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Monthly Credit View

Monthly Themes

- High yield bonds ended November 2019 on a weaker tone while intra-month movements were more muted, versus September and October which saw a marked strengthening for high yield credit. In November 2019, the High Yield Bloomberg Barclays Asia Index traded range-bound for most of the month between 496bps-513bps while the Investment Grade index tightened m/m by 6bps. The Bloomberg Barclays Asia Index IG-HY spread widened 10bps m/m in contrast to the tightening in October 2019 by 29bps m/m. While much of October was in a one-way risk on mode, November had a wobblier footing, with 3M/10Y falling to a month low of +16bps before climbing back to end the month at +21bps.
- Despite the market uncertainty, primary market activities were not affected, with total issuance of USD31.1bn (up 14% y/y). The combination of the ongoing search for yield and constructive earnings results translated to the second highest ever issuance volumes for the month of November. Main deals included a four tranche Chinese sovereign deal raising USD6.0bn, Melco Resorts' USD900mn 10NC5 and issuances by Huarong Finance, Sinopec and PT Perusahaan Listrik Negara. Demand for deals remained strong indicating still solid primary market liquidity heading into year end with the China sovereign deal attracting more than USD16.5bn in orders. Other deals, in particular the recent Shaoxing Shangyu State-owned Capital Investment Operation Co Ltd's USD300mn SYSTIO 4.18% '22s, Wanda Properties Overseas Ltd's USD400mn DALWAN 6.95% '22s and TMB Bank Public Company Limited's USD400mn Additional Tier 1 TMBTB 4.90% PERPC24s were also well covered with book sizes over 3x the issuance amount while average compression between initial price guidance and final pricing in the last week of the month was above 25bps. That said, secondary market liquidity could be turning somewhat selective with demand for China's deal driven by Asian and European investors and mostly banks and the public sector (central banks and sovereign wealth funds). US investors largely left the deal alone compared to China's previous deals amidst the trade war. In addition, several of the deals done last week are currently trading under par despite strong primary interest.
- Issuance in the SGD space in November was similar m/m with SGD1.0bn of bonds priced (October: SGD1.08bn). While volume was lower y/y where we saw SGD1.8bn printed in November 2018, the composition was made up of a diverse mix of bond issuers and structures. The issuances were predominantly high grade with three long dated papers having a maturity of 10 years or more (including the first time debut of Nexus International School Singapore's credit guaranteed senior bonds maturing in 2031), while Singapore Press Holdings issued its second NC5 perpetual for the year. AIMS APAC REIT, a rare REIT issuer, also came back to the market with a 5 year senior paper. Excluding the floaters and certificates of deposits printed by financial institutions, the other SGD bonds held up in the secondary market, notwithstanding expectations of poorer liquidity as we head into year end.
- Fundamental and technical drivers appear delicately balanced heading into 2020. On the one hand, end-investor liquidity continues to search for a home to be put to work while the macro and fundamental outlook remains supportive notwithstanding persisting geo-political developments. On the other hand, credit valuations remain tight as seen with recent deals trading under water. This makes the inter-play between supply and rates critical to credit market performance in 2020. On balance, we think credit spreads will have tightening bias towards the end of the year and think this trend could continue into the new year.

Issuer Profile Changes / Updates

- Proceedings against Westpac Banking Corporation (“Westpac”) for breaches of the Anti-Money Laundering and CounterTerrorism Financing Act add to existing challenges for Westpac’s credit profile. While the recent and eventual departure of the CEO and Chairman has somewhat placated the market for the time being, prevailing uncertainty on the short and medium term financial impact, ongoing reputational consequences and potentially more management changes will continue to be an overhang on the name. Its current CET1 ratio at 10.7% remains above the Australian Prudential Regulation Authority’s minimum 10.5% CET1 benchmark for ‘unquestionably strong’ capital ratios however the spectre of material fines, a spike in compliance investment and rising capital requirements means additional capital raising activities could be on the cards. The Positive (2) issuer profile remains for now but the situation remains fluid in our view. What may limit the damage somewhat is Westpac’s systemic importance in Australia’s financial sector which may result in a harsh, yet balanced outcome for Westpac.
- 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: **Heeton Holdings Ltd, Frasers Commercial Trust.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC’s engagement: **Nil.**

