

Monthly Credit View

Friday, 01 February 2019

Monthly Themes

- January risk sentiments were a stark reversal of December as credit markets started the year on a bullish run. Following a consistent widening in spreads through 4Q2018 that peaked at an almost three year high on the first few trading days of 2019, both the Bloomberg Barclays Asia USD IG Bond Index and the Bloomberg Barclays Asia USD HY Bond Index have since retraced some 18bps and 132bps respectively. Technical and fundamental considerations were at play with the 2018 credit correction (particularly in high yield) and lower expectations of further rate hikes in 2019 mixing with confidence that the Chinese government will continue to support both the slowing economy and onshore corporate liquidity through various measures including extending the validity of foreign bond issuance quotas and encouraging bond sales to strategically important sectors. This drove improved onshore demand for Chinese high yield property bonds amidst falling government bond yields that consequently fed into demand for Chinese property offshore bonds and hence tightening in the Bloomberg Barclays Asia USD HY Bond Index. This all came despite a general consensus that China's property market will face slowing sales, price pressures and regulatory risk in 2019 and there is a significant amount of supply from China HY property issuers in 2019 to meet refinancing and put commitments. According to Bloomberg, Chinese real estate companies face ~USD88bn of local bonds maturing or becoming puttable this year along with USD17bn in notes due. All up, Asia dollar issuance in January of USD29bn was the second highest volume for the month on record on conducive market conditions and a rush to issue before Chinese New Year. Both investment grade and high yield issuers took advantage although investor demand remains skewed towards better grade paper.
- Issuance trends were somewhat similar in the SGD primary space with SGD3.5bn issued mostly across high grade names. Issuance volumes were anchored by Land Transport Authority of Singapore's SGD1.5bn LTAZSP 3.38%'59s, following on from its SGD4.0bn in long tenor issuances in 2018, while Housing & Development Board also issued SGD600mn, continuing the dominance of government linked issuers in overall volumes seen in 2018. The remainder of issues were very diverse and included bank capital (BNP 4.35% '29c24s Tier 2s), perpetuals (SINTEC 5.0% PERPc24s), a high yield exchange (CENSP 5.5% '22s), subordinated to existing senior (ESRCAY 6.75% '22s) and supported by a Standby Letter of Credit (CQBNEP 4.35% '21s; SBLC from Shanghai Pudong Development Bank/Hong Kong).
- Elsewhere in the SGD space, restructurings continued to generate news flow. We published a special commentary on [ASL Marine Holdings Ltd's \("ASL"\)](#) second consent solicitation to reduce coupons and extend maturities amongst other things on its Series 006 and 007 notes, while the restructuring process of [Hyflux Ltd \("HYF"\)](#) appears to be reaching a critical point with a restructuring plan expected to be announced in mid-February. With multiple classes of creditors and current expectations of severe haircuts for some, we expect the restructuring process to be

Treasury Advisory

Corporate FX & Structured Products

Tel: 6349-1888 / 1881

Interest Rate

Derivatives

Tel: 6349-1899

Investments &

Structured Products

Tel: 6349-1886

GT Institutional

Sales

Tel: 6349-1810

Andrew Wong

+65 6530 4736

WongVKAM@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

wonghongwei@ocbc.com

Seow Zhi Qi

+65 6530 7348

ZhiQiSeow@ocbc.com

protracted. HYF's debt moratorium currently ends on 30 April 2019. We do not cover either ASL or HYF.

- Trends so far have played into our [Singapore Credit Outlook 2019](#) expectations and we expect these trends to continue on broadly stable to positive earnings results and still manageable risk events. Investors' conviction appears to be on the rise on firming market signals that the Fed will moderate its rate hike path with stronger bids pushing yields tighter. Issuance will be muted given the Chinese new-year holidays which may provide further support to prices. That said, elevated debt maturities in both the Asia dollar and SGD space should still keep issuance activity moving and spreads in check.

Issuer Profile Changes / Updates

- We upgraded Oxley Holdings Ltd ("OHL")'s Issuer Profile Rating to Neutral (5) from Negative (6) due to expectations that the issuer is in the midst of de-leveraging its balance sheet by pursuing asset sales.
- We have considered the impact from CapitalLand Ltd ("CAPL")'s announced proposed acquisition of Ascendas Pte Ltd and Singbridge Pte Ltd on CAPL, Ascendas Real Estate Investment Trust ("AREIT") and Ascendas Hospitality Trust ("ASCHTS") and have maintained our issuer profile rating on the issuers as follows: CAPL at Neutral (3), AREIT at Neutral (3) and ASCHTS at Neutral (4).
- 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: **China Aoyuan Property Group Limited** and **Suntec Real Estate Investment Trust**.

