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Monthly Credit View

Monthly Themes

- July was another firm month for credit markets with the Bloomberg Barclays Asia USD IG Bond Index tightening 9bps through the month while the Bloomberg Barclays Asia USD HY Bond Index tightened by 3bps. Overall market trends remained broadly consistent as conviction on the rates outlook and investors' desire to put money to work before rates fall further led to a risk-on tone that also fed through equity markets. News of certain restrictions by China's National Development and Reform Commission on overseas debt sales by Chinese property developers that are at record levels this year also likely affected sentiment. This was in the context of broadly mixed news flow that ebbed and flowed between negative and positive sentiments towards geopolitical concerns, corporate earnings announcements and macro-economic data and outlooks. While arguably the balance of news flow continues to be tilted towards the downside with Brexit uncertainty, a potential trade war extension until 2020 (along with escalation in the meantime), and continuing expectations of an impending US recession, investors appeared either opting to drown out the noise or letting it fade into the background throughout July. This though took a sharp turn the past two days on the back of rising risk aversion amidst tariff expansion against China with the Bloomberg Barclays Asia USD HY Bond Index widening 22bps yesterday while 10 year treasuries rallied to 1.89% as at time of writing.
- With yield hungry investors on the lookout for places to deploy capital, issuers were only too happy to oblige with record issuance in the Asia-ex Japan G3 space in July of USD35.6bn, more than double July 2018 issuance and 40% above the prior record issuance in July 2017. The confluence of investor demand and issuer willingness led to an increasing breadth of issuance with Panasonic Corp issuing its first bond since 1992 pricing USD2.5bn across 3 tranches, and Vietnamese issuers (Vietnam Prosperity Joint Stock Commercial Bank, Mong Duong Finance) tapping the market for the first time since 2014 in a further sign of the risk-on tone. These joined the usual mountain of issues from Chinese issuers along with diverse Korean issuers by industry and large deals by Indonesian state owned enterprises (PT Pertamina Persero, PT Perusahaan Listrik Negara).
- In the broader Asia-Pacific space, high quality credits also sought to benefit from current market conditions with all three Japanese mega banks issuing almost USD14bn and Australian banks launching several large size Tier 2 deals to meet [Australian Prudential Regulation Authority's recent response](#) with regards to requirements for increasing the loss absorbing capacity of Australian banks. There also appears to be increasing interest in higher yielding local currency markets including China's onshore bond market despite ongoing concerns on rising repayment pressure and defaults. That being said, while the environment was conducive for the hunt for yield, investors were also reminded to be wary of traps with bond holders of Future Land Development Holdings Ltd, China Aoyuan Group Ltd and Bank of Jinzhou Co. suffering jitters through the month and Indonesian high yield issuers facing contagion risk following rating downgrades on textile company PT Delta Merlin Dunia Tekstil and property developer PT Agung Podomoro Land Tbk as well as concerns surrounding PT Garuda Indonesia. This prompted Indonesia's Financial Services Authority to announce they are monitoring developments around bank exposures to borrowers under stress and Bank Indonesia's governor to comment that recent problems are more idiosyncratic than systemic.
- In the SGD space, issuance activity took a breather with SGD1.9bn issued following relatively busy months in May and June (SGD3.7bn and SGD3.1bn respectively). 71% of issuance was from two issues, namely Housing & Development Board's HDBSP 2.27% '29s and [United Overseas Bank Ltd's UOBSP 3.58% PERPc26 Additional Tier 1 issue](#). Both issues reflect current investor preference for duration from good quality names with the overall

reduction in volumes due to the fall in absolute yields that has created a distance between the yields that investors are willing to receive and the yields that issuers are willing to pay. Other notable issuers were retaps by City Developments Ltd of its existing CITSP 2.8%'23s and Frasers Property Ltd of its existing FPLSP 4.98%-PERP as well as Thomson Medical Group Ltd's second ever issue (TMGSP 4.8% '22s).

- Overall, with the prior month's tightening and higher supply, there continues to be adequate cause for spreads to widen., Like a rubber band being stretched, we remain mindful of heightened tension in the market and the potential for a sharp snap back in prices should unforeseen events occur. As such, we continue to favour high grade credit over true high yield for both fundamental and technical considerations and search for value in selective high yield names where carry can outweigh price movements.

