

## Monthly Credit View

Thursday, 06 September 2018

### Monthly Themes

- US Treasuries in August lacked the same conviction of July. 10-yr US Treasuries hit 3.00% on 1 August on the back of the US government's intention to increase borrowing from the bond market and US jobs data beating estimates. Yields however subsequently came down steadily largely due to trade tensions between the US and China, and the US and Turkey. With longer term yields coming down more quickly, the trend of an overall flattening yield curve persists. With August ending on rising concerns from emerging markets (namely Italy, Turkey and Argentina), overall 10-yr US Treasuries ended the month at 2.86%, down 14bps from the start of the month.
- In the Asia dollar space, overall market sentiment improved in August with China's easing measures to support economic growth providing a fill up for China's onshore bond markets that flowed through to offshore issues. The volume of bonds issued in August came close with that of 2017's for the first time since April this year with most issuances coming out of China. We expect greater bond supply in September as the 2018 issuance window closes and ahead of Chinese holidays at the start of October. While this represents buying opportunities for investors, it may add pressure to the trading levels of secondary bonds.
- Despite general sentiment improving (movement in the Bloomberg Barclays Asia USD High Yield Bond Index Average Option Spread was much more muted relative to last month with an average of 480bps and fluctuations within 24bps), we continue to see a dispersion in demand for high yield and investment grade credit. The average option spread for USD investment grade bond was relatively stable with changes within 3bps at an average 139bps (5bps lower than July's average). This was highlighted by the strong demand for Singapore Telecommunications Ltd's USD500mn 3.875% 10yr notes that attracted USD2.85bn in orders, ~5.7x oversubscribed. Conversely, Indonesian Property developer PT Intiland Development delayed its 11.5% debut USD bond due to weak market reception.
- Activity in the SGD primary market continues to show signs of life following the improvement in July with seven corporate issuers – CapitaLand Mall Trust, Mapletree Investments Pte Ltd, Perennial Real Estate Holdings Ltd, China Aoyuan Property Group Ltd (a first time issuer in the SGD space), RCS Trust, Ascendas Pte Ltd and Oversea-Chinese Banking Corp Ltd, issuing a total of SGD2.1bn (following the SGD2.5bn issued in July that was anchored by statutory boards). Similar to the Asia dollar space, improved demand in both primary and secondary markets continue to be driven by mostly higher grade issuers and selective high yield names which so far have been China property-focused. CITIC Envirotech Ltd (rated Neutral (5) by OCBC Credit Research) is seeking to add to future supply and has arranged for investor meetings to raise either a USD or SGD perpetual. Performance of this proposed transaction will give the strongest indication for some time as to whether SGD HY is out of the woods.

#### Treasury Advisory

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#### Interest Rate

#### Derivatives

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- With September starting on somewhat shaky ground on Emerging Market concerns and ongoing trade war developments, we continue to advocate that investors stay cautious with rising market volatility and go for quality by selecting names with stronger credit fundamentals. Event risks such as rising supply, declining market liquidity and prevailing questions on China's local government financing vehicle sector have the potential to influence sentiment towards high yield with investors potentially caught short in the impending wave of supply, particularly with the high yield market seemingly supported by the Chinese government's recent interventions.

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

### Trade Ideas

- Singapore Post Ltd ("SPOST") (Issuer profile: Positive (2)) is the incumbent mail operator in Singapore. Through Singapore Telecommunications Ltd and a few other corporations, Temasek Holdings has an indirect ownership of ~22% and Alibaba Group Holdings is the 2<sup>nd</sup> largest shareholder with ~14% of SPOST. Having displayed strong credit fundamentals in 2Q2018 – net cash position, we think the SPOST 4.25%-PERPc22s (Offer YTC 3.17%) provides solid value compared to companies with a similar issuer profile, including Singapore Telecommunications Ltd (Issuer profile: Positive (2)).
- Central China Real Estate Ltd ("CENCHI") (Issuer profile: Unrated) is a Chinese property developer focused on the Henan Province. The second largest shareholder of CENCHI is CapitaLand which now holds ~22%-stake in the company. CENCHI's 1H2018 reported EBITDA was up 24.6% y/y to RMB1.4bn and the company has achieved 56.3% of its full year targeted contracted sales (RMB25.3bn out of RMB45.0bn). Reported net gearing (without restricted cash) was lower at 0.7x (30 June 2017: 0.8x). While its credit profile appears stable, we think there is better value elsewhere within other Chinese developers which issued SGD bonds compared to the CENCHI 6.25% '20s.
- G8 Education Ltd's ("G8") (Issuer profile: Negative (6)) credit profile has been under pressure given recent weak performance due to (1) challenges in the Australian childcare sector from oversupply; and (2) short term liquidity concerns with its GEMAU 5.5% '19s due 18<sup>th</sup> May 2019. However, the company announced in its 1H2018 results that it has secured a credit approved underwritten AUD400mn syndicated bank debt loan split into AUD200m due Dec. 2021 and AUD200m due December 2023 to refinance the SGD270m bonds and existing AUD200m club facility (drawn to AUD80m at June 2018). The GEMAU 5.5% '19s is currently being quoted anywhere from 92-98c with the yield at 96c at 11.9%. This could be an interesting choice for investors comfortable with exposure to high yield.

