

## Monthly Credit View

Friday, 01 March 2019

### Monthly Themes

- February was another constructive month for credit markets although the pace of the bull run was slower than in January. The Bloomberg Barclays Asia USD IG Bond Index tightened a further 10bps in February while the Bloomberg Barclays Asia USD HY Bond Index tightened another 20bps. In contrast, the Bloomberg Barclays Asia USD IG Bond Index and the Bloomberg Barclays Asia USD HY Bond Index retraced some 19bps and 131bps respectively during January. Considering the overall year to date movement, the IG space tightened comparatively more than HY in February and this was due to the relative lack of IG issuance to date which has driven secondary IG bond prices higher. Supportive government measures in China to improve the onshore financing environment has driven down onshore rates and reduced offshore issuance from high quality Chinese names. According to Bloomberg, Chinese high grade dollar bond issues were 58% lower y/y for the YTD to February 19, leading to overall IG bond issuance being down 13% y/y.
- Total issuance however is up 2.3% y/y with HY issues taking up the slack, in particular from China property names. Demand for these names has been driven by 1) the aforementioned supportive government policies; (2) the high capital needs from elevated bond maturities and put options in 2019 which has created the necessary supply; and (3) presence of hard assets or real estate as collateral. That said, there is still dispersion in credit preference. For example, within the China property space, stronger names such as China Resources Land Ltd saw strong demand for their deals while weaker issues such as Modern Land China Co. Ltd had to offer 14% to price a re-tap of its existing 15.5% 2020s. In addition, the onshore yield spread between locally rated AAA and AA- corporates was at its widest since March 2012 earlier in February. This shows the diverging prospects and sentiments towards Chinese property companies and Chinese industrials which continue to be at the epicentre of rising onshore defaults. All told, these dynamics have led to a buoyant market for Asia dollar issuance with total issuance of USD26.7bn, 57% above February 2018's issuance and a record issuance amount for the month.
- If issuance activity in the Asia dollar space was like the sound of elephants then it was quiet as a mouse in the SGD space with only 2 issues totaling SGD160m. Activity was impacted by both earnings season as well as an ongoing disconnect between what issuers want to pay and investors want to receive. The noise emanating from the Asia dollar space was likely also a distraction with SGD investors seeing better value in USD names. That said, issuance volumes on a year to date basis remain above those of 2018 thanks to a solid start to 2019 with SGD3.5bn issued in January 2019 mostly across high grade names.
- Bank earnings announcements in February showed consistent trends, regardless of whether their domestic markets were in Singapore, Australia or Europe. Five broad key trends were (1) Deceleration in earnings in the 4Q2018 from moderating interest rates and softer markets that weakened full year performance; (2) Sticky expenses

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as managed staff costs were overshadowed by higher IT and digital expenditure for growth and repositioning; (3) risk costs have bottomed out and could be on the rise again with global economic growth forecast to slow in 2019; (4) overall balance sheet quality has improved from repositioning of loan portfolios towards better quality loans; and (5) Capital ratios continue to provide a buffer while the regulatory environment overall remains supportive. These trends are consistent with our expectations in the [Singapore Credit Outlook 2019](#) that earnings and profitability and hence internal capital generation are likely to be under pressure for Financial Institutions in 2019.

- As Hyflux Ltd (“HYF”)’s restructuring nears its scheme voting date on 5 April 2019, the company continued to dominate headlines. We share our thoughts over its proposed restructuring terms in our [Special Interest Commentary](#) dated 21 February 2019. More broadly, there has been increased discussion over the issues of government support and HYF’s impact on the corporate perpetual market. In our view, investors should focus more on standalone credit strength and security structure following lessons learnt and would no longer buy perpetuals carte blanche on yield differential. Rather than freezing market activity, we think market participants would respond by being more disciplined over pricing commensurate with individual credits.
- With the technical picture looking somewhat clearer on the Fed’s ‘patient’ and ‘flexible’ approach to rate hikes and underlying fundamental performance of issuers seemingly stable, it seems that event risk will be the key influence on markets in the coming month. So far, the trajectory on US-China trade negotiations appears broadly constructive although we are approaching flash point on Brexit with the UK scheduled to leave the European Union on 29 March. With key issues on the UK’s withdrawal still outstanding, we expect buzz surrounding Brexit to dominate investor sentiment in March. Given this and the spread tightening for the year to date, we would not be surprised if credit markets take a breather in March and spreads level out at this point in time.

