

Monthly Credit View

Wednesday, 02 August 2017

Monthly Themes

- With another month of unprecedented issuance volumes with USD23.4bn priced in the Asia dollar space, July sounded like a broken record after the record issuance levels in 1H2017. The largest issuer was state owned China National Chemical Corp, which priced a USD3bn three tranche issuance 35bps tighter than initial guidance and drew total orders of USD11.7bn. In addition, the Republic of Indonesia priced a two tranche USD2bn deal, taking advantage of its relatively new investment grade status across all three major rating agencies, following the sovereign rating upgrade by Standard & Poor's in May 2017 to add to the positive outlooks on the existing 'Baa3/BBB-' ratings by Moody's and Fitch respectively. Issuance by Chinese companies continues to a strong driver of volumes as the National Development and Reform Commission's restrictions on offshore bond issuance was somewhat relaxed, contributing over 50% of issuance in July, while Korean and Indian issuers were also active during the month. High yield issuers also tested the waters to take advantage of the on-going strong technical environment and ample market liquidity searching for yield with the Credit Suisse Asian Bond Index at its lowest point since the Global Financial Crisis and the Bloomberg Barclays Global High Yield Average Option Adjusted Spread Credit Suisse Asian Bond Index approaching its lowest point over the same period.
- That said, the market could be singing a new tune in the month of August with a relatively benign month for JACI spreads up to July 28th giving way to a noticeable widening in the JACI HY spreads by 13bps in the last few days of July. This coincided with a risk off tone at the end of the month with three high yield deals (SGX-listed Indonesian coal miner Geo Energy Resources, Chinese financial leasing company Lionbridge Capital and Indian renewable energy company Continuum Energy) all failing to price their debut USD issuances due to price guidance apparently falling outside of issuer's expectations. With hawkish central banks entering a tightening phase and Asian credit enjoying a prolonged good run which has seen valuations become increasingly stretched, we expect spreads to widen on a reversal of technical considerations, the deluge in high yield supply and a steepening in yield curves. Indeed, the tide could be turning with more than half of the 2Q2017 Asian high yield bond issues trading below their issuance levels, compared with 29% of issues from 1Q2017 according to Bloomberg.
- In the SGD space, issuance volumes slowed with SGD1.15bn priced against SGD2.13bn during June (but up 60% from July 2016). First half issuance trends remain in the SGD space with 2 further perpetuals priced during the month. Technicals remain stretched with yields continuing to tighten and though fundamental performance has been sound, we continue to be of the view that SGD credit remains vulnerable to a correction given the divergence between technicals and issuer fundamentals. The wildcard however remains potentially suppressed SGD issuance activity in 2H2017 which could continue to support secondary prices.

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

Nick Wong Liang Mian, CFA

+65 6530 7348

NickWong@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei

+65 6722 2533

wonghongwei@ocbc.com

Issuer Profile Changes / Updates

- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: Perennial Real Estate Holdings Ltd, Ascendas Real Estate Investment Trust.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: Century Sunshine Group Holdings Limited, OUE Ltd.

