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Monthly Credit View

Monthly Themes

- It was a tale of two halves for Credit in January with a buoyant start to 2020 leading to the Bloomberg Barclays Asia USD IG Bond Index tightening 4 bps from the end of 2019 to Jan 17th and the Bloomberg Barclays Asia USD HY Bond Index tightening 55bps over the same period. The prospect of low interest rates, strong market liquidity and solid funds inflows continued to support technical drivers over fundamental ones, with fundamental news flow broadly negative on the prospect of rising China onshore defaults through 2020, international rating agencies foreshadowing a challenging 2020 as measured by a rising negative rating bias, and the Institute of International Finance estimating that global debt will reach a new all-time high of more than USD257 trillion in the first half of this year.
- The strong technical environment led to a rush of activity in the Asia dollar space with around USD37bn issued by January 17th, above the USD35bn record amount for January reached in 2018. New issue concessions were driven to zero while subscription rates for primary issues were around 4-5x on average where the data was available. A key beneficiary of these conditions were high yield bonds with demand for true high yield at record monthly levels of around USD12bn in January allowing several rare and diverse issuers to return to the market.
- Sentiment turned sharply however in the last two weeks of January on headlines surrounding the outbreak of the 2019 novel coronavirus ("nCoV") and ongoing developments regarding its spread. Together with public holidays in the US for Martin Luther King Jr. day and the start of the Chinese Lunar New Year holiday, credit markets lost momentum and credit indices started to widen while issuance volumes began to slow. The Bloomberg Barclays Asia USD IG and HY Bond Indices widened 10 bps and 80bps respectively from Jan 20th to end of the month while a further USD9.2bn was printed over the same period. Somewhat indicative of where credit markets currently are, key high yield deals for the month such as China Evergrande Group's EVERRE 11.5% '23s (98.2 – 12.2%) and EVERRE 12.0% '24s (97.1 – 12.9%) and its subsidiary Hengda Real Estate Group Co. Ltd's TIANHL 11.5% '22s (97.84 – 12.5%) and TIANHL 12.0% '23s (97.4 – 12.9%) have underperformed and are now all trading wider than initial price guidance.
- In the SGD primary space, activity was not nearly as buoyant by quantity with SGD2.1bn printed, down from SGD3.5bn in Jan 2019 and SGD2.6bn in Jan 2018 (including bonds issued by statutory boards). However in terms of quality we saw an interesting mix of supply with both new and old issuers tapping the market together with routine issuers. This included a first time issuance by CPI Property Group SA and the return to the SGD market of Cathay Pacific and Allgreen Properties after an 8 year and 10 year hiatus respectively. With swap rates falling between 5-30bps across the curve, credit spreads have widened although this has been more prevalent for weaker credits under our coverage. In general, spreads for better quality credits have remained somewhat stable indicating investors continue to prefer good quality credits in the SGD space. A broad spectrum of SGD bond issuers are exposed directly or indirectly to China given the diversity of issuers in the SGD space and with the region being a key growth area for Singapore corporates. We have presented an analysis over the [possible credit profile impact from the outbreak of nCoV for companies under our coverage](#).
- All up, the predictability in credit markets at the end of 2019 has now given way to uncertainty for performance in the month of February. Whether the hot conditions in January persist into February very much depends on containment of the nCoV and whether it causes further mutations in investor sentiment. With valuations stretched and still swirling news on defaults in onshore China, we could see increased volatility until

concerns are quarantined or monetary policy becomes accommodative to keep markets humming. With technicals running ahead of fundamentals in the earlier parts of the month, we expect high yield credits to continue to face challenges whilst good quality credits should remain well bid. From 4 February 2020, we would be publishing a credit weekly covering a broad market overview of the US, Asiadollar and key local currency bond markets in the region.

