

### Market Commentary

- The SGD swap curve bear-steepened last Friday, with the shorter tenors traded 0-4bps higher, while the belly and longer tenors traded around 4bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 128bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 506bps. The HY-IG Index spread tightened 1bps to 377bps.
- Flows in SGD corporates were heavy, with large ticket flows in CAPLSP 3.65%-PERPs. We also saw flows in SPHSP 4.0%-PERPs and UBS 4.85%-PERPs.
- 10Y UST Yields rose 1bps to 1.83%, rising on fresh hopes on progress of a US-China trade deal. Though this was partially offset by weaker than expected retail sales data for October.

### Credit Research

**Andrew Wong**

+65 6530 4736

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

**Ezien Hoo, CFA**

+65 6722 2215

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei, CFA**

+65 6722 2533

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

**Seow Zhi Qi**

+65 6530 7348

[zhiqiseow@ocbc.com](mailto:zhiqiseow@ocbc.com)

### Credit Summary:

- [Frasers Property Ltd](#) | **Neutral (4)**: FPL reported FY2019 results for the year ended 30 Sep. Revenue fell 12.2% y/y to SGD3.79bn while reported PBIT fell 3.0% y/y to SGD1.29bn. The Singapore and Australia contributed to the decline, with the hospitality business stable. Europe & rest of Asia showed stronger performance. Net gearing rose q/q to 85.9% (3QFY2019: 73.6%). Although credit metrics are weakened somewhat, with recurring income making up an increased 75% of total reported PBIT (FY2018: 59%), we continue to hold FPL at a Neutral (4) Issuer Profile for now.

## Asian Credit Daily

### Credit Headlines

#### Frasers Property Ltd (“FPL”) | Issuer Profile: Neutral (4)

- FPL reported FY2019 results for the year ended 30 Sep. Revenue fell 12.2% y/y to SGD3.79bn mainly due to the decline in contribution from residential development, especially from the Singapore SBU (residential revenue fell by SGD766mn y/y to SGD122mn due to absence of contribution from fully sold Parc Life EC and North Park Residences in FY2018) and Australia SBU (with fewer settlements at Tailor’s Walk in New South Wales).
- Meanwhile, reported PBIT fell 3.0% y/y to SGD1.29bn, impacted by lower revenue from residential development though investment properties mitigated the decline, resulting in differing results from the key SBUs:
  - Singapore SBU: PBIT declined 4% y/y to SGD466mn mainly due to decline in revenue from residential properties though PBIT from commercial properties increased SGD58mn y/y to SGD139mn, mainly attributable to contributions from newly acquired PGIM Real Estate AsiaRetail Fund Ltd and higher contributions from south wing of Northpoint City and Frasers Tower.
  - Australia SBU: Australia SBU PBIT declined 19% y/y to SGD281mn mainly due to residential properties (PBIT from residential properties: decline by 58% y/y to SGD55mn) from the decline in revenue though overall PBIT for the SBU is buffered with Frasers Logistics and Industrial Trust reporting 18% y/y increase in PBIT to SGD168mn from European assets acquired in May 2018.
  - Hospitality SBU: Revenue constant at SGD798mn with PBIT at SGD132mn
  - Europe & rest of Asia: Revenue grew 39% y/y to SGD801mn and PBIT increased 8% y/y to SGD467mn. Mainly due to contributions from consolidation of Golden Land and higher contributions from development projects in China.
- Net gearing rose q/q to 85.9% (3QFY2019: 73.6%). This is due to the consolidation of PGIM ARF (with FPL and FCT increasing their combined stake to 88%) and Golden Land (with ~SGD797mn in debt). Although credit metrics are weakened somewhat, with recurring income making up an increased 75% of total reported PBIT (FY2018: 59%), we continue to hold FPL at a Neutral (4) Issuer Profile for now. (Company, OCBC)