Trade Ideas

- With the continuous tightening of credit spreads, we think that valuations now look relatively compelling for a few of the laggards. We upgrade FNNSP '22s, '27s and BREAD '19s to OW. F&N and BreadTalk are cashflow generative businesses with high retail presence, and we think their papers offer a decent yield for investors looking for diversification. We are also expecting F&N and BreadTalk to post stronger results.
- We think that the most REIT perps valuations are beginning to look stretched. If investors still favour investments in REITs, we think that LMRTSP 7% PERP still look attractive, offering 408bps over swaps.
- We continue to like European bank names in the SGD space for the yield pick-up. Recent earnings results indicate solid underlying fundamentals for European bank earnings which benefit from solid business positions in an improving economic climate. This is despite the ongoing challenges presented by low interest rates. With Groupe BPCE's credit fundamentals intact following 2Q2017 results and a better spread to call, we see the BPCEGP 4.5% '26c21s as being the best value of the Tier 2 SGD papers, trading wider than the lower rated CMZB 4.875% '27c22s despite shorter tenor and wider than similarly rated SOCGEN 4.3% '26c21s.
- In April 2017, the HNA Group (via its Hong Kong listed entity) had announced a pre-conditional offer for CWT. Anti-trust pre-conditions has been obtained though the deal is pending approval from acquirer's shareholders. We are 50:50 on whether or not the sale will happen. In our downside scenario where CWT is acquired, CWT will be subsumed as a subsidiary of the HNA Group and get delisted from the SGX. In recent weeks, there had been various media reports of non-Chinese banks turning cautious over their banking relationships with the HNA Group. Should the deal go through and lenders' concerns persist, there is no certainty that existing and future credit facilities at CWT would be on same terms and pricing levels. Due to its manageable credit profile, we continue to keep CWT's issuer profile on Neutral. Nonetheless, we have put both CWT 3.9%'19s and CWT 4.8%'20s on Underweight for now.
- SBREIT has announced the occurrence of a Change of Control Event ("CoC") following the owner of the REIT's Sponsor transferring his units in SBREIT to his sons. Pursuant to the CoC, the Issuer shall, at the option of the holders, redeem such notes@100, including distributions accrued to the date fixed for redemption on 12 September 2017. We are recommending bondholders to continue keeping the bond for carry (rather than tender) as we see this transfer as part of succession planning with no change to SBREIT's underlying credit profile. Following the 80bps widening of the SBREIT 3.45%'18s since early-July, we are putting the bonds on Overweight from Neutral. SBREIT is now unrated following withdrawal of its credit rating.

Upcoming Bond Maturities – August 2017

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Gallant Venture Ltd	GALVSP	61.75	02/08/2017
GLL IHT Pte Ltd	GUOLSP	170	07/08/2017
Kolao Holdings	KOLAO	60	21/08/2017
CapitaMalls Asia Treasury Ltd	CMASP	350	24/08/2017
Keppel Land Ltd	KPLDSP	100	25/08/2017
Nam Cheong Ltd	NCLSP	90	28/08/2017
Housing & Development Board	HDBSP	450	30/08/2017
Commonwealth Bank of Australia	CBAAU	122.30	02/08/2017*
KrisEnergy Ltd	KRISSP	200	22/08/2017*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- Century Sunshine Group: Credit Update (17 July 2017)
- Singapore Mid-Year 2017 Credit Outlook (8 July 2017)
- Fraser and Neave Ltd: New Credit Review (3 July 2017)
- Financial Institutions - The Spanish Resolution: Different Symptoms call for Different Remedies (13 June 2017)
- Nam Cheong Limited: Credit Update (9 May 2017)
- Singapore Property Sector Update (3 May 2017)
- Indonesia Bond Market (2 May 2017)
- SingTel: New Credit Review (20 April 2017)
- Banyan Tree: New Credit Review (20 April 2017)
- CWT Limited: Credit Update (20 April 2017)
- Olam International Limited: Credit Update (24 March 2017)
- Frasers Centrepoint Limited: New Credit Review (22 March 2017)
- Ezra Holdings Ltd: Credit Update (17 March 2017)
- Changes to Singapore's Companies Act - Implications for Corporate Restructuring (14 March 2017)
- Singapore Property: Sector Update (10 March 2017)
- Sabana Shari'ah REIT: Credit Update (9 March 2017)
- Ascendas Hospitality Trust: New Credit Review (8 March 2017)
- Yanlord Land Group Ltd: Credit Update (7 March 2017)
- Industrial REIT: Sector Update (24 February 2017)
- Oxley Holdings Ltd: New Credit Review (21 February 2017)
- Soilbuild REIT: Credit Update (14 February 2017)
- Global Logistics Properties: Credit Review (24 January 2017)
- Singapore 2017 Credit Outlook (6 January 2017)
- ASL Marine Holdings Ltd: Credit Update (3 January 2016)

