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Monthly Credit View

Monthly Themes

- **Strong performance on the back of macroeconomic tailwinds....:** Although the firm tone in September had set the bar higher, credit managed to post a stronger finish in October. In particular, HY outperformed IG with the Bloomberg Barclays Asia Index IG-HY spread tightening by 29bps m/m while Asia Dollar total issuances in October surged by 31.5% y/y to USD23.8bn. Shrugging aside weaker global growth outlook, investors were encouraged by favourable macroeconomic events including (1) positive developments on the Sino-US trade war with agreement likely to be reached on 'Phase 1' of the trade deal, (2) optimism on Brexit as the EU is ready to grant a 3-month extension and (3) resumption by the Fed to expand the balance sheet (which the Fed refuses to recognize as Quantitative Easing). Overall, global risk sentiments appear to have improved significantly and fears of recession appears to be behind us with a sharp steepening of the yield curve; the yield curve is no longer inverted as the 3M/10Y spread swung decisively back into the positive territory, which previously sank as low as negative 50bps in September.
- **... with slow SGD primary activity though this bodes well for the secondary market:** The strong performance in credit did not benefit issuances in the SGD space; issuance is just a mere SGD1.08bn in October. We think this is in part due to the mismatch in expectations between issuers (demanding significantly lower coupons) and investors (somewhat reluctant to bite at spreads that grind increasingly tighter). This dynamic is best demonstrated when CapitaLand Ltd priced the tightest perp so far in the SGD space at 3.65%, which unsurprisingly fell ~0.25pts within the first days of trading given the tight pricing. However, technicals in the undersupplied market may eventually prevail; the CAPLSP 3.65% PERP is crawling back near par. Similarly, while HPLSP 4.4% PERP that was priced in October fell below par on opening (it got [priced on the tighter end of our fair value estimate](#)), it is now trading above par. That said, we believe that supply may catch up and slow down the rate of spread compression.
- **A strong equity market – a boon or bane?:** The strong equity market, especially in SREITs (FTSE Straits Times REIT Index YTD: +24.6%), may turn into a dual-edged sword. While we think this has prompted REITs to issue equity recently (e.g. [Mapletree Commercial Trust](#), [Mapletree Industrial Trust](#), Manulife US REIT, Keppel DC REIT, Keppel Pacific Oak US REIT, AA REIT), not all REITs used the opportunity to reduce gearing as acquisitions appear to be on the top of the agenda. Outside the REITs space, Temasek is looking to increase its stakes in Keppel Corp Ltd. Again, [this is not necessarily beneficial for the credit profile of Keppel](#); we think the development is positive for the short end of KEP's curve though neutral-to-negative for the medium-long dated end of the curve.
- **Is it time to buy a property in Singapore?:** With sentiments improving and oversupply situation easing, we now expect [Singapore residential property prices to remain stable or inch slightly higher going forward](#). A stronger property market will be credit positive for developers under our coverage as they can move and monetize their inventory, with beneficiaries including [City Developments Ltd](#), [Oxley Holdings Ltd](#) and [GuocoLand Ltd](#). On the [industrial front though, we expect the market to weaken in the next 12 months](#) given the large impending supply of new industrial spaces. That said, we expect the credit profiles of Industrial REITs to remain broadly stable.
- **Do consider Australia too:** While Australia's economy has slowed, we see signs of a turnaround in 2020. [We added 8 high quality AUD issuers to our coverage recently](#). By broadening our horizons, we seek to provide context to our existing SGD market coverage, diversify and satisfy your interest.

- **Withdrawing positives and depositing negatives?:** Financial Institution results so far highlight a few consistent themes – a weaker earnings and operating outlook, rising impairment costs and continuing adjustments to strategy. Throughout these influences however, capital ratios remain solid as underlying earnings remain resilient and have benefited from prior year restructurings. The road ahead appears focused on maintaining resilience rather than spending for growth as was the case earlier this year.
- **Pick at opportunities as they arise:** While macroeconomic uncertainties remain, for example with the ECB losing Draghi as the steady hand who was willing to do whatever it takes and Singapore's economy expanding at just a mere 0.1% y/y, we believe there is room for some risk-taking. If prices correct in 4Q, as we observe the tendency to, investors with patience and holding power may bottom fish to capitalize on the "Capricorn effect" that typically ensues in 1Q as discussed in our [Singapore Credit Outlook 2019, pg xv-xvi](#).

