

Monthly Credit View

Thursday, 04 October 2018

Monthly Themes

- Rates conviction in September was strong following August's tepid trend. 10-yr US Treasuries climbed significantly (~23bps) throughout the month to 3.06% on 28 September. This was largely attributable to heightened expectations of continued rate hikes by the Fed, supported by solid US economic data, which overpowered lingering trade concerns between the US and China and emerging market developments. As of time of writing, 10-yr US Treasuries had climbed steeply by a further 16bps to 3.22% on the back of strong employment data. Fed Powell's suggestion that "we're a long way from neutral at this point" but "we may go past neutral" also added pressure on the UST bond market.
- Although September bond issuance in the Asia dollar space was higher month on month as expected, it fell short of expectations with volume down ~17% y/y. Issuances by financial institutions dominated the market in September, accounting for ~39% of total issuances while geographically, China issuers continued to be the most active in the market. While issuers will be motivated to come to the market sooner rather than later with rate hikes looming, we expect issuance volumes to be somewhat depressed with China out during the first week of October due to National Day. Also tempering issuance volumes in our view is the likely rise in new issue premiums required to get deals priced as seen with Société Générale's ("SocGen") USD1.25bn AT1 securities that priced on Sept 27th with a decent new issue premium of ~37bps compared to SocGen's existing curve.
- The SGD primary market continued its comeback from a first half hiatus with nine bond issues totaling SGD3.7bn (compared with 7 bond issues totaling SGD2.1bn in August). Banks including DBS Group Holdings Ltd, HSBC Holdings Ltd, Commerzbank AG, ICICI Bank UK PLC, and China Construction Bank contributed ~69% of issuance volume and of note was not only the dispersion of bank names but also the variety of instruments with senior unsecured, Tier 2 and Additional Tier 1's being issued. Market reception was varied however with HSBC's SGD750mn 5.0% PERPc23s AT1s driving repricing of secondary markets and trading above par while ICICI's SGD100mn 5.375% 10NC5 Tier 2's struggled and is now trading slightly below par. This continues to show investors' selective preferences for good quality names and demand for adequate compensation in a rising rate environment, which may deter further issuances. Interestingly, we also saw our first SGD corporate perpetual for some time with Soilbuild REIT issuing a 6% NC3 perp though this was anchored by the business owner who took up ~50% of the issuance. Meanwhile, prices of corporate perpetuals have been drifting downwards as investors steer clear given the negative market sentiments on long-dated maturities. While we saw some picking up of secondary activity for selected corporate perpetuals by end-September, it is still too early to herald any stabilization in our view.
- Finally, we continue to see restructuring activity within the SGD bond space. ASL Marine Holdings Ltd is looking to extend maturity, reduce interest and ease

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

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

wonghongwei@ocbc.com

Seow Zhi Qi

+65 6530 7348

ZhiQiSeow@ocbc.com

covenants on SGD150mn in bonds that were previously restructured in March 2017. Bondholders of Pacific Andes Resources Development Ltd are mulling legal action against HSBC in a bid to claw back monies from a defaulted SGD bond, while Ezra Holdings Ltd is pursuing a Chapter 11 liquidating plan. The market also continues to await updates from Hyflux Ltd on the restructuring progress. These developments continue to frame our ongoing preference for better quality names that should insulate against both fundamental and technical considerations as we head towards year end. At this point, we are advocating switching out of longer duration papers as a means to pick up yield and going into selective shorter dated HY papers where the risk-reward looks attractive. While secondary markets have repriced on the expectation of rising rates and new issue premiums have returned, we are becoming increasingly aware of rising macro risks. The International Monetary Fund is expected to cut its global growth forecast next week on rising protectionism and tighter financial markets.

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: **OUE Limited, First Real Estate Investment Trust, Ascott Residence Trust**.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Perennial Real Estate Holdings Limited**