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Bond Ratings	Recommendation	
							Current	Previous
China/HK property								
CK Hutchison Holdings Ltd	N	CKHH 3.408 '18	20/07/2018	102.10	1.18	A-/A3/A- (Guarantor)	UW	UW
China Vanke Co Ltd	N	VNKRLE 3.275 '17	06/11/2017	100.45	1.45	BBB+/Baa1/BBB+ (Issuer)	N	N
Henderson Land Development	N	HENLND 4 '18	19/09/2018	102.70	1.58	NR/NR/NR	N	N
Hongkong Land Holdings	Pos	HKLSP 3.43 '20	14/05/2020	104.05	1.93	A/A2/NR	N	N
Wharf Holdings Ltd/The	Pos	WHARF 4.3 '18	28/10/2018	103.55	1.38	NR/NR/A- (Issuer)	UW	UW
Wharf Holdings Ltd/The	Pos	WHARF 4.5 '21	20/07/2021	107.95	2.38	NR/NR/A- (Issuer)	N	N
Wheelock & Co Ltd	Pos	WHEELK 4.5 '21	02/09/2021	108.10	2.40	NR/NR/NR	OW	OW
Wing Tai Properties Ltd	Pos	WINGTA 4.25 '22	29/11/2022	103.80	3.46	NR/NR/NR	OW	OW
Singapore property developers								
CapitaLand Ltd	Pos	CAPLSP 3.78 '19	16/08/2019	104.20	1.66	NR/NR/NR	UW	UW
CapitaLand Ltd	Pos	CAPLSP 4.35 '19	31/10/2019	105.80	1.69	NR/NR/NR	UW	UW
CapitaLand Ltd	Pos	CAPLSP 4.3 '20	31/08/2020	106.90	1.97	NR/NR/NR	UW	UW
CapitaLand Ltd	Pos	CAPLSP 3.8 '24	28/08/2024	106.50	2.78	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 2.45 '18	14/03/2018	100.77	1.16	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.38 '19	20/03/2019	102.75	1.65	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.00 '20	02/04/2020	102.20	2.14	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.75 '22	06/07/2022	105.20	2.62	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.48 '23	03/04/2023	103.10	2.88	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.78 '24	21/10/2024	104.10	3.14	NR/NR/NR	N	N
Chip Eng Seng Corporation Ltd	N	CHIPEN 4.75 '21	14/06/2021	101.00	4.46	NR/NR/NR	N	N
Chip Eng Seng Corporation Ltd	N	CHIPEN 4.9 '22	19/05/2022	102.10	4.41	NR/NR/NR	N	N
Frasers Centrepoint Ltd	N	FCLSP 3.7 '19	05/04/2019	102.10	2.40	NR/NR/NR	OW	OW
Frasers Centrepoint Ltd	N	FCLSP 3.95 '21	07/10/2021	104.10	2.90	NR/NR/NR	N	N
Frasers Centrepoint Ltd	N	FCLSP 3.8 '22	28/06/2022	102.85	3.17	NR/NR/NR	N	OW
Frasers Centrepoint Ltd	N	FCLSP 4.25 '26	21/04/2026	102.70	3.88	NR/NR/NR	N	N
Frasers Centrepoint Ltd	N	FCLSP 4.15 '27	23/02/2027	101.40	3.97	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 3.4 '18	04/09/2018	101.50	2.00	NR/NR/NR	UW	N
GuocoLand Ltd	N	GUOLSP 3.95 '19	01/04/2019	101.90	2.76	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 4.1 '20	13/05/2020	102.60	3.11	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 3.62 '21	30/03/2021	100.55	3.46	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 4 '22	31/01/2022	101.95	3.53	NR/NR/NR	N	N
GuocoLand Ltd	N	GUOLSP 3.85 '23	15/02/2023	100.60	3.73	NR/NR/NR	N	N
Hong Fok Corp Ltd	N	HFCSP 4.75 '18	24/01/2018	101.20	2.14	NR/NR/NR	N	N
Hong Fok Corp Ltd	N	HFCSP 4.75 '19	22/03/2019	101.65	3.69	NR/NR/NR	OW	OW
Hotel Properties Ltd	N	HPLSP 3.5 '18	15/01/2018	100.95	1.33	NR/NR/NR	UW	UW
Hotel Properties Ltd	N	HPLSP 3.95 '19	13/09/2019	103.30	2.33	NR/NR/NR	UW	UW
Hotel Properties Ltd	N	HPLSP 3.88 '20	08/04/2020	103.30	2.59	NR/NR/NR	N	N
Hotel Properties Ltd	N	HPLSP 3.85 '21	27/05/2021	103.20	2.95	NR/NR/NR	N	N
QUE Ltd	N	QUESP 4.25 '19c16	30/10/2019	101.50	2.29	NR/NR/NR	OW	N
QUE Ltd	N	QUESP 3.8 '20	15/04/2020	101.75	3.12	NR/NR/NR	OW	OW
QUE Ltd	N	QUESP 3.75 '22	17/04/2022	101.75	3.34	NR/NR/NR	N	-
Oxley Holdings Ltd	Neg	OHLSP 5 '19	05/11/2019	99.91	5.04	NR/NR/NR	UW	UW
Oxley Holdings Ltd	Neg	OHLSP 5.15 '20	18/05/2020	100.16	5.09	NR/NR/NR	UW	UW
Wing Tai Holdings Ltd	N	WINGTA 4.0 '21	07/10/2021	104.05	2.96	NR/NR/NR	N	N
Wing Tai Holdings Ltd	N	WINGTA 4.5 '22	26/09/2022	106.00	3.22	NR/NR/NR	N	N
Wing Tai Holdings Ltd	N	WINGTA 4.25 '23	15/03/2023	104.45	3.37	NR/NR/NR	N	N
Wing Tai Holdings Ltd	N	WINGTA 4.7 '24	28/02/2024	106.50	3.58	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.50 '18	27/11/2018	95.00	9.88	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.05 '19	12/06/2019	92.00	9.89	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.30 '20	01/04/2020	98.94	5.73	NR/NR/NR	UW	UW
Aspial Corp. Ltd	Neg	ASPSP 5.25 '20	28/08/2020	98.70	5.72	NR/NR/NR	UW	UW

