

Monthly Credit View

Tuesday, 9 July 2019

Monthly Themes

- June saw the first half of 2019 close with a firm finish, with issuance in the Asia-ex Japan G3 space in June alone more than tripling y/y to USD40.0bn. The softening of the rhetoric over the trade war coupled with increased conviction on rates fuelled a rebound in risk-taking sentiments. This resulted in the relative outperformance of riskier assets with Bloomberg Barclays Asia USD HY Bond Index compressing 58bps, in comparison to Bloomberg Barclays Asia USD IG Bond Index which tightened 6bps. Meanwhile, the market has priced in a significant probability for a rate cut, which may begin as early as 3Q2019. Already, 10Y USTs are compressing towards the 2% handle, which is significant considering that we started early May around 2.5%.
- Within the SGD space, we also saw a near record issuance of SGD14.6bn in 1H2019. While issuance was dominated by government-linked and Financial Institutions issuers, issuing conditions were conducive resulting in an improved breadth of issuers in June 2019 tapping the market including Keppel Infrastructure Trust, Ford Motor Credit Co LLC, Credit Suisse Group AG, Standard Chartered PLC, Crédit Agricole SA and Shangri-La Hotel Ltd.
- Reiterating views published in our [Mid-Year 2019 Credit Outlook](#), we commented that stronger volumes and increased breadth of new issuers indicates a healthy and maturing bond market increasingly aware of credit differentiation. With a lower rates and a softer macroeconomic backdrop, our preference is for high quality credits that are better able to withstand market influences from fundamental and technical perspectives. However, with fundamentals still sound for the issuers under our coverage, we think that any significant widening in credit spreads can create more opportunities than pitfalls.

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Issuer Profile Changes / Updates

- We have initiated coverage on three new names. Please see the [Mid-Year 2019 Credit Outlook](#) for the detailed initiation commentary. Following maturity of the BCHINA 2.75% '19s, we have also ceased coverage on Bank of China Ltd.

Issuer Name	Issuer Profile	
	Previous	Current
Crédit Agricole SA	-	Neutral (3)
Credit Suisse Group AG	-	Neutral (4)
UBS Group AG	-	Neutral (3)
Bank of China Ltd	Neutral (3)	-

- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: **QUE Limited, Heeton Holdings Ltd, Standard Chartered PLC.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC's engagement: **Shangri-La Asia Ltd.**

- **Crédit Agricole SA (“CA”)**: We initiated coverage on CA with a Neutral (3) issuer profile. The credit profile of CA is effectively equal to that of the wider Crédit Agricole Group. This is because CA exists as the central bank to CAG’s 39 regional banks and legally responsible for supervising, reviewing and monitoring the credit and financial risks of group members and ensuring ongoing group member liquidity and solvency. As a consequence, the regional banks provide a joint and several cross guarantee over all the obligations of CA. Credit fundamentals are supported by the quality and quantity of its earnings based on its business contributions and corporate structure. A conservative management approach reinforces the credit profile.
- **Credit Suisse Group AG (“CS”)**: We initiated coverage on CS with a Neutral (4) issuer profile. It is Switzerland’s second largest financial institution with financial services tailored to specific geographies through three regionally focused divisions and two global scale support divisions. Historical profitability has been more volatile than peers due to the relatively larger contribution of revenues generated from investment banking. With the successful completion of its three year restructuring program, its aim now is to build on its growing wealth management platform and use its investment banking capabilities to capitalize on the existing wealth pool in developed markets (in particular Switzerland) and growing wealth in emerging markets (in particular Asia Pacific).
- **UBS Group AG (“UBS”)**: We initiated coverage on UBS with a Neutral (3) issuer profile. UBS is the world’s largest wealth manager with total invested assets of USD3,101bn as at 31 December 2018. Given its scale, its geographic reach is broad but while management expect most future growth to come from gaining market share in the US and Asia Pacific, Switzerland remains very much at the core of UBS’ consolidated business. It is the only country where UBS operates all business segments. UBS’s strategy is centred on its dominant position in Global Wealth Management, which contributed around 48% of UBS’s business unit (excluding corporate center) operating profit before tax (“OPBT”) in FY2018. Wealth Management capabilities are complemented by other businesses including Investment Banking and Asset Management.