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: **QUE Limited, Heeton Holdings Ltd, Frasers Property Limited.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Standard Chartered PLC.**

Trade Ideas

- Our top pick is the CACHE 5.5%-PERP which we are Overweight on. While this perpetual has an ask yield to call that is 22bps lower than the EREIT 4.6%-PERP and a first call date that is three months later, we still prefer the CACHE 5.5%-PERP as we think this perpetual has a lower risk of non-call at first call. We are [maintaining CACHE's Neutral \(4\) issuer profile](#) on the back of its still manageable, albeit weaker credit metrics. Yield to call for CACHE 5.5%-PERP is 5.07%
- We are Underweight on MAGIC 3.5% '23s as we think the bond is trading tight at a yield to worst of 2.57% and prefer MCTSP 3.28% '24s over it. The latter bond offers a 13bps pick up for a 1.5 years longer tenor, on top of a stronger credit profile which is one notch higher.
- SUNSP 3.35% '20s appears to offer decent value with a yield to maturity of 2.88% and 118bps pick up over swap for a slightly over a year long tenor. We have Suntec REIT on an Issuer Profile of Neutral (4). While 2Q2019 results were not the best for the REIT, we think it has potential to do better in the future on the back of its upcoming plans especially in Australia.
- We are neutral the KEPSP 4% '42c32 and overweight the KEPSP 3.8% '27c22.
 - The KEPSP 4% '42c32 is callable in September 2032 at par, with a yield to call of 3.95% (198bps spread to call). Based on current expectations implied by forward rates, we think there is a fair chance for this callable bond to be called in September 2032. A hypothetical replacement 10 year bond in 2032 may be raised at a cost that is slightly lower than the 4% coupon rate. KEPSP's longest dated bullet bond, the KEPSP 3.66% '29s is trading at a YTM of 3.37%.
 - The KEPSP 3.8% '27c22 is callable in April 2022 at par, with a yield to call of 3.19% (157bps spread to call). We think there is a good chance for this callable bond to be called in April 2022. A hypothetical replacement 5 year bond in 2022 may be raised at a cost of ~3% (80bps buffer to coupon rate of 3.8%). The bullet KEPSP 3.145% '22 is trading at a YTM of 2.53%, implying the KEPSP 3.8% '27c22 offers a yield pick-up of 66bps.

Upcoming Bond Maturities – August 2019

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
International Bank for Reconstruction and Development	IBRD	750	13/08/2019
Ascott Capital Pte Ltd	SCOTSP	300	16/08/2019
Neptune Orient Lines Ltd	NOLSP	300	19/08/2019*
Ascendas India Trust	AITSP	50	27/08/2019*

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports From OCBC Credit Research

Click [Here](#) to access the latest reports from OCBC Credit Research

- Singapore REITs: Sector Update (16 July 2019)
- United Overseas Bank Ltd: New Issue View (10 July 2019)
- Keppel Infrastructure Trust: New Credit Review (2 July 2019)
- Cache Logistics Trust: New Credit Review (1 July 2019)
- CMA CGM: Credit Update (27 June 2019)
- Singapore Press Holdings Ltd: Special Interest Commentary (14 June 2019)
- Housing & Development Board: Special Interest Commentary (6 June 2019)
- City Developments Ltd: Credit Update (17 May 2019)
- Century Sunshine Group Holdings Limited: Credit Update (22 April 2019)
- Metro Holdings Limited: New Credit Review (16 April 2019)
- Lendlease Group: New Credit Review (10 April 2019)
- Shangri-La Asia Limited: New Credit Review (9 April 2019)
- Hong Fok Corporation: New Issue View (20 March 2019)
- First Real Estate Investment Trust ("FIRT") and Lippo Malls Real Estate Retail Trust ("LMRT"): Credit Update (15 March 2019)
- CMA CGM: Credit Update (6 March 2019)
- Hyflux Ltd: Special Interest Commentary (21 February 2019)
- Hyflux Ltd: Special Interest Commentary (01 February 2019)
- Oxley Holdings Ltd: Credit Update (24 January 2019)
- ASL Marine Holdings Ltd ("ASL"): Special Interest Commentary (21 January 2019)
- CapitaLand Ltd / Ascendas Pte Ltd / Ascendas REIT and Ascendas Hospitality Trust: Credit Update (18 January 2019)
- City Developments Ltd: New Issue View (8 January 2019)
- Singapore Credit Outlook 2019 (7 January 2019)