Indicative prices from Bloomberg as of 2 August 2017

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

REITS

AIMS AMP REIT	N	AAREIT 3.8 '19	21/05/2019	102.34	2.45	BBB-/NR/NR (Issuer)	UW	UW
AIMS AMP REIT	N	AAREIT 4.35 '19	05/12/2019	100.00	3.57	BBB-/NR/NR (Issuer)	N	N
Ascendas Hospitality Trust	N	ASCHTS 3.3 '20	07/04/2020	102.35	2.38	NR/NR/NR	UW	UW
Ascott Residence Trust	N	ARTSP 4.3 '18	30/11/2018	103.67	1.48	NR/Baa3/NR	UW	UW
Ascott Residence Trust	N	ARTSP 4.205 '22	23/11/2022	106.15	2.94	NR/Baa3/NR	UW	UW
CapitaLand Commercial Trust	N	CCTSP 2.96 '21	13/08/2021	103.05	2.16	NR/A3/NR	UW	UW
CapitaLand Commercial Trust	N	CCTSP 2.77 '22	04/07/2022	102.00	2.34	A-/NR/NR	UW	UW
CapitaLand Mall Trust	N	CAPITA 3.15 '20	18/12/2020	103.35	2.12	NR/A2/NR	UW	UW
CapitaLand Mall Trust	N	CAPITA 3.75 '24	02/08/2024	105.55	2.87	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.48 '24	06/08/2024	103.75	2.88	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.5 '26	25/02/2026	102.50	3.16	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.35 '31	07/07/2031	100.75	3.28	NR/A2/NR	UW	UW
Croesus Retail Trust	N	CROESP 5 '20	13/04/2020	100.00	5.00	NR/NR/NR	N	N
ESR REIT	N	EREIT 3.5 '18	05/11/2018	101.35	2.41	NR/Baa3/NR	N	OW
ESR REIT	N	EREIT 4.1 '20	29/04/2020	103.25	2.85	NR/Baa3/NR	N	N
ESR REIT	N	EREIT 3.95 '20	21/05/2020	102.85	2.88	NR/Baa3/NR	N	N
ESR REIT	N	EREIT 3.95 '23	09/05/2023	102.58	3.45	NR/Baa3/NR	N	N
First REIT	N	FIRSTSP 4.125 '18	22/05/2018	101.20	2.59	NR/NR/NR	UW	UW
Frasers Centrepoint Trust	N	FCTSP 2.9 '19	10/04/2019	101.35	2.07	BBB+/NR/NR	N	N
Frasers Centrepoint Trust	N	FCTSP 3 '20	21/01/2020	101.50	2.37	BBB+/NR/NR	OW	OW
Frasers Centrepoint Trust	N	FCTSP 2.645 '22	06/06/2022	100.56	2.52	BBB+/NR/NR	UW	UW
Frasers Hospitality Trust	N	FHREIT 2.63 '22	06/07/2022	100.18	2.59	BBB+/NR/NR	N	N
Keppel REIT	N	KREITS 3.275 '24	08/04/2024	101.68	3.00	NR/NR/NR	N	N
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.48 '17	28/11/2017	100.90	1.55	NR/NR/NR	N	N
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.5 '18	23/11/2018	101.80	3.09	NR/NR/NR	OW	OW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.1 '20	22/06/2020	101.00	3.73	NR/NR/NR	OW	OW
Mapletree Commercial Trust	N	MCTSP 2.65 '19	07/11/2019	101.60	1.92	NR/Baa1/NR	N	N
Mapletree Commercial Trust	N	MCTSP 3.6 '20	24/08/2020	104.90	1.94	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.2 '21	12/04/2021	103.10	2.32	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.25 '23	03/02/2023	103.15	2.63	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.11 '26	24/08/2026	100.70	3.02	NR/Baa1/NR	UW	UW
Mapletree Greater China Commercial Trust	N	MAGIC 3.2 '21	08/09/2021	101.05	2.93	NR/Baa1/NR	OW	OW
Mapletree Greater China Commercial Trust	N	MAGIC 3.43 '22	09/03/2022	101.65	3.04	NR/Baa1/NR	OW	OW
Mapletree Industrial Trust	N	MINTSP 3.75 '19	08/03/2019	103.5	1.5	NR/NR/BBB+	UW	UW
Mapletree Industrial Trust	N	MINTSP 3.65 '22	07/09/2022	105.9	2.4	NR/NR/BBB+	UW	N
Mapletree Industrial Trust	N	MINTSP 3.02 '23	11/05/2023	102.2	2.6	NR/NR/BBB+	UW	UW
Mapletree Industrial Trust	N	MINTSP 3.79 '26	02/03/2026	105.9	3.0	NR/NR/BBB+	UW	UW
Sabana Industrial REIT	Neg	SSREIT 4.00 '18	19/03/2018	99.05	5.67	NR/NR/NR	N	N
Sabana Industrial REIT	Neg	SSREIT 4.25 '19	03/04/2019	96.00	6.84	NR/NR/NR	N	N
Soilbuild Business Space REIT	N	SBREIT 3.45 '18	21/05/2018	100.25	3.15	NR/Baa3/NR (Issuer)	OW	N
Soilbuild Business Space REIT	N	SBREIT 3.6 '21	08/04/2021	100.00	3.60	NR/Baa3/NR	OW	OW
Starhill Global REIT	N	SGREIT 3.5 '21	26/02/2021	103.70	2.41	BBB+/NR/NR	UW	UW
Starhill Global REIT	N	SGREIT 3.4 '23	26/05/2023	103.25	2.79	BBB+/NR/NR	UW	N
Starhill Global REIT	N	SGREIT 3.14 '26	03/10/2026	101.50	2.95	BBB+/NR/NR	UW	UW
Suntec REIT	N	SUNSP 2.83 '18	12/11/2018	101.10	1.95	NR/Baa3/NR	N	N
Suntec REIT	N	SUNSP 3.35 '20	10/02/2020	102.30	2.40	NR/Baa3/NR	OW	OW
Suntec REIT	N	SUNSP 2.85 '23	02/08/2023	100.05	2.84	NR/Baa3/NR	N	-
VIVA Industrial Trust	N	VITSP 4.15 '18	19/09/2018	100.85	3.39	BB+/Ba2/NR	N	N

