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Monthly Credit View

Monthly Themes

- Positive developments from US election outcome certainty and encouraging late-stage vaccine test results gave way to somewhat downcast market sentiments in the latter part of the month reflecting the worry about surging COVID-19 cases across the US, Europe and Asia. With pandemic developments still fluid and vaccine deployment still questionable (Pfizer reported that it could only ship half of the COVID-19 vaccines planned for 2020 due to supply chain issues), market hopes continue to remain dependent on the continuation of government stimulus judging by movements in 10 year USTs. That said, credit markets continued its one-way direction with the Bloomberg Barclays US Corporate High Yield Average OAS tightening 51bps m/m to 412bps and the spreads of IG issuances tightening 21bps m/m to 104bps. Market liquidity and rock bottom rates continue to drive a search for yield almost as strong as the search for the vaccine. This was exemplified by Carnival Corp's first unsecured bond issue since the pandemic began after it maxed out capacity for secured debt – this issue came at a time when the Fed indicated an end to emergency lending programs and received USD11bn in orders for the USD2bn unsecured bond. With US corporate credit issuance slowing in November and expectations that the Fed is likely to stay supportive for longer, credit markets may continue to remain supportive and investors continue to look for opportunities and borrowers continue to take advantage of attractive financing costs.
- Sentiments in Asiadollar were similarly muted as reflected in issuance volumes which were down 68% m/m in November to USD12.0bn. The prominent deal for the month was Bank of Communications Co., Ltd.'s USD2.8bn Additional Tier 1 ("AT1") capital instrument, the first offshore AT1 by a Chinese bank. While the non-call 5 year deal was well received, tightening 35bps against initial guidance of 4.15% and upsized from an initial USD2bn target, pricing appears fair according to market participants for AT1 issues and compared against Bank of China Ltd.'s and Industrial and Commercial Bank of China Ltd.'s offshore preference shares issued in February and September respectively, the prior favoured format for China banks to issue offshore capital. With Bank of Communications Co., Ltd.'s deal taking advantage of recent China Banking and Insurance Regulatory Commission guidelines to encourage issuance of the AT1 perpetual format and a likely demand for capital by Chinese banks to shore up balance sheets to mitigate rising non-performing loans and support an ongoing economic recovery, more AT1s are expected to be issued by other Chinese banks. Adding to the instrument's appeal for issuers is an expanded investor base and that issuers do not require approval from the China Securities Regulatory Commission. All up, Chinese issuers dominated the Asiadollar markets yet again, accounting for around 90% of total issuance in a month which included several Chinese credit defaults such as Tsinghua Unigroup and Brilliance Auto Group Holdings Co, ("Brilliance") that likely curtailed the appetite for riskier names. Other developments impacting attitudes towards China credit included the expansion of a list of Chinese companies tied to the People's Liberation Army to include China National Offshore Oil Corp., Semiconductor Manufacturing International Corp., China Construction Technology Co. and China International Engineering Consulting Corp as well as broader questions on the fundamental strength of China's state-owned enterprises following the default of Brilliance. According to Bloomberg, five state-owned enterprises have defaulted in the onshore market in 2020, which has also led to increased concern over the credit health of local government funding vehicles.
- The SGD space saw new issue activity return with SGD2.4bn priced in November though the primary market was relatively quiet in the first two weeks. Aviva Singlife Holdings Pte Ltd.'s SGD550mn Tier 2 issue saw solid demand, indicating the market's continued strong appetite for high grade issues. Aviva Singlife Holdings Pte Ltd is the recently merged entity

