development peers in the SGD market, the bond is trading tight in our view which suggests to investors to take profit on the CAPG 7.15% ‘21s and reinvest the proceeds elsewhere. One possibility is Oxley Holdings Ltd (“OHLSP”, Issuer profile Neutral (5))’s OHLSP 5.0% ‘19s has a short maturity in November 2019 and trading at 344bps above swap while the OHLSP 5.15% ‘20s are trading at 456bps above swap.
- Frasers Property Ltd (“FPL”) is a leading Singapore developer by total assets

(SGD32.8bn as of end Dec 2018), sponsoring REITs including Frasers Centrepoint Trust, Frasers Commercial Trust, Frasers Hospitality Trust and Frasers Logistics and Industrial Trust. The 4 REITs provide significant contributions, upstreaming an estimated ~SGD120mn dividends p.a. and providing an avenue for FPL to recycle assets. As such, we remain comfortable with FPL's credit profile with net gearing at 87%. We think the new FPLSP 4.98% PERP look interesting as it provides a decent yield with a good structure with the first call, reset and step-up dates coinciding in 2024.

Upcoming Bond Maturities – May 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Neptune Orient Lines Ltd/Singapore	NOLSP	300	07/05/2019*
SP PowerAssets Ltd	SPSP	75	15/05/2019
Ascendas Real Estate Investment Trust	AREIT	95	16/05/2019
G8 Education Ltd	GEMAU	270	18/05/2019
AACI REIT MTN Pte Ltd	AAREIT	50	21/05/2019
Frasers Property Treasury Pte Ltd	FPLSP	500	22/05/2019*
Hyflux Ltd	HYFSP	400	22/05/2019*
Housing & Development Board	HDBSP	675	28/05/2019

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- 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	102.80	6.38	N	OW
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	1.72	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.10	4.49	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	98.70	5.00	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	97.60	5.39	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	103.85	2.70	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.15	2.66	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.00	3.65	OW	OW
Singapore property developers							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	95.88	10.43	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	95.02	9.36	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.20	1.91	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.55	2.34	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	104.60	2.86	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	98.50	3.28	N	UW
City Developments Ltd	Pos (2)	CITSP 3 '20	02/04/2020	100.43	2.54	N	N
City Developments Ltd	Pos (2)	CITSP 3 '20	27/10/2020	100.40	2.72	OW	N
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.59	2.61	N	N
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.75	2.84	OW	N
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	102.00	2.94	OW	N
City Developments Ltd	Pos (2)	CITSP 3 '24	17/01/2024	99.70	3.07	OW	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.62	3.06	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	101.80	3.20	OW	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	102.19	3.01	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	102.00	3.92	OW	N
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	101.00	4.00	OW	N
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	100.90	3.20	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.70	3.24	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.57	3.40	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	101.40	3.45	UW	UW
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	99.70	6.41	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.20	6.47	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/03/2022	100.20	4.12	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.50	2.25	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.85	UW	UW
Oxley Holdings Ltd	N (5)	OHLSP 5 '19	05/11/2019	98.77	7.55	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	97.50	7.86	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	85.10	12.23	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	101.50	3.35	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.75	3.32	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	102.55	3.54	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	104.52	3.67	OW	OW

Indicative prices from Bloomberg as of 3 May 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	2.42	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.20	2.55	N	N
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	104.00	2.49	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.70	2.62	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	98.75	2.78	N	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	100.90	2.97	N	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.20	2.95	N	N
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	101.80	3.09	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	103.60	3.20	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.40	2.78	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.70	2.87	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.80	2.99	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.70	3.20	OW	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.00	2.52	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.18 '23	13/03/2023	100.10	2.77	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.80	2.79	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	103.00	2.86	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	101.10	3.01	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	102.30	3.12	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	97.10	3.27	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	97.10	3.65	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.125 '22	04/07/2022	101.10	2.88	UW	UW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.50	3.46	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.55	2.24	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	2.58	N	UW
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	2.96	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	99.20	3.24	UW	UW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.40	3.19	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	89.75	14.14	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.58	2.37	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.20	2.56	UW	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	101.25	3.03	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	99.40	3.20	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	98.75	3.22	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.20	2.67	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.85	2.75	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	103.10	2.68	UW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	100.80	2.81	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	101.10	2.92	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/03/2029	101.40	3.41	N	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.60	2.59	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	102.00	2.87	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	99.20	3.26	UW	N
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.60	2.58	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	100.10	2.95	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	100.00	3.02	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	101.40	3.03	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	99.10	3.08	N	N
Suntec REIT	N (4)	SUNSP 3.355 '25	07/02/2025	100.25	3.31	N	N

Indicative prices from Bloomberg as of 3 May 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	8.67	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21	21/05/2019	94.60	100.00	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	101.10	2.54	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	100.10	2.90	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	101.00	3.42	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	99.10	3.73	N	OW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.15	2.23	UW	UW
Others							
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.85	3.75	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	07/03/2019	96.50	49.48	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	99.59	3.24	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	98.50	3.28	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	100.60	3.71	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	96.25	7.08	OW	OW
Lendlease Group	N (4)	LLCAU 3.9 '27	27/04/2027	100.15	3.88	N	
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.00	4.43	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	104.90	3.65	N	
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	100.90	2.44	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	100.80	2.72	OW	OW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	100.90	2.94	OW	N
Singapore Airlines	N (3)	SIASP 3.03 '24	28/03/2024	100.80	2.85	N	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.60	2.96	OW	OW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	100.10	3.02	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	100.00	3.13	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	23/08/2027	99.50	3.20	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.10	2.30	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.44	2.26	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.70	2.41	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	101.10	2.73	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	101.12	3.37	N	N
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.65	3.45	N	N
Bank of China Ltd/Singapore*	N (3)	BCHINA 2.75 '19	30/06/2019	100.10	2.10	N	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.32	2.50	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	99.40	2.49	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.00	2.78	OW	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	107.89	2.64	UW	UW

Indicative prices from Bloomberg as of 3 May 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	102.30	3.11	N	N
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	101.70	3.18	UW	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	99.35	4.36	UW	UW
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	93.80	6.60	N	N
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	91.00	10.40	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	101.45	3.71	OW	N
Frasers Property Ltd	N (4)	FPLSP 4.88 'PERP	24/09/2019	100.40	3.78	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.50	4.41	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	95.50	5.40	N	N
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	96.41	4.89	N	N
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	04/11/2024	101.60	4.61	OW	
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	100.30	4.52	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	100.10	4.62	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.50	3.25	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	90.00	11.88	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	90.00	9.95	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.65	3.51	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	99.80	3.70	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	99.40	5.71	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	101.50	3.30	N	OW
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	103.00	3.13	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	98.76	4.13	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	99.95	4.10	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	99.12	4.48	UW	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	04/01/2021	103.00	3.12	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	100.80	3.45	OW	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.50	4.81	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	12/03/2020	102.00	3.00	OW	OW
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	103.90	3.45	N	N
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.90	3.24	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	06/03/2021	102.20	3.40	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.10	4.07	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	100.40	4.09	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.10	4.63	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	103.10	2.92	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	103.40	3.38	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.70	4.11	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	102.90	4.26	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.20	4.42	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	102.90	4.69	N	N
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	100.10	3.72	OW	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.10	3.33	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.80	3.38	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/04/2024	101.40	5.79	N	
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.44	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	100.90	2.64	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	103.50	2.72	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	101.00	2.94	OW	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.85	3.07	OW	OW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	08/12/2022	102.10	3.32	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 3 May 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 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.

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