

Monthly Credit View

Tuesday, 04 April 2017

Monthly Themes

- Markets did a U-turn during the first week of March, which saw a sharp selloff in bonds in the 10-days leading up to the Federal Reserve meeting. In February, investors had originally lowered their expectations of the Federal Reserve delivering the signalled three hikes in 2017. This changed abruptly though by early March, with a more hawkish Federal Reserve as the bond market participants' raison d'être, with 10 year bond yields cumulating at 2.63% (rising from 2.46% in early-February 2017). Ultimately, during the FOMC March meeting, the Federal Reserve hiked interest rates by 25bps (within market's expectation) though the rhetoric had a more dovish bent versus expectations prior to the meeting. 10 year yields fell swiftly to 2.5% and have fallen further to reach 2.4% by end-March 2017 (back to early-December 2016 levels). Bond fund flows into Emerging Markets continued to be high. Between 1 March 2017 to 29 March 2017, cumulative inflows were USD8.5bn, supporting the demand for Asia ex-Japan issuers who priced USD36.8bn in bonds (largely driven by Financial Institutions and government-linked companies). This was 1.9x higher than the issuance size of the previous month (which was itself high versus historical Februaries).
- The yield on JACI HY corporates widened slightly by 2bps through March 2017 to 6.62% while the spread on JACI IG corporates stayed flat at 195bps. In our view, this reflected the still-strong fund flows into Asia rather than a fundamental improvement in underlying credit. Within the US context, we had seen a pullback in US corporate high yield with the Bloomberg Barclays US Corporate High Yield Average OAS widening to 3.8% from 3.4% and we continue to see high yield bonds in Asia vulnerable to a correction given the divergence between technical and issuer fundamentals. While we have yet to see broad-based pullback across the JACI indices, we have observed a 30bps widening among certain higher-yielding issues in the secondary market and expect to see further credit dispersion between HY issuers in April/May.
- After a heavy issuance of SGD2.9bn in February, the SGD primary bond market was relatively muted in March and only saw SGD1.3bn in issuance. Nevertheless, this was spread across 12 issuers while February was skewed by the Housing & Development Board's SGD900mn and United Overseas Bank's Ltd's SGD750mn issuances. In part driven by the Federal Reserve's coordinated fashion in managing the message, investors have more-or-less come to terms with two or more rate hikes over the next 12 months. We believe a dichotomy exists where Singapore investors are demanding returns higher than what issuers are willing to pay, which may lead to lower issuance in April. On the other hand, SGD2.4bn of bonds will be maturing or callable in April. We could still see some technical tightening as investors stump up cash in a chase to redeploy capital. Net-net though, we think investors will (1) factor in total returns (including currency) and consider non-SGD bonds (2) go lower within the capital structure of IG names and (3) pursue longer duration in seeking returns.

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- With regards to our sector coverage, the offshore marine sector saw the filing of Ezra Holdings Ltd (“Ezra”) for Chapter 11 of the US Bankruptcy Code¹. As Ezra was less of a shock to the system (signs of stress appeared weeks before formal announcement), the resultant ripple effect on the broader offshore oil and gas sector was more muted vis-à-vis in July 2016 when Swiber Holdings Ltd fell. Aside from the offshore marine sector, issuers under our coverage largely continued to enjoy capital market access, though having to wean off cheap financing. Over the next few months, we will be monitoring for issuers with heightened liquidity risk, in particular those with thin operating cash flows against large working capital and capex obligation needs.
- Despite rising interest rates, Hong Kong private property prices continued to rise for the 11th consecutive month in Feb 2017, defying attempts (e.g. raising stamp duty for second-home buyers to 15%) by the government to cool the market. In-line with the buoyant primary market, the Hong Kong developers under our coverage have reported good sales with a strengthening balance sheet – which should help tide them through a potential downturn. Conversely for Singapore, despite some relaxation in the property cooling measure for Seller’s Stamp Duty and Total Debt Servicing Ratio, the URA 1Q2017 flash estimates continued to post a 0.5% q/q decline, which represents the 14th consecutive quarter of decline.
- Finally, in a bid to grow the local bond market, the MAS will be introducing a Green Bond Grant scheme to offset costs from obtaining an independent review based on international green bond standards, as long as the bonds are (1) issued and listed in Singapore, (2) at least 3 years in tenure and (3) have a minimum size of SGD200mn. Worldwide, the green bond market has grown rapidly, from about USD2bn in issuance in 2012 to about USD90bn in issuance in 2016. To date, 23 green bonds are listed on the SGX.