between Singapore Life ("SingLife") and Aviva Singapore that holds equity interests in the two entities and is one of the largest insurance companies in South East Asia. Funds were targeted for the acquisition of Aviva Singapore by SingLife (completed on 1 December 2020). Elsewhere, longer dated bonds were priced by Singapore Post Ltd (SGD250mn 10Y), Singapore Airlines Limited (SGD500mn 10Y) and Housing & Development Board (SGD600mn 15Y). Singapore Airlines Limited was particularly active in fund raising in November also [pricing SGD850mn in 5-year convertible bonds](#) and upsizing its multi-currency medium term note programme to SGD10bn from SGD5bn for general corporate or working capital purposes. As mentioned in our [latest credit update](#), SIA was expected to raise external financing as part of its liquidity plans despite having raised significant amounts of capital already as cash expenses remain significant (we estimate that SIA's cash expenses were SGD1.8bn in 1H FY2021 or SGD305mn per month). Other notable developments included Hyflux Ltd.'s placement under Judicial Management ("JM") by the Singapore High Court on 16 November with immediate effect that was somewhat expected considering the time that HYF has been under debt moratorium (since May 2018), progressive actions by an unsecured working group of banks to firstly be carved out of HYF's debt moratorium and then put HYF under JM, and recent indications that the High Court was losing patience with HYF's restructuring efforts. On the financial institutions front, [DBS Group Holdings Ltd \("DBS", Issuer profile: Positive \(2\)\)](#) announced a proposed scheme to amalgamate and recapitalize troubled Lakshmi Vilas Bank into DBS' wholly owned Indian subsidiary, DBS Bank India Ltd, in what was India's first bank resolution involving a private party.

- As we turn towards 2021, a complex picture is seemingly emerging of investors chasing for yield, valuations getting richer with spreads compressing (the Bloomberg Barclays Asia USD HY Index OAS tightened by 92bps m/m to 7.00% while the Bloomberg Barclays Asia USD IG Index OAS tightened by 9bps m/m to 1.56%) and a mix of past, present and future risks. This is all within the context of a fluid COVID-19 situation. While this indicates more potential downside than upside, it may be perhaps pertinent to look at what we have gone through so far in 2020 in order to think about the outlook for 2021. We think downside credit risks can be more manageable in 2021. Combined with solid market liquidity, we think credit can stay constructive in 1Q2021 as we hopefully enter a post pandemic world.

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: **CapitaLand Integrated Commercial Trust, China Aoyuan Group Limited.**
- Please note that due to the completion of OCBC's engagement in other business activities, we have resumed our coverage on the following names: **Heeton Holdings Ltd, Mapletree Logistics Trust, Mapletree Investments Pte Ltd.**
- We are ceasing coverage on CMA CGM which has an Issuer Profile of Negative (6) following the announced prepayment of its only outstanding SGD bond, the NOLSP 4.4% '21s on 14 December 2020.

Trade Ideas

- **HSBC 4.7% PERPc22s:** We are overweight the HSBC 4.7% PERP with a ~4.08% yield and a spread of ~387bps given its slightly better value against the HSBC 5.0% PERP and higher reset spread. While the range of outcomes and impacts to HSBC for the short to medium term remain wide considering the operating environment and HSBC's ongoing execution of its substantial restructuring plan, recent results indicate that the worst for HSBC is over although conviction on its outlook will likely remain elusive.

- **OLAMSP curve:** We are Overweight OLAMSP's SGD curve which is offering a yield of 2.96% on the short dated OLAMSP 6.0% '22s and yield of 4.03% at the belly (ie: the OLAMSP 4.0% '26s). The SGD perpetual with a short first call date in July 2022 is trading at YTC of 4.27% and we see a good chance for the perpetual to be called then given that it comes with a 200bps step-up margin. Current forward rates suggest that the distribution rate will reset higher to 6.5% which economically incentivizes Olam to fall at first call and replace this with cheaper source of funding.
- **SCISP 2.94% '21s, SCISP 4.25% '25s and SCISP 3.593% '26s:** SCISP's credit profile has improved in our view since the spin-off of Sembcorp Marine Ltd. We are Overweight these three bonds which provides a decent pick-up of 40-60bps against the senior bonds of REITs which we hold at Neutral (4) and Neutral (5) which have run up in the past month.
- **SIASP curve:** We are Overweight the shorter dated SIA bonds and are now neutral the belly and longer dated bonds. The SIASP short dated bonds now pay ~35-60bps more than Qantas Airways Ltd ("Qantas", Issuer profile: Neutral (5)). While we are monitoring Qantas's credit profile for an upgrade within 12 months given the more defensive characteristics of its Domestic and Loyalty business, we expect SIA's bond prices to catch up from the broadening out theme and narrow this difference.
- **SUNSP 3.8% PERP:** Callable in 5 years, SUNSP 3.8% PERP is offering a yield of 3.73% with a spread of 322bps. We are Overweight as (1) the perpetual is trading ~100bps wider than SUNSP 3.355% '25s. We think the 100bps spread fairly compensates for the senior-sub spread. And (2) a spread of ~222bps is attractive under current market conditions. Aggregate leverage of SUN as at 30 September 2020 was 41.5%. Though aggregate leverage has inched higher, we think its maturity profile remains manageable. Overall, the all-in yield for SUNSP 3.8% PERP of 3.73% is interesting.

