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## Monthly Credit View

### Monthly Themes

- Following on from the sharp turn at the beginning of the month as President Trump upped the ante in the Trade War with additional tariffs on USD300bn in Chinese imports, spreads continued to widen in August. The Bloomberg Barclays Asia USD HY Bond Index has widened 65bps since 2nd August ([our last Monthly Credit View](#)) while the 10 year treasuries had rallied another 35bps to 1.50% at time of writing. Tellingly, the spread between the Asian high yield index and its IG counterpart has widened significantly to 429bps (63bps more than 2nd August spread) as the Bloomberg Barclays Asia USD IG Bond Index widened only 2bps. Despite periodic overtures calling for “resolution”, August overall was marred by escalating US-China tensions as the market seemingly caught a cold from the sniffles at the start of the month. Beyond sentiment, markets were more concerned over the fundamental implications of continued tensions over the real economy, including indirect impact to economies beyond US and China (eg: export-dependent Germany). The Fed had also turned more dovish as a response to such risks. Indeed, the market was not short of sentiment dampening developments through the month with protests in Hong Kong, trade tensions between South Korea and Japan and US-Iran issues in the Gulf. North Korea appears to have entrenched its leader and reinforced the necessity of building weapons while in the UK, Prime Minister Boris Johnson appears to be on a “do or die” mission to leave the EU by October 31<sup>st</sup>.
- With all these geopolitical distractions as well as the US Federal Reserve’s rate decision at the start of the month and its annual symposium at Jackson Hole, Wyoming at the end of the month, issuance in the Asia-dollar space was muted with USD11.7bn issued at time of writing. This compares with USD35.4bn issued during July 2019. While the usual Northern summer lull may have had some impact to volumes and market liquidity as well as the start of earnings season, August 2019 issuance volumes were still 33% lower than August 2018 issuance volumes of USD17.5bn. Chinese issuers continued to dominate the supply contributing over half of the deals priced so far in August, headlined by China Petrochemical Corporation’s USD2.0bn deal across 3 tranches (issued by Sinopec Group Overseas Development (2018) Ltd). This deal has performed well in the secondary market, especially the USD700mn 10-year SINOPE 2.95% ‘29s (~2.71% yield to maturity) and the USD500mn 30-year SINOPE 3.68 ‘49s (~3.11% yield to maturity) indicating strong demand for duration in the current technical environment and a relative lack of supply for good quality names. Demand for good quality names likely drove another interesting trend in the Asia-dollar space in August with three of the five largest deals priced coming from Singapore issuers with Singapore Telecommunications Ltd pricing a USD750mn 10-year bond at 2.375%, PSA International Pte. Ltd pricing a USD500mn 10-year bond at 2.125% and United Overseas Bank Ltd pricing a USD500mn 3-year covered bond at 1.625%.
- The popularity for Singapore related things (which coincided with National Day) somewhat continued in the local currency market. In the SGD space, there was a flurry of issuance activity with SGD2.7bn issued at the end of the month, 19.4% higher than August 2018 and 39% higher than July 2019. This brought year to date issuance to over SGD20bn, around 48% higher than at the same time last year. Issuances were focused on long dated senior papers, perpetuals and bank capital instrument from high grade issuers, again signaling investor comfort level with duration and better quality names. Notable issues included [CapitaLand Ltd’s 10 year senior which raised SGD800mn](#), Mapletree Investments Pte Ltd’s 12 year senior raising SGD300mn and [UBS Group AG’s SGD750mn Additional Tier 1 issue](#) which adds to a burgeoning SGD-denominated AT1 market, with SGD11.5bn outstanding). Encouragingly also, we saw first time issuer SPH REIT, raising a “standardized” REIT perpetual non-call 5-year structure with an orderbook 4.7x the final issue size. The 2-5 year part of the swap curve inverted in the last week of August and was persisting at time of

writing, we continue to monitor if this would have any implications to issuances and investor demand over the coming month.

- All in, we think investors still want to deploy capital, with higher grade credit as beneficiaries over shifts away from riskier assets as event risks persist. We simultaneously expect stronger supply from issuers taking advantage of this issuance window, dampening some of the initial price appreciation we had expected in the secondary trading. Combined with the credit rally for the year to date and an expected thinning in market liquidity on fundamental and technical concerns, we continue to see more cause for spreads to widen. That said, while the head is telling us that the credit rally may have run its course, the heart is still yearning for yield and in the absence of a severe and unexpected risk-off event, this is likely to keep spreads in check for the remainder of the year.