Issuer Profile Changes / Updates

- **CMT and CCT to merge:** CMT and CMMT, both strong REITs within their respective property sub-sectors are looking to combine to form the largest REIT in Singapore with a market cap of SGD16.8bn – CapitaLand Integrated Commercial Trust (“CICT”). This is in line with our view that the S-REITs are becoming more diversified and less differentiated by property type but by scale. The greatest value-add of the merge in our view is the firepower CICT will have in term of debt headroom and property development headroom. Also, CICT would have a wider investable universe relative to standalone CMT and standalone CCT. However, these advantages come at the cost of a higher estimated aggregate leverage and a lower estimated EBITDA/Interest. The indicative Issuer Profile of CICT is closer to Neutral (3). On 30 January, we have put out a [credit update](#) on the proposed merger.
- **Change in reporting standards commentary:** On 9 January 2020, Singapore Exchange Regulation (“SGX RegCo”) announced that quarterly reporting requirements would only be applicable for companies with higher risks while continuous disclosure requirements would be strengthened for all listed companies. This marks a significant shift from the current market capitalization based approach where only companies with a market cap of SGD75mn and above would need to report financials on a quarterly basis. The changes will kick in from 7 February 2020. Overtime, we [expect the availability of information and accountability to investor \(or lack of thereof\) to be a differentiator](#) in credit selection. At OCBC Credit Research, we see the availability of timely, transparent and reliable information as one indicator of issuers with stronger ESG standards. While we commend the efforts of strengthening continuous disclosures, net-net we think the lower frequency of financials is net-negative for bond investors, especially if there is no expansion in terms of what is disclosed from current market norms.
- 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: **Shangri-La Asia Ltd, Suntec REIT** and **Guocoland Ltd.**
- Conversely, we have resumed coverage on the following companies following the completion of OCBC’s engagement: **Frasers Commercial Trust.**

Trade Ideas

- Mapletree Logistics Trust (“MLT”)’s MLTSP 4.18%-PERP trading at an ask yield to call of 3.13% (176bps above swap) with a first call date in November 2021. While we hold MLT at an issuer profile of Neutral (4), we think the perpetual is an interesting switch for investors currently holding Ascendas REIT’s AREIT 4.75%-PERP and Ascott Residence Trust’s ARTSP 4.68%-PERP. Both these perpetuals faces first call in 2020 with current yield to call of 2.3% and 2.2% respectively. We hold both AREIT and ART at an issuer profile of Neutral (3).
- We are broadly underweight the Ascendas REIT (“AREIT”) curve and see better relative value in Capitaland Commercial Trust (“CCT”) curve instead. While CCT is externally rated lower than AREIT, the former allows a spread pick up of ~20bps across the curve. CCT and CapitaMall Trust (“CAPITA”) has announced a proposed merger that will create the third

largest REIT in the Asia Pacific region to be named as CapitaLand Integrated Commercial Trust ("CICT"). [Indicatively, we think the issuer profile of CICT is closer to Neutral \(3\)](#) than Positive (2). We hold AREIT's issuer profile at Neutral (3).

- We have turned more negative over Singapore Airlines Ltd ("SIA")'s curve. While we had been monitoring SIA for a potential downgrade of its issuer profile due to rising net gearing levels, we think the outbreak of nCoV could tip SIA's issuer profile earlier into Neutral (4) versus our original 12 month view. Compounding this, there has been an increased focus by the government of India to sell Air India. This continues to be an event risk for SIA should SIA and its local partner decide to participate in a bid. Among issuers majority owned by Temasek, Keppel Corp Ltd ("KEP"), where Temasek has announced a partial takeover offer for is trading at 10-15bps more than SIASP.

Upcoming Bond Maturities – February 2020

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
GLL IHT Pte Ltd	GUOLSP	50	05/02/2020
Suntec REIT MTN Pte Ltd	SUNSP	310	10/02/2020
Neptune Orient Lines Ltd/Singapore	NOLSP	300	18/02/2020*
Temasek Financial I Ltd	TEMASE	1,000	19/02/2020

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports From OCBC Credit Research

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- 2019 Novel Coronavirus: Credit Impact (4 February 2020)
- CapitaLand Mall Trust and CapitaLand Commercial Trust: Credit Update (30 January 2020)
- Singapore Capital Markets: Update – Change in reporting standards – changing for the better or worse? (24 January 2020)
- Frasers Commercial Trust: Credit Update (17 January 2020)
- City Developments Ltd: New Issue View (14 January 2020)
- Allgreen Properties Ltd: New Issue View (9 January 2020)
- Singapore Credit Outlook 2020 (3 January 2020)
- Westpac Banking Corp: Credit Update (26 November 2019)
- Mapletree Commercial Trust: New Issue View (13 November 2019)
- Century Sunshine Group Holdings Limited: Credit Update (11 November 2019)
- Aspiat Corp Ltd: Credit Update (8 November 2019)
- CITIC Envirotech Ltd: Credit Update (7 November 2019)
- Ascott Residence Trust: Credit Update (31 October 2019)
- Keppel Corp Ltd: Credit Update (30 October 2019)
- SPH REIT: Special Interest Commentary (24 October 2019)
- AUD Bond Market: Broadening Horizons (18 October 2019)
- Hotel Properties Ltd: New Issue View (15 October 2019)
- CMA CGM: Credit Update (7 October 2019)
- OUE Limited: Credit Update (17 September 2019)
- UBS Group AG: New Issue View (27 August 2019)
- Sembcorp Industries Ltd: Credit Update (26 August 2019)
- CapitaLand Ltd: New Issue View (23 August 2019)