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: Hotel Properties Ltd, Century Sunshine Group Holdings Limited, Mapletree Industrial Trust and Frasers Centrepoint Limited.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC’s engagement: Ascendas Real Estate Investment Trust and Frasers Centrepoint Trust.
- **Ascendas Hospitality Trust (“AHT”):** [On 8 March 2017, we initiated on AHT](#) with a Neutral Issuer Profile with the hospitality trust reporting decent results on the tailwind of tourism in Australia and Japan while maintaining a manageable credit metrics. We initiated ASCHTS ‘20s with a Neutral recommendation as we think it is around fair value offering 2.76% yield for a 3-year paper.
- **Ezra Holdings Ltd (“EZRA”):** On 17 March 2017, given the increasing stress that EZRA was facing after its subsea division joint venture filed for bankruptcy (crystalizing sizable contingent liabilities), we had reviewed various scenarios that could occur² in our [Credit Update on Ezra](#). We had reaffirmed our Negative Issuer Profile on EZRA, as well as withdrew our bond recommendation on the EZRASP’18 given the (1) the lack of new financial information, (2) uncertainty over the direction of the restructuring and (3) broad spectrum of outcomes and binary nature of recoveries. Subsequently, post EZRA’s Chapter 11 filing in the United States, EZRA announced that it would be holding an informal meeting with noteholders of the EZRASP’18s on 17 April 2017.

¹ OCBC Asian Credit Daily - 20 Mar 2017

² OCBC Asia Credit - Ezra Credit Update 17 Mar 2017

- **Central China Real Estate Ltd (“CENCHI”):** [On 27 March 2017 in our Asian Credit Daily](#), we lowered CENCHI’s issuer profile to Negative from Neutral. This was premised on CENCHI’s still-high gearing levels (adjusted for corporate guarantees and irrevocable liquidity support) at 2.6x and decline in EBITDA/Interest coverage of 1.2x versus 1.4x in 1H2016.

Trade Ideas

- During March, Australian banks announced varying revisions in pricing to home loan rates, in part to address rising funding costs but also to counter building risks in Australia’s housing sector from rising property prices and strong residential investment loan demand. Within our coverage, Westpac Banking Corporation (WBC) is expected to be more exposed to these changes compared to Australia & New Zealand Banking Group Ltd and National Australia Bank Ltd given WBC’s stronger franchise in consumer banking and position as the second largest mortgage lender in Australia. That said, we don’t expect these changes to materially impact earnings and capital levels and hence maintain our Neutral Issuer Profiles on these banks. We continue to like the Aussie Tier 2 papers which balance yield and solid ratings in the SGD capital instrument space. The WSTP’27c22 is now at fair value against the ANZ’27c22 while the NAB’28c23 looks a little rich given relative tenor and spread as well as identical ratings.
- While we are keeping Sabana Shari’ah REIT’s (“SSREIT”) issuer profile on Negative due to its relatively high leverage profile against closest peers, we have lifted SSREIT’s 18s and SSREIT’s 19s to Neutral from Underweight [in our SSREIT: Credit Update on 9 March 2017](#), on the back of the emergence of a new significant unitholder and we see signs of our upside case happening.
- The yield of Soilbuild Business Space REIT’s SBREIT’18s is now 20bps tighter than our fair value expectations. As such, we are putting the bond to Neutral from Overweight. We think the SBREIT’21s still have a 20bps runway and may be a more interesting way to play the SBREIT curve.
- We think CK Hutchison Holdings Ltd’s CKHH 3.408%’18s are tight for its rating levels, after tightening 20bps in March 2017. For a similar rating, switching into the AREIT 2.95% ‘20s allows a yield pick-up of 30bps.
- Between Ascott Residence Trust’s perpetual, the ART 4.68%49c20 versus the Frasers Hospitality Trust perpetual, the FHREIT 4.45%49c21, we prefer the latter. Frasers Hospitality Trust has a one-notch higher rating versus Ascott Residence Trust but the perpetuals trades at similar yields (adjusting for the one year longer call date).
- We have upgraded the OUESP’19s to OW on valuation. The bonds have largely lagged the broad rally seen over the last two months, potentially due to the uncertainties that arose from the International Healthway Corporation acquisition.
- As mentioned in our [Singapore Property: Sector Update published on 10 March 2017](#), we do not think that the relaxation of the property cooling measures will have a big impact on the property market. Nevertheless, if the Singapore property market sees a substantial pickup, we think Wing Tai Holdings will be a prime beneficiary, and we reiterate our Overweight on WINGTA ‘22s, ‘23s and ‘24s.