Trade Ideas

- **IG Pick: HSBC 4.70%-PERPc22s (Offer YTC 4.49%):** Following the issuance of the HSBC 5.0%-PERPc23s, the HSBC 4.70%-PERPc22s dropped close to 2c before recovering slightly. Still, it looks the better value of the two HSBC issues given the shorter duration and the higher reset spread which adds value in our view. HSBC has global systemic importance as the 7th largest bank globally by asset size. Although headquartered in London, 77% of 2Q2018 adjusted PBT was generated in Asia, mostly in Hong Kong. Size is the key strength for the business profile as it gives the bank scale and diversity which translate to earnings stability with a very balanced earnings mix. Underlying performance has been resilient from stable revenues and expenses and lower impairments, leading to improved earnings with a strong liquidity and funding profile. Capital requirements are rising due to systemic importance but current Holdco MREL is not far off from its minimum 2022 requirement and current capital ratios are well above minimum stressed CET1 ratio from Bank of England stress tests.
- **HY Pick: GUOLSP 4.1% 13/05/2020 (Offer YTM 3.20%):** GuocoLand Ltd ("GUOL") (Issuer profile: Neutral (5)) is a Singapore-based property developer focusing on residential, commercial and integrated developments. GUOL's properties are located in Singapore, China, Malaysia and Vietnam. It is 68%-owned by Guoco Group, which is listed on the Hong Kong Stock Exchange, and in turn a member of the Hong Leong Group conglomerate. While net gearing remains somewhat elevated at 0.87x (as at 30 June 2018), short term debt coming due had shrunk considerably to SGD1.6bn from end-March's SGD3.2bn. Capital markets continue to be accessible for GUOL which should help with refinancing of the remaining debt due in the short term. Recurring income from Tanjong Pagar Centre (an integrated development in Singapore's CBD) also weighs positively for GUOL.
- **HY Pick: PREHSP 3.85% 03/07/2020 (Offer YTM 5.62%):** With the recent PREHSP 5.95% 28/08/2020 repricing the PREHSP curve wider, we think the PREHSP 3.85% '20s now look very attractive trading around 5.6% for a short 1.75 year paper.
- **HY Pick: LMRTSP 4.1% 22/06/2020 (Offer YTM 9.27%):** While negative headlines loom over its sponsor Lippo Karawaci, LMRTSP '20s now looks interesting offering

9.27% yield.

- **HY Pan: ASPSP 6.25% 11/10/2021 (Offer YTM 6.23%):** As mentioned, [we do not find the new ASPSP 6.25% '21s attractive](#). We prefer switching to the shorter parts of the ASPSP curve or switch out to OHLSP 5% '19s.
- **Switch trade:** Switch out of China Eastern Airlines Group's CHIEAS 2.8% '20 (Offer YTM 3.05%) to Keppel Corp's KEPSP 3.1% '20 (Offer YTM 3.05%). While both are trading at around similar levels for a similar tenor, we prefer the KEPSP 3.1% '20 over CHIEAS 2.8% '20s as we see CHIEAS' credit profile to be hit by elevated levels of oil prices which should continue to negatively affect its profitability level in the next 6 months.
- **Switch trade:** Switch out of CITIC Envirotech Ltd's CELSP 3.9% PERP (Offer YTC 5.2%) into the EREIT 4.6% PERP (Offer YTC 5.8%). A switch would allow a spread pick up of 40 bps, which more than compensates for EREIT 4.6% PERP's two year longer first call date. We see EREIT as having a stronger issuer profile at Neutral (4) versus CELSP at Neutral (5). EREIT, as a Singapore listed REIT, is also subjected to a 45% aggregate leverage cap.

Upcoming Bond Maturities – October 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Mapletree Treasury Services Ltd	MAPLSP	250	04/10/2018
Neptune Orient Lines Ltd/Singapore	NOLSP	300	16/10/2018*
International Finance Corp	IFC	100	17/10/2018
AusGroup Ltd	AUSGSP	72.7518	20/10/2018
SP PowerAssets Ltd	SPSP	500	22/10/2018
Perennial Real Estate Holdings Ltd	PREHSP	300	23/10/2018
Indah Capital Ltd	KNBZMK	372.68	24/10/2018
Commonwealth Bank of Australia	CBAAU	100	25/10/2018*
Wharf MTN Singapore Pte Ltd	WHARF	250	28/10/2018
ARMF Whitesands Pte Ltd	ARMFSG	111	29/10/2018*
RHT Health Trust	RHTSP	120	31/10/2018*
Hyflux Ltd	HYFSP	400	31/10/2018*
First Sponsor Group Ltd	FSGSP	147.454	31/10/2018*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- Aspiat Corp Ltd - New Issue View (2 October 2018)
- HSBC Holdings PLC - New Issue View (17 September 2018)
- Aspiat Corp Ltd: Credit Update (13 September 2018)
- CapitaLand Retail China Trust: New Credit Review (13 September 2018)
- Pacific Radiance Ltd: Credit Update (10 August 2018)
- Mapletree Investments Pte Ltd: Special Interest Commentary (6 August 2018)
- 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	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous

China/HK property

Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.48	2.48	N	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.55	2.79	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.85	2.75	N	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.70	3.80	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.90 '19	18/03/2019	100.21	4.39	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.17	4.44	N	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	97.18	5.57	OW	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 5.95 '21	28/08/2020	100.64	5.59	OW	-
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	95.56	6.02	OW	-