### Issuer Profile Changes / Updates

- We have lowered the issuer profile of Sembcorp Industries Ltd ("SCI") to Neutral (5) from Neutral (4). Please see the [Sembcorp Industries Ltd: Credit Update \(26 August 2019\)](#) 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: **OUE Limited, Heeton Holdings Ltd, Ascott Residence Trust.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Frasers Property Limited.**

### Trade Ideas

- METRO 4.3% 02/04/2024 is offering a yield of 3.69% with a spread of 216bps above swap for a 4.5y tenor. We think this looks interesting, as the credit health of METRO remains healthy. The net gearing (excluding pledged fixed deposits of SGD37.2mn) rose higher to 0.08x at end June 2019 from 0.02x in the preceding quarter following the issuance of this bond. We think the funds were most likely used to fund the purchase of [The Atrium in Chengdu](#) and [7 & 9 Tampines Grande in Singapore](#), which we would expect to generate positive cashflows for METRO further down the road.
- We think the new CAPLSP 3.15% '29s looks tight compared to the rest of the CAPLSP curve [and also against the rest of CAPLSP curve](#), especially post-acquisition of Ascendas Singbridge Pte Ltd which push its net gearing higher. Investors seeking to stick to the CapitaLand family may consider CAPITA 3.35% 2031 which is offering a higher yield or CAPITA 2.88% 2027 which has a shorter tenor for a similar spread level. We think the CAPITA curve offers better value as we rate it one notch higher at Positive (2) Issuer Profile and we note that CapitaLand Mall Trust is outright rated by external rating agencies
- We are Neutral the UBS 4.85 PERPc24s at current prices (~4.84% yield to call) and ~332bps i-spread. As mentioned in our [new issue view](#), this represents a ~30bps tightening against the initial spread for the UBS 5.875% PERPc23. This is purely due to the technical environment which has shifted considerably with 5-year swap rates down almost 80bps over this period while at the same time the economic outlook is more clouded.
- Among 10 year senior papers, Keppel Corp Ltd's ("KEP") KEPSP 3.66% '29s is trading at a YTM of 3.4% (163bps) and sits in the sweet spot of a Neutral (4) issuer profile while being one of the highest yielding 10 year paper in the SGD space. The 10 year senior space is dominated by Neutral (3) and above issuers who are at best paying slightly more than 3%. We think the 30-40bps compensates for KEP weaker credit profile. We are Overweight this bond.

- At current prices, we think the AREIT 4.75%-PERP (YTC of 2.8%, 118bps spread to call) looks interesting and we are Overweight this perpetual. The perpetual faces first call in October 2020 and we expect the REIT to call at first call. While implied senior-sub spread is only ~75bps, this is higher than the 50bps senior-sub spread observed previously. Given our expectations of a call at first call and a short call date, we prefer this perpetual over the AREIT 2.95% '20s which is only trading at a YTM of 2.05% (spread of 40bps).
- The MLTSP 4.18%-PERP is only trading at a YTC of 3.38% (spread of 181bps to call) with a first call date in November 2021. We are Underweight this perpetual as we think there are other REIT perpetuals with better value elsewhere. Notwithstanding that the FHREIT's issuer profile had weakened, the FHREIT 4.45%-PERP is trading at a YTC of 3.8% (spread of 217bps) with a shorter first call date in June 2021. We hold Frasers Hospitality Trust at Neutral (3)), albeit precariously. Alternatively, recent REIT perpetuals can be considered for investors who are comfortable with longer call date.

### Upcoming Bond Maturities – September 2019

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
Value Success International Ltd	PINGIN	370	06/09/2019
Hotel Properties Ltd	HPLSP	50	13/09/2019
Neptune Orient Lines Ltd	NOLSP	300	16/09/2019*
ASL Marine Holdings Ltd	ASLSP	92	28/09/2019*
Neptune Orient Lines Ltd	NOLSP	280	30/09/2019*
Hyflux Ltd	HYFSP	400	30/09/2019*

Source: OCBC Credit Research, Bloomberg

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- 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)
- 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)