### Upcoming Bond Maturities – September 2018

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
GLL IHT Pte Ltd	GUOLSP	75	04/09/2018
Hyflux Ltd	HYFSP	100	07/09/2018
Viva iTrust MTN Pte Ltd	VITSP	100	19/09/2018
Henderson Land MTN S Pte Ltd	HENLND	200	19/09/2018
Housing & Development Board	HDBSP	1450	19/09/2018
Citydev Nahdah Pte Ltd	CITSP	50	19/09/2018
Cagamas Global PLC	CAGA	200	20/09/2018
City Developments Ltd	CITSP	50	21/09/2018
Neptune Orient Lines Ltd/Singapore	NOLSP	300	18/09/2018*
OCBC Capital Corp 2008	OCBCSP	1500	20/09/2018*

(OCBC, Company, Bloomberg)

### Current / Recent Reports From OCBC Credit Research

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

- 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	101.47	2.53	N	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.70	2.78	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	105.00	2.74	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.70	3.55	OW	OW

**Singapore property developers**

CapitaLand Ltd / Ascott Capital Pte Ltd	N (3)	CAPLSP 3.78 '19	16/08/2019	101.30	2.37	UW	UW
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 4.35 '19</b>	<b>31/10/2019</b>	<b>102.10</b>	<b>2.48</b>	<b>N</b>	<b>UW</b>
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 4.3 '20</b>	<b>31/08/2020</b>	<b>103.10</b>	<b>2.68</b>	<b>N</b>	<b>UW</b>
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.66	3.12	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	98.05	3.33	N	N
City Developments Ltd	Pos (2)	CITSP 3.38 '19	20/03/2019	100.73	1.97	UW	UW
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.00 '20</b>	<b>02/04/2020</b>	<b>100.75</b>	<b>2.51</b>	<b>OW</b>	<b>N</b>
City Developments Ltd	Pos (2)	CITSP 3.00 '20	27/10/2020	100.70	2.66	OW	OW
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.10	2.89	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.60	3.02	N	N
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	101.80	3.05	N	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.35	3.17	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	100.60	3.39	OW	OW
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.75 '21	14/06/2021	98.50	5.34	N	N
Chip Eng Seng Corporation Ltd	Neg (6)	CHIPEN 4.9 '22	19/05/2022	96.50	5.97	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	101.80	3.33	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	101.00	4.10	OW	OW
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 4.15 '27</b>	<b>23/02/2027</b>	<b>99.95</b>	<b>4.16</b>	<b>OW</b>	<b>N</b>
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 3.95 '19</b>	<b>01/04/2019</b>	<b>100.80</b>	<b>2.50</b>	<b>N</b>	<b>UW</b>
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 4.1 '20</b>	<b>13/05/2020</b>	<b>101.60</b>	<b>3.11</b>	<b>N</b>	<b>UW</b>
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.50	3.41	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.15	3.64	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	100.24	3.79	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	100.23	5.95	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	100.00	6.08	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.75 '19	22/03/2019	100.67	3.48	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.80	2.14	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.90	2.64	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	101.85	3.13	N	N
OUE Ltd	N (4)	OUESP 4.25 '19c18	30/10/2019	100.62	3.51	OW	OW
<b>OUE Ltd</b>	<b>N (4)</b>	<b>OUESP 3.8 '20</b>	<b>15/04/2020</b>	<b>100.60</b>	<b>3.41</b>	<b>N</b>	<b>OW</b>
<b>OUE Ltd</b>	<b>N (4)</b>	<b>OUESP 3.75 '22</b>	<b>17/04/2022</b>	<b>100.40</b>	<b>3.63</b>	<b>N</b>	<b>OW</b>
<b>OUE Ltd</b>	<b>N (4)</b>	<b>OUESP 3.55 '23</b>	<b>10/05/2023</b>	<b>99.45</b>	<b>3.68</b>	<b>N</b>	<b>OW</b>
<b>Oxley Holdings Ltd</b>	<b>Neg (6)</b>	<b>OHLSP 5 '19</b>	<b>05/11/2019</b>	<b>98.63</b>	<b>6.34</b>	<b>OW</b>	<b>N</b>
<b>Oxley Holdings Ltd</b>	<b>Neg (6)</b>	<b>OHLSP 5.15 '20</b>	<b>18/05/2020</b>	<b>98.86</b>	<b>5.86</b>	<b>N</b>	<b>UW</b>
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/01/2022	93.50	7.92	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.0 '21	07/10/2021	102.83	3.03	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	104.29	3.36	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	102.35	3.68	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	104.11	3.86	OW	OW
<b>Aspial Corp. Ltd</b>	<b>Neg (6)</b>	<b>ASPSP 5.05 '19</b>	<b>12/06/2019</b>	<b>99.39</b>	<b>5.96</b>	<b>OW</b>	<b>N</b>
Aspial Corp. Ltd	Neg (6)	ASPSP 5.30 '20	01/04/2020	98.73	6.16	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.10	6.85	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	95.00	8.06	N	N