Upcoming Bond Maturities – April 2017

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
EXPORT-IMPORT BANK KOREA	EIBZ KS	55	06/04/2017
MALAYAN BANKING BHD	MAY MK	50	10/04/2017
HOUSING & DEVELOPMENT BRD	HDB SP	360	24/04/2017
NEPTUNE ORIENT LINES LTD	144898Z FP	400	26/04/2017
BANK OF EAST ASIA/SG	23 HK	50	26/04/2017
INTL HEALTHWAY CORP LTD	IHC SP	50	27/04/2017
GOLDEN ASSET INTL INV	GGR SP	150	30/04/2017
ROWSLEY LTD	ROWS SP	100	03/04/2017*
ASCENDAS INDIA TRUST	AIT SP	65	03/04/2017*
GLOBAL LOGISTIC PROPERTIES	GLP SP	750	07/04/2017*
CITIGROUP INC	C US	100	10/04/2017*
MARCO POLO MARINE LTD	MPM SP	50	18/04/2017*
OUE LTD	OUE SP	200	30/04/2017*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- 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)
- Ezra Holdings Limited: Credit Update (1 December 2016)

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

China/HK property

Central China Real Estate	Neg	CENCHI 6.5 '17	5/26/2017	100.75	1.10	B+/Ba3/NR	N	N
CK Hutchison Holdings Ltd	N	CKHH 3.408 '18	7/20/2018	102.25	1.64	A-/A3/A- (Guarantor)	UW	N
China Vanke Co Ltd	N	VNKRLE 3.275 '17	11/6/2017	100.70	2.08	BBB+/Baa1/BBB+ (Issuer)	N	N
Henderson Land Development	N	HENLND 4 '18	9/19/2018	103.07	1.86	NR/NR/NR	N	N
Hongkong Land Holdings	Pos	HKLSP 3.86 '17	12/29/2017	102.35	0.65	A/A2/NR	UW	UW
Hongkong Land Holdings	Pos	HKLSP 3.43 '20	5/14/2020	103.50	2.26	A/A2/NR	N	N
Wharf Holdings Ltd/The	Pos	WHARF 4.3 '18	10/28/2018	104.10	1.63	NR/NR/A- (Issuer)	UW	N
Wharf Holdings Ltd/The	Pos	WHARF 4.5 '21	7/20/2021	107.50	2.64	NR/NR/A- (Issuer)	N	N
Wheelock & Co Ltd	Pos	WHEELK 4.5 '21	9/2/2021	107.00	2.80	NR/NR/NR	N	N
Wing Tai Properties Ltd	Pos	WINGTA 4.25 '22	11/29/2022	102.70	3.72	NR/NR/NR	OW	OW
Yanlord Land Group Ltd	N	YLLGSP 6.2 '17	5/8/2017	100.50	0.65	BB-/Ba3/NR	N	N
First Sponsor Group Ltd	N	FSGSP 4.0 '18	6/4/2018	96.00	7.80	NR/NR/NR	OW	OW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.25 '18	3/16/2018	101.30	2.86	NR/NR/NR	UW	UW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.65 '18	10/23/2018	101.10	3.95	NR/NR/NR	OW	OW
Perennial Real Estate Holdings Ltd	N	PREHSP 4.90 '19	3/18/2019	102.50	3.56	NR/NR/NR	N	N
Perennial Real Estate Holdings Ltd	N	PREHSP 4.55 '20	4/29/2020	100.12	4.51	NR/NR/NR	OW	OW