### Issuer Profile Changes / Updates

- 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**.

### Trade Ideas

- Underlying performance in StanChart’s FY2018 results continue to be constructive on solid earnings and an improved balance sheet. With its 2015 strategic plan in the rear view mirror, the bank has announced its new 2019-2021 strategic plan focused on on-going transformation. Similarly, the FY2018 results for Landesbank Baden-Württemberg showed y/y improvement as lower expenses mitigated weaker total operating income. We prefer the SOCGEN 4.3% ‘26c21s and LBBW 3.75% ‘27c22s given the STANLN 4.4 ‘26c21 looks tight in our view. We rate all of the below five issuers at Neutral (4) Issuer Profile.
- We have lowered our recommendation on EREIT 4.6%-PERP to neutral from overweight as we see heightened non-call risk at first call for this perpetual. Similar to other REIT perpetuals, there is no step-up margin on the perpetual. We think a hypothetical replacement perpetual would need to be priced at ~5.6%, which makes it uneconomical for EREIT to call at first call in November 2022.
- We are recommending a switch from Keppel Corp Ltd (“KEP”)’s KEPSP 3.1% ‘20s into Sembcorp Industries Ltd (“SCI”) SCISP 3.7325% ‘20s for a spread pick-up of

15bps. Additionally the SCISP 3.7325% '20s mature 6 months earlier. While KEP's net gearing as at end-2018 is lower at 0.48x versus SCI's 1.1x, we expect KEP's net gearing levels to tilt upwards with its large investment outlay.

- Notwithstanding its high yield nature which constricts investor pool, we think the GGRSP 4.75% '21s is trading at overly punitive levels at 575 bps spread. While not in the same industry sector, the Aspiat Corp Ltd (Issuer profile: Negative (6)) ASPSP 5.25% '20s is trading at 538bps (matures 5 months earlier than the GGRSP 4.75% '21s). A switch into the GGRSP 4.75% '21s would allow a spread pick up of ~35bps.

### Upcoming Bond Maturities – March 2019

Issuer Name	Ticker	Amount (SGD mn)	Maturity/Call Date*
Neptune Orient Lines Ltd/Singapore	NOLSP	300	04/03/2019*
Mapletree Industrial Trust Treasury Co Pte Ltd	MINTSP	125	08/03/2019
Ford Motor Credit Co LLC	F	350	11/03/2019
Export-Import Bank of Malaysia Bhd	EIBMAL	60	14/03/2019
Mizuho Bank Ltd	MIZUHO	100	15/03/2019
Perennial Treasury Pte Ltd	PREHSP	125	18/03/2019
Falcon Energy Group Ltd	FALESP	50	19/03/2019*
City Developments Ltd	CITSP	100	20/03/2019
Hong Fok Corp Ltd	HFCSP	120	22/03/2019
ASL Marine Holdings Ltd	ASLSP	92.5	28/03/2019*

(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 (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)
- 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)
- Aspiat Corp Ltd - New Issue View (2 October 2018)
- HSBC Holdings PLC - New Issue View (17 September 2018)
- Aspiat Corp Ltd: Credit Update (13 September 2018)
- Capitaland 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
<u>China/HK property</u>							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.43 '20	14/05/2020	101.75	1.97	UW	UW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 4.55 '20	29/04/2020	99.83	4.75	OW	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	03/07/2020	97.89	5.49	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/01/2021	96.27	6.03	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/07/2021	104.00	2.76	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	02/09/2021	104.15	2.78	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	101.75	3.75	OW	OW