Trade Ideas

- Along with the upgrade to OHL's Issuer Profile Rating, we are Overweight on OHLSP 5% '19s and turned Overweight on OHLSP 5.15% '20s and OHLSP 5.7% '22s due to their high yield. Similarly, we think OHLSP 6.375% '21s (USD) look interesting.
- We are Overweight on both FNNSP '22s as they offer decent value around 3.5% YTM while Fraser and Neave Ltd offer a decent credit metrics with low net gearing and healthy cashflow generation.
- We turned Underweight on large parts of the CAPLSP curve following the proposed acquisition of Ascendas Singbridge entities. As CapitalLand Ltd's (Issuer Profile: Neutral (3)) net gearing levels is expected to rise to 0.72x, this would tower over peers such as City Developments Ltd with Issuer Profile of Positive (2). We prefer to switch from the CAPLSP curve into the CITSP curve given that both offer similar yields while City Developments offer stronger credit metrics.
- Ascott Residence Trust ("ART") is the largest hospitality REIT listed in Singapore by total assets. With the REIT announcing the sale of Ascott Raffles Place and adjusting for the greenfield development of Iyf in one-North, we expect the REIT's aggregate leverage to reduce to ~33% in the short term. We are Overweight the ARTSP 4.68%-PERP which has a YTC of 4.09% (213bps spread), assuming the perpetual gets called at first call in June 2020.
- Within the Singapore Airlines Ltd ("SIASP") curve, we prefer the SIASP 3.75% '24s and SIASP 3.035% '25s. The SIASP 3.75% '24s is trading at 107bps spread against the SIASP 3.16% '23s at 90bps (pick up of 17bps for only 5 months extension). The SIASP 3.13% '26s is trading at 111bps, at similar levels versus the SIASP 3.035% '25s despite maturing 1.6 years later.

Upcoming Bond Maturities – February 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Neptune Orient Lines Ltd/Singapore	NOLSP	300	07/02/2019*
Deutsche Bahn Finance GMBH	DBHNGR	125	12/02/2019
National University of Singapore	NUSSP	250	13/02/2019
Trafigura Group Pte Ltd	TRAFIG	200	19/02/2019
Hyflux Ltd	HYFSP	400	20/02/2019
First Sponsor Group Ltd	FSGSP	147	20/02/2019
KrisEnergy Ltd	KRISSP	200	22/02/2019*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

- 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)
- CapitalLand 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)
- CMA CGM: Credit Update (30 November 2018)
- OUE Ltd: Credit Update (14 November 2018)
- China Aoyuan Property Group Ltd: New Credit Review (8 November 2018)
- ARA Asset Management Ltd: Special Interest Commentary (8 November 2018)
- Keppel Corp Ltd: Credit Update (29 October 2018)
- Hyflux Ltd: Special Interest Commentary (22 October 2018)
- Chip Eng Seng Corp. Ltd: Credit Update (15 October 2018)
- Aspial Corp Ltd - New Issue View (2 October 2018)
- HSBC Holdings PLC - New Issue View (17 September 2018)
- Aspial Corp Ltd: Credit Update (13 September 2018)
- CapitalLand Retail China Trust: New Credit Review (13 September 2018)
- Pacific Radiance Ltd: Credit Update (10 August 2018)
- Mapletree Investments Pte Ltd: Special Interest Commentary (6 August 2018)

Latest Earnings Update:

<https://www.ocbc.com/group/research/credit%20research/corporate.html>

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
China/HK property							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	2.04	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.54	4.13	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	97.50	5.71	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	95.45	6.42	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.15	2.75	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.28	2.77	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.60	3.80	OW	OW
Singapore property developers							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	97.63	7.63	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.56	6.93	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	100.25	5.77	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.45	2.39	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.65	2.58	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	103.11	3.19	UW	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	96.65	3.53	UW	N
City Developments Ltd	Pos (2)	CITSP 3 '20	02/04/2020	100.55	2.53	N	N
City Developments Ltd	Pos (2)	CITSP 3 '20	27/10/2020	100.40	2.76	OW	OW
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	100.19	2.84	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.75 '22	06/07/2022	102.50	2.98	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '23	03/04/2023	101.20	3.17	OW	OW
City Developments Ltd	Pos (2)	CITSP 3 '24	17/01/2024	99.20	3.18	OW	N
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.00	3.20	OW	OW
City Developments Ltd	Pos (2)	CITSP 3.48 '26	15/06/2026	100.60	3.39	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	101.33	3.43	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	99.70	4.30	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	98.80	4.33	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.05	3.28	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.10	3.57	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	100.70	3.75	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	99.90	3.88	N	N
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	99.70	6.44	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	99.20	6.44	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.95 '19	13/09/2019	101.00	2.31	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.60	2.51	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.95	UW	N
OUE Ltd	N (4)	OUESP 4.25 '19	30/10/2018	100.10	4.15	OW	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	97.60	5.98	OW	OW
OUE Ltd	N (4)	OUESP 3.75 '22	17/04/2022	94.50	5.65	N	OW
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	93.00	5.41	UW	N
Oxley Holdings Ltd	N (5)	OHLSP 5 '19	05/11/2019	98.91	6.62	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	98.86	6.18	OW	N
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	89.50	9.83	OW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	102.20	3.14	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.40	3.50	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	101.25	3.92	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	103.51	3.93	OW	OW

Indicative prices from Bloomberg as of 01 February 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas Hospitality Trust	N (4)	ASCHTS 3.3 '20	07/04/2020	100.80	2.62	UW	UW
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.50	2.61	N	UW
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.95	2.68	UW	UW
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.40	2.81	N	N
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.00	2.88	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	98.00	2.95	N	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	100.00	3.14	N	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.20	3.03	N	N
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	101.10	3.27	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.50	3.46	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.50	2.75	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.60	2.89	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.60	3.04	UW	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.10	3.31	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.10	2.55	N	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	99.90	2.83	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.20	2.94	N	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.60	2.97	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.9 '25	21/08/2025	100.80	3.06	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	101.80	3.21	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	96.60	3.33	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	96.50	3.70	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/02/2026	100.08	3.14	UW	
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	100.50	3.09	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.40	3.63	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.56	2.43	UW	UW
Frasers Centrepoint Trust	N (3)	FCTSP 2.7 '24	08/11/2024	97.50	3.25	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.04	2.60	UW	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.50	3.04	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.25	3.17	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.60	3.35	N	OW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	99.50	3.38	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	89.75	12.35	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.58	2.56	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	100.83	2.81	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	101.00	2.98	N	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	100.65	3.15	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	98.40	3.35	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	97.00	3.45	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.20	2.72	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.10	2.72	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	101.70	3.15	OW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	98.90	3.30	OW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.60	3.24	OW	N
Soilbuild Business Space REIT	N (5)	SBREIT 3.6 '21	08/04/2021	98.70	4.23	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.60	2.70	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.60	3.00	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	98.15	3.42	UW	UW

Indicative prices from Bloomberg as of 01 February 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Offshore & Marine and Logistics							
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.65 '20	09/09/2019	98.60	5.57	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21	15/10/2018	94.60	6.89	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.60	2.73	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	99.90	3.18	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	101.70	3.34	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	100.90	3.50	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	07/09/2032	98.10	4.13	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	100.10	3.68	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	99.50	3.13	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	99.50	3.74	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	101.25	4.03	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.10	4.18	N	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.25	2.41	UW	UW

Others

Banyan Tree Holdings Ltd	N (5)	BTHSP 4.85 '20	05/06/2020	100.00	4.85	UW	UW
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.25	3.93	N	N
Century Sunshine Group	N (5)	CENSUN 7 '20	03/07/2019	98.20	8.36	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.20	3.26	UW	UW
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	75.00	35.88	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	98.75	3.51	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	97.50	3.55	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.22 '27	21/04/2027	98.60	4.00	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	95.50	7.22	OW	OW
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2022	97.55	3.58	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.20	4.47	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '21	09/07/2020	101.10	2.43	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	100.90	2.72	N	UW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	101.10	2.91	UW	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	103.10	3.10	OW	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	99.00	3.21	OW	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	99.00	3.28	UW	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.40	3.35	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.30	2.38	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.35	2.36	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.50	2.52	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.27	3.00	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.20	3.52	N	N