Offshore & Marine and Logistics

ASL Marine Holdings Ltd	Neg	ASLSP 4.75 '20	28/03/2020	75.00	19.39	NR/NR/NR	N	N
ASL Marine Holdings Ltd	Neg	ASLSP 5.35 '21	01/10/2021	50.00	30.86	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 5.9 '19c17	08/11/2019	98.50	6.62	NR/NR/NR	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.65 '20c15	09/09/2020	92.25	7.50	NR/NR/NR	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.4 '21c16	22/06/2021	79.50	11.04	NR/NR/NR	OW	OW
Ezion Holdings Ltd	Neg	EZISP 4.7 '19	22/05/2019	70.00	26.88	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.875 '21	11/06/2021	55.00	25.20	NR/NR/NR	N	N
Ezion Holdings Ltd (CF by DBS)	Neg	EZISP 3.65 '20	05/08/2020	100.00	3.65	NR/NR/NR	N	N
Keppel Corp Ltd	N	KEPSP 3.1 '20	12/10/2020	102.35	2.33	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.145 '22	14/02/2022	101.40	2.81	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.725 '23	30/11/2023	103.25	3.15	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.8 '27c22	23/04/2027	102.85	3.14	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 4 '42	07/09/2042	100.10	3.99	NR/NR/NR	UW	UW
Nam Cheong Ltd	Neg	NCLSP 5 '17	28/08/2017	20.00	6288.26	NR/NR/NR	WD	WD
Nam Cheong Ltd	Neg	NCLSP 6.5 '18	23/07/2018	18.00	358.10	NR/NR/NR	WD	WD
Nam Cheong Ltd	Neg	NCLSP 5.05 '19	26/08/2019	13.50	200.13	NR/NR/NR	WD	WD
Pacific Radian Ltd	Neg	PACRA 4.3 '18	29/08/2018	20.00	387.36	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.7325 '20	09/04/2020	104.00	2.18	NR/NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 3.64 '24	27/05/2024	102.50	3.23	NR/NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 3.593 '26	26/11/2026	100.65	3.51	NR/NR/NR	UW	UW
Singapore Post Ltd	N	SPOST 3.5 '20	30/03/2020	104.70	1.68	BBB+ /NR/NR	UW	UW

Indicative prices from Bloomberg as of 2 August 2017

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

Others

Banyan Tree Holdings Ltd	N	BTHSP 5.35 '18	26/11/2018	100.35	5.13	NR/NR/NR	N	N
Banyan Tree Holdings Ltd	N	BTHSP 5.75 '18	31/07/2018	101.06	4.68	NR/NR/NR	UW	UW
Banyan Tree Holdings Ltd	N	BTHSP 4.875 '19	03/06/2019	98.76	5.59	NR/NR/NR	N	N
Banyan Tree Holdings Ltd	N	BTHSP 4.85 '20	05/06/2020	96.97	6.03	NR/NR/NR	N	N
BreadTalk Group Ltd	N	BREAD 4.6 '19	01/04/2019	103.00	2.73	NR/NR/NR	OW	N