Latest Earnings Update

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Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<u>China/HK property</u>							
China Aoyuan Group Ltd	N (5)	CAPG 7.15 '21	07/09/2020	102.00	7.00	N	OW
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.50	3.30	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	02/04/2024	102.20	3.78	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.53	3.84	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	99.88	4.02	UW	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	99.30	4.45	UW	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.10	2.35	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.15	2.45	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.83	3.34	OW	OW
<u>Singapore property developers</u>							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	98.17	8.36	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.73	7.64	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.30	2.15	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	104.95	2.75	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	100.50	3.01	UW	UW
City Developments Ltd	N (3)	CITSP 3 '20	02/04/2020	100.52	2.23	N	N
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.76	2.39	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/03/2021	100.70	2.50	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	06/07/2022	103.20	2.61	N	N
City Developments Ltd	N (3)	CITSP 3.48 '23	03/04/2023	102.71	2.70	N	N
City Developments Ltd	N (3)	CITSP 3 '24	17/01/2024	100.56	2.86	N	N
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	104.20	2.91	N	N
City Developments Ltd	N (3)	CITSP 3.48 '26	15/06/2026	102.61	3.06	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.14	2.64	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	101.00	3.00	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.95	3.18	N	UW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	101.83	3.30	N	UW
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/03/2022	101.45	3.62	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.30	1.97	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.72	N	UW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	99.99	5.22	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	93.05	8.85	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	102.26	2.92	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	104.47	3.00	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	103.63	3.18	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	105.75	3.33	OW	OW

Indicative prices from Bloomberg as of 2 August 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.80	2.15	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.55	2.32	N	OW
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.75	2.45	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	102.00	2.47	N	OW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	99.80	2.52	UW	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	102.40	2.67	N	OW
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	105.50	2.46	UW	UW
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	103.20	2.72	N	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	104.85	2.88	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.75	2.58	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	100.45	2.61	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	101.55	2.81	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	102.05	2.93	N	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.05	2.39	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	100.45	2.67	OW	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	102.15	2.68	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	103.15	2.80	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	101.65	2.90	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/02/2026	101.80	2.85	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	103.05	2.99	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	98.05	3.15	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	98.85	3.47	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	101.30	2.78	N	UW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.67	3.12	OW	OW
Frasers Centrepont Trust	N (3)	FCTSP 3 '20	21/01/2020	100.36	2.23	N	N
Frasers Centrepont Trust	N (3)	FCTSP 2.77 '24	08/11/2024	98.50	3.08	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.15	2.37	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	100.05	2.81	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	99.70	2.74	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	100.53	2.97	N	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.75	3.10	OW	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	99.24	5.04	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.48	2.19	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.35	2.38	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	102.15	2.60	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	102.55	2.74	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	101.30	2.90	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	100.40	2.99	N	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.65	2.39	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.55	2.41	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	103.40	2.50	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	101.50	2.60	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	101.95	2.71	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/03/2029	103.45	3.16	N	UW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.80	2.33	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	102.70	2.65	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	100.50	3.06	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.25	2.89	OW	OW
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	100.15	2.92	OW	OW
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	100.05	3.00	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	101.05	3.10	OW	OW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	99.80	2.90	OW	OW
Suntec REIT	N (4)	SUNSP 3.355 '25	07/02/2025	101.00	3.16	N	N