Singapore property developers

CapitaLand Ltd	Pos	CAPLSP 3.78 '19	8/16/2019	104.00	2.04	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.35 '19	10/31/2019	105.55	2.12	NR/NR/NR	N	N
CapitaLand Ltd	Pos	CAPLSP 4.3 '20	8/31/2020	106.60	2.27	NR/NR/NR	UW	UW
CapitaLand Ltd	Pos	CAPLSP 3.8 '24	8/28/2024	104.50	3.11	NR/NR/NR	N	OW
City Developments Ltd	Pos	CITSP 2.45 '18	3/14/2018	100.90	1.48	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.38 '19	3/20/2019	102.83	1.90	NR/NR/NR	UW	UW
City Developments Ltd	Pos	CITSP 3.00 '20	4/2/2020	102.00	2.30	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.75 '22	7/6/2022	105.20	2.68	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.48 '23	4/3/2023	103.10	2.91	NR/NR/NR	N	N
City Developments Ltd	Pos	CITSP 3.78 '24	10/21/2024	104.10	3.16	NR/NR/NR	N	OW
Chip Eng Seng Corporation Ltd	N	CHIPEN 4.75 '21	6/14/2021	101.00	4.48	NR/NR/NR	OW	OW
GuocoLand Ltd	Neg	GUOLSP 3.6 '17	8/7/2017	100.70	1.51	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 3.4 '18	9/4/2018	101.15	2.58	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 3.95 '19	4/1/2019	101.95	2.93	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 4.1 '20	5/13/2020	102.25	3.33	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 3.62 '21	3/30/2021	100.30	3.54	NR/NR/NR	N	N
GuocoLand Ltd	Neg	GUOLSP 4 '22	1/31/2022	101.25	3.71	NR/NR/NR	N	OW
Hong Fok Corp Ltd	Neg	HFCSP 4.75 '18	1/24/2018	101.55	2.80	NR/NR/NR	N	N
Hong Fok Corp Ltd	Neg	HFCSP 4.75 '19	3/22/2019	101.65	3.87	NR/NR/NR	OW	OW
QUE Ltd	N	OUESP 4.25 '19c16	10/30/2019	102.50	1.68	NR/NR/NR	OW	UW
QUE Ltd	N	OUESP 3.8 '20	4/15/2020	101.80	3.17	NR/NR/NR	N	N
Oxley Holdings Ltd	N	OHLSP 5 '19	11/5/2019	99.92	5.03	NR/NR/NR	OW	OW
Oxley Holdings Ltd	N	OHLSP 5.15 '20	5/18/2020	99.54	5.31	NR/NR/NR	OW	N
Wing Tai Holdings Ltd	N	WINGTA 4.0 '21	10/7/2021	103.30	3.21	NR/NR/NR	N	N
Wing Tai Holdings Ltd	N	WINGTA 4.5 '22	9/26/2022	104.75	3.54	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.25 '23	3/15/2023	103.25	3.64	NR/NR/NR	OW	OW
Wing Tai Holdings Ltd	N	WINGTA 4.7 '24	2/28/2024	105.13	3.85	NR/NR/NR	OW	OW
Aspial Corp. Ltd	Neg	ASPSP 5.50 '18	11/27/2018	95.00	8.83	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.05 '19	6/12/2019	92.00	9.17	NR/NR/NR	N	N
Aspial Corp. Ltd	Neg	ASPSP 5.30 '20	4/1/2020	98.93	5.69	NR/NR/NR	UW	UW
Aspial Corp. Ltd	Neg	ASPSP 5.25 '20	8/28/2020	97.67	6.02	NR/NR/NR	UW	UW