Issuer Profile Changes / Updates

- We upgraded the issuer profile of Ascott Residence Trust to Neutral (3) from Neutral (4) on the back of expectations that ART's credit profile would slightly improve post completion of combination with ASCHTS and remain stable over a 12 month period. Net-net, we think the enlarged asset base, improved interest coverage and better financial flexibility offsets the marginally weaker geographic spread and higher leverage, which drives the upgrade. Please see [Ascott Residence Trust: Credit Update \(31 October 2019\)](#) for detailed commentary.
- On 21 October 2019, Temasek announced its voluntary pre-conditional offer for Keppel Corp Ltd ("KEP") to increase its stake in KEP to ~51% (from the current ~21%-stake). KEP is involved in broad sectors which allows a new controlling shareholder (via influence on its board) to reshape it in multiple ways. This means that until we know what is planned for KEP, event risk is heightened during this period. We have provided an update on the situation and for now maintaining the issuer profile of KEP at Neutral (4). Please see [Keppel Corp Ltd: Credit Update \(30 October 2019\)](#) for detailed commentary.
- Following the announcement that its current parent CKM (Cayman) Company Limited ("CKM") has presented a formal proposal to take private CEL, we have upgraded our call on CELSP 3.9%-PERP to Overweight. CEL is ~56%-owned by CKM, while CKM is an indirect wholly owned subsidiary of CITIC Environment Investment Group Co Ltd ("CITIC Environment"), the environmental services arm of CITIC Limited, a conglomerate which is majority controlled by CITIC Group, a Chinese SOE. Please see [CITIC Envirotech Ltd: Credit Update \(7 November 2019\)](#) for detailed commentary.
- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: **Nil**.
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Heeton Holdings Ltd, Keppel Corp Ltd**.

Trade Ideas

- Australian bank results indicate a tough road ahead with all banks under our coverage impacted by customer-related remediation charges, weaker margins and rising credit costs with multiple regulatory initiatives underway. Balancing this out however is an improvement in the risk profile of housing exposures which continues to perform and solid earnings generation given the banks' entrenched market positions. Across Australian bank Tier 2s, the ANZ 3.75% 27c22 trades at a wider spread to the NAB 4.15% 28c23s and WSTP

4.0% 27c22s despite its better fundamentals and capital position. Valuations though appear to reflect call risk with the reset spread for the ANZ Tier 2s at 1.372% lower than WSTP (1.54%) and NAB (2.03%).

- We think the Mapletree Logistics Trust MLTSP 4.18%-PERP is trading at interesting levels with a yield to call of 3.5% and a spread to call of 216bps. We think there is a fair chance for the perpetual to be called at first call date in November 2021 should current rate expectations hold. While we see Ascott Residence Trust ("ART")'s issuer profile as somewhat stronger, the ART 4.68%-PERP which faces first call in June 2020 is paying only 2.96% YTC. We think the ~50bps extra more than compensates for the 1.4 years longer call date on the MLTSP 4.18%-PERP.
- On 21 October 2019, Temasek announced a voluntary pre-conditional offer for Keppel Corp Ltd to increase its stake in KEP to ~51%. Overall, we think the development is positive for the short end of KEP's curve though neutral-to-negative for the medium-long dated end of the curve. Despite the rise in bond price post Temasek's announcement, the KEPSP 3.1% '20s still trades at 85bps, wider versus Sembcorp Industries Ltd ("SCI")'s SCISP 3.7325% '20s trading at 38bps and we think that the KEPSP 3.1% '20s should grind tighter to where the SCISP 3.7325% '20s are trading.
- CITIC Envirotech Envirotech Ltd's perpetual is paying a YTC of 6.56% and we think there is a good likelihood for the perpetual to be called at first call in October 2020. Notwithstanding that a delisting will result in the lack of public disclosure, an increase in ownership to 77.9% implies an increased economic alignment between CITIC Limited and CEL in our view.