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	103.25	4.93	UW	UW
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.45 '39	3/12/2039	100.40	3.42	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.25	3.25	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	102.05	3.76	OW	OW
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.85 '20	3/7/2020	98.00	8.71	N	N
Perennial Real Estate Holdings Ltd	N (5)	PREHSP 3.9 '21	12/1/2021	95.75	8.82	N	N
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	103.07	2.35	N	N
Wheelock & Co Ltd	Pos (2)	WHEELK 4.5 '21	2/9/2021	103.28	2.37	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.50	3.32	OW	OW
<u>Singapore property developers</u>							
Aspial Corp. Ltd	Neg (6)	ASPSP 5.25 '20	28/8/2020	97.71	9.70	N	UW
Aspial Corp. Ltd	Neg (6)	ASPSP 5.9 '21	19/4/2021	96.74	8.76	UW	
CapitaLand Ltd	N (3)	CAPLSP 4.3 '20	31/8/2020	101.50	1.72	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	105.02	2.63	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	101.50	2.86	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	101.71	2.94	N	UW
City Developments Ltd	N (3)	CITSP 3 '20	27/10/2020	100.70	2.05	N	N
City Developments Ltd	N (3)	CITSP 2.93 '21	24/3/2021	100.60	2.41	N	N
City Developments Ltd	N (3)	CITSP 3.75 '22	6/7/2022	103.55	2.24	N	UW
City Developments Ltd	N (3)	CITSP 3.48 '23	3/4/2023	103.06	2.47	N	N
City Developments Ltd	N (3)	CITSP 3 '24	17/1/2024	101.25	2.67	N	N
City Developments Ltd	N (3)	CITSP 3.78 '24	21/10/2024	105.29	2.58	UW	N
City Developments Ltd	N (3)	CITSP 2.7 '25	23/1/2025	100.30	2.64	UW	
City Developments Ltd	N (3)	CITSP 3.48 '26	15/6/2026	103.10	2.94	N	N
Frasers Property Ltd	N (4)	FPLSP 3.95 '21	7/10/2021	102.35	2.52	N	N
Frasers Property Ltd	N (4)	FPLSP 4.25 '26	21/4/2026	103.85	3.55	OW	OW
Frasers Property Ltd	N (4)	FPLSP 4.15 '27	23/2/2027	103.10	3.65	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.1 '20	8/5/2020	100.22	5.21	OW	OW
Heeton Holdings Ltd	N (5)	HTONSP 6.08 '21	19/7/2021	99.20	6.66	OW	OW
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/3/2022	101.40	3.51	OW	OW
Hotel Properties Ltd	N (4)	HPLSP 3.85 '21	27/5/2021	101.30	2.84	N	N
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	101.25	3.16	N	UW
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	100.37	3.43	N	UW
Oxley Holdings Ltd	N (5)	OHLSP 5.7 '22	31/1/2022	99.76	5.83	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.65	2.39	N	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	104.40	2.77	OW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	104.15	2.85	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	105.90	3.15	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 3.68 '30	16/1/2025	101.35	3.52	N	