Century Sunshine Group	N	CENSUN 7 '20	03/07/2020	99.50	7.18	NR/NR/NR	OW	-
CITIC Envirotech Ltd	N	CELSP 4.7 '18	29/04/2018	100.50	4.03	NR/NR/NR	N	N
CWT Ltd	N	CWTSP 3.9 '19	18/04/2019	100.00	3.90	NR/NR/NR	UW	N
CWT Ltd	N	CWTSP 4.8 '20	18/03/2020	99.75	4.90	NR/NR/NR	UW	N
Fraser and Neave Ltd	N	FNNSP 3.09 '22	23/03/2022	100.70	2.93	NR/NR/NR	OW	N
Fraser and Neave Ltd	N	FNNSP 3.8 '27	21/04/2027	101.35	3.63	NR/NR/NR	OW	N
G8 Education Ltd	N	GEMAU 5.5 '19	18/05/2019	101.00	4.90	NR/NR/NR	OW	OW
Gallant Venture Ltd	Neg	GALVSP 7 '18	06/04/2018	100.03	7.05	NR/NR/NR	UW	UW
Golden Agri-Resources Ltd	N	GGSP 5.5 '18	27/04/2018	101.30	3.68	NR/NR/NR	N	OW
Olam International Ltd	N	OLAMSP 6.00 '18	10/08/2018	105.50	0.52	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 5.80 '19	17/07/2019	105.00	3.13	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 4.25 '19	22/07/2019	101.00	3.71	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 6.00 '22	25/10/2022	105.50	4.79	NR/NR/NR	N	N
Singapore Airlines	N	SIASP 3.035 '25	11/04/2025	102.70	2.64	NR/NR/NR	UW	UW
Singapore Airlines	N	SIASP 3.75 '24	08/04/2024	107.75	2.48	NR/NR/NR	UW	UW
Singapore Airlines	N	SIASP 3.22 '20	09/07/2020	104.25	1.72	NR/NR/NR	UW	UW
Singapore Telecommunications Ltd	Pos	STSP 3.4875 '20	08/04/2020	104.40	1.79	A+/A1/NR	N	N
Singapore Telecommunications Ltd	Pos	STSP 2.58 '20	24/09/2020	101.40	2.12	A+/A1/NR	N	N
Singapore Telecommunications Ltd	Pos	STSP 2.72 '21	03/09/2021	101.45	2.34	A+/A1/NR	N	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	N	ANZ 4 '25	12/02/2025	106.00	3.20	AA-/Aa2/NR	N	N
Bank of China Ltd/Singapore*	N	BCHINA 2.75 '19	30/06/2019	101.75	1.86	NR/A1/A	N	N
Bank of Communications Co Ltd/Hong Kong*	N	BOCOM 2.1 '17	24/07/2017	100.05	#N/A N/A	NR/A2/NR	N	N
Bank of East Asia/Singapore*	N	BNKEA 2.0 '17	10/07/2017	#N/A N/A	#N/A N/A	A/NR/NR	N	N
BNP Paribas SA	N	BNP 2.765 '20	03/08/2020	101.90	2.20	NR/NR/A+	N	N
BPCE SA*	N	BPCEGP 2.305 '18	22/06/2018	100.92	1.48	A/A2/NR	N	N
CIMB Bank Bhd/Singapore*	N	CIMBMK 2.12 '18	30/06/2018	100.54	1.61	NR/A3/NR	N	N
DBS Group Holdings Ltd	N	DBSSP 2.78 '21	11/01/2021	102.37	2.10	NR/Aa2/AA-	N	N
Malayan Banking Bhd	N	MAYMK 2.08 '18	26/06/2018	100.54	1.58	NR/A3/NR	N	N
Westpac Banking Corp	N	WSTP 4.11 '25	15/04/2025	106.91	3.13	NR/Aa2/NR	N	N

