

## Monthly Credit View

Wednesday, 01 August 2018

### Monthly Themes

- Firmer rates appear to be the key theme of July, with 10-yr US Treasuries rising markedly above 2.94% since 23 July on the back of continued concerns over global central banks turning less accommodative, breaking out of range-trading between 2.82% and 2.87% over the earlier parts of July. Perhaps with the psychological threshold of 3.0% in sight and expected continued hikes in Fed fund rates, the shorter parts of the yield curve rose relatively faster, re-igniting concerns over the implications from a flattening yield curve. 10-yr US Treasuries are now trading just ~30bps wider than 2-yr US Treasuries, a level that was last seen in Aug 2007.
- In the Asiadollar space, market sentiments were mixed in the earlier part of the month, though the pendulum swung into bullish territory towards the last two weeks of July. Buying of duration and bonds lower on the credit curve was observed, reversing some of the investor skittishness prevailing since mid-April which intensified into early July. The Bloomberg Barclays Asia USD High Yield Bond Index Average Option Spread widened steeply since end-June by 60bps to 582bps on 11 July before reversing, almost as quickly, by 119bps to 463bps at month-end. Three key things drove the reversal in our view (1) PBOC instructing big Chinese banks to increase support to borrowers via loans and investment into credit bonds; (2) reversal of fund flows back into emerging market bonds and high yield; and (3) Institutional investors playing catch up as we enter 2H2018. AxJ G3 bond issuance was higher m/m at USD16.2bn (Jun 2018: USD12.1bn), predominantly from financials, Chinese property companies, China Port Holdings Co Ltd 2-tranche deal totaling USD1.5bn and Temasek's USD1.35bn issue.
- The SGD market treaded lightly in the first week of July with investors and dealers alike taking bite-sized positions though sentiments gradually improved as the month progressed, particularly for higher grade issuers and selected perpetuals. Investors began pricing in non-call risks and taking a more measured approach amidst the resumption in risk-taking. Along with improvements in secondary trade flows, SGD primary markets also thawed, with one corporate issuer (namely, CapitaLand Retail China Trust issuing a SGD130mn maiden bond) and three statutory boards (with near-government risk) issuing a total of SGD2.5bn.
- Overall, we continue to remain cautious over high yield issuers with stretched liquidity profiles and near term maturities (including impending call dates). However, with valuations coming off significantly, we are selectively turning overweight on the high yield issuers which have minimal refinancing risks. Despite the increasingly constructive environment for high grade issuers, primary market demand for high yield issuers is likely to remain opportunistic rather than flushed (especially in contrast to the plentiful years of 2016-2017).
- As we transit into the earnings season, most REITs have reported results and showed largely stable results with aggregate leverage remaining manageable. However, we observe net gearing rising for several corporates including Singapore

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Airlines Ltd and Sembcorp Marine Ltd. We are also expecting a number of the property companies to report higher amounts of debt as they settle for their land purchases.

- Despite the Singapore property cooling measures that kicked in on 6 Jul 2018, [we think that the market may remain buoyant in 2H2018](#), driven by the strong technical environment though we remain cautious going into 2019 with the upcoming supply and potential further interventions by the government. We remain comfortable with most of the developers under our coverage, seeing opportunities in the moderately leveraged ones following the selloff across the bond universe.

### 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: **Nil**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Nil**

### Trade Ideas

- Julius Baer Group Ltd's ("JBG") recent 1H2018 results show the benefit of prior period investments with h/h improvement in gross margins and cost to income ratio. That said, net new money in 1H2018 shows a declining trend compared to prior periods. With the private banking sector remaining competitive and active (Société Générale announced this week the sale of its Belgian private banking operations to ABN AMRO Bank N.V.), the focus has turned to growth strategies to assess JBG's future fundamentals and the intent of its new CEO. We are still overweight on the BAERVX 5.75% PERPc'22 and BAERVX 5.90% PERPc'20 AT1s despite some recent recovery in prices.
- 1H2018 results for Standard Chartered PLC ("StanChart") continued the constructive tone in its 1Q2018 interim management statement with operating income up 6% y/y and 8% h/h. While regulatory and operating costs rose due to investments in business growth and system enhancements, impairment and restructuring costs were down around ~50% on a y/y and h/h basis which translated to strong profit before tax results and a 60bps h/h improvement in StanChart's CET1 ratio to 14.2% as at 30 June 2018. We are neutral the STANLN 4.4 '26c21 Tier 2s and see better value in French bank Tier 2s namely the BPCE Tier 2s as well as the BNP 4.3% 25c20. The French banks under our coverage are due to report their 1H2018 results this week (ending Aug 3<sup>rd</sup>).
- While Frasers Hospitality Trust ("FHREIT")'s 3QFY2018 operating performance was weaker mainly due to competition in Australia and weaker spending in Malaysia, credit profile is stable with aggregate leverage at 34.0% and unencumbered assets of SGD2.3bn. We like the FHREIT 4.45%-PERP which is trading at a YTC of 4.5%, assuming the issuer will call at first call in May 2021.
- We also see value in a number of property issues as valuations have come off significantly. Our top picks include HFCSP 4.75% '19s, CITSP 2.93% '21s, CITSP 3.48% '26s, FPLSP 4.25% '26s and the OUESP curve.