*Indicative prices from Bloomberg as of 6 September 2018*

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>REITS</b>							
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	101.24	2.49	UW	UW
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 2.5 '19</b>	<b>16/05/2019</b>	<b>100.20</b>	<b>2.21</b>	<b>UW</b>	<b>N</b>
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 2.95 '20</b>	<b>03/08/2020</b>	<b>100.90</b>	<b>2.46</b>	<b>UW</b>	<b>N</b>
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.20	2.57	UW	N
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 4 '22</b>	<b>03/02/2022</b>	<b>104.30</b>	<b>2.67</b>	<b>UW</b>	<b>N</b>
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 3.2 '22</b>	<b>03/06/2022</b>	<b>101.50</b>	<b>2.77</b>	<b>UW</b>	<b>N</b>
<b>Ascendas REIT</b>	<b>N (3)</b>	<b>AREIT 2.47 '23</b>	<b>10/08/2023</b>	<b>97.70</b>	<b>2.98</b>	<b>UW</b>	<b>N</b>
<b>Ascott Residence Trust</b>	<b>N (4)</b>	<b>ARTSP 4.3 '18</b>	<b>30/11/2018</b>	<b>100.30</b>	<b>2.89</b>	<b>OW</b>	<b>N</b>
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.30	3.10	N	N
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.85	3.43	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.74	2.69	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.40	2.94	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.56	3.06	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.69	3.21	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.55	2.44	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	99.55	2.91	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.10	2.98	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.52	3.01	N	N
<b>CapitaLand Mall Trust</b>	<b>Pos (2)</b>	<b>CAPITA 3.2 '25</b>	<b>21/08/2025</b>	<b>100.34</b>	<b>3.15</b>	<b>N</b>	<b>-</b>
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	101.85	3.22	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	96.63	3.31	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	96.40	3.70	N	N
<b>ESR REIT</b>	<b>N (4)</b>	<b>EREIT 3.5 '18</b>	<b>05/11/2018</b>	<b>100.30</b>	<b>1.49</b>	<b>N</b>	<b>UW</b>
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.80	3.09	OW	OW
<b>Frasers Centrepoint Trust</b>	<b>N (3)</b>	<b>FACTSP 2.9 '19</b>	<b>10/04/2019</b>	<b>100.45</b>	<b>2.12</b>	<b>UW</b>	<b>N</b>
<b>Frasers Centrepoint Trust</b>	<b>N (3)</b>	<b>FACTSP 3 '20</b>	<b>21/01/2020</b>	<b>100.75</b>	<b>2.45</b>	<b>UW</b>	<b>N</b>
Frasers Centrepoint Trust	N (3)	FACTSP 2.77 '24	08/11/2024	97.35	3.25	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.15	2.52	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.93	2.86	UW	UW
<b>Frasers Hospitality Trust</b>	<b>N (3)</b>	<b>FHREIT 2.63 '22</b>	<b>06/07/2022</b>	<b>98.65</b>	<b>3.01</b>	<b>N</b>	<b>OW</b>
<b>Frasers Hospitality Trust</b>	<b>N (3)</b>	<b>FHREIT 3.08 '24</b>	<b>08/11/2024</b>	<b>99.35</b>	<b>3.20</b>	<b>N</b>	<b>OW</b>
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.05	3.27	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	95.00	7.13	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 2.65 '19	07/11/2019	100.45	2.26	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	102.05	2.52	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.50	2.60	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	101.10	2.98	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	100.65	3.16	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	98.20	3.37	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	97.00	3.44	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.65	2.62	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.05	2.81	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.75 '19	08/03/2019	100.90	1.89	UW	UW
<b>Mapletree Industrial Trust</b>	<b>N (3)</b>	<b>MINTSP 3.65 '22</b>	<b>07/09/2022</b>	<b>102.88</b>	<b>2.88</b>	<b>UW</b>	<b>N</b>
<b>Mapletree Industrial Trust</b>	<b>N (3)</b>	<b>MINTSP 3.02 '23</b>	<b>11/05/2023</b>	<b>99.94</b>	<b>3.03</b>	<b>UW</b>	<b>N</b>
<b>Mapletree Industrial Trust</b>	<b>N (3)</b>	<b>MINTSP 3.16 '24</b>	<b>28/03/2024</b>	<b>100.27</b>	<b>3.11</b>	<b>UW</b>	<b>N</b>
Soilbuild Business Space REIT	N (4)	SBREIT 3.6 '21	08/04/2021	99.80	3.68	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	102.30	2.53	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.50	3.05	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	98.25	3.39	N	N
Suntec REIT	N (4)	SUNSP 2.83 '18	12/11/2018	100.25	1.34	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	101.20	2.50	N	N
Suntec REIT	N (4)	SUNSP 3.00 '21	16/07/2021	100.10	2.96	N	N
<b>Suntec REIT</b>	<b>N (4)</b>	<b>SUNSP 3.025 '22</b>	<b>16/03/2022</b>	<b>100.11</b>	<b>2.99</b>	<b>UW</b>	<b>N</b>
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	97.75	3.35	N	N
Suntec REIT	N (4)	SUNSP 3.40 '23	10/05/2023	100.67	3.24	UW	UW