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

Indicative prices from Bloomberg as of 2 August 2017

Issuer	Issuer Profile	Issue				Bond Ratings	Recommendation	
			First Call	Ask Price	YTC		Current	Previous

Corporate perpetuals

Ascott Residence Trust	N	ARTSP 5 '49	27/10/2019	103.95	3.14	NR/Baa3/NR (Issuer)	UW	UW
Ascott Residence Trust	N	ARTSP 4.68 '49	30/06/2020	103.00	3.58	NR/Baa3/NR (Issuer)	UW	UW
Ezion Holdings Ltd	Neg	EZISP 7 '49	19/11/2018	78.00	30.59	NR/NR/NR	N	N
First REIT	N	FIRTSP 5.68 '49	08/07/2021	101.85	5.15	NR/NR/NR	N	N
Frasers Hospitality Trust	N	FHREIT 4.45 '49	12/05/2021	102.20	3.81	NR/NR/NR	N	N
Frasers Centrepont Ltd	N	FCLSP 4.88 '49	24/09/2019	102.60	3.59	NR/NR/NR	OW	OW
Frasers Centrepont Ltd	N	FCLSP 5 '49	09/03/2020	102.70	3.88	NR/NR/NR	OW	OW
Genting Singapore Plc	Pos	GENSSP 5.125 '49	12/09/2017	100.30	2.03	NR/Baa2/BBB	N	N
Hotel Properties Ltd	N	HPLSP 4.65 '49	05/05/2022	103.00	3.94	NR/NR/NR	N	N
Keppel REIT	N	KREITS 4.98 '49	02/11/2020	104.85	3.38	NR/NR/NR	N	N
Lippo Malls Indonesia Retail Trust	N	LMRTSP 7 '49	27/09/2021	104.65	5.71	NR/NR/NR	OW	OW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 6.6 '49	19/12/2022	102.95	5.95	NR/NR/NR	OW	OW
Mapletree Logistics Trust	N	MLTSP 5.375 '49	19/09/2017	100.45	1.33	NR/Baa3/NR	UW	UW
Mapletree Logistics Trust	N	MLTSP 4.18 '49	25/11/2021	103.43	3.31	NR/Baa1/NR (Issuer)	UW	UW
Olam International Ltd	N	OLAMSP 7.00 '49	01/03/2018	100.50	6.12	NR/NR/NR	N	N
Olam International Ltd	N	OLAMSP 5.5 '49	11/07/2022	100.89	5.29	NR/NR/NR	UW	UW
Singapore Post Ltd	N	SPOST 4.25 '49	02/03/2022	106.10	2.81	BBB+ /NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 5 '49	21/08/2018	102.15	2.92	NR/NR/NR	OW	OW
Sembcorp Industries Ltd	N	SCISP 4.75 '49	20/05/2020	102.20	3.90	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.7 '49	22/06/2020	100.25	3.60	NR/NR/NR	UW	UW
Wing Tai Holdings Ltd	N	WINGTA 4.08 '49	28/06/2022	100.30	4.01	NR/NR/NR	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N	ABNANV 4.75 '26	01/04/2021	105.30	3.21	BBB-/Baa2/A-	N	N
Australia & New Zealand Banking Group Ltd	N	ANZ 3.75 '27	23/03/2022	103.15	3.03	BBB/A3/A+	N	N