Indicative prices from Bloomberg as of 4 February 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 2.95 '20	3/8/2020	100.52	1.90	UW	N
Ascendas REIT	N (3)	AREIT 2.655 '21	7/4/2021	100.73	2.03	UW	N
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.79	2.05	UW	N
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	102.39	2.14	UW	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	101.01	2.17	UW	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	103.98	2.31	UW	N
Ascott Residence Trust	N (3)	ARTSP 4.205 '22	23/11/2022	105.16	2.29	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.523 '23	9/11/2023	104.10	2.38	UW	N
Ascott Residence Trust	N (3)	ARTSP 4 '24	22/3/2024	105.30	2.64	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.10	2.23	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	101.03	2.33	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	102.10	2.62	OW	OW
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	102.70	2.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '20	18/12/2020	101.09	1.88	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	101.57	2.27	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	103.44	2.25	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	105.00	2.31	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	104.01	2.42	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	103.26	2.56	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	105.67	2.49	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	100.60	2.79	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	103.10	3.03	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	101.05	2.80	N	N
Frasers Centrepoint Trust	N (3)	FCTSP 2.77 '24	8/11/2024	98.90	3.02	OW	OW
Frasers Commercial Trust	N (4)	FCOTSP 2.835 '21	11/8/2021	100.00	2.83	OW	
Frasers Hospitality Trust	N (3)	FHREIT 2.63 '22	6/7/2022	100.33	2.49	OW	N
Frasers Hospitality Trust	N (3)	FHREIT 3.08 '24	8/11/2024	101.30	2.79	OW	N
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	102.10	2.74	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.6 '20	24/8/2020	100.90	1.97	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.25	2.13	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	102.76	2.29	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	103.20	2.55	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	102.54	2.69	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	101.65	2.80	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	101.10	2.92	N	N
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.23	2.41	N	UW
Mapletree Greater China Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	102.35	2.27	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.40	2.29	UW	UW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.50	2.54	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	102.45	2.53	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	104.55	3.01	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/2/2021	101.80	1.79	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	102.70	2.54	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	100.50	3.06	UW	UW

Indicative prices from Bloomberg as of 4 February 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Others							
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.4 '21	12/9/2019	94.60	8.82	N	N
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.65 '20	27/9/2019	98.60	7.22	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.1 '20	12/10/2020	100.70	2.08	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.49	2.39	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	103.20	2.31	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.42	2.50	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	101.42	2.64	N	UW
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	100.90	2.85	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	104.40	3.11	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	104.88	3.52	N	UW
Sembcorp Industries Ltd	N (5)	SCISP 2.94 '21	26/11/2021	100.98	2.39	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.64 '24	27/5/2024	103.29	2.82	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 4.25 '25	30/8/2025	103.10	3.63	OW	OW
Sembcorp Industries Ltd	N (5)	SCISP 3.593 '26	26/11/2026	102.80	3.13	UW	N
BreadTalk Group Ltd	N (5)	BREAD 4 '23	17/1/2023	100.50	3.82	UW	N
Century Sunshine Group	Neg (6)	CENSUN 7 '20	3/1/2020	90.00	34.58	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	101.07	2.57	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	100.51	2.59	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	104.00	3.18	N	N
Golden Agri-Resources Ltd	N (5)	GGRSP 4.75 '21	25/1/2021	96.00	9.33	OW	OW
Lendlease Group	N (3)	LLCAU 3.9 '27	27/4/2027	104.34	3.22	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.82	3.73	OW	OW
Singapore Airlines	N (3)	SIASP 3.22 '20	9/7/2020	100.52	1.99	UW	UW
Singapore Airlines	N (3)	SIASP 3.145 '21	8/4/2021	101.06	2.24	N	N
Singapore Airlines	N (3)	SIASP 3.16 '23	25/10/2023	103.10	2.29	UW	N
Singapore Airlines	N (3)	SIASP 3.03 '24	28/3/2024	102.55	2.38	UW	UW
Singapore Airlines	N (3)	SIASP 3.75 '24	8/4/2024	104.70	2.56	N	OW
Singapore Airlines	N (3)	SIASP 3.035 '25	11/4/2025	102.10	2.60	UW	N
Singapore Airlines	N (3)	SIASP 3.13 '26	17/11/2026	102.27	2.76	UW	N
Singapore Airlines	N (3)	SIASP 3.13 '27	23/8/2027	102.20	2.80	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.58 '20	24/9/2020	100.43	1.92	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.15	1.98	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	101.70	2.41	N	OW
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	103.35	2.97	N	OW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	102.60	3.40	N	N
China Construction Bank	N (3)	CCB 2.643 '20	21/9/2020	100.40	2.01	N	N
China Construction Bank	N (3)	CCB 2.08 '20	26/10/2020	100.00	2.09	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 2.78 '21	11/1/2021	100.70	2.03	OW	OW