Trade Ideas

- Following a strong run up, we think WINGTA 4.35% PERPc20 (4.42% YTW) looks rich trading near par as we see risks that the issuer may not exercise the call on the first call date.
- We remain overweight the BAERVX 5.90%-PERPc20s. There are fewer questions surrounding JBG’s credit profile compared to January 2019 although its transition period continues. Recent 4M2019 results show improvement and the impact of recent strategic actions while the bank **just announced their new CEO** who, as an internal candidate, may bring stability.
- Top picks in the Mid-Year 2019 Credit Outlook include a mix of short tenor high yield (NOLSP 4.65% ‘20s, OHLSP 5.00% ‘19s) and structurally driven higher-yielding instruments (HSBC 4.70% PERPc22s, FPLSP 4.98%-PERPc20s) as we still expect that investors in this climate will continue to pursue yield. We also overweight the KEPSP 3.80% ‘27c22s within the KEPSP curve as we think it has a good chance to be called come April 2022.
- Following our bullish call on Sembcorp Industries Ltd (“SCI”)’s SCISP 4.75%-PERP in early June 2019, we have reviewed the latest developments at SCI and updated our recommendations. We are lowering our call on the SCISP 4.75%-PERP to neutral and neutral the SCISP 3.7325% ‘20s, on the back of its short dated maturity. We are underweight the SCISP 3.7%-PERP and underweight the rest of the bonds as we think any intensification of event risk surrounding SCISP’s may lead to heightened price volatility on its bonds. We recommend taking this rally to profit take and pare down SCI risk. On 24 June 2019, [SCI announced that it will be providing its 61%-owned subsidiary Sembcorp Marine Ltd \(“SMM”, Issuer Profile: Unrated\) with a SGD2.0bn loan](#). Further on 3 July 2019, SCI’s 61%-owned [SMM announced that](#)

[Brazilian authorities have executed search warrant on its subsidiary in Brazil](#) in connection with on-going investigations related to Operation Car Wash.

- We like the MLTSP 4.18%-PERP which is trading at an ask yield to call of 3.6%, with first call in November 2021 (197bps spread). This perpetual trades ~80bps wider versus the ARTSP 4.68%-PERP which faces a first call in June 2020. We hold both MLTSP and ARTSP's issuer profile at Neutral (4).

Upcoming Bond Maturities – July 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Olam International Ltd	OLAMSP	350	17/07/2019
Hyflux Ltd	HYFSP	400	17/07/2019*
Falcon Energy Group Ltd	FALESP	50	19/07/2019*
Olam International Ltd	OLAMSP	400	22/07/2019
ARMF Whitesands Pte Ltd	ARMFSG	111	29/07/2019*

(OCBC, Company, Bloomberg)

Current / Recent Reports From OCBC Credit Research

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

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

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							
China Aoyuan Group Ltd	N (5)	CAPG 7.15 '21	07/09/2020	101.75	7.22	OW	OW
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.20	3.45	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	02/04/2024	101.10	4.04	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	100.40	4.07	UW	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	99.60	4.31	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	98.70	4.86	N	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	103.90	2.52	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.10	2.53	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.75	3.39	OW	OW