Indicative prices from Bloomberg as of 3 April 2017

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

REITS

AIMS AMP REIT	N	AAREIT 3.8 '19	5/21/2019	101.74	2.95	BBB-/NR/NR (Issuer)	N	N
AIMS AMP REIT	N	AAREIT 4.35 '19	12/5/2019	101.90	3.59	BBB-/NR/NR (Issuer)	N	N
Ascendas Hospitality Trust	N	ASCHTS 3.3 '20	4/7/2020	101.55	2.76	NR/NR/NR	N	N
Ascendas REIT	N	AREIT 2.5 '19	5/16/2019	101.39	1.85	NR/A3/NR	UW	UW
Ascendas REIT	N	AREIT 2.95 '20	8/3/2020	101.70	2.41	NR/A3/NR	N	N
Ascendas REIT	N	AREIT 4 '22	2/3/2022	105.35	2.81	NR/A3/NR	N	N
Ascendas REIT	N	AREIT 3.2 '22	6/3/2022	101.50	2.88	NR/A3/NR	N	N
Ascott Residence Trust	N	ARTSP 4.3 '18	11/30/2018	103.98	1.84	NR/Baa3/NR	UW	UW
Ascott Residence Trust	N	ARTSP 4.205 '22	11/23/2022	104.90	3.25	NR/Baa3/NR	UW	UW
Cambridge Industrial Trust	N	CREISP 3.5 '18	11/5/2018	101.25	2.69	NR/Baa3/NR	N	N
Cambridge Industrial Trust	N	CREISP 4.1 '20	4/29/2020	102.85	3.12	NR/Baa3/NR	UW	UW
Cambridge Industrial Trust	N	CREISP 3.95 '20	5/21/2020	102.15	3.22	NR/Baa3/NR	UW	UW
Cambridge Industrial Trust	N	CREISP 3.95 '23	5/9/2023	100.75	3.81	NR/Baa3/NR	UW	UW
CapitaLand Commercial Trust	N	CCTSP 2.96 '21	8/13/2021	102.10	2.45	NR/A3/NR	UW	UW
CapitaLand Commercial Trust	N	CCTSP 2.77 '22	7/4/2022	101.20	2.52	A-/NR/NR	UW	N
CapitaLand Mall Trust	N	CAPITA 3.55 '17	9/1/2017	101.10	0.83	NR/A2/NR	UW	UW
CapitaLand Mall Trust	N	CAPITA 3.15 '20	12/18/2020	103.00	2.30	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.75 '24	8/2/2024	104.50	3.06	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.48 '24	8/6/2024	103.00	3.02	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.5 '26	2/25/2026	101.75	3.27	NR/A2/NR	N	N
CapitaLand Mall Trust	N	CAPITA 3.35 '31	7/7/2031	100.00	3.35	NR/A2/NR	UW	UW
Croesus Retail Trust	N	CROESP 5 '20	4/13/2020	101.00	4.64	NR/NR/NR	OW	OW
First REIT	N	FIRTSP 4.125 '18	5/22/2018	101.50	2.78	NR/NR/NR	UW	UW
Frasers Centrepoint Trust	N	FCTSP 2.9 '19	4/10/2019	101.35	2.21	BBB+/NR/NR	N	-
Frasers Centrepoint Trust	N	FCTSP 3 '20	1/21/2020	101.15	2.57	BBB+/NR/NR	OW	-
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.48 '17	11/28/2017	101.30	2.45	NR/NR/NR	N	N
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.5 '18	11/23/2018	101.65	3.45	NR/NR/NR	OW	OW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 4.1 '20	6/22/2020	100.30	4.00	NR/NR/NR	OW	OW
Mapletree Commercial Trust	N	MCTSP 2.65 '19	11/7/2019	101.00	2.25	NR/Baa1/NR	N	OW
Mapletree Commercial Trust	N	MCTSP 3.6 '20	8/24/2020	104.00	2.36	NR/Baa1/NR	UW	UW
Mapletree Commercial Trust	N	MCTSP 3.2 '21	4/12/2021	101.75	2.74	NR/Baa1/NR	N	N
Mapletree Commercial Trust	N	MCTSP 3.25 '23	2/3/2023	101.25	3.01	NR/Baa1/NR	N	N
Mapletree Commercial Trust	N	MCTSP 3.11 '26	8/24/2026	99.60	3.16	NR/Baa1/NR	UW	-
Mapletree Greater China Commercial Trust	N	MAGIC 3.2 '21	9/8/2021	100.50	3.08	NR/Baa1/NR	OW	OW
Mapletree Greater China Commercial Trust	N	MAGIC 3.43 '22	3/9/2022	101.00	3.21	NR/Baa1/NR	OW	OW
Sabana Industrial REIT	Neg	SSREIT 4.00 '18	3/19/2018	99.05	5.01	NR/NR/NR	N	UW
Sabana Industrial REIT	Neg	SSREIT 4.25 '19	4/3/2019	94.03	7.40	NR/NR/NR	N	UW
Soilbuild Business Space REIT	N	SBREIT 3.45 '18	5/21/2018	100.18	3.31	NR/Baa3/NR (Issuer)	N	OW
Soilbuild Business Space REIT	N	SBREIT 3.6 '21	4/8/2021	98.00	4.15	NR/Baa3/NR	OW	OW
Starhill Global REIT	N	SGREIT 3.5 '21	2/26/2021	103.40	2.58	BBB+/NR/NR	UW	N
Starhill Global REIT	N	SGREIT 3.4 '23	5/26/2023	101.75	3.08	BBB+/NR/NR	N	N
Suntec REIT	N	SUNSP 2.83 '18	11/12/2018	101.25	2.03	NR/Baa2/NR	N	UW
Suntec REIT	N	SUNSP 3.35 '20	2/10/2020	102.00	2.62	NR/Baa2/NR	OW	N
VIVA Industrial Trust	N	VITSP 4.15 '18	9/19/2018	100.50	3.83	BB+/Ba2/NR	UW	N