Singapore property developers

CapitaLand Ltd / Ascott Capital Pte Ltd	N (3)	CAPLSP 3.78 '19	16/08/2019	101.45	2.06	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	102.30	2.15	UW	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	103.22	2.55	UW	N
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	102.90	3.25	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	96.10	3.59	N	N
City Developments Ltd	Pos (2)	CITSP 3.38 '19	20/03/2019	100.65	1.91	UW	UW
City Developments Ltd	Pos (2)	CITSP 3.00 '20	02/04/2020	100.30	2.79	N	OW
City Developments Ltd	Pos (2)	CITSP 3.00 '20	27/10/2020	100.58	2.71	N	OW
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.22	2.84	N	OW
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.67	2.99	N	N
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	101.43	3.14	OW	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	102.47	3.32	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	99.10	3.61	OW	OW
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.75 '21	14/06/2021	97.50	5.77	N	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.9 '22	19/05/2022	95.50	6.31	OW	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	101.50	3.42	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	100.00	4.25	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	98.90	4.31	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.95 '19	01/04/2019	100.60	2.67	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.30	3.26	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.30	3.49	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	100.90	3.71	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.81	3.90	N	N
Heaton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	99.86	6.19	OW	OW
Heaton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	100.10	6.04	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	100.60	3.39	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.65	2.16	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.90	2.58	UW	N
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	101.75	3.15	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5 '19	05/11/2019	98.85	6.21	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.15 '20	18/05/2020	98.27	6.29	N	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	92.00	8.52	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.0 '21	07/10/2021	102.43	3.14	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.82	3.46	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	101.98	3.76	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	103.54	3.96	OW	OW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.05 '19	12/06/2019	99.33	6.16	OW	OW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.30 '20	01/04/2020	100.53	4.97	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.60	6.62	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	95.66	7.82	N	N

Indicative prices from Bloomberg as of 4 October 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	101.24	2.49	UW	UW
Ascendas REIT	N (3)	AREIT 2.5 '19	16/05/2019	100.20	2.17	UW	UW
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.90	2.44	UW	UW
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.85	2.72	N	UW
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.65	2.84	N	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.00	2.91	N	UW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	96.80	3.19	N	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	99.00	3.31	N	-
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.66	2.72	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.10	3.03	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	99.57	3.26	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	99.70	3.38	OW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.30	2.54	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	99.00	3.04	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	100.60	3.08	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	101.60	3.18	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	99.85	3.22	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	100.92	3.36	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	94.79	3.56	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	95.26	3.82	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.50	3.31	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 2.9 '19	10/04/2019	100.40	2.10	UW	UW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.70	2.46	UW	UW
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	96.60	3.39	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.15	2.51	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.65	2.96	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.05	3.19	N	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.20	3.41	OW	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.90	3.29	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	92.00	9.28	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	100.40	2.28	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.90	2.56	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.05	2.76	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	100.70	3.08	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	99.95	3.29	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	97.60	3.46	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	96.40	3.52	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.30	2.73	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.00	2.81	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.75 '19	08/03/2019	100.70	2.03	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	102.70	2.92	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	99.38	3.17	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.39	3.28	UW	UW
Sabana Shari'ah Compliant REIT	N (5)	SSREIT 4.25 '19	03/04/2019	99.50	5.31	OW	-
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	99.30	3.90	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.90	2.67	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.00	3.17	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	97.44	3.51	N	N
Suntec REIT	N (4)	SUNSP 2.83 '18	12/11/2018	100.25	0.14	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	101.10	2.52	N	N
Suntec REIT	N (4)	SUNSP 3.00 '21	16/07/2021	99.60	3.15	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.90	3.06	UW	UW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	97.10	3.51	N	N
Suntec REIT	N (4)	SUNSP 3.40 '23	10/05/2023	100.40	3.30	UW	UW

Indicative prices from Bloomberg as of 4 October 2018

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

Offshore & Marine and Logistics

CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20c15	09/09/2020	94.63	7.71	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21c16	22/06/2021	89.01	9.07	OW	OW
Keppel Corp Ltd	N (3)	KEPSP 3.1 '20	12/10/2020	100.10	3.05	OW	N
Keppel Corp Ltd	N (3)	KEPSP 3.145 '22	14/02/2022	100.15	3.10	UW	N
Keppel Corp Ltd	N (3)	KEPSP 3.725 '23	30/11/2023	101.95	3.31	N	N
Keppel Corp Ltd	N (3)	KEPSP 3.8 '27c22	23/04/2027	101.75	3.27	N	N
Keppel Corp Ltd	N (3)	KEPSP 4 '42	07/09/2042	99.80	4.01	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	101.50	2.71	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	99.10	3.24	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	99.60	3.72	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	101.10	4.06	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.10	4.16	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.60	2.39	UW	UW