Upcoming Bond Maturities – November 2019

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
International Bank for Reconstruction and Development	IBRD	500	14/11/2019
Mizuho Bank, Ltd	MIZUHO	100	14/11/2019
Neptune Orient Lines Ltd	NOLSP	300	20/11/2019*

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports From OCBC Credit Research

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

- 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)
- 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)
- 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 (01 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
China/HK property							
China Aoyuan Group Ltd	N (5)	CAPG 7.15 '21	7/9/2020	102.80	6.02	UW	N
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/5/2020	100.81	1.86	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.24	3.34	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	102.10	3.78	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/4/2020	100.20	4.12	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	3/7/2020	99.67	4.41	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/1/2021	99.00	4.83	UW	UW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	103.39	2.45	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	2/9/2021	103.63	2.45	N	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.70	3.32	OW	OW
Singapore property developers							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	1/4/2020	98.95	7.99	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/8/2020	98.46	7.36	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/8/2020	101.85	2.03	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	104.90	2.71	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	101.40	2.88	UW	N
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	101.41	2.98	UW	UW
City Developments Ltd	N (3)	CITSP 3 '20	2/4/2020	100.50	1.76	UW	UW
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.70	2.28	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/3/2021	100.82	2.34	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	6/7/2022	103.28	2.47	N	N
City Developments Ltd	N (3)	CITSP 3.48 '23	3/4/2023	102.91	2.58	N	N
City Developments Ltd	N (3)	CITSP 3 '24	17/1/2024	101.30	2.67	N	N
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	104.83	2.73	N	N
City Developments Ltd	N (3)	CITSP 3.48 '26	15/6/2026	103.26	2.93	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	7/10/2021	102.40	2.66	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	102.58	3.74	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/5/2020	100.75	2.65	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/3/2021	101.00	2.90	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	101.49	3.30	OW	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	101.80	3.27	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	8/5/2020	100.09	6.00	OW	
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/7/2021	99.00	6.71	OW	
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/3/2022	101.16	3.69	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	8/4/2020	100.70	2.21	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/5/2021	101.35	2.95	N	N
OUE Ltd	N (4)	OUESP 3.8 '20	15/4/2020	100.35	2.98	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/4/2022	100.78	3.41	N	N
OUE Ltd	N (4)	OUESP 3.55 '23	10/5/2023	99.75	3.63	N	N
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/5/2020	100.44	4.33	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/1/2022	96.46	7.44	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.10	2.87	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	104.37	2.91	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	104.01	2.98	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	106.41	3.10	OW	OW

Indicative prices from Bloomberg as of 7 November 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	100.70	2.00	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	7/4/2021	100.70	2.16	OW	N
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.72	2.29	N	N
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	102.20	2.31	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	100.40	2.36	UW	N
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	102.55	2.62	OW	OW
Ascott Residence Trust	N (3)	ARTSP 4.205 '22	23/11/2022	105.17	2.44	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.523 '23	9/11/2023	103.18	2.68	UW	UW
Ascott Residence Trust	N (3)	ARTSP 4 '24	22/3/2024	104.98	2.78	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.21	2.26	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	101.03	2.37	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	102.26	2.61	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	102.82	2.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.23	2.04	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	101.35	2.38	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	103.21	2.37	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	104.54	2.46	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	103.28	2.59	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	102.87	2.65	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	104.78	2.67	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	100.83	2.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	103.56	2.99	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	101.37	2.73	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/5/2020	100.50	3.02	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/1/2020	100.21	1.96	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	8/11/2024	98.90	3.01	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/2/2020	100.14	2.16	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/8/2021	100.72	2.41	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	6/7/2022	100.11	2.59	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	101.36	2.95	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/6/2020	99.25	5.39	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/8/2020	101.33	1.92	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.44	2.18	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	102.56	2.42	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	103.13	2.59	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	101.86	2.81	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	100.88	2.92	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.67	2.31	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	102.49	2.37	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.40	2.40	UW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.84	2.47	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	102.26	2.61	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	101.64	2.23	N	N
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	102.70	2.60	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	100.33	2.06	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.83	2.50	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	100.20	2.94	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	101.99	2.80	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	100.18	2.80	N	N
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.70	3.00	N	UW