Offshore & Marine and Logistics

ASL Marine Holdings Ltd	Neg	ASLSP 4.75 '20	3/28/2020	75.00	16.99	NR/NR/NR	N	N
ASL Marine Holdings Ltd	Neg	ASLSP 5.35 '21	10/1/2021	50.00	28.75	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 5.75 '17	4/26/2017	100.00	5.61	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 5.9 '19c17	11/8/2019	89.00	10.88	NR/NR/NR	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.65 '20c15	9/9/2020	85.00	9.91	NR/NR/NR	N	N
CMA CGM (Parent of Neptune Orient Lines)	N	NOLSP 4.4 '21c16	6/22/2021	79.00	10.72	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.7 '19	5/22/2019	70.00	23.39	NR/NR/NR	N	N
Ezion Holdings Ltd	Neg	EZISP 4.875 '21	6/11/2021	55.00	23.60	NR/NR/NR	N	N
Ezion Holdings Ltd (CF by DBS)	Neg	EZISP 3.65 '20	8/5/2020	100.00	3.65	NR/NR/NR	N	N
Ezra Holdings Ltd	Neg	EZRASP 4.875 '18	4/24/2018	5.00	1855.51	NR/NR/NR	WD	N
Keppel Corp Ltd	N	KEPSP 3.1 '20	10/12/2020	101.75	2.58	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.145 '22	2/14/2022	100.95	2.93	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.725 '23	11/30/2023	103.10	3.20	NR/NR/NR	UW	UW
Keppel Corp Ltd	N	KEPSP 3.8 '27c22	4/23/2027	102.10	3.34	NR/NR/NR	N	UW
Keppel Corp Ltd	N	KEPSP 4 '42	9/7/2042	98.90	4.07	NR/NR/NR	N	UW
Nam Cheong Ltd	Neg	NCLSP 5 '17	8/28/2017	85.00	50.31	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 6.5 '18	7/23/2018	72.00	38.25	NR/NR/NR	N	N
Nam Cheong Ltd	Neg	NCLSP 5.05 '19	8/26/2019	55.00	34.03	NR/NR/NR	N	N
Pacific Radiance Ltd	Neg	PACRA 4.3 '18	8/29/2018	20.00	241.01	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 3.7325 '20	4/9/2020	103.50	2.52	NR/NR/NR	UW	N
Sembcorp Industries Ltd	N	SCISP 3.64 '24	5/27/2024	101.00	3.48	NR/NR/NR	UW	UW
Sembcorp Industries Ltd	N	SCISP 3.593 '26	11/26/2026	99.85	3.61	NR/NR/NR	UW	N
Singapore Post Ltd	N	SPOST 3.5 '20	3/30/2020	104.32	2.00	BBB+ /NR/NR	UW	UW