Upcoming Bond Maturities – December 2020

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
Singapore Airlines Ltd	SIASP	3,496	08/12/2020*
BPCE SA	BPCEGP	150	17/12/2020*
CMT MTN Pte Ltd	CAPITA	100	18/12/2020

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports from OCBC Credit Research

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- First Real Estate Investment Trust: Credit Update (2 December 2020)
- Mapletree Logistics Trust: Credit Update (25 November 2020)
- Singapore – Banks – 3Q2020 Review: Credit Update (19 November 2020)
- Frasers Property Limited: Credit Update (13 November 2020)
- Ascendas Real Estate Investment Trust: Credit Update (11 November 2020)
- Singapore Retail REITs - Where are we headed? Special Interest Commentary (11 November 2020)
- Singapore Airlines Ltd: Credit Update (11 November 2020)
- HSBC Holdings PLC: Credit Update (10 November 2020)
- CapitaLand Integrated Commercial Trust: Credit Update (6 November 2020)
- Lippo Malls Indonesia Retail Trust: Credit Update (5 November 2020)
- Frasers Hospitality Trust: Credit Update (2 November 2020)
- ARA LOGOS Logistics Trust: Credit Update (29 October 2020)
- ENN Energy Holdings Ltd: USD Credit Initiation (21 October 2020)

- Jollibee Foods Corp: USD Credit Initiation (21 October 2020)
- Keppel REIT: Credit Update (20 October 2020)
- Heeton Holdings Ltd: Credit Update (5 October 2020)
- Temasek Holdings Pte Ltd: Recent Issue View (30 September 2020)
- Keppel Corporation Limited: Credit Update (30 September 2020)
- Mapletree Investments Pte Ltd: Credit Initiation (28 September 2020)
- Ascendas Real Estate Investment Trust: Credit Update (25 September 2020)
- Shangri-La Asia Limited: Credit Update (24 September 2020)
- OUE Limited: Credit Update (16 September 2020)
- Capitaland Ltd: New Issue View (14 September 2020)
- Golden Agri-Resources Ltd: Credit Update (11 September 2020)
- Perpetual Series 6 – Picking up nickels: Special Interest Commentary (11 September 2020)
- Non-Traditional REITs: Special Interest Commentary (10 September 2020)
- Wesfarmers Limited: Credit Update (2 September 2020)
- Qantas Airways Ltd: Credit Update (31 August 2020)
- Scentre Group: Credit Update (26 August 2020)
- SG Banks: Credit Update (24 August 2020)
- Hotel Properties Ltd: Credit Update (18 August 2020)
- OUE Commercial REIT: Special Interest Commentary (18 August 2020)
- City Developments Ltd: Credit Update (17 August 2020)
- Olam International Ltd: New Issue View (17 August 2020)
- Frasers Hospitality Trust: Credit Update (14 August 2020)
- Ascott Residence Trust: Credit Update (13 August 2020)
- Keppel Corporation Limited: Credit Update (7 August 2020)
- Asial Corp Ltd: Credit Update (7 August 2020)
- AIMS APAC REIT: New Issue View (6 August 2020)
- COVID-19: Liquidity Risk II (23 July 2020)
- Century Sunshine Group Holdings Limited: Special Interest Commentary (9 July 2020)
- Singapore Technologies Engineering Ltd: Special Interest Commentary (8 July 2020)
- Singapore Mid-Year 2020 Outlook (4 July 2020)