Singapore property developers

Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	98.10	8.18	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.40	7.82	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	95.55	8.64	N	
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/08/2024	104.85	2.78	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.35	2.23	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	99.85	3.10	UW	N
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	104.20	2.92	N	OW
City Developments Ltd	N (3)	CITSP 3.75 '22	06/07/2022	103.40	2.56	N	N
City Developments Ltd	N (3)	CITSP 3.48 '23	03/04/2023	102.69	2.72	N	OW
City Developments Ltd	N (3)	CITSP 3.48 '26	15/06/2026	102.15	3.13	N	OW
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.74	2.43	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/03/2021	100.35	2.72	N	N
City Developments Ltd	N (3)	CITSP 3 '24	17/01/2024	100.48	2.89	N	N
City Developments Ltd	N (3)	CITSP 3 '20	02/04/2020	100.47	2.37	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	07/10/2021	102.20	2.93	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	102.40	3.84	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	102.00	3.84	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/02/2023	101.20	3.49	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.61	3.34	UW	N
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.09	2.81	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/03/2021	100.70	3.20	UW	UW
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	08/05/2020	100.10	6.05	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/07/2021	100.10	6.03	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/03/2022	101.60	3.58	N	N
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.75	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.30	2.14	UW	UW
Oxley Holdings Ltd	N (5)	OHLSP 5 '19	05/11/2019	99.85	5.44	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	99.80	5.45	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	92.05	9.24	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	105.00	3.52	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	104.25	3.10	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	103.20	3.32	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	101.90	3.12	OW	OW

Indicative prices from Bloomberg as of 9 July 2019

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	104.00	2.39	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	102.00	2.48	OW	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	101.60	2.83	OW	OW
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.80	2.20	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	100.52	2.35	OW	OW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	99.70	2.55	N	OW
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	105.45	2.51	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	104.65	2.93	OW	OW
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	103.00	2.78	UW	UW
CapitalLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	103.40	2.76	N	N
CapitalLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	103.15	2.97	N	N
CapitalLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	102.15	2.68	N	OW
CapitalLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	101.75	2.89	N	N
CapitalLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.15	2.35	N	OW
CapitalLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/02/2026	101.30	2.93	N	N
CapitalLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	100.45	2.67	OW	N
CapitalLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	98.35	3.11	N	N
CapitalLand Mall Trust	Pos (2)	CAPITA 3.35 '31	07/07/2031	99.35	3.42	N	N
CapitalLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	101.30	2.79	UW	UW
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.50	3.39	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.36	2.34	N	UW
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	98.50	3.08	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.15	2.40	N	N
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	100.05	2.81	N	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	100.05	3.07	N	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	99.60	2.77	OW	OW
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.75	3.10	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	97.00	7.53	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	102.30	2.80	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.52	2.24	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	102.00	2.66	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	101.20	2.50	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/08/2026	100.90	2.97	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/08/2027	99.80	3.07	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.55	2.44	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.65	2.41	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	103.30	2.56	N	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/03/2029	102.90	3.23	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	101.60	2.80	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	101.30	2.66	N	N
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	102.70	2.66	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.80	2.37	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	100.50	3.06	UW	UW
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	101.35	3.02	OW	OW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.35	2.77	OW	N
Suntec REIT	N (4)	SUNSP 3.355 '25	07/02/2025	100.90	3.18	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	100.25	2.87	OW	OW
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	100.25	2.93	N	OW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	99.50	2.98	OW	OW

Indicative prices from Bloomberg as of 9 July 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 4.65 '20	09/09/2019	98.60	12.74	OW	N
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.4 '21	24/07/2019	94.60	100.00	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.00	2.75	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.86	2.42	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/02/2022	101.35	2.61	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	101.50	3.23	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	07/05/2029	101.25	3.51	N	UW
Keppel Corp Ltd	N (4)	KEPSP 3 '24	07/05/2024	100.47	2.89	N	UW
Keppel Corp Ltd	N (4)	KEPSP 4 '42	09/07/2032	100.00	4.00	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	103.25	3.65	UW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	102.05	3.18	UW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	100.98	2.43	N	N
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	101.00	2.50	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	99.50	3.67	UW	OW
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.05	2.05	N	UW