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.00	3.59	N	N
Bank of China Ltd/Singapore*	N (3)	BCHINA 2.75 '19	30/06/2019	100.26	2.11	OW	OW
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.27	2.58	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/09/2020	100.28	2.47	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.30	2.49	N	N
DBS Group Holdings Ltd	Pos (2)	DBSPP 2.78 '21	11/01/2021	100.10	2.73	OW	OW
Westpac Banking Corp	Pos (2)	WSTP 4.11 '25	15/04/2025	105.48	3.10	N	N

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

Indicative prices from Bloomberg as of 01 February 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	101.95	3.56	OW	OW
Ascott Residence Trust	N (4)	ARTSP 5 'PERP	27/10/2019	101.20	3.36	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	100.80	4.09	OW	N
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	97.75	5.29	UW	UW
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	93.80	5.29	OW	OW
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	90.00	6.99	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	100.40	4.27	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 'PERP	24/09/2019	100.55	4.07	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.70	4.40	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	93.25	4.87	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	93.30	5.33	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	95.90	3.98	N	N
Hotel Properties Ltd	N (4)	HLSP 4.65 'PERP	05/05/2022	99.70	4.75	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.15	3.71	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	78.55	9.71	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	73.47	9.71	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	100.70	3.92	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	98.00	4.16	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	97.90	6.19	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.55	4.37	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	96.95	4.68	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	102.70	3.33	OW	OW
Soilbuild Business Space REIT	N (5)	SBREIT 6 'PERP	27/09/2021	99.50	6.04	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	96.50	4.46	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	94.65	4.93	N	OW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	94.60	5.13	N	N

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	01/04/2021	102.49	3.55	OW	OW
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	100.00	3.73	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	91.60	4.94	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	101.90	3.93	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	101.20	3.62	OW	N
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.50	3.62	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	03/06/2021	101.60	3.78	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	101.10	4.49	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	98.50	4.54	N	N
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.10	4.64	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 4.7 'PERP	06/03/2019	100.64	2.77	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	101.70	1.91	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	102.50	3.13	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.10	4.34	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	100.10	4.98	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	101.10	5.26	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	102.10	5.03	N	N
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	98.50	4.18	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	101.10	3.87	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	100.70	3.98	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/01/2021	101.60	3.56	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	101.70	2.61	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.70	3.23	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.10	2.64	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	101.75	3.12	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/08/2022	100.70	3.78	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 01 February 2019

Explanation of Issuer Profile Rating (“IPR”) / Issuer Profile Score (“IPS”)

Positive (“Pos”) – The issuer’s credit profile is either strong on an absolute basis, or expected to improve to a strong position over the next six months.

Neutral (“N”) – The issuer’s credit profile is fair on an absolute basis, or expected to improve / deteriorate to a fair level over the next six months.

Negative (“Neg”) – The issuer’s credit profile is either weaker or highly geared on an absolute basis, or expected to deteriorate to a weak or highly geared position over the next six months.

To better differentiate relative credit quality of the issuers under our coverage, we have further sub-divided our Issuer Profile Ratings (“IPR”) into a 7 point Issuer Profile Score (“IPS”) scale.

IPR	Positive		Neutral			Negative	
IPS	1	2	3	4	5	6	7

Explanation of Bond Recommendation

Overweight (“OW”) – The performance of the issuer’s specific bond is expected to outperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Neutral (“N”) – The performance of the issuer’s specific bond is expected to perform in line with the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Underweight (“UW”) – The performance of the issuer’s specific bond is expected to underperform the issuer’s other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Other

Suspension – We may suspend our issuer rating and bond level recommendation on specific issuers from time to time when OCBC is engaged in other business activities with the issuer. Examples of such activities include acting as a joint lead manager or book runner in a new issue or as an agent in a consent solicitation exercise. We will resume our coverage once these activities are completed.

Withdrawal (“WD”) – We may withdraw our issuer rating and bond level recommendation on specific issuers from time to time when corporate actions are announced but the outcome of these actions are highly uncertain. We will resume our coverage once there is sufficient clarity in our view on the impact of the proposed action.

Analyst Declaration

The analyst(s) who wrote this report and/or her or his respective connected persons held securities in the following above-mentioned issuers or companies as at the time of the publication of this report: GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust, Frasers Hospitality Trust, Singapore Telecommunications Ltd

Disclaimer for research report

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "**Relevant Materials**") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "**Relevant Entity**") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("**MiFID**") and the EU's Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") (together referred to as "**MiFID II**"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).