**Singapore property developers**

Aspial Corp. Ltd	Neg (6)	ASPSP 5.3 '20	01/04/2020	98.06	7.32	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/08/2020	97.04	7.39	N	N
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/04/2021	97.84	7.00	N	N
CapitaLand Ltd	N (3)	CAPLSP 4.35 '19	31/10/2019	101.40	2.25	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/08/2020	102.65	2.50	UW	UW
<b>CapitaLand Ltd</b>	<b>N (3)</b>	<b>CAPLSP 3.8 '24</b>	<b>28/08/2024</b>	<b>103.10</b>	<b>3.18</b>	<b>N</b>	<b>UW</b>
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	97.63	3.40	UW	UW
City Developments Ltd	Pos (2)	CITSP 3 '20	02/04/2020	100.55	2.50	N	N
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3 '20</b>	<b>27/10/2020</b>	<b>100.40</b>	<b>2.75</b>	<b>N</b>	<b>OW</b>
City Developments Ltd	Pos (2)	CITSP 2.93 '21	24/03/2021	99.80	3.03	OW	OW
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.75 '22</b>	<b>06/07/2022</b>	<b>102.75</b>	<b>2.88</b>	<b>N</b>	<b>OW</b>
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3.48 '23</b>	<b>03/04/2023</b>	<b>101.80</b>	<b>3.01</b>	<b>N</b>	<b>OW</b>
<b>City Developments Ltd</b>	<b>Pos (2)</b>	<b>CITSP 3 '24</b>	<b>17/01/2024</b>	<b>99.95</b>	<b>3.01</b>	<b>N</b>	<b>OW</b>
City Developments Ltd	Pos (2)	CITSP 3.78 '24	21/10/2024	103.20	3.16	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	101.36	3.40	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/04/2026	100.40	4.18	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/02/2027	99.43	4.24	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.1 '20	13/05/2020	101.10	3.18	UW	UW
<b>GuocoLand Ltd</b>	<b>N (5)</b>	<b>GUOLSP 3.62 '21</b>	<b>30/03/2021</b>	<b>100.69</b>	<b>3.27</b>	<b>UW</b>	<b>N</b>
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/01/2022	101.25	3.55	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	6.46	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	2.09	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.88 '20	08/04/2020	101.50	2.51	UW	UW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/05/2021	102.00	2.92	UW	UW
OUE Ltd	N (4)	OUESP 4.25 '19	30/10/2018	100.25	5.86	OW	OW
OUE Ltd	N (4)	OUESP 3.8 '20	15/04/2020	100.00	3.83	OW	OW
<b>OUE Ltd</b>	<b>N (4)</b>	<b>OUESP 3.75 '22</b>	<b>17/04/2022</b>	<b>96.00</b>	<b>5.15</b>	<b>UW</b>	<b>N</b>
OUE Ltd	N (4)	OUESP 3.55 '23	10/05/2023	93.75	5.23	UW	UW
Oxley Holdings Ltd	N (5)	OHLSP 5 '19	05/11/2019	99.07	6.52	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.15 '20	18/05/2020	98.80	6.28	OW	OW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/01/2022	89.23	10.03	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	07/10/2021	102.20	3.11	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/09/2022	103.10	3.57	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/03/2023	101.87	3.75	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/02/2024	103.58	3.91	OW	OW

*Indicative prices from Bloomberg as of 1 March 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	2.58	UW	UW
Ascendas REIT	N (3)	AREIT 2.95 '20	03/08/2020	100.50	2.59	N	N
Ascendas REIT	N (3)	AREIT 2.655 '21	07/04/2021	99.95	2.68	N	UW
Ascendas REIT	N (3)	AREIT 4 '22	03/02/2022	103.50	2.75	UW	N
Ascendas REIT	N (3)	AREIT 3.2 '22	03/06/2022	101.10	2.84	N	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/08/2023	98.20	2.90	UW	N
Ascendas REIT	N (3)	AREIT 3.14 '25	02/03/2025	100.30	3.08	UW	N
Ascott Residence Trust	N (4)	ARTSP 4.205 '22	23/11/2022	104.20	3.01	UW	N
Ascott Residence Trust	N (4)	ARTSP 3.523 '23	09/11/2023	101.50	3.18	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4 '24	22/03/2024	102.90	3.37	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/08/2021	100.10	2.92	OW	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	04/07/2022	99.70	2.86	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	05/03/2024	100.60	3.04	UW	UW
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/03/2025	100.50	3.24	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.00	2.58	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/03/2023	100.00	2.80	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	09/11/2023	101.30	2.91	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	06/08/2024	102.65	2.95	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/08/2025	100.90	3.05	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/02/2026	100.05	3.14	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/02/2026	102.00	3.18	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	96.60	3.69	UW	UW
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	04/07/2022	100.45	3.11	N	N
ESR REIT	N (4)	EREIT 3.95 '20	21/05/2020	100.30	3.73	OW	OW
Frasers Centrepoint Trust	N (3)	FCTSP 3 '20	21/01/2020	100.55	2.39	UW	UW
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	08/11/2024	97.60	3.23	N	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.625 '20	28/02/2020	100.04	2.60	N	UW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/08/2021	99.80	2.92	UW	N
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	06/07/2022	98.60	3.07	OW	OW
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	08/11/2024	98.90	3.29	UW	N
Keppel REIT	N (4)	KREITS 3.275 '24	08/04/2024	100.00	3.27	UW	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 4.1 '20	22/06/2020	89.75	12.82	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/08/2020	101.58	2.51	UW	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/04/2021	100.83	2.79	N	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	03/02/2023	101.15	2.94	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/09/2024	100.70	3.14	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	97.13	3.44	UW	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	08/09/2021	101.15	2.73	UW	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	09/03/2022	102.00	2.74	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	07/09/2022	101.70	3.14	OW	OW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/05/2023	98.90	3.30	OW	OW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/03/2024	99.60	3.25	OW	OW
Soilbuild Business Space REIT	N (5)	SBREIT 3.6 '21	08/04/2021	98.70	4.25	OW	OW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/02/2021	101.60	2.67	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/05/2023	101.60	2.99	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	03/10/2026	98.15	3.42	UW	UW
Suntec REIT	N (4)	SUNSP 3.35 '20	10/02/2020	100.70	2.61	N	UW
Suntec REIT	N (4)	SUNSP 3 '21	16/07/2021	99.90	3.04	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/03/2022	99.80	3.09	UW	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/05/2023	100.90	3.17	N	UW
Suntec REIT	N (4)	SUNSP 2.85 '23	02/08/2023	98.55	3.20	N	N
Suntec REIT	N (4)	SUNSP 3.355 '25	07/02/2025	100.15	3.33	N	N