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						Current	Previous

**Offshore & Marine and Logistics**

<b>CMA CGM (Parent of Neptune Orient Lines)</b>	<b>N (4)</b>	<b>NOLSP 4.65 '20c15</b>	<b>09/09/2020</b>	<b>94.80</b>	<b>7.50</b>	<b>OW</b>	<b>N</b>
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21c16	22/06/2021	90.85	8.14	OW	OW
<b>Keppel Corp Ltd</b>	<b>N (3)</b>	<b>KEPSP 3.1 '20</b>	<b>12/10/2020</b>	<b>101.05</b>	<b>2.58</b>	<b>N</b>	<b>UW</b>
Keppel Corp Ltd	N (3)	KEPSP 3.145 '22	14/02/2022	100.45	3.01	N	N
Keppel Corp Ltd	N (3)	KEPSP 3.725 '23	30/11/2023	102.00	3.30	N	N
Keppel Corp Ltd	N (3)	KEPSP 3.8 '27c22	23/04/2027	101.60	3.33	N	N
Keppel Corp Ltd	N (3)	KEPSP 4 '42	07/09/2042	99.15	4.06	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	102.00	2.43	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	99.90	2.97	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	100.60	3.52	N	N
<b>Sembcorp Industries Ltd</b>	<b>N (4)</b>	<b>SCISP 4.25 '25</b>	<b>30/08/2025</b>	<b>101.80</b>	<b>3.95</b>	<b>OW</b>	<b>N</b>
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	97.60	3.94	UW	UW
<b>Singapore Post Ltd</b>	<b>Pos (2)</b>	<b>SPOST 3.5 '20</b>	<b>30/03/2020</b>	<b>101.90</b>	<b>2.25</b>	<b>UW</b>	<b>N</b>