Indicative prices from Bloomberg as of 2 August 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation Current	Recommendation Previous
Offshore & Marine and Logistics							
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.65 '20	09/09/2019	98.60	18.01	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.4 '21	19/08/2019	94.60	100.00	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.84	2.40	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	101.50	2.53	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.02	2.73	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	07/05/2024	100.80	2.82	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	07/05/2029	102.40	3.37	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	09/07/2032	100.50	3.95	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	101.57	3.19	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	100.98	2.30	UW	N
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	100.66	2.64	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	101.25	3.36	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	103.25	3.65	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	99.50	3.67	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	100.92	2.10	N	N
Others							
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.80	3.75	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	01/03/2020	97.00	18.71	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	100.40	2.93	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	99.53	2.96	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	102.00	3.50	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	96.00	7.80	OW	OW
Lendlease Group	N (4)	LLCAU 3.9 '27	27/04/2027	102.10	3.59	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	107.60	3.49	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	105.95	3.44	N	N
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	100.89	2.27	N	N
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.24	2.39	N	OW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	102.09	2.64	N	OW
Singapore Airlines	N (3)	SIASP 3.03 '24	28/03/2024	101.82	2.61	UW	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	104.34	2.76	N	OW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	100.87	2.87	N	OW
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	101.10	2.96	N	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	101.02	2.99	N	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.10	1.88	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.54	2.11	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	101.13	2.17	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	101.30	2.64	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	102.05	3.21	N	N
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.65	3.43	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/09/2020	100.53	2.18	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.91	2.17	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.90	2.16	N	N

Indicative prices from Bloomberg as of 2 August 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
Ascendas REIT	N (3)	AREIT 4.75 'PERP	14/10/2020	102.50	2.63	N	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	101.75	2.73	UW	UW
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	02/01/2023	101.34	5.07	OW	OW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	98.25	5.47	N	N
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	97.95	5.29	UW	N
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	93.00	9.72	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	101.10	3.79	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	99.90	4.62	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	99.20	4.95	OW	OW
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	06/12/2029	100.10	4.74	N	N
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.40	3.01	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	83.36	12.80	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	91.30	11.65	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.55	3.47	N	OW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	100.17	3.60	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	102.25	4.66	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.75	3.79	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	99.50	3.88	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	103.05	3.01	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	98.35	4.20	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/05/2024	100.30	4.40	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	100.14	4.03	UW	UW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	100.05	4.34	UW	UW
Financial Institutions - Capital Instruments							
ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	04/01/2021	102.96	2.91	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.05	3.32	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	97.62	4.21	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	12/03/2020	102.00	2.78	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	104.00	3.38	N	N
BPCE SA*	N (3)	BPCEGP 4.5 '26	06/03/2021	102.50	3.08	N	N
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.75	3.16	OW	N
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	102.93	3.66	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	101.32	3.85	N	N
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/04/2026	100.50	3.71	N	N
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	06/06/2024	101.80	5.20	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	102.72	2.57	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	103.50	2.73	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	103.30	3.37	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.53	4.12	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	102.25	4.39	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.30	4.08	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	103.05	4.54	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	100.98	3.37	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.62	3.13	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.80	3.26	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/04/2024	103.10	5.37	OW	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	102.32	2.77	N	
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	10/03/2024	102	4.93	N	
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	105.30	4.50	N	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	100.95	2.29	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	103.65	2.65	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.80	2.95	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	100.75	2.14	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	08/12/2022	102.05	3.29	N	N

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

Upgrades

Downgrades

New / Resume Coverage

Indicative prices from Bloomberg as of 2 August 2019

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Explanation of Issuer Profile Rating / Issuer Profile Score

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 into a 7 point Issuer Profile Score 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.

Please note that Bond Recommendations are dependent on a bond’s price, underlying risk free rates and an implied credit spread that reflects the strength of the issuer’s credit profile. Bond Recommendations may not be relied upon if one or more of these factors change.

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. We may also suspend our issuer rating and bond level recommendation in the ordinary course of business if (1) we believe the current issuer profile is incorrect and we have incomplete information to complete a review; or (2) where evolving circumstances and increasingly divergent outcomes for different investors results in less conviction on providing a bond level recommendation.

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 financial interests in the following above-mentioned issuers or companies as at the time of the publication of this report: Singapore Airlines Ltd, GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust, Oxley Holdings Ltd, Suntec Real Estate Investment, Mapletree Commercial Trust, Frasers Hospitality Trust, United Overseas Bank Ltd, BreadTalk Group Ltd.

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