### Upcoming Bond Maturities – August 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Olam International Ltd	OLAMSP	250	10/08/2018
Pacific Radiance Ltd	PACRA	100	29/08/2018
Public Utilities Board	PUBLSP	400	31/08/2018
Ascendas India Trust	AITSP	65	10/08/2018
RHT Health Trust	RHTSP	120	10/08/2018
Hyflux Ltd	HYFSP	400	10/08/2018
Malayan Banking Bhd	MAYMK	522	11/08/2018
Neptune Orient Lines Ltd/Singapore	NOLSP	300	15/08/2018
Sembcorp Industries Ltd	SCISP	200	21/08/2018

(OCBC, Company, Bloomberg)

### Current / Recent Reports From OCBC Credit Research

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

- CWT International Limited: Credit Update (16 July 2018)
- Singapore Mid-Year 2018 Credit Outlook 2018 (6 July 2018)
- Singapore Property: Sector Update (6 July 2018)
- Frasers Property Limited: Credit Update (31 May 2018)
- Hyflux Ltd: Special Interest Commentary (24 May 2018)
- First REIT / Lippo Malls: Credit Update (7 May 2018)
- Singapore Property: Sector Update (3 May 2018)
- Perennial Real Estate Holdings Ltd Credit Update (16 Apr 2018)
- SGD Corporate Perpetual Bonds (9 Mar 2018)
- Heeton Holdings Ltd: Credit Update (28 Feb 2018)
- Pacific Radiance Ltd: Credit Update (28 Feb 2018)
- GuocoLand Ltd: Credit Update (22 Feb 2018)
- Oxley Holdings Ltd: Credit Update (14 Feb 2018)
- Ezion Holdings Ltd: Credit Update (08 Feb 2018)
- Pacific Radiance Ltd: Credit Update (07 Feb 2018)
- Lai Fung Holdings Ltd: Recent Issue View (01 Feb 2018)
- BreadTalk Group Ltd: Credit Update (31 January 2018)
- ESR-REIT / Viva Industrial Trust: Credit Update (30 January 2018)
- First REIT: Credit Update (24 January 2018)
- Wharf Real Estate Investment Co Ltd - New Issue View (11 January 2018)
- Singapore Credit Outlook 2018 (9 January 2018)

Latest Earnings Update:

<https://www.ocbc.com/group/research/credit%20research/corporate.html>

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

**China/HK property**

Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.76	2.41	N	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.75	2.82	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.80	2.86	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.60	3.84	OW	OW
<b>Perennial Real Estate Holdings Ltd</b>	<b>N (5)</b>	<b>PREHSP 4.90 '19</b>	<b>18/03/2019</b>	<b>100.85</b>	<b>3.51</b>	<b>N</b>	<b>UW</b>
<b>Perennial Real Estate Holdings Ltd</b>	<b>N (5)</b>	<b>PREHSP 4.55 '20</b>	<b>29/04/2020</b>	<b>100.17</b>	<b>4.45</b>	<b>OW</b>	<b>N</b>
<b>Perennial Real Estate Holdings Ltd</b>	<b>N (5)</b>	<b>PREHSP 3.85 '20</b>	<b>03/07/2020</b>	<b>98.70</b>	<b>4.57</b>	<b>OW</b>	<b>N</b>
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	99.24	4.23	N	UW