Indicative prices from Bloomberg as of 4 February 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<u>Corporate perpetuals</u>							
Ascendas REIT	N (3)	AREIT 4.75 'PERP	14/10/2020	101.65	2.33	UW	UW
Ascott Residence Trust	N (3)	ARTSP 4.68 'PERP	30/6/2020	101.00	2.15	UW	UW
Ascott Residence Trust	N (3)	ARTSP 3.88 'PERP	4/9/2024	101.70	3.48	N	UW
Cache Logistics Trust	N (4)	CACHE 5.5 'PERP	1/2/2023	98.00	6.25	OW	OW
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	101.70	3.26	UW	UW
CITIC Envirotech Ltd	N (5)	CELSP 3.9 'PERP	19/10/2020	99.57	4.56	N	OW
ESR REIT	N (4)	EREIT 4.6 'PERP	3/11/2022	99.00	4.99	UW	UW
First REIT	Neg (6)	FIRTSP 5.68 'PERP	8/7/2021	79.00	25.35	N	N
Frasers Hospitality Trust	N (3)	FHREIT 4.45 'PERP	12/5/2021	101.85	2.98	N	OW
Frasers Property Ltd	N (4)	FPLSP 3.95 'PERP	5/10/2022	99.35	4.20	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.38 'PERP	17/1/2023	100.25	4.29	UW	UW
Frasers Property Ltd	N (4)	FPLSP 4.98 'PERP	11/4/2024	103.40	4.09	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	101.35	4.12	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.65 'PERP	5/5/2022	101.58	3.91	N	N
Hotel Properties Ltd	N (4)	HPLSP 4.4 'PERP	22/10/2024	102.00	3.93	N	N
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	104.30	4.19	N	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	2/11/2020	101.95	2.34	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	91.35	12.96	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	82.00	14.43	N	N
Mapletree Logistics Trust	N (4)	MLTSP 4.18 'PERP	25/11/2021	101.82	3.13	OW	N
Mapletree Logistics Trust	N (4)	MLTSP 3.65 'PERP	28/3/2023	101.31	3.21	N	OW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	103.40	4.02	UW	UW
Sembcorp Industries Ltd	N (5)	SCISP 3.7 'PERP	22/6/2020	100.21	3.13	N	N
Singapore Post Ltd	Pos (2)	SPOST 4.25 'PERP	2/3/2022	103.56	2.48	N	OW
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	101.25	3.39	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	99.90	4.12	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	101.57	4.08	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.35 'PERP	24/8/2020	99.95	4.35	UW	UW

Indicative prices from Bloomberg as of 4 February 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Financial Institutions - Capital Instruments							
ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	1/4/2021	102.70	2.37	OW	OW
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	101.10	3.21	OW	OW
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	99.15	3.93	N	N
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	101.50	2.47	OW	OW
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	105.25	2.94	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	102.00	2.11	N	N
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	102.65	2.47	OW	N
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	103.10	3.32	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	101.80	3.66	N	N
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/4/2026	104.50	3.00	N	N
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	104.91	4.37	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	104.40	2.26	N	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	105.15	2.98	N	N
HSBC Holdings PLC	Pos (2)	HSBC 4.7 'PERP	8/6/2022	102.00	3.79	N	N
HSBC Holdings PLC	Pos (2)	HSBC 5 'PERP	24/9/2023	103.55	3.94	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	102.95	2.11	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	104.05	3.81	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	102.60	2.57	UW	N
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	104.95	2.57	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	102.42	2.39	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	105.98	4.54	OW	OW
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	102.20	2.10	UW	UW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	104.00	4.41	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	105.15	4.39	N	N
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	102.13	4.33	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '26	22/5/2020	100.48	1.86	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.85	2.55	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	104.60	2.30	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	102.79	3.10	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	102.55	2.94	UW	UW

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 4 February 2020

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Explanation of Issuer Profile Rating / Issuer Profile Score

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

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

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

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

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

Explanation of Bond Recommendation

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

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

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

Please note that Bond Recommendations are dependent on a bond's price, underlying risk-free rates and an implied credit spread that reflects the strength of the issuer's credit profile. Bond Recommendations may not be relied upon if one or more of these factors change.

Other

Suspension – We may suspend our issuer rating and bond level recommendation on specific issuers from time to time when OCBC is engaged in other business activities with the issuer. Examples of such activities include acting as a joint lead manager or book runner in a new issue or as an agent in a consent solicitation exercise. We will resume our coverage once these activities are completed. We may also suspend our issuer rating and bond level recommendation in the ordinary course of business if (1) we believe the current issuer profile is incorrect and we have incomplete information to complete a review; or (2) where evolving circumstances and increasingly divergent outcomes for different investors results in less conviction on providing a bond level recommendation.

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

Analyst Declaration

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

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