**Others**

Banyan Tree Holdings Ltd	N (5)	BTHSP 5.35 '18	26/11/2018	100.30	3.84	OW	OW
Banyan Tree Holdings Ltd	N (5)	BTHSP 4.875 '19	03/06/2019	100.33	4.44	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4.6 '19	01/04/2019	101.30	2.23	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.25	3.94	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2020	98.20	8.08	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.50	3.04	N	N
<b>CWT International Limited</b>	<b>Neg (6)</b>	<b>CWTSP 3.9 '19</b>	<b>18/04/2019</b>	<b>90.95</b>	<b>21.7</b>	<b>N</b>	<b>UW</b>
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	80.80	21.1	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	99.25	3.32	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	98.30	3.26	N	N
<b>Fraser and Neave Ltd</b>	<b>N (4)</b>	<b>FNNSP 3.8 '27</b>	<b>21/04/2027</b>	<b>98.50</b>	<b>4.01</b>	<b>OW</b>	<b>N</b>
<b>G8 Education Ltd</b>	<b>Neg (6)</b>	<b>GEMAU 5.5 '19</b>	<b>18/05/2019</b>	<b>95.00</b>	<b>13.76</b>	<b>OW</b>	<b>N</b>
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	98.50	5.43	N	N
<b>Keppel T&amp;T</b>	<b>N (4)</b>	<b>KPTTSP 2.85 '24c22</b>	<b>05/09/2024</b>	<b>98.48</b>	<b>3.26</b>	<b>N</b>	<b>OW</b>
<b>Olam International Ltd</b>	<b>N (5)</b>	<b>OLAMSP 5.80 '19</b>	<b>17/07/2019</b>	<b>102.60</b>	<b>2.69</b>	<b>N</b>	<b>UW</b>
Olam International Ltd	N (5)	OLAMSP 4.25 '19	22/07/2019	101.30	2.73	N	N
Olam International Ltd	N (5)	OLAMSP 6.00 '22	25/10/2022	105.60	4.50	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.60	2.32	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.60	2.50	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.80	3.00	UW	UW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	100.00	3.03	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	99.50	3.20	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	99.70	3.17	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	102.25	2.03	UW	UW
<b>Singapore Telecommunications Ltd</b>	<b>Pos (2)</b>	<b>STSP 2.58 '20</b>	<b>24/09/2020</b>	<b>100.48</b>	<b>2.34</b>	<b>N</b>	<b>UW</b>
<b>Singapore Telecommunications Ltd</b>	<b>Pos (2)</b>	<b>STSP 2.72 '21</b>	<b>03/09/2021</b>	<b>100.70</b>	<b>2.48</b>	<b>N</b>	<b>UW</b>
<b>StarHub Ltd</b>	<b>N (3)</b>	<b>STHSP 3.08 '22</b>	<b>12/09/2022</b>	<b>100.80</b>	<b>2.87</b>	<b>N</b>	<b>UW</b>
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	101.80	3.28	UW	UW

**Financial Institutions - Senior Issues**

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	103.39	3.43	N	N
Bank of China Ltd/Singapore*	N (4)	BCHINA 2.75 '19	30/06/2019	100.68	2.01	N	N
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.58	2.54	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.74	2.50	N	N
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	106.35	3.06	N	N