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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	102.00	7.01	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.73	3.16	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	102.32	3.75	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/4/2020	100.42	3.93	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	3/7/2020	99.94	3.96	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/1/2021	99.50	4.32	UW	UW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	103.91	2.37	N	N
<b>Wheelock &amp; Co Ltd</b>	<b>Pos (2)</b>	<b>WHEELK 4.5 '21</b>	<b>2/9/2021</b>	<b>104.00</b>	<b>2.45</b>	<b>OW</b>	<b>N</b>
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.70	3.37	OW	OW
<u>Singapore property developers</u>							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	1/4/2020	99.05	7.12	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/8/2020	99.31	6.06	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/8/2020	102.00	2.29	UW	UW
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 3.8 '24</b>	<b>28/8/2024</b>	<b>104.85</b>	<b>2.75</b>	<b>N</b>	<b>UW</b>
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 3.08 '27</b>	<b>19/10/2027</b>	<b>100.67</b>	<b>2.99</b>	<b>N</b>	<b>UW</b>
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 3.15 '29</b>	<b>29/8/2029</b>	<b>100.95</b>	<b>3.04</b>	<b>UW</b>	
<b>City Developments Ltd</b>	<b>N (3)</b>	<b>CITSP 3 '20</b>	<b>2/4/2020</b>	<b>100.48</b>	<b>2.18</b>	<b>UW</b>	<b>N</b>
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.78	2.33	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/3/2021	100.76	2.43	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	6/7/2022	103.31	2.54	N	N
City Developments Ltd	N (3)	CITSP 3.48 '23	3/4/2023	102.91	2.63	N	N
City Developments Ltd	N (3)	CITSP 3.48 '26	15/6/2026	103.28	2.94	N	N
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 3.95 '21</b>	<b>7/10/2021</b>	<b>102.40</b>	<b>2.77</b>	<b>N</b>	
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 4.25 '26</b>	<b>21/4/2026</b>	<b>103.71</b>	<b>3.62</b>	<b>N</b>	
<b>Frasers Property Ltd</b>	<b>N (4)</b>	<b>FPLSP 4.15 '27</b>	<b>23/2/2027</b>	<b>103.16</b>	<b>3.66</b>	<b>N</b>	
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 4.1 '20</b>	<b>13/5/2020</b>	<b>100.96</b>	<b>2.73</b>	<b>N</b>	<b>UW</b>
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 3.62 '21</b>	<b>30/3/2021</b>	<b>100.99</b>	<b>2.97</b>	<b>N</b>	<b>UW</b>
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	101.91	3.17	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	101.92	3.26	N	N
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/3/2022	101.75	3.48	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	8/4/2020	101.05	2.14	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/5/2021	101.75	2.81	N	N
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/5/2020	100.28	4.79	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/1/2022	94.77	8.12	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.18	2.93	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	104.48	2.96	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	103.94	3.07	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	106.22	3.20	OW	OW

Indicative prices from Bloomberg as of 30 August 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	100.83	2.05	UW	N
Ascendas REIT	N (3)	AREIT 2.655 '21	7/4/2021	100.60	2.27	N	N
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.85	2.36	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	102.20	2.37	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	100.10	2.44	UW	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	102.60	2.63	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.19	2.33	N	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	100.90	2.44	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	102.20	2.65	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	103.06	2.73	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.17	2.24	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	101.11	2.47	N	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	102.92	2.48	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	104.17	2.58	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	102.83	2.69	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	102.29	2.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	104.37	2.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	99.79	2.91	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	101.32	3.21	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	101.29	2.77	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/5/2020	100.66	3.04	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/1/2020	100.29	2.26	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	8/11/2024	98.89	3.00	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/2/2020	100.12	2.39	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/8/2021	100.49	2.58	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	6/7/2022	99.80	2.70	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	8/11/2024	100.85	2.90	OW	N
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	101.48	2.93	N	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/6/2020	97.00	8.13	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/8/2020	101.47	2.09	UW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.32	2.36	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	102.27	2.56	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	103.03	2.64	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	101.61	2.85	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	100.62	2.96	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.69	2.34	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	102.50	2.40	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.45	2.46	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.52	2.59	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	102.11	2.67	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	104.70	3.01	N	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/2/2021	101.59	2.41	N	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	102.97	2.56	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	101.90	2.84	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/2/2020	100.39	2.48	OW	OW
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.64	2.65	OW	OW
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	100.73	2.72	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	101.96	2.84	N	OW
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	99.98	2.86	N	OW
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.90	2.97	N	N