**Singapore property developers**

CapitaLand Ltd / Ascott Capital Pte Ltd	N (3)	CAPLSP 3.78 '19	16/08/2019	101.75	2.06	UW	UW
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 4.35 '19</b>	<b>31/10/2019</b>	<b>102.40</b>	<b>2.38</b>	<b>UW</b>	<b>N</b>
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	103.35	2.63	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.27	3.20	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	96.95	3.47	N	N
City Developments Ltd	Pos (2)	CITSP 3.38 '19	20/03/2019	101.00	1.75	UW	UW
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.00 '20</b>	<b>02/04/2020</b>	<b>100.85</b>	<b>2.47</b>	<b>N</b>	<b>OW</b>
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.00 '20</b>	<b>27/10/2020</b>	<b>100.85</b>	<b>2.60</b>	<b>OW</b>	<b>-</b>
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 2.93 '21</b>	<b>24/03/2021</b>	<b>100.20</b>	<b>2.85</b>	<b>OW</b>	<b>N</b>
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.75	3.00	N	N
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.48 '23</b>	<b>03/04/2023</b>	<b>101.80</b>	<b>3.06</b>	<b>N</b>	<b>OW</b>
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	102.95	3.25	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	100.05	3.47	OW	OW
<b>Chip Eng Seng Corporation Ltd</b>	<b>Neg (6)</b>	<b>CHIPEN 4.75 '21</b>	<b>14/06/2021</b>	<b>97.50</b>	<b>5.71</b>	<b>N</b>	<b>UW</b>
<b>Chip Eng Seng Corporation Ltd</b>	<b>Neg (6)</b>	<b>CHIPEN 4.9 '22</b>	<b>19/05/2022</b>	<b>94.00</b>	<b>6.72</b>	<b>N</b>	<b>UW</b>
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 3.95 '21</b>	<b>07/10/2021</b>	<b>101.80</b>	<b>3.35</b>	<b>N</b>	<b>UW</b>
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	100.20	4.22	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	99.60	4.21	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.95 '19	01/04/2019	100.90	2.56	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.70	3.10	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.30	3.50	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	100.50	3.85	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.10	4.07	N	N
Heaton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	100.41	5.85	OW	OW
Heaton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.92	6.11	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	100.50	3.96	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.95	2.16	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.80	2.77	N	N
<b>Hotel Properties Ltd</b>	<b>N (4)</b>	<b>HPLSP 3.85 '21</b>	<b>27/05/2021</b>	<b>101.45</b>	<b>3.30</b>	<b>N</b>	<b>OW</b>
OUE Ltd	N (4)	OUESP 4.25 '19c18	30/10/2019	100.80	3.04	OW	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	100.25	3.64	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	99.25	3.97	OW	OW
<b>OUE Ltd</b>	<b>N (4)</b>	<b>OUESP 3.55 '23</b>	<b>10/05/2023</b>	<b>97.25</b>	<b>4.19</b>	<b>OW</b>	<b>N</b>
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	96.73	7.94	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	97.27	6.79	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	93.50	7.86	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.0 '21	07/10/2021	102.83	3.06	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.87	3.49	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	102.37	3.69	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	104.04	3.89	OW	OW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.05 '19	12/06/2019	96.89	9.12	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.30 '20	01/04/2020	95.46	8.29	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	96.71	6.99	N	N
<b>Aspial Corp. Ltd</b>	<b>Neg (6)</b>	<b>ASPSP 5.9 '21</b>	<b>19/04/2021</b>	<b>89.08</b>	<b>10.65</b>	<b>N</b>	<b>UW</b>