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

*Indicative prices from Bloomberg as of 6 September 2018*

Issuer	Issuer Profile	Issue	First Call	Ask Price	YTW	Recommendation	
						Current	Previous
<b>Corporate perpetuals</b>							
Ascendas REIT	N (3)	AREIT 4.75 PERP	14/10/2020	103.20	3.15	UW	UW
Ascott Residence Trust	N (4)	ARTSP 5 PERP	27/10/2019	102.00	3.19	UW	UW
<b>Ascott Residence Trust</b>	<b>N (4)</b>	<b>ARTSP 4.68 PERP</b>	<b>30/06/2020</b>	<b>102.30</b>	<b>3.35</b>	<b>UW</b>	<b>N</b>
<b>First REIT</b>	<b>Neg (6)</b>	<b>FIRTSP 5.68 PERP</b>	<b>08/07/2021</b>	<b>99.50</b>	<b>5.86</b>	<b>N</b>	<b>UW</b>
<b>Frasers Hospitality Trust</b>	<b>N (3)</b>	<b>FHREIT 4.45 PERP</b>	<b>12/05/2021</b>	<b>101.30</b>	<b>3.92</b>	<b>N</b>	<b>OW</b>
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 4.88 PERP</b>	<b>24/09/2019</b>	<b>101.45</b>	<b>3.45</b>	<b>N</b>	<b>OW</b>
Frasers Property Ltd	N (4)	FPLSP 5 PERP	09/03/2020	101.35	4.07	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 PERP	05/10/2022	94.40	5.50	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 PERP	17/01/2023	95.40	5.00	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 PERP	23/01/2023	97.50	5.06	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 PERP	05/05/2022	101.10	4.31	OW	OW
Keppel REIT	N (4)	KREITS 4.98 PERP	02/11/2020	103.00	3.50	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 PERP	27/09/2021	88.57	11.55	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 PERP	19/12/2022	90.77	9.26	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 PERP	25/11/2021	101.90	3.54	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 PERP	28/03/2023	99.30	3.82	UW	UW
ESR REIT	N (4)	EREIT 4.6 PERP	03/11/2022	95.59	5.81	OW	OW
<b>CITIC Envirotech Ltd</b>	<b>N (5)</b>	<b>CELSP 3.9 PERP</b>	<b>19/10/2020</b>	<b>97.75</b>	<b>5.04</b>	<b>N</b>	<b>UW</b>
Olam International Ltd	N (5)	OLAMSP 5.5 PERP	11/07/2022	100.24	5.43	N	N
Singapore Post Ltd	Pos (2)	SPOST 4.25 PERP	02/03/2022	103.60	3.15	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 PERP	20/05/2020	100.30	3.99	N	N
<b>Sembcorp Industries Ltd</b>	<b>N (4)</b>	<b>SCISP 3.7 PERP</b>	<b>22/06/2020</b>	<b>98.70</b>	<b>4.07</b>	<b>N</b>	<b>UW</b>
StarHub Ltd	N (3)	STHSP 3.95 PERP	16/06/2022	99.00	4.09	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 PERP	28/06/2022	98.58	4.49	OW	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 PERP	24/08/2020	97.00	4.76	N	N

**Financial Institutions - Capital Instruments**

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	103.52	3.40	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.40	3.34	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.60	4.71	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	102.10	3.38	OW	OW
BPCE SA*	N (4)	BPCEGP 4.45 '25	17/12/2020	102.00	3.54	N	N
<b>BPCE SA*</b>	<b>N (4)</b>	<b>BPCEGP 4.5 '26</b>	<b>03/06/2021</b>	<b>102.20</b>	<b>3.66</b>	<b>N</b>	<b>OW</b>
<b>Commerzbank AG</b>	<b>N (4)</b>	<b>CMZB 4.875 '27</b>	<b>01/03/2022</b>	<b>103.90</b>	<b>3.72</b>	<b>N</b>	<b>OW</b>
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 PERP	22/11/2020	102.70	3.41	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	103.25	3.01	N	N
<b>DBS Group Holdings Ltd</b>	<b>Pos (2)</b>	<b>DBSSP 3.98 PERP</b>	<b>12/09/2025</b>	<b>100.55</b>	<b>3.90</b>	<b>OW</b>	<b>-</b>
<b>DBS Group Holdings Ltd</b>	<b>Pos (2)</b>	<b>DBSSP 4.7 PERP</b>	<b>03/06/2019</b>	<b>101.70</b>	<b>2.52</b>	<b>OW</b>	<b>N</b>
HSBC Holdings PLC	Pos (2)	HSBC 4.7 PERP	08/06/2022	102.30	4.09	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 PERP	18/11/2020	104.20	3.98	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 PERP	20/04/2022	104.80	4.37	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	100.30	3.72	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	102.70	3.53	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	102.10	3.49	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.72	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.60	2.61	N	N
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 4.75 PERP</b>	<b>19/11/2019</b>	<b>102.40</b>	<b>2.79</b>	<b>OW</b>	<b>N</b>
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 4.0 PERP</b>	<b>18/05/2021</b>	<b>101.70</b>	<b>3.40</b>	<b>OW</b>	<b>N</b>
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	102.60	3.01	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4.0 '27	12/08/2022	102.00	3.46	N	N

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

**Upgrades****Downgrades****New / Resume Coverage**

Indicative prices from Bloomberg as of 6 September 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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