Indicative prices from Bloomberg as of 3 April 2017

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

Others

BreadTalk Group Ltd	N	BREAD 4.6 '19	4/1/2019	103.00	3.03	NR/NR/NR	OW	OW
Golden Agri-Resources Ltd	Neg	GGRSP 4.2 '17	4/30/2017	100.10	2.63	NR/NR/NR	N	N
Golden Agri-Resources Ltd	Neg	GGRSP 5.5 '18	4/27/2018	101.60	3.98	NR/NR/NR	UW	UW
CITIC Envirotech Ltd	N	CELSP 4.7 '18	4/29/2018	100.50	4.26	NR/NR/NR	N	N
Gallant Venture Ltd	Neg	GALVSP 5.90 '17	5/12/2017	100.05	5.27	NR/NR/NR	UW	UW
Gallant Venture Ltd	Neg	GALVSP 7 '17	8/2/2017	99.88	7.29	NR/NR/NR	UW	UW
Gallant Venture Ltd	Neg	GALVSP 7 '18	4/6/2018	97.88	9.48	NR/NR/NR	UW	UW
G8 Education Ltd	N	GEMAU 5.5 '19	5/18/2019	101.50	4.74	NR/NR/NR	OW	OW
CWT Ltd	N	CWTSP 3.9 '19	4/18/2019	101.50	3.13	NR/NR/NR	UW	N
CWT Ltd	N	CWTSP 4.8 '20	3/18/2020	102.15	4.02	NR/NR/NR	UW	N
Olam International Ltd	N	OLAMSP 6.00 '18	8/10/2018	105.50	1.85	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 5.80 '19	7/17/2019	105.00	3.50	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 4.25 '19	7/22/2019	101.00	3.79	NR/NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 6.00 '22	10/25/2022	103.00	5.37	NR/NR/NR	N	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	N	ANZ 4 '25	2/12/2025	106.00	3.23	AA-/Aa2/NR	N	N
Bank of China Ltd/Singapore*	N	BCHINA 2.75 '19	6/30/2019	101.57	2.07	NR/A1/A	N	N
Bank of Communications Co Ltd/Hong Kong*	N	BOCOM 2.1 '17	7/24/2017	100.35	1.10	NR/A2/NR	N	N
Bank of East Asia/Singapore*	N	BNKEA 2.0 '17	7/10/2017	100.26	1.19	A/NR/NR	N	N
BNP Paribas SA	N	BNP 2.765 '20	8/3/2020	101.78	2.30	NR/NR/A+	N	N
BPCE SA*	N	BPCEGP 2.305 '18	6/22/2018	100.95	1.71	A/A2/NR	N	N
CIMB Bank Bhd/Singapore*	N	CIMBMK 2.12 '18	6/30/2018	100.47	1.89	NR/A3/NR	N	N
DBS Group Holdings Ltd	N	DBSSP 2.78 '21	1/11/2021	102.42	2.16	NR/Aa2/AA-	N	N
Malayan Banking Bhd	N	MAYMK 1.85 '17	4/10/2017	100.25	1.84	NR/A3/A-	N	N
Malayan Banking Bhd	N	MAYMK 2.08 '18	6/26/2018	100.36	1.95	NR/A3/NR	N	N
Westpac Banking Corp	N	WSTP 4.11 '25	4/15/2025	108.88	2.90	NR/Aa2/NR	N	N

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

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

Corporate perpetuals

Ascendas REIT	N	AREIT 4.75 '49	10/14/2020	105.15	3.19	NR/Baa2/NR	UW	UW
Ascott Residence Trust	N	ARTSP 5 '49	10/27/2019	103.25	3.66	NR/Baa3/NR (Issuer)	UW	UW
Ascott Residence Trust	N	ARTSP 4.68 '49	6/30/2020	102.70	3.79	NR/Baa3/NR (Issuer)	UW	N
Ezion Holdings Ltd	Neg	EZISP 7 '49	11/19/2018	78.00	25.70	NR/NR/NR	N	N
First REIT	N	FIRSTSP 5.68 '49	7/8/2021	100.00	5.68	NR/NR/NR	N	N
Frasers Hospitality Trust	Pos	FHREIT 4.45 '49	5/12/2021	102.00	3.92	NR/NR/NR	N	N
Genting Singapore Plc	Pos	GENSSP 5.125 '49	9/12/2017	100.63	3.64	NR/Baa2/BBB	N	N
Keppel REIT	N	KREITS 4.98 '49	11/2/2020	105.00	3.48	NR/NR/NR	UW	UW
Lippo Malls Indonesia Retail Trust	N	LMRTSP 7 '49	9/27/2021	103.25	6.15	NR/NR/NR	OW	OW
Mapletree Logistics Trust	Neg	MLTSP 5.375 '49	9/19/2017	101.70	1.56	NR/Baa3/NR	UW	UW
Mapletree Logistics Trust	Neg	MLTSP 4.18 '49	11/25/2021	103.38	3.39	NR/Baa1/NR (Issuer)	UW	UW
Sembcorp Industries Ltd	N	SCISP 5 '49	8/21/2018	102.70	3.02	NR/NR/NR	N	N
Sembcorp Industries Ltd	N	SCISP 4.75 '49	5/20/2020	102.50	3.90	NR/NR/NR	N	UW
Singapore Post Ltd	N	SPOST 4.25 '49	3/2/2022	105.60	3.01	BBB+ /NR/NR	UW	UW
Olam International Ltd	N	OLAMSP 7.00 '49	9/1/2017	100.50	5.63	NR/NR/NR	N	N