Indicative prices from Bloomberg as of 30 August 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	65.43	100.00	N	N
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.65 '20	27/9/2019	87.00	100.00	N	OW
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.84	2.35	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.45	2.53	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	101.10	3.36	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.11	2.70	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	100.65	2.85	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	103.25	3.27	OW	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	102.10	3.79	N	N
Sembcorp Industries Ltd	N (5)	SCISP 3.7325 '20	9/4/2020	101.00	2.08	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 2.94 '21	26/11/2021	100.59	2.67	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.64 '24	27/5/2024	101.10	3.39	N	N
Sembcorp Industries Ltd	N (5)	SCISP 4.25 '25	30/8/2025	103.25	3.64	N	N
Sembcorp Industries Ltd	N (5)	SCISP 3.593 '26	26/11/2026	99.50	3.67	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/3/2020	100.68	2.34	N	N
Others							
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/1/2023	100.70	3.78	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	3/1/2020	97.00	21.16	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	100.71	2.80	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	99.55	2.96	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	102.30	3.45	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/1/2021	96.00	7.95	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	106.50	3.79	N	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	105.95	3.43	N	N
Singapore Airlines	N (3)	SIASP 3.22 '20	9/7/2020	100.80	2.29	N	N
Singapore Airlines	N (3)	SIASP 3.145 '21	8/4/2021	101.26	2.34	N	N
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	102.34	2.56	N	N
Singapore Airlines	N (3)	SIASP 3.03 '24	28/3/2024	102.09	2.54	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	8/4/2024	104.30	2.75	N	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/4/2025	101.35	2.77	N	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	101.92	2.83	N	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/8/2027	101.85	2.87	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	8/4/2020	100.90	2.00	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/9/2020	100.57	2.05	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.07	2.18	UW	UW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	100.65	2.85	N	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	101.95	3.23	N	N
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	103.39	3.28	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/9/2020	100.55	2.12	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.97	2.12	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/1/2021	100.90	2.12	N	N

Indicative prices from Bloomberg as of 30 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	102.15	2.80	OW	N
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	1/2/2023	101.45	5.02	OW	OW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	97.70	6.10	N	N
ESR REIT	N (4)	EREIT 4.6 'PERP	3/11/2022	98.34	5.17	UW	UW
First REIT	Neg (6)	HRTSP 5.68 'PERP	8/7/2021	93.00	9.87	N	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	12/5/2021	101.10	3.76	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	9/3/2020	100.80	3.44	N	
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	5/10/2022	97.55	4.81	UW	
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/1/2023	98.80	4.55	UW	
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	11/4/2024	101.00	4.73	OW	
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	99.40	4.72	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	5/5/2022	99.20	4.96	OW	OW
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	100.10	4.74	N	N
Keppel REIT	N (4)	KREITS 4.98 'PERP	2/11/2020	102.02	3.22	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	85.00	15.72	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	90.00	10.23	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.50	3.47	UW	N
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/3/2023	100.07	3.63	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	101.60	4.88	N	N
Sembcorp Industries Ltd	N (5)	SCISP 4.75 'PERP	20/5/2020	100.50	4.05	N	N
Sembcorp Industries Ltd	N (5)	SCISP 3.7 'PERP	22/6/2020	99.50	3.89	N	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	2/3/2022	103.00	3.00	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	98.20	4.22	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	99.82	4.15	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	100.40	4.38	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/8/2020	99.90	4.36	UW	UW
Financial Institutions - Capital Instruments							
ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	1/4/2021	102.95	2.83	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	101.25	3.23	OW	N
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	97.57	4.23	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	101.89	2.78	OW	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	104.17	3.32	N	N
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.94	2.93	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	102.78	2.87	N	N
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	102.51	3.81	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	101.24	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	101.75	5.20	OW	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	102.30	2.80	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	103.24	2.79	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	103.48	3.34	OW	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	8/6/2022	101.08	4.28	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/9/2023	102.27	4.38	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.77	3.56	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.55	4.31	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	101.28	3.25	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	103.57	3.12	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	101.84	3.19	OW	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	102.16	5.58	OW	OW
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	102.28	2.71	UW	N
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	101.55	5.03	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	104.72	4.63	OW	N
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	100.02	4.85	N	
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	100.35	3.03	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/5/2020	100.81	2.37	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.55	3.06	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	103.55	2.65	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	100.41	3.51	N	
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	102.85	2.98	N	N

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

Upgrades

Downgrades

New / Resume Coverage

Indicative prices from Bloomberg as of 30 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.

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