*Indicative prices from Bloomberg as of 1 March 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	7.39	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	N (4)	NOLSP 4.4 '21	18/03/2019	94.60	100.00	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.90	2.53	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	3.33	N	OW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/04/2022	100.60	3.60	OW	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	07/09/2032	99.50	4.05	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7325 '20	09/04/2020	101.15	2.69	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	100.00	2.94	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/05/2024	100.00	3.64	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/08/2025	101.50	3.99	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	96.50	4.12	N	N
Singapore Post Ltd	Pos (2)	SPOST 3.5 '20	30/03/2020	101.23	2.36	UW	UW

**Others**

Banyan Tree Holdings Ltd	N (5)	BTHSP 4.85 '20	05/06/2020	100.00	4.84	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	22.76	OW	OW
China Eastern Airlines	N (4)	CHIEAS 2.8 '20	16/11/2020	99.20	3.28	UW	UW
CWT International Limited	Neg (6)	CWTSP 4.8 '20	18/03/2020	74.00	40.24	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/03/2022	99.34	3.32	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/08/2022	98.23	3.34	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/04/2027	98.78	3.98	OW	OW
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/01/2021	94.75	7.76	OW	OW
Keppel T&T	N (4)	KPTTSP 2.85 '24	05/09/2022	97.55	3.60	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.40	4.38	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	09/07/2020	101.10	2.39	UW	UW
<b>Singapore Airlines</b>	<b>N (3)</b>	<b>SIASP 3.145 '21</b>	<b>08/04/2021</b>	<b>100.80</b>	<b>2.75</b>	<b>OW</b>	<b>N</b>
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	100.90	2.95	UW	UW
<b>Singapore Airlines</b>	<b>N (3)</b>	<b>SIASP 3.75 '24</b>	<b>08/04/2024</b>	<b>103.30</b>	<b>3.05</b>	<b>N</b>	<b>OW</b>
<b>Singapore Airlines</b>	<b>N (3)</b>	<b>SIASP 3.035 '25</b>	<b>11/04/2025</b>	<b>99.15</b>	<b>3.19</b>	<b>N</b>	<b>OW</b>
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	98.90	3.29	UW	UW
Singapore Airlines	N (3)	SIASP 3.13 '27	23/08/2027	98.10	3.39	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 3.4875 '20	08/04/2020	101.40	2.21	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/09/2020	100.35	2.35	UW	UW
<b>Singapore Telecommunications Ltd</b>	<b>Pos (2)</b>	<b>STSP 2.72 '21</b>	<b>03/09/2021</b>	<b>100.60</b>	<b>2.47</b>	<b>UW</b>	<b>N</b>
StarHub Ltd	N (3)	STHSP 3.08 '22	12/09/2022	100.31	2.99	N	N
StarHub Ltd	N (3)	STHSP 3.55 '26	08/06/2026	100.44	3.48	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	100.20	2.14	OW	OW
BNP Paribas SA	N (3)	BNP 2.765 '20	03/08/2020	100.24	2.59	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/09/2020	100.28	2.46	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	99.33	2.49	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/01/2021	100.10	2.72	OW	OW
<b>Westpac Banking Corp</b>	<b>Pos (2)</b>	<b>WSTP 4.11 '25</b>	<b>15/04/2025</b>	<b>107.41</b>	<b>2.76</b>	<b>UW</b>	<b>N</b>