Others

Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.25	4.52	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4.6 '19	01/04/2019	101.15	2.16	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.10	3.97	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2020	98.20	8.12	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.50	3.05	UW	N
CWT International Limited	Neg (6)	CWTSP 3.9 '19	18/04/2019	94.00	16.98	UW	N
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	80.00	22.86	N	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	98.90	3.43	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	97.45	3.51	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	98.65	3.99	OW	OW
G8 Education Ltd	Neg (6)	GEMAU 5.5 '19	18/05/2019	98.50	8.20	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	98.30	5.54	N	N
Keppel T&T	N (4)	KPTTSP 2.85 '24c22	05/09/2024	97.93	3.42	N	N
Olam International Ltd	N (5)	OLAMSP 5.80 '19	17/07/2019	102.00	3.17	N	N
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	100.85	3.16	N	N
Olam International Ltd	N (5)	OLAMSP 6.00 '22	25/10/2022	105.05	4.62	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.20	2.51	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	100.60	2.89	N	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.10	3.13	UW	UW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	99.00	3.21	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	98.10	3.40	N	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	97.94	3.40	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.73	2.31	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.17	2.49	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.17	2.66	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.00	3.08	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.60	3.46	UW	UW

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.57	3.56	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.48	2.14	OW	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.37	2.65	N	N
DBS Group Holdings Ltd	Pos (2)	DBSP 2.78 '21	11/01/2021	100.41	2.64	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	104.65	3.34	N	N

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

Indicative prices from Bloomberg as of 4 October 2018

Issuer	Issuer Profile	Issue				Recommendation	
			First Call	Ask Price	YTW	Current	Previous

Corporate perpetuals

Ascendas REIT	N (3)	AREIT 4.75 PERP	14/10/2020	102.30	3.55	N	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 PERP	12/05/2021	100.20	4.36	OW	N
Frasers Property Ltd	N (4)	FPLSP 4.88 PERP	24/09/2019	100.95	3.91	N	N
Frasers Property Ltd	N (4)	FPLSP 5 PERP	09/03/2020	100.85	4.39	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 PERP	05/10/2022	93.50	5.80	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 PERP	17/01/2023	94.60	5.12	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 PERP	23/01/2023	96.80	5.20	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 PERP	05/05/2022	101.20	4.28	OW	OW
Keppel REIT	N (4)	KREITS 4.98 PERP	02/11/2020	101.80	4.05	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 PERP	27/09/2021	87.73	12.06	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 PERP	19/12/2022	81.79	12.27	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 PERP	25/11/2021	100.80	3.90	N	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 PERP	28/03/2023	98.50	4.02	N	UW
ESR REIT	N (4)	EREIT 4.6 PERP	03/11/2022	95.57	5.83	OW	OW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 PERP	19/10/2020	97.50	5.21	UW	N
Olam International Ltd	N (5)	OLAMSP 5.5 PERP	11/07/2022	99.54	5.70	N	N
Singapore Post Ltd	Pos (2)	SPOST 4.25 PERP	02/03/2022	102.50	3.47	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 PERP	20/05/2020	100.30	4.22	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7 PERP	22/06/2020	98.50	4.14	UW	N
StarHub Ltd	N (3)	STHSP 3.95 PERP	16/06/2022	98.20	4.20	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 PERP	28/06/2022	98.38	4.56	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 PERP	24/08/2020	96.10	4.89	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	102.78	3.67	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	100.10	3.74	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.20	4.81	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	101.60	3.59	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	101.60	3.70	OW	N
BPCE SA*	N (4)	BPCEGP 4.5 '26	03/06/2021	101.60	3.88	OW	N
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.10	4.26	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	98.60	4.53	N	
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 PERP	22/11/2020	102.45	3.49	OW	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	101.70	3.39	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 PERP	12/09/2025	99.60	4.06	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 PERP	03/06/2019	101.50	2.58	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 4.7 PERP	08/06/2022	100.20	4.67	OW	N
HSBC Holdings PLC	Pos (2)	HSBC 5.0 PERP	24/09/2023	101.15	4.76	N	
Julius Baer Group Ltd	N (3)	BAERVX 5.9 PERP	18/11/2020	103.00	4.43	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 PERP	20/04/2022	103.20	4.78	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	99.65	3.88	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	102.30	3.63	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.20	3.85	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.70	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.30	2.79	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 PERP	19/11/2019	102.20	2.89	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 4.0 PERP	18/05/2021	101.20	3.59	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	101.50	3.23	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4.0 '27	12/08/2022	101.20	3.67	N	N

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Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 4 October 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, Singapore Telecommunications Ltd

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