## Asian Credit Daily

### Key Market Movements

	18-Nov	1W chg (bps)	1M chg (bps)		18-Nov	1W chg	1M chg
iTraxx Asiax IG	64	0	-6	<b>Brent Crude Spot (\$/bbl)</b>	63.31	1.82%	6.55%
iTraxx SovX APAC	30	1	-2	<b>Gold Spot (\$/oz)</b>	1,469.24	0.92%	-1.40%
iTraxx Japan	54	0	-6	<b>CRB</b>	181.00	0.01%	2.99%
iTraxx Australia	57	0	-5	<b>GSCI</b>	420.50	0.33%	3.39%
CDX NA IG	51	0	-4	<b>VIX</b>	12.05	-5.34%	-15.44%
CDX NA HY	107	0	0	<b>CT10 (%)</b>	1.819%	-12.30	6.51
iTraxx Eur Main	49	0	-4				
iTraxx Eur XO	232	3	1	<b>AUD/USD</b>	0.682	-0.50%	-0.57%
iTraxx Eur Snr Fin	59	1	-1	<b>EUR/USD</b>	1.106	0.21%	-0.99%
iTraxx Eur Sub Fin	122	4	2	<b>USD/SGD</b>	1.361	-0.01%	0.24%
iTraxx Sovx WE	13	0	0	<b>AUD/SGD</b>	0.928	0.49%	0.82%
<b>USD Swap Spread 10Y</b>	-10	0	-3	<b>ASX 200</b>	6,760	-0.19%	1.66%
<b>USD Swap Spread 30Y</b>	-39	0	-2	<b>DJIA</b>	28,005	1.17%	4.61%
<b>US Libor-OIS Spread</b>	36	1	1	<b>SPX</b>	3,120	0.89%	4.50%
<b>Euro Libor-OIS Spread</b>	5	-1	1	<b>MSCI Asiax</b>	649	-0.52%	2.66%
				<b>HSI</b>	26,327	-4.79%	-1.47%
<b>China 5Y CDS</b>	38	1	-3	<b>STI</b>	3,239	-0.78%	4.00%
<b>Malaysia 5Y CDS</b>	41	1	-5	<b>KLCI</b>	1,595	-0.93%	1.50%
<b>Indonesia 5Y CDS</b>	73	-1	-10	<b>JCI</b>	6,128	-0.80%	-1.03%
<b>Thailand 5Y CDS</b>	27	1	-1	<b>EU Stoxx 50</b>	3,712	0.32%	3.69%
<b>Australia 5Y CDS</b>	17	0	-1				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- Zhenjiang Cultural Tourism Industry Group Co., Ltd priced a USD230mn 3-year bond at 7.5%, in line with IPT.
- Phoenix Charm International Investment Limited (Guarantor: Danyang Investment Group Co., Ltd.) priced a USD205mn 3-year bond at 7.0%, in line with final guidance.
- TMB Bank Public Company Limited scheduled investor meetings commencing 18 Nov for its proposed USD AT1 Perpetual bond offering.
- AAC Technologies Holdings Inc scheduled investor meetings commencing 18 Nov for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
15-Nov-19	Zhenjiang Cultural Tourism Industry Group Co., Ltd	USD230mn	3-year	7.5%
15-Nov-19	Phoenix Charm International Investment Limited	USD205mn	3-year	7.0%
14-Nov-19	Adani Transmission Limited	USD500mn	16.5-year	4.25%
14-Nov-19	Shanghai Electric Group Global Investment Limited	USD500mn	5-year	T+102.5bps
14-Nov-19	Chalieco Hong Kong Corporation Limited	USD350mn	NC3.5-Perpetual	5.0%
14-Nov-19	Korea Railroad Corp	USD150mn	5-year FRN	3m-US LIBOR+70bps
13-Nov-19	Fantasia Holdings Group Co., Ltd	USD150mn	FTHDGR 12.25%'22s	13.7%
13-Nov-19	ICBCIL Finance Co. Limited	USD600mn	5-year FRN	3m-US LIBOR+105bps
13-Nov-19	Nanyang Commercial Bank, Limited	USD700mn	10NC5	T+218bps
13-Nov-19	Tata Motors Limited	USD300mn	5.5-year	5.875%
13-Nov-19	Mapletree Commercial Trust	SGD250mn	10-year	3.05%
12-Nov-19	Doosan Infracore Co., Ltd	USD300mn	3-year	T+60bps
12-Nov-19	Hongkong Ideal Investment Limited	USD40mn	BJHKWY 14.75%'22s	14.75%
11-Nov-19	RKPF Overseas 2019 (E) Limited	USD300mn	NC5-Perpetual	7.75%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

---

## Macro Research

**Selena Ling***Head of Research & Strategy*[LingSSSelena@ocbc.com](mailto:LingSSSelena@ocbc.com)**Howie Lee***Thailand, Korea &**Commodities*[HowieLee@ocbc.com](mailto:HowieLee@ocbc.com)**Tommy Xie Dongming***Head of Greater China**Research*[XieD@ocbc.com](mailto:XieD@ocbc.com)**Carie Li***Hong Kong & Macau*[carierli@ocbcwh.com](mailto:carierli@ocbcwh.com)**Wellian Wiranto***Malaysia & Indonesia*[WellianWiranto@ocbc.com](mailto:WellianWiranto@ocbc.com)**Dick Yu***Hong Kong & Macau*[dicksnyu@ocbcwh.com](mailto:dicksnyu@ocbcwh.com)**Terence Wu***FX Strategist*[TerenceWu@ocbc.com](mailto:TerenceWu@ocbc.com)

## Credit Research

**Andrew Wong***Credit Research Analyst*[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)**Ezien Hoo***Credit Research Analyst*[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)**Wong Hong Wei***Credit Research Analyst*[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)**Seow Zhi Qi***Credit Research Analyst*[ZhiQiSeow@ocbc.com](mailto:ZhiQiSeow@ocbc.com)

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 Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

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).