Links to other OCBC Resources and OCBC Insights Podcast

Media	Link
OCBC Bank Website	www.ocbc.com
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Spotify	spotify.com/ocbc

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
China/HK property							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.45 '39	3/12/2039	106.94	2.97	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	100.77	3.14	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	100.55	4.12	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	102.33	0.76	N	N
Wing Tai Properties Ltd	N (4)	WINGTP 4.25 '22	29/11/2022	103.00	2.69	OW	OW
Singapore property developers							
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	107.80	1.64	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	105.75	2.17	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	105.65	2.43	N	N
CapitaLand Ltd	N (3)	CAPLSP 2.9 '32	21/9/2032	101.80	2.72	N	UW
City Developments Ltd	N (4)	CITSP 3.75 '22	6/7/2022	104.00	1.20	UW	UW
City Developments Ltd	N (4)	CITSP 3.48 '23	3/4/2023	104.75	1.40	UW	N
City Developments Ltd	N (4)	CITSP 3 '24	17/1/2024	103.66	1.79	N	N
City Developments Ltd	N (4)	CITSP 3.9 '24	21/3/2024	106.76	1.78	N	N
City Developments Ltd	N (4)	CITSP 3.78 '24	21/10/2024	107.10	1.87	N	N
City Developments Ltd	N (4)	CITSP 2.7 '25	23/1/2025	102.50	2.07	N	N
City Developments Ltd	N (4)	CITSP 3.48 '26	15/6/2026	106.65	2.20	N	N
Frasers Property Ltd	N (5)	FPLSP 3.95 '21	7/10/2021	102.35	1.14	N	N
Frasers Property Ltd	N (5)	FPLSP 3.65 '22	22/5/2021	100.85	2.58	OW	
Frasers Property Ltd	N (5)	FPLSP 4.25 '26	21/4/2026	104.53	3.32	N	N
Frasers Property Ltd	N (5)	FPLSP 4.15 '27	23/2/2027	104.00	3.43	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/3/2021	100.65	1.55	UW	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	102.20	2.08	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	102.60	2.62	OW	N
GuocoLand Ltd	N (5)	GUOLSP 3.4 '25	10/8/2025	101.80	2.98	OW	N
Heeton Holdings Ltd	Neg (6)	HTONSP 6.08 '21	19/7/2021	92.10	21.19	OW	
Hotel Properties Ltd	N (5)	HPLSP 3.85 '21	27/5/2021	100.35	3.10	OW	OW
Hotel Properties Ltd	N (5)	HPLSP 3.8 '25	2/6/2025	99.50	3.92	N	N
Mapletree Investments Pte Ltd	N (4)	MAPLSP 2.888 '21	21/6/2021	101.18	0.72	N	
Mapletree Investments Pte Ltd	N (4)	MAPLSP 2.85 '25	29/8/2025	104.76	1.80	N	
Mapletree Investments Pte Ltd	N (4)	MAPLSP 3.4 '26	3/9/2026	107.96	1.93	N	
Mapletree Investments Pte Ltd	N (4)	MAPLSP 3.58 '29	13/3/2029	109.75	2.28	N	
Mapletree Investments Pte Ltd	N (4)	MAPLSP 3.15 '31	3/9/2031	106.04	2.51	N	
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	100.90	3.07	UW	UW
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	100.40	3.38	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/1/2022	92.75	13.00	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 6.5 '23	28/2/2023	80.82	17.17	OW	
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.65	0.83	UW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	104.15	2.15	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	103.95	2.45	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	105.50	2.91	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 3.68 '30	16/1/2025	100.76	3.89	OW	OW