Financial Institutions - Capital Instruments

Australia & New Zealand Banking Group Ltd	N	ANZ 3.75 '27	3/23/2022	102.40	3.25	BBB+/A3/A+	N	N
Bank of East Asia Ltd/The	N	BNKEA 4.25 '22	9/13/2017	100.95	2.26	A-/Baa3/NR	N	N
BNP Paribas SA	N	BNP 4.3 '25	12/3/2020	102.50	3.60	BBB+/Baa2/A	N	N
BPCE SA*	N	BPCEGP 4.45 '25	12/17/2020	102.00	3.94	BBB/Baa3/A-	N	N
BPCE SA*	N	BPCEGP 4.5 '26	6/3/2021	102.00	4.04	BBB/Baa3/A-	N	OW
DBS Bank Ltd	N	DBSSP 3.1 '23	2/14/2018	101.60	1.35	A+/A1/A+	N	N
DBS Bank Ltd	N	DBSSP 4.7 '49	11/22/2020	106.00	3.09	BBB/Baa1/BBB	N	N
DBS Group Holdings Ltd	N	DBSSP 3.8 '28	1/20/2023	105.25	2.86	NR/A3/A+	N	N
DBS Group Holdings Ltd	N	DBSSP 4.7 '49	6/3/2019	103.80	2.92	NR/Baa1/BBB	N	N
DBS Capital Funding II Corp*	N	DBSSP 5.75 '49	6/15/2018	104.18	2.20	BBB/Baa1/BBB	N	N
Julius Baer Group Ltd	N	BAERVX 5.9 '49	11/18/2020	103.35	4.93	NR/Baa3/NR	OW	OW
Julius Baer Group Ltd	N	BAERVX 5.75 '49	4/20/2022	103.00	5.11	NR/Baa3/NR	OW	OW
Malayan Banking Bhd	N	MAYMK 6.0 '49	8/11/2018	104.85	2.49	BB+/Baa2/BB+	N	N
National Australia Bank Ltd	N	NAB 4.15 '28	5/19/2023	103.60	3.52	BBB+/A3/A+	UW	N
Societe Generale SA	N	SOCGEN 4.3 '26	5/19/2021	101.40	3.98	BBB/Baa3/A-	N	N
United Overseas Bank Ltd	N	UOBSP 4.9 '49	7/23/2018	103.15	2.53	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '26	5/22/2020	103.00	2.54	BBB+/A3/A+	N	N
United Overseas Bank Ltd	N	UOBSP 3.15 '22	7/11/2017	100.49	1.60	A+/A1/A+	N	N
United Overseas Bank Ltd	N	UOBSP 4.75 '49	11/19/2019	104.85	2.87	BBB-/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 4.0 '49	5/18/2021	102.25	3.43	NR/Baa1/BBB	N	N
United Overseas Bank Ltd	N	UOBSP 3.5 '29	2/27/2024	102.50	3.12	NR/A3/A+	N	N
Westpac Banking Corp	N	WSTP 4.0 '27	8/12/2022	103.25	3.35	BBB+/A3/A+	N	N

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

Upgrades
Downgrades
New

Indicative prices from Bloomberg as of 3 April 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