*Indicative prices from Bloomberg as of 1 August 2018*

Issuer	Issuer Profile	Issue				Recommendation	
			Maturity	Ask Price	Ask YTW	Current	Previous
REITS							
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	101.05	2.65	UW	UW
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.20	2.25	N	N
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.85	2.51	N	OW
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.00	2.65	N	OW
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.90	2.82	N	N
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.30	2.84	N	OW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	97.20	3.08	N	N
Ascott Residence Trust	N (4)	ARTSP 4.3 '18	30/11/2018	100.60	2.38	N	UW
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.50	3.08	N	OW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.85	3.44	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.61	2.75	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.25	2.97	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.27	3.12	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.50	3.24	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.55	2.47	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	99.60	2.89	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.10	2.98	N	
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.36	3.05	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	101.12	3.33	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	96.03	3.38	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	95.78	3.77	N	N
ESR REIT	N (4)	EREIT 3.5 '18	05/11/2018	100.30	2.27	UW	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	101.10	3.31	OW	OW
Frasers Centrepoint Trust	N (3)	FACTSP 2.9 '19	10/04/2019	100.45	2.24	N	UW
Frasers Centrepoint Trust	N (3)	FACTSP 3 '20	21/01/2020	100.75	2.49	N	UW
Frasers Centrepoint Trust	N (3)	FACTSP 2.77 '24	08/11/2024	97.40	3.23	N	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.12	2.55	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.87	2.88	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.05	3.16	OW	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.75	3.30	OW	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.76	3.32	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	97.00	5.80	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	100.40	2.34	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	102.00	2.59	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.30	2.69	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	101.00	3.01	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	100.65	3.16	N	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	97.90	3.41	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	97.10	3.42	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.40	2.72	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	101.80	2.90	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.75 '19	08/03/2019	101.00	2.03	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	102.70	2.94	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	99.80	3.06	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.80	3.20	N	N
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	99.40	3.84	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	102.10	2.65	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.50	3.06	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	97.57	3.48	N	N
Suntec REIT	N (4)	SUNSP 2.83 '18	12/11/2018	100.25	1.88	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	101.10	2.60	N	UW
Suntec REIT	N (4)	SUNSP 3.00 '21	16/07/2021	100.05	2.98	N	
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.46	3.18	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	97.60	3.38	N	OW
Suntec REIT	N (4)	SUNSP 3.40 '23	10/05/2023	100.63	3.26	UW	
VIVA Industrial Trust	N (5)	VITSP 4.15 '18	19/09/2018	100.10	3.27	OW	OW

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

**Offshore & Marine and Logistics**

CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20c15	09/09/2020	95.09	7.21	N	N
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21c16	22/06/2021	92.62	7.29	OW	OW
Keppel Corp Ltd	N (3)	KEPSP 3.1 '20	12/10/2020	100.95	2.65	UW	UW
<b>Keppel Corp Ltd</b>	<b>N (3)</b>	<b>KEPSP 3.145 '22</b>	<b>14/02/2022</b>	<b>100.15</b>	<b>3.10</b>	<b>N</b>	<b>UW</b>
Keppel Corp Ltd	N (3)	KEPSP 3.725 '23	30/11/2023	102.00	3.31	N	N
Keppel Corp Ltd	N (3)	KEPSP 3.8 '27c22	23/04/2027	101.75	3.29	N	N
Keppel Corp Ltd	N (3)	KEPSP 4 '42	07/09/2042	101.00	3.91	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	102.00	2.51	UW	UW
<b>Sembcorp Industries Ltd</b>	<b>N (4)</b>	<b>SCISP 2.94 '21</b>	<b>26/11/2021</b>	<b>100.25</b>	<b>2.86</b>	<b>UW</b>	<b>N</b>
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	99.95	3.65	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	102.50	3.84	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	97.50	3.95	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.90	2.32	N	N

**Others**

<b>Banyan Tree Holdings Ltd</b>	<b>N (5)</b>	<b>BTHSP 5.35 '18</b>	<b>26/11/2018</b>	<b>100.25</b>	<b>4.48</b>	<b>OW</b>	<b>N</b>
Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.25	4.61	UW	UW
<b>BreadTalk Group Ltd</b>	<b>N (5)</b>	<b>BREAD 4.6 '19</b>	<b>01/04/2019</b>	<b>101.50</b>	<b>2.28</b>	<b>UW</b>	<b>N</b>
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.00	4.00	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2020	98.20	8.03	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.50	3.03	N	N
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	90.95	19.08	UW	UW
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	80.00	20.83	UW	UW
<b>Fraser and Neave Ltd</b>	<b>N (4)</b>	<b>FNNSP 3.09 '22</b>	<b>23/03/2022</b>	<b>99.25</b>	<b>3.31</b>	<b>N</b>	<b>UW</b>
<b>Fraser and Neave Ltd</b>	<b>N (4)</b>	<b>FNNSP 2.8 '22</b>	<b>22/08/2022</b>	<b>97.30</b>	<b>3.52</b>	<b>N</b>	<b>UW</b>
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	98.25	4.04	N	N
<b>G8 Education Ltd</b>	<b>Neg (6)</b>	<b>GEMAU 5.5 '19</b>	<b>18/05/2019</b>	<b>92.00</b>	<b>17.44</b>	<b>N</b>	<b>UW</b>
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	98.35	5.47	N	N
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2024	97.00	3.65	OW	OW
Olam International Ltd	N (5)	OLAMSP 5.80 '19	17/07/2019	102.55	3.06	UW	UW
<b>Olam International Ltd</b>	<b>N (5)</b>	<b>OLAMSP 4.25 '19</b>	<b>22/07/2019</b>	<b>101.10</b>	<b>3.10</b>	<b>N</b>	<b>UW</b>
<b>Olam International Ltd</b>	<b>N (5)</b>	<b>OLAMSP 6.00 '22</b>	<b>25/10/2022</b>	<b>104.70</b>	<b>4.76</b>	<b>OW</b>	<b>N</b>
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.30	2.52	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.50	2.56	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.95	2.99	UW	UW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	99.75	3.08	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	99.72	3.17	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.75	3.29	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	102.25	2.11	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.49	2.34	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.71	2.48	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.54	2.94	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.95	3.41	UW	UW