Indicative prices from Bloomberg as of 4 December 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.85	0.68	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	103.66	0.74	UW	UW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	103.90	0.99	N	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	107.52	1.31	N	UW
Ascendas REIT	N (3)	AREIT 2.65 '30	26/8/2030	105.75	2.00	N	UW
Ascott Residence Trust	N (5)	ARTSP 4.205 '22	23/11/2022	105.00	1.62	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.523 '23	9/11/2023	105.20	1.70	UW	UW
Ascott Residence Trust	N (5)	ARTSP 4 '24	22/3/2024	107.02	1.80	UW	UW
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	101.90	2.02	OW	
Frasers Centrepoint Trust	N (4)	FCTSP 3.2 '23	11/5/2023	103.86	1.58	N	N
Frasers Centrepoint Trust	N (4)	FCTSP 2.77 '24	8/11/2024	102.90	2.00	OW	OW
Frasers Hospitality Trust	N (5)	FHREIT 2.63 '22	6/7/2022	99.40	3.02	OW	OW
Frasers Hospitality Trust	N (5)	FHREIT 3.08 '24	8/11/2024	98.50	3.49	N	
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	102.80	2.40	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	100.91	0.63	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	103.95	1.39	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	106.05	1.63	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	107.25	1.77	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	107.00	1.93	N	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	106.05	2.30	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.60	1.57	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	103.50	1.55	N	OW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	105.00	1.60	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	108.00	2.51	OW	OW
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.73	0.91	N	N
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	101.75	2.03	OW	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/2/2021	100.75	0.24	UW	UW
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	103.45	1.96	N	N
Starhill Global REIT	N (4)	SGREIT 3.15 '25	5/6/2025	104.24	2.16	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	100.80	2.99	OW	N
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.81	1.67	OW	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	101.10	2.16	OW	OW
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	102.85	2.19	OW	N
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	101.58	2.23	OW	N
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.95	2.86	OW	OW
Suntec REIT	N (4)	SUNSP 2.95 '27	5/2/2027	100.54	2.85	N	N

Indicative prices from Bloomberg as of 4 December 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Others							
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	101.55	1.88	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	101.50	1.91	N	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	105.35	2.88	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.98	1.47	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	102.70	1.82	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.97	2.00	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	102.83	2.14	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	102.18	2.59	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	105.31	2.94	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	102.90	3.69	OW	OW
Lendlease Group	N (3)	LLCAU 3.9 '27	27/4/2027	104.78	3.07	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	105.54	2.96	OW	OW
Olam International Ltd	N (5)	OLAMSP 4 '26	29/11/2024	99.87	4.03	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	101.41	1.48	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/5/2024	105.28	2.06	N	UW
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/8/2025	108.74	2.29	OW	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	105.76	2.55	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	106.15	3.15	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 3.5 '30	29/1/2030	100.30	3.46	UW	UW
Singapore Airlines	N (5)	SIASP 3.16 '23	25/10/2023	101.40	2.65	OW	UW
Singapore Airlines	N (5)	SIASP 3.03 '24	28/3/2024	100.52	2.86	OW	UW
Singapore Airlines	N (5)	SIASP 3.75 '24	8/4/2024	102.64	2.92	OW	UW
Singapore Airlines	N (5)	SIASP 3.035 '25	11/4/2025	99.51	3.16	N	UW
Singapore Airlines	N (5)	SIASP 3.13 '26	17/11/2026	99.36	3.25	N	UW
Singapore Airlines	N (5)	SIASP 3.13 '27	23/8/2027	99.60	3.20	N	UW
Singapore Post Ltd	N (3)	SPOST 2.53 '30	19/11/2030	101.45	2.37	N	
Singapore Telecommunications Ltd	Pos (2)	STSP 2.895 '23	3/7/2023	103.20	1.45	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	103.40	1.14	UW	N
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	107.05	2.19	N	OW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	105.60	2.56	OW	OW
China Construction Bank	N (3)	CCB 1.073 '23	25/9/2023	100.30	0.96	N	N