Trade Ideas

- Further to the above on Westpac, we think the destabilizing period ahead may put pressure on spreads for Westpac’s capital instruments. We see better value in other Tier 2 bonds against the WSTP 4.0% ‘27c22s for both fundamental and technical reasons and remain mindful of call risk based on reset spreads and rising Tier 2 requirements for Australian banks. Some European Tier 2s worth a look in our view is BNP 4.30% 25c20s and SOCGEN 4.30% 26c21s.
- Softer net banking income generation in 3Q2019 overshadowed solid performance in operating expenses which fell due to Société Générale’s (“SocGen”) cost reduction program. However SocGen’s capital ratios continued to improve with the CET1 ratio at 12.5% as at 30 Sept 2019 and we continue to hold our issuer profile on SocGen at Neutral (4). The SOCGEN 6.125% PERPc24 has the highest reset spread amongst SGD AT1s and trading at an ask YTC above 5.10% with first call date in April 2024.
- NOLSP 4.65% ‘20s is offering a 11.3% yield to maturity, which we think is interesting for investors with an appetite for risk. Although operating performance has improved steadily, the liquidity situation has become tighter relative to three months ago. Therefore, we think CMA CGM’s Negative (6) issuer profile remains appropriate for now. We think the sale of investment stakes in ten port terminals to Terminal Link is likely to go through which will supply CMA CGM with the needed funds to repay NOLSP 4.4% ‘21s. We have turned Overweight on NOLSP 4.65% ‘20s.
- We like GUOLSP 4% ‘22s offering a still decent 3.2% YTM for a short tenor. The pickup in property transactions should help GuocoLand Ltd (“GUOL”) move more units at Martin Modern, Wallich Residences and Meyer Mansion, all of which have seen decent sales. Net gearing is somewhat high at 81% though we remain comfortable with the GUOL owning Tanjong Pagar Centre, which should generate over SGD100mn recurring income p.a.

- We think MLTSP 4.18%-PERP is interesting for investors who like to invest in perpetuals with shorter first call dates. This perpetual also provides a replacement alternative to the ARTSP 4.68%-PERP which has a very short call in June 2020 and paying yield to call of 2.64%. Investors can take profit out of the ARTSP 4.68%-PERP and buy the MLTSP 4.18%-PERP. While MLT's adjusted aggregate leverage is on the high side, as at 30 September 2019 at ~40%, the REIT continues to face very strong financial flexibility from financial markets.

Upcoming Bond Maturities – December 2019

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
AACI REIT MTN Pte Ltd	AAREIT	30	05/12/2019
Neptune Orient Lines Ltd	NOLSP	300	20/12/2019*

Source: OCBC Credit Research, Bloomberg

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- Westpac Banking Corp: Credit Update (26 November 2019)
- Mapletree Commercial Trust: New Issue View (13 November 2019)
- Century Sunshine Group Holdings Limited: Credit Update (11 November 2019)
- Aspiat Corp Ltd: Credit Update (8 November 2019)
- CITIC Envirotech Ltd: Credit Update (7 November 2019)
- Ascott Residence Trust: Credit Update (31 October 2019)
- Keppel Corp Ltd: Credit Update (30 October 2019)
- SPH REIT: Special Interest Commentary (24 October 2019)
- AUD Bond Market: Broadening Horizons (18 October 2019)
- Hotel Properties Ltd: New Issue View (15 October 2019)
- CMA CGM: Credit Update (7 October 2019)
- OUE Limited: Credit Update (17 September 2019)
- UBS Group AG: New Issue View (27 August 2019)
- Sembcorp Industries Ltd: Credit Update (26 August 2019)
- CapitaLand Ltd: New Issue View (23 August 2019)
- Singapore REITs: Sector Update (16 July 2019)
- United Overseas Bank Ltd: New Issue View (10 July 2019)
- Singapore Mid-Year Credit Outlook (5 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)
- FIRT and 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 (1 February 2019)
- Oxley Holdings Ltd: Credit Update (24 January 2019)
- ASL Marine Holdings Ltd ("ASL"): Special Interest Commentary (21 January 2019)
- CAPL / Ascendas / AREIT / Ascendas Hospitality Trust: Credit Update (18 January 2019)
- City Developments Ltd: New Issue View (8 January 2019)
- Singapore Credit Outlook 2019 (7 January 2019)