**Financial Institutions - Senior Issues**

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	103.30	3.46	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.60	2.13	N	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.55	2.58	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.70	2.53	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	106.21	3.10	N	N

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

Indicative prices from Bloomberg as of 1 August 2018

Issuer	Issuer Profile	Issue				Recommendation	
			First Call	Ask Price	YTW	Current	Previous
Corporate perpetuals							
Ascendas REIT	N (3)	AREIT 4.75 '49	14/10/2020	103.20	3.22	UW	N
Ascott Residence Trust	N (4)	ARTSP 5 '49	27/10/2019	102.15	3.21	UW	N
Ascott Residence Trust	N (4)	ARTSP 4.68 '49	30/06/2020	101.65	3.77	N	OW
First REIT	Neg (6)	FIRTSP 5.68 '49	08/07/2021	99.50	5.86	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 '49	12/05/2021	100.20	4.36	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 '49	24/09/2019	100.75	4.22	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 '49	09/03/2020	100.80	4.46	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '49	05/10/2022	94.10	5.55	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 '49	17/01/2023	94.25	5.15	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 '49	23/01/2023	97.50	5.05	N	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 '49	05/05/2022	100.45	4.51	OW	OW
Keppel REIT	N (4)	KREITS 4.98 '49	02/11/2020	102.50	3.79	N	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 '49	27/09/2021	96.74	8.18	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 '49	19/12/2022	92.56	8.67	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 '49	25/11/2021	101.40	3.72	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 '49	28/03/2023	98.50	4.00	UW	UW
ESR REIT	N (4)	EREIT 4.6 '49	03/11/2022	95.53	5.80	OW	OW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 '49	19/10/2020	98.20	4.77	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 '49	11/07/2022	99.40	5.66	N	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 '49	02/03/2022	103.25	3.27	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 '49	20/05/2020	100.30	4.56	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 '49	22/06/2020	98.73	4.06	UW	UW
StarHub Ltd	N (3)	STHSP 3.95 '49	16/06/2022	99.10	4.07	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 '49	28/06/2022	99.10	4.33	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 '49	24/08/2020	96.50	4.83	N	N

**Financial Institutions - Capital Instruments**

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	102.75	3.70	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.30	3.39	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	93.80	4.85	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	101.85	3.51	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	101.55	3.80	N	N
BPCE SA*	N (4)	BPCEGP 4.5 '26	03/06/2021	101.55	3.94	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.35	4.17	OW	OW
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 '49	22/11/2020	102.80	3.42	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	103.35	3.02	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 '49	03/06/2019	102.00	2.35	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 '49	08/06/2022	101.00	4.44	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 '49	18/11/2020	103.75	4.20	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 '49	20/04/2022	103.75	4.66	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	99.60	3.87	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	101.75	3.77	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.65	3.70	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.75	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.80	2.53	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 '49	19/11/2019	102.90	2.51	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.0 '49	18/05/2021	102.55	3.06	N	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	102.40	3.05	UW	N
Westpac Banking Corp	Pos (2)	WSTP 4.0 '27	12/08/2022	102.55	3.35	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 1 August 2018

### 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 securities in the following above-mentioned issuers or companies as at the time of the publication of this report: GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust

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