Bank of East Asia Ltd/The	N	BNKEA 4.25 '22	13/09/2017	100.35	1.33	A-/Baa3/NR	N	N
BNP Paribas SA	N	BNP 4.3 '25	03/12/2020	104.45	2.92	BBB+/Baa2/A	N	N
BPCE SA*	N	BPCEGP 4.45 '25	17/12/2020	102.85	3.62	BBB/Baa3/A-	N	N
BPCE SA*	N	BPCEGP 4.5 '26	03/06/2021	102.50	3.86	BBB/Baa3/A-	OW	N
Commerzbank AG	N	CMZB 4.875 '27	01/03/2022	104.30	3.85	BBB-/NR/BBB	N	N
DBS Bank Ltd	N	DBSSP 3.1 '23	14/02/2018	100.95	1.38	A+/A1/A+	N	N
DBS Bank Ltd	N	DBSSP 4.7 '49	22/11/2020	106.00	2.94	BBB/Baa1/BBB	N	N
DBS Group Holdings Ltd	N	DBSSP 3.8 '28	20/01/2023	105.80	2.67	NR/A3/A+	N	N
DBS Group Holdings Ltd	N	DBSSP 4.7 '49	03/06/2019	104.00	2.49	NR/Baa1/BBB	N	N
DBS Capital Funding II Corp*	N	DBSSP 5.75 '49	15/06/2018	103.30	1.89	BBB/Baa1/BBB	N	N
Julius Baer Group Ltd	N	BAERVX 5.9 '49	18/11/2020	104.40	4.47	NR/Baa3/NR	OW	OW
Julius Baer Group Ltd	N	BAERVX 5.75 '49	20/04/2022	103.95	4.82	NR/Baa3/NR	OW	OW
Landesbank Baden-Wuerttemberg	N	LBBW 3.75 '27	18/05/2022	100.85	3.57	NR/Baa2/BBB	N	N
Malayan Banking Bhd	N	MAYMK 6.0 '49	11/08/2018	103.85	2.18	BB+/Baa2/BB+	N	N
National Australia Bank Ltd	N	NAB 4.15 '28	19/05/2023	104.20	3.36	BBB/A3/A+	N	N
Societe Generale SA	N	SOCGEN 4.3 '26	19/05/2021	103.20	3.41	BBB/Baa3/A-	N	N
United Overseas Bank Ltd	N	UOBSP 4.9 '49	23/07/2018	102.95	1.83	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '26	22/05/2020	103.75	2.13	BBB+/A3/A+	N	N
United Overseas Bank Ltd	N	UOBSP 4.75 '49	19/11/2019	104.55	2.71	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 4.0 '49	18/05/2021	102.95	3.17	NR/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '29	27/02/2024	104.00	2.84	NR/A3/A+	N	N
Westpac Banking Corp	N	WSTP 4.0 '27	12/08/2022	104.20	3.12	BBB/A3/A+	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 2 August 2017

Explanation of Issuer Profile Rating

Positive (“Pos”) – The issuer’s credit profile is either strong on an absolute basis, or expected to improve 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 poor on an absolute basis, or expected to deteriorate to a poor level over the next six months.

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.

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Co.Reg.no.:193200032W