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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	7/9/2020	102.80	5.92	UW	UW
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/5/2020	100.69	1.85	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.15	3.37	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	101.84	3.83	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/4/2020	100.45	3.40	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	3/7/2020	98.31	6.95	N	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/1/2021	95.89	7.97	N	UW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	103.33	2.40	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	2/9/2021	103.56	2.41	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	103.35	3.07	OW	OW
<u>Singapore property developers</u>							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	1/4/2020	98.87	8.78	UW	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/8/2020	98.39	7.67	UW	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/8/2020	101.83	1.80	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	104.90	2.69	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	101.25	2.90	N	UW
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	101.57	2.96	UW	UW
City Developments Ltd	N (3)	CITSP 3 '20	2/4/2020	100.50	1.45	UW	UW
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.70	2.22	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/3/2021	100.76	2.35	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	6/7/2022	103.21	2.47	N	N
City Developments Ltd	N (3)	CITSP 3.48 '23	3/4/2023	102.84	2.59	N	N
City Developments Ltd	N (3)	CITSP 3 '24	17/1/2024	101.20	2.69	N	N
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	104.62	2.76	N	N
City Developments Ltd	N (3)	CITSP 3.48 '26	15/6/2026	103.18	2.94	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	7/10/2021	102.35	2.63	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/4/2026	103.00	3.72	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/2/2027	102.77	3.71	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/5/2020	100.75	2.40	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/3/2021	101.02	2.85	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	101.51	3.27	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	101.68	3.29	OW	N
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/3/2022	101.12	3.69	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	8/4/2020	100.67	1.90	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/5/2021	101.44	2.85	N	N
OUE Ltd	N (5)	OUESP 3.8 '20	15/4/2020	100.38	2.72	OW	OW
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	100.75	3.42	N	N
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	100.36	3.44	N	N
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/5/2020	100.67	3.63	N	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/1/2022	98.03	6.68	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.10	2.82	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	104.42	2.86	N	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	104.16	2.91	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	106.31	3.10	OW	OW

Indicative prices from Bloomberg as of 5 December 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 2.95 '20	3/8/2020	100.66	1.95	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	7/4/2021	100.70	2.13	OW	OW
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.77	2.21	N	N
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	102.30	2.25	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	100.46	2.34	UW	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	102.66	2.59	OW	OW
Ascott Residence Trust	N (3)	ARTSP 4.205 '22	23/11/2022	105.20	2.38	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.523 '23	9/11/2023	104.10	2.42	UW	UW
Ascott Residence Trust	N (3)	ARTSP 4 '24	22/3/2024	105.30	2.69	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.20	2.23	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	101.07	2.34	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	102.21	2.62	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	102.70	2.77	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.23	1.96	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	101.10	2.45	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	103.22	2.35	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	104.54	2.45	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	103.36	2.56	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	102.95	2.63	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	104.85	2.65	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	100.50	2.81	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	103.53	2.99	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	101.05	2.82	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/5/2020	100.48	2.88	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/1/2020	100.15	1.81	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	8/11/2024	98.90	3.01	OW	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	6/7/2022	100.23	2.54	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	8/11/2024	101.30	2.80	N	N
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	100.75	3.09	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/6/2020	99.50	5.08	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/8/2020	101.26	1.83	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.39	2.16	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	102.50	2.42	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	103.17	2.57	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	102.12	2.76	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	101.05	2.89	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	100.40	3.00	N	
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.64	2.24	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	102.55	2.27	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.40	2.37	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.85	2.46	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	102.33	2.59	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	104.55	3.02	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/2/2021	101.53	2.24	N	N
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	102.70	2.58	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	100.50	3.06	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/2/2020	100.30	1.69	UW	N
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.88	2.44	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	100.20	2.93	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	102.09	2.76	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	100.19	2.79	N	N
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.10	3.12	N	N