Indicative prices from Bloomberg as of 4 December 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
ARA Logos Logistics Trust	N (4)	ALLTSP 5.5 'PERP	1/2/2023	101.39	0.05	OW	N
Ascendas REIT	N (3)	AREIT 3 'PERP	17/9/2025	101.13	2.75	N	OW
Ascott Residence Trust	N (5)	ARTSP 3.07 'PERP	30/6/2021	97.90	3.57	N	N
Ascott Residence Trust	N (5)	ARTSP 3.88 'PERP	4/9/2024	100.25	3.81	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	103.45	2.71	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.375 'PERP	27/10/2025	99.40	3.51	OW	N
First REIT	Neg (7)	FIRTSP 5.68 'PERP	8/7/2021	72.00	6.87	UW	
Frasers Hospitality Trust	N (5)	FHREIT 4.45 'PERP	12/5/2021	93.00	3.71	OW	N
Frasers Property Ltd	N (5)	FPLSP 3.95 'PERP	5/10/2022	94.60	7.14	UW	UW
Frasers Property Ltd	N (5)	FPLSP 4.38 'PERP	17/1/2023	100.35	4.19	N	N
Frasers Property Ltd	N (5)	FPLSP 4.98 'PERP	11/4/2024	102.40	4.21	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	100.35	4.41	OW	OW
Hotel Properties Ltd	N (5)	HPLSP 4.65 'PERP	5/5/2022	94.85	8.60	N	UW
Hotel Properties Ltd	N (5)	HPLSP 4.4 'PERP	22/10/2024	100.00	4.40	N	UW
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	103.65	4.23	OW	OW
Keppel REIT	N (4)	KREITS 3.15 'PERP	11/9/2025	100.00	3.15	N	UW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	89.08	23.74	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	81.52	17.78	N	N
Mapletree Investments Pte Ltd	N (4)	MAPLSP 4.5 'PERP	19/1/2022	102.69	2.06	N	
Mapletree Investments Pte Ltd	N (4)	MAPLSP 3.95 'PERP	12/11/2022	103.50	2.10	N	
Mapletree Logistics Trust	N (3)	MLTSP 4.18 'PERP	25/11/2021	101.21	2.95	N	
Mapletree Logistics Trust	N (3)	MLTSP 3.65 'PERP	28/3/2023	101.60	2.94	UW	
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	101.86	4.27	OW	N
Singapore Post Ltd	N (3)	SPOST 4.25 'PERP	2/3/2022	103.05	1.77	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	102.05	2.58	N	N
Suntec REIT	N (4)	SUNSP 3.8 'PERP	27/10/2025	100.30	3.73	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	97.95	5.46	OW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	100.34	4.38	OW	N
Wing Tai Properties Ltd	N (4)	WINGTP 4.35 'PERP	24/2/2021	98.55	4.60	OW	N

Indicative prices from Bloomberg as of 4 December 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	101.15	1.19	N	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	102.60	1.73	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	102.55	3.14	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	107.00	2.03	N	OW
BPCE SA *	N (3)	BPCEGP 4.5 '26	3/6/2021	101.05	2.37	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	100.40	4.60	OW	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	98.95	4.61	N	N
Credit Agricole AG	N (3)	ACAAP 3.8 '31	30/4/2026	100.15	3.77	OW	OW
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	104.47	4.24	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	105.30	1.26	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	106.95	2.43	N	N
HSBC Holdings PLC	N (3)	HSBC 4.7 'PERP	8/6/2022	101.08	3.95	OW	N
HSBC Holdings PLC	N (3)	HSBC 5 'PERP	24/9/2023	102.25	4.15	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.91	2.83	N	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	99.40	4.19	OW	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	105.40	1.90	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	101.00	2.08	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	105.25	4.43	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	100.50	0.61	UW	UW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	104.16	4.19	OW	OW
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	105.70	3.84	OW	N
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	103.15	3.94	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.20	1.36	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	106.96	1.29	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	105.70	2.48	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	103.75	1.73	N	N

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

Upgrades
Downgrades
New / Resume Coverage

Indicative prices from Bloomberg as of 4 December 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

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Overweight ("OW") – The bond represents **better relative value** compared to other bonds from the same issuer, or bonds of other issuers with similar tenor and comparable risk profile.

Neutral ("N") – The bond represents **fair relative value** compared to other bonds from the same issuer, or bonds of other issuers with similar tenor and comparable risk profile.

Underweight ("UW") – The bond represents **weaker relative value** compared to other bonds from the same issuer, or bonds of other issuers with similar tenor and comparable risk profile.

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.

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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, Oxley Holdings Ltd, Suntec Real Estate Investment Trust, Mapletree Commercial Trust, Frasers Hospitality Trust, United Overseas Bank Ltd, CapitaLand Integrated Commercial Trust and Ascott Residence Trust.

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