Indicative prices from Bloomberg as of 7 November 2019

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	12/9/2019	70.93	100.00	UW	UW
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.65 '20	27/9/2019	86.74	100.00	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.80	2.24	OW	
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.52	2.45	UW	
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	102.40	2.78	N	
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.25	2.62	UW	
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	100.75	2.82	UW	
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	100.60	2.90	UW	
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	103.66	3.21	UW	
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	102.10	3.79	UW	
Sembcorp Industries Ltd	N (5)	SCISP 3.7325 '20	9/4/2020	100.80	1.83	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 2.94 '21	26/11/2021	100.90	2.49	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.64 '24	27/5/2024	102.67	3.01	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 4.25 '25	30/8/2025	103.25	3.62	N	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	100.62	1.92	N	N
Others							
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/1/2023	100.60	3.80	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	3/1/2020	92.50	68.70	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	100.84	2.72	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	100.16	2.74	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	102.72	3.39	N	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/1/2021	96.00	8.42	OW	OW
Lendlease Group	N (4)	LLCAU 3.9 '27	27/4/2027	102.75	3.48	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.78	3.92	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	106.80	3.25	UW	N
Singapore Airlines	N (3)	SIASP 3.22 '20	9/7/2020	100.75	2.11	N	N
Singapore Airlines	N (3)	SIASP 3.145 '21	8/4/2021	101.29	2.23	OW	N
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	102.45	2.51	OW	OW
Singapore Airlines	N (3)	SIASP 3.03 '24	28/3/2024	102.50	2.43	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	8/4/2024	104.91	2.57	N	OW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/4/2025	101.53	2.73	N	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	101.78	2.85	N	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/8/2027	101.89	2.86	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	8/4/2020	100.73	1.74	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/9/2020	100.54	1.98	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.38	1.95	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	101.43	2.56	N	OW
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	102.45	3.14	OW	OW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	102.70	3.40	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/9/2020	100.50	2.07	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	101.04	1.89	N	N

Indicative prices from Bloomberg as of 7 November 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	101.90	2.69	N	N
Ascott Residence Trust	N (3)	ARTSP 4.68 'PERP	30/6/2020	101.10	2.95	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.88 'PERP	4/9/2024	100.90	3.68	OW	OW
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	1/2/2023	101.96	4.83	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	99.96	3.66	UW	
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	97.00	7.34	OW	OW
ESR REIT	N (4)	EREIT 4.6 'PERP	3/11/2022	98.40	5.19	UW	UW
First REIT	Neg (6)	FIRTSP 5.68 'PERP	8/7/2021	88.10	13.86	N	N
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	12/5/2021	101.19	3.64	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	9/3/2020	100.65	3.08	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	5/10/2022	98.90	4.35	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/1/2023	98.80	4.55	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	11/4/2024	102.79	4.28	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	100.65	4.37	N	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	5/5/2022	101.20	4.14	N	OW
Hotel Properties Ltd	N (4)	HPLSP 4.4 'PERP	22/10/2024	100.40	4.31	N	
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	100.24	4.72	N	N
Keppel REIT	N (4)	KREITS 4.98 'PERP	2/11/2020	101.97	2.97	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	90.00	13.14	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	83.74	13.11	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.25	3.53	OW	N
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/3/2023	99.95	3.67	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	101.60	4.84	N	N
Sembcorp Industries Ltd	N (5)	SCISP 4.75 'PERP	20/5/2020	100.70	3.42	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	103.04	2.89	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	99.64	4.00	N	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	99.55	4.26	N	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	100.62	4.32	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/8/2020	99.85	4.37	UW	UW

Indicative prices from Bloomberg as of 7 November 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	102.49	2.94	N	OW
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	101.20	3.22	OW	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	97.22	4.32	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	101.35	3.03	OW	OW
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	103.25	3.51	OW	N
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	102.00	2.62	N	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	102.65	2.76	N	N
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	102.03	3.95	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	100.88	3.95	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	102.31	5.05	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	102.20	2.57	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	103.90	2.52	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	103.53	3.31	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	8/6/2022	101.30	4.16	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/9/2023	102.18	4.38	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.70	3.21	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.40	4.27	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	101.60	3.08	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	103.40	3.12	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	101.70	3.15	OW	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	102.95	5.37	OW	OW
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	102.25	2.50	UW	UW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	102.70	4.75	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	104.35	4.68	OW	OW
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	100.06	4.84	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/5/2020	100.75	2.09	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.49	2.98	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	103.80	2.56	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	102.40	3.18	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	102.75	2.95	N	N

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

Upgrades

Downgrades

New / Resume Coverage

Indicative prices from Bloomberg as of 7 November 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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