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Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Offshore & Marine and Logistics							
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.4 '21	20/12/2019	94.60	8.20	N	UW
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.65 '20	06/01/2019	98.60	6.69	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.80	2.16	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.52	2.43	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	102.92	2.53	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.26	2.60	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	101.28	2.69	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	100.60	2.90	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	103.85	3.18	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	102.25	3.78	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.7325 '20	9/4/2020	100.54	2.15	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 2.94 '21	26/11/2021	100.88	2.48	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.64 '24	27/5/2024	102.55	3.03	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 4.25 '25	30/8/2025	103.25	3.62	OW	N
Sembcorp Industries Ltd	N (5)	SCISP 3.593 '26	26/11/2026	99.50	3.67	N	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/3/2020	100.52	1.84	N	N
Others							
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/1/2023	100.55	3.81	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	3/1/2020	90.00	29.21	UW	N
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/3/2020	90.30	42.53	X	X
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	100.99	2.65	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	100.41	2.64	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	103.05	3.33	N	N
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/1/2021	96.00	8.67	OW	OW
Keppel T&T	N (4)	KPTTSP 2.85 '24	5/9/2022	100.55	2.64	X	X
Lendlease Group	N (4)	LLCAU 3.9 '27	27/4/2027	103.57	3.35	N	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.95	3.80	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	105.70	3.43	UW	UW
Singapore Airlines	N (3)	SIASP 3.22 '20	9/7/2020	100.85	1.78	UW	N
Singapore Airlines	N (3)	SIASP 3.145 '21	8/4/2021	101.21	2.23	OW	OW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	102.25	2.55	N	OW
Singapore Airlines	N (3)	SIASP 3.03 '24	28/3/2024	102.50	2.42	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	8/4/2024	104.30	2.69	OW	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/4/2025	101.70	2.69	N	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	102.00	2.81	N	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/8/2027	102.10	2.82	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	8/4/2020	100.65	1.57	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/9/2020	100.51	1.94	N	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.23	2.00	N	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	101.51	2.51	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	102.69	3.09	OW	OW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	102.70	3.39	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/9/2020	100.50	2.02	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	100.00	2.09	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/1/2021	101.00	1.87	N	N

Indicative prices from Bloomberg as of 5 December 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	101.88	2.53	UW	N
Ascott Residence Trust	N (3)	ARTSP 4.68 'PERP	30/6/2020	101.10	2.72	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.88 'PERP	4/9/2024	101.16	3.61	N	OW
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	1/2/2023	102.11	4.76	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	101.90	3.22	UW	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	98.86	5.31	OW	OW
ESR REIT	N (4)	EREIT 4.6 'PERP	3/11/2022	98.77	5.06	UW	UW
Ezion Holdings Ltd	Neg (7)	EZISP 0.25 'PERP	19/11/2019				
First REIT	Neg (6)	FIRTSP 5.68 'PERP	8/7/2021	89.87	12.89	N	N
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	12/5/2021	101.20	3.59	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	9/3/2020	100.60	2.67	N	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	5/10/2022	98.93	4.35	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/1/2023	100.05	4.35	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	11/4/2024	102.99	4.22	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	100.65	4.37	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	5/5/2022	101.27	4.10	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.4 'PERP	22/10/2024	101.46	4.06	N	N
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	101.80	4.51	OW	N
Keppel REIT	N (4)	KREITS 4.98 'PERP	2/11/2020	101.98	2.78	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	88.19	14.62	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	82.48	13.83	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.25	3.52	OW	OW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/3/2023	100.25	3.57	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	102.40	4.50	UW	N
Sembcorp Industries Ltd	N (5)	SCISP 4.75 'PERP	20/5/2020	100.85	2.88	N	N
Sembcorp Industries Ltd	N (5)	SCISP 3.7 'PERP	22/6/2020	100.00	3.70	N	N
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	2/3/2022	103.02	2.85	N	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	100.50	3.74	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	99.46	4.30	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	100.73	4.30	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/8/2020	99.75	4.38	UW	UW

Indicative prices from Bloomberg as of 5 December 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Financial Institutions - Capital Instruments							
ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	1/4/2021	102.53	2.80	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	101.20	3.21	OW	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	97.22	4.33	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	101.35	2.94	OW	OW
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	103.25	3.50	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	102.00	2.49	N	N
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	102.65	2.68	N	N
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	102.04	3.91	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	101.20	3.86	N	N
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/4/2026	100.50	3.71	N	N
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	102.70	4.95	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	101.98	2.63	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	104.05	2.44	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	103.96	3.22	N	OW
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	8/6/2022	101.57	4.03	N	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/9/2023	102.50	4.28	N	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.70	3.03	N	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.40	4.22	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	101.60	3.07	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	103.40	3.11	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	102.10	2.82	N	OW
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	103.60	5.19	OW	OW
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	102.25	2.37	UW	UW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	102.60	4.76	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	104.35	4.67	OW	OW
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	100.63	4.70	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/5/2020	100.74	1.89	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.59	2.88	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	104.30	2.42	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	102.64	3.13	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	102.50	3.02	UW	N

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

Upgrades

Downgrades

New / Resume Coverage

Indicative prices from Bloomberg as of 5 December 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, Oxley Holdings Ltd, Suntec Real Estate Investment, Mapletree Commercial Trust, Frasers Hospitality Trust, United Overseas Bank Ltd, BreadTalk Group Ltd.

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