Others

BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/01/2023	100.80	3.76	N	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	01/03/2020	96.50	18.39	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	101.30	3.61	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	100.10	3.05	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	99.30	3.04	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	96.00	7.67	OW	OW
Lendlease Group	N (4)	LLCAU 3.9 '27	27/04/2027	101.30	3.71	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	106.40	3.91	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	105.95	3.45	N	N
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	100.95	2.27	N	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	08/04/2021	101.10	2.50	OW	OW
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	101.65	2.75	OW	OW
Singapore Airlines	N (3)	SIASP 3.03 '24	28/03/2024	101.21	2.76	N	N
Singapore Airlines	N (3)	SIASP 3.75 '24	08/04/2024	104.20	2.80	OW	N
Singapore Airlines	N (3)	SIASP 3.035 '25	11/04/2025	100.50	2.94	OW	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	100.80	3.01	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	100.15	3.11	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.15	1.95	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	03/09/2021	100.90	2.29	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.50	2.17	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	101.75	3.27	N	OW
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	101.30	2.65	UW	UW

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/02/2025	102.65	3.44	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/09/2020	100.28	2.42	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.55	2.45	N	N
DBS Group Holdings Ltd	Pos (2)	DBSP 2.78 '21	11/01/2021	100.05	2.76	N	OW

Indicative prices from Bloomberg as of 9 July 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	102.60	2.66	UW	N
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	101.85	2.76	UW	UW
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	02/01/2023	101.00	5.19	OW	
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	99.35	4.47	N	N
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	97.20	4.72	N	N
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	91.52	6.46	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	101.10	3.81	OW	N
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	04/11/2024	101.10	4.72	OW	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.60	4.09	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	98.20	4.64	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	97.45	4.80	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	99.95	4.61	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	99.85	4.70	OW	OW
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	06/12/2029	100.05	4.74	N	
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.40	3.12	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	82.59	13.02	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	91.12	11.62	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.30	3.60	OW	N
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	99.40	3.82	N	N
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	100.25	5.42	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.60	4.05	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	99.50	3.88	UW	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	103.00	3.06	OW	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	98.35	4.20	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/05/2024	99.65	4.56	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	99.93	4.10	UW	UW
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	99.85	4.37	UW	UW

Financial Institutions - Capital Instruments

ABN AMRO Bank NV	N (3)	ABNAV 4.75 '26	04/01/2021	102.85	3.04	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	101.35	3.22	N	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	94.25	4.88	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	103.95	3.41	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	12/03/2020	101.85	2.97	N	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	06/03/2021	102.55	3.10	N	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.95	3.07	N	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	103.10	3.63	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	101.40	3.83	N	N
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/04/2026	101.05	3.62	N	
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	06/06/2024	101.98	5.16	N	
DBS Bank Ltd*	Pos (2)	DBSSP 4.7 'PERP	22/11/2020	100.05	4.66	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	103.90	3.27	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	104.05	2.60	UW	N
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	102.35	4.38	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.35	4.20	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	103.05	4.56	OW	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.55	3.97	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	100.75	3.47	N	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	103.50	3.17	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.90	3.24	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/04/2024	102.55	5.51	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	104.25	4.78	OW	
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/02/2024	103.80	2.63	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	101.75	3.02	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	100.90	2.19	N	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	100.85	2.51	N	OW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	08/12/2022	102.25	3.23	N	N

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

Indicative prices from Bloomberg as of 9 July 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.

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.

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

Analyst Declaration

The analyst(s) who wrote this report and/or her or his respective connected persons held financial interests in the following above-mentioned issuers or companies as at the time of the publication of this report: Singapore Airlines Ltd, GuocoLand Ltd, Perennial Real Estate Holdings Ltd, Ascendas Hospitality Trust, Oxley Holdings Ltd, Suntec Real Estate Investment, Mapletree Commercial Trust, Frasers Hospitality Trust, United Overseas Bank Ltd.

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