*Indicative prices from Bloomberg as of 1 March 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	3.50	OW	OW
Ascott Residence Trust	N (4)	ARTSP 5 'PERP	27/10/2019	101.45	2.78	UW	UW
Ascott Residence Trust	N (4)	ARTSP 4.68 'PERP	30/06/2020	101.45	3.56	N	OW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	98.50	4.87	UW	UW
ESR REIT	N (4)	EREIT 4.6 'PERP	11/03/2022	93.80	6.53	N	OW
First REIT	Neg (6)	FIRTSP 5.68 'PERP	07/08/2021	93.00	9.05	UW	UW
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	05/12/2021	100.45	4.24	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.88 'PERP	24/09/2019	100.85	3.41	N	OW
Frasers Property Ltd	N (4)	FPLSP 5 'PERP	03/09/2020	100.80	4.26	OW	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	10/05/2022	94.50	5.66	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/01/2023	94.45	5.17	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/01/2023	96.75	5.25	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	05/05/2022	99.31	4.89	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	11/02/2020	102.30	3.56	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/09/2021	75.96	19.29	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	72.98	16.42	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.35	3.66	UW	UW
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/03/2023	98.85	3.96	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	07/11/2022	98.90	5.87	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 4.75 'PERP	20/05/2020	100.61	4.29	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.7 'PERP	22/06/2020	96.95	4.71	N	UW
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	03/02/2022	102.95	3.21	OW	OW
Soilbuild Business Space REIT	N (5)	SBREIT 6 'PERP	27/09/2021	99.50	6.21	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/06/2022	96.80	4.41	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/06/2022	94.65	5.87	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/08/2020	96.05	4.93	N	N

**Financial Institutions - Capital Instruments**

<b>ABN AMRO Bank NV</b>	<b>N (3)</b>	<b>ABNANV 4.75 '26</b>	<b>01/04/2021</b>	<b>102.72</b>	<b>3.39</b>	<b>N</b>	<b>OW</b>
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/03/2022	100.20	3.69	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/05/2025	92.15	5.25	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/01/2024	102.30	3.83	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	03/12/2020	101.30	3.53	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	101.40	3.64	OW	OW
BPCE SA*	N (3)	BPCEGP 4.5 '26	03/06/2021	101.70	3.71	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	01/03/2022	101.10	4.47	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/09/2023	98.60	4.55	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	100.54	2.58	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	09/12/2025	102.40	3.57	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/01/2023	102.80	3.03	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	06/08/2022	101.20	4.30	OW	OW
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/09/2023	102.45	4.41	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	101.50	4.99	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/04/2022	101.50	5.23	N	N
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/05/2022	98.50	4.26	N	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/05/2023	101.50	3.77	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/05/2021	101.40	3.64	N	N
<b>Standard Chartered PLC</b>	<b>N (4)</b>	<b>STANLN 4.4 '26</b>	<b>23/01/2021</b>	<b>101.60</b>	<b>3.53</b>	<b>N</b>	<b>UW</b>
United Overseas Bank Ltd	Pos (2)	UOBSP 4.75 'PERP	19/11/2019	101.70	2.38	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/05/2021	102.60	2.79	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/05/2020	101.30	2.43	N	N
<b>United Overseas Bank Ltd</b>	<b>Pos (2)</b>	<b>UOBSP 3.5 '29</b>	<b>27/02/2024</b>	<b>102.60</b>	<b>2.94</b>	<b>UW</b>	<b>N</b>
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/08/2022	100.85	3.74	N	N

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

<b>Upgrades</b>
<b>Downgrades</b>
<b>New / Resume Coverage</b>

Indicative prices from Bloomberg as of 1 March 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 financial interests 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, CapitaLand Commercial Trust, Mapletree Commercial Trust, Sabana Shari'ah Compliant Industrial REIT, Oxley Holdings Ltd.

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