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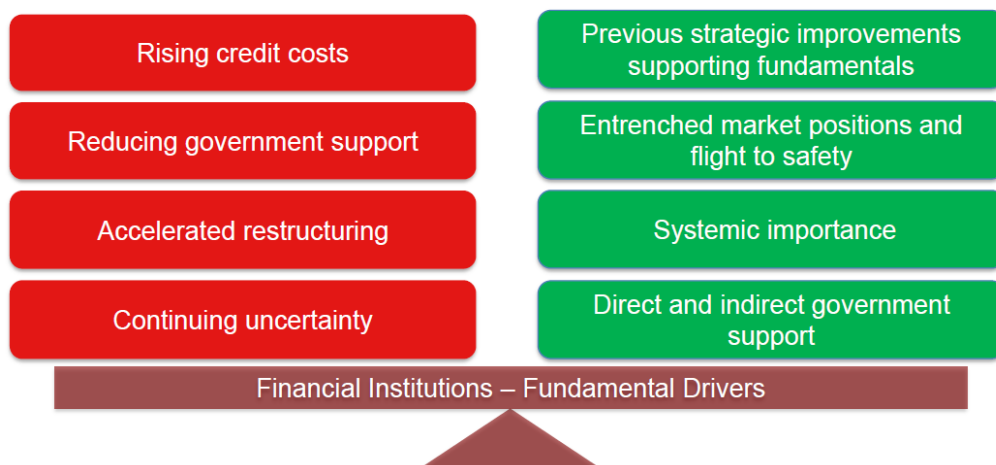
Monthly Credit View

Monthly Themes

- 10 UST yields ended August above 0.70% (0.53% at the end of July) getting a boost towards the end of the month from reaffirmation of the US-China Phase 1 trade deal and the Fed announcing that it would seek inflation that averages 2% over time to spur an economic recovery. Otherwise, sentiments throughout the month continued to be influenced by downcast expectations of a US economic recovery through mixed economic and manufacturing data. Despite this though, US credit market momentum continued as US Corporate investment grade issuance hit a record level for the month and year and borrowing costs fell allowing aluminium packaging producer Ball Corporation to price a new ~~low~~ high yield bond at the lowest ever coupon for a bond with a maturity over five years of 2.875%. The earlier record was 2.969% by CIT Bank in September 2019. The heat in US credit markets however dissipated with issuance volumes slowing in the final two weeks and the Bloomberg Barclays US Corporate High Yield Average OAS and the Bloomberg Barclays US Aggregate Corporate Index OAS remaining somewhat stable as investors awaited Federal Reserve Chair Jerome Powell's speech from Jackson Hole before rallying, particularly for high yield, following confirmation that short dated interest rates may stay low for longer.
- Asiadollar had a similarly constructive month despite rising US-China tensions and simmering concerns on issuer defaults with the Bloomberg Barclays Asia USD IG Bond Index OAS ending 12bps tighter m/m at 1.68% while the Bloomberg Barclays Asia USD HY Bond Index OAS tightened 60bps m/m to 6.46%. The solid technical environment saw Tencent Music Entertainment Group pricing USD800mn in a two-tranche (5Y, 10Y) deal at the end of the month that was more than 10x covered, driving spreads in the secondaries to compress close to the curve of its more highly-rated parent Tencent Holdings Ltd. Technicals also drove increased demand for fixed-for-life structures with Hysan Development Co Ltd pricing a USD200mn perpetual last week, following a similar USD300mn perpetual issued in the prior week. Nan Fung International Holding Ltd similarly joined the fray pricing a fixed-for-life USD500mn perpetual. That said, fundamentals in the current climate are never far from the market's mind. Vedanta's high yield deal only saw an orderbook of 1.3x while on the flipside investment grade HKSAR-based property owner and developer Hysan Development Co. saw strong demand of 9.7x on its USD300mn perpetual in the same week. Similarly, infrastructure related issuers in somewhat essential industries also saw strong demand with HKSAR's MTR Corp Ltd issuing a USD1.2bn 10 year green bond and Malaysian telecommunications company Axiata pricing a USD1.5bn two tranche deal including a USD500mn 10 year sukuk and a USD1bn 30 year note that received that received USD3.8bn and USD3bn in orders respectively. Conversely, PT Modernland Realty Tbk missed the coupon payments of its '21s, which is in-line with expectations following plans to restructure, while Genting Hong Kong Ltd ("Genting HK", a cruise operator), suspended all payments to creditors, triggering a 36% drop in the company's share price. Although weekly Asiadollar issuance fell to two-month lows by the end of the month, activity is expected to pick up in September following the clarity received from Powell's speech and the end of earnings season.
- In contrast, the SGD primary market was relatively quiet in August with earnings season continuing as just SGD854mn was printed, down from SGD1.32bn issued in July. That said, it was a month of firsts with the debut perpetual from [AIMS APAC REIT \("AAREIT"\)](#), a mid-cap industrial REIT, that raised SGD125mn via NC5 perpetual at 5.65%, tightening from 5.75%. Ascendas REIT priced SGD100mn of 10Y senior unsecured bonds in its debut green bond at 2.65% while in an initiative to support the adoption of the Singapore Overnight Rate Average ("SORA"), the Monetary Authority of Singapore ("MAS") auctioned

SGD500mn of six-month floating-rate notes with a spread over the SORA, which is set to replace the SGD swap as an interest rate benchmark, given the likely discontinuation of the London Interbank Offer Rate ("LIBOR") after end-2021. The final 'first' was a SGD100mn re-tap by Olam on its new 5.5Y bond (the OLAMSP 4.0% '26s) that was executed as a "digital bond" in a pilot project using DAML, a smart contract language created by blockchain start-up Digital Asset Holdings LLC. Other key developments were Temasek walking away from the partial offer for [Keppel Corporation Limited \("KEP", Issuer profile: Neutral \(4\)\)](#) in a shock to the market that dashed long awaited hopes by equity investors of a merger between Sembcorp Marine Ltd and Keppel's offshore arm. Fresh off the KEP announcement, shareholders of Sembcorp Industries Ltd ("SCI", Issuer profile: Neutral (4)) and its 61%-owned subsidiary Sembcorp Marine Ltd ("SMM", Issuer profile: Unrated) voted in favour of SMM's recapitalisation and subsequent spin-off from SCI that will improve SCI's credit profile, in our view upon completion. Finally, Keong Hong Holdings completed its exchange offer which saw bondholders exchanging SGD33.75mn of bonds into a 3Y longer dated one while an additional SGD14.25mn was raised as new money as part of the same tranche. With Singapore's parliament currently sitting, developments will likely be keenly watched as policy directions are debated amidst the current COVID-19 environment with [Singapore's 2Q2020 GDP growth revised lower to -13.2% y/y](#) (-42.9% q/q seasonally adjusted annual rate), down from initial flash estimates and the Singapore government narrowing its full-year 2020 GDP growth forecast to a range of -5% to -7% y/y. This may have necessitated the government announcing a further SGD8bn of virus spending (from re-allocation of budget rather than drawing down on reserves).

- With [Landesbank Baden-Württemberg and China Construction Bank Corporation announcing 1H2020 results](#) earlier this week, reporting season has ended for the Financial Institutions under our coverage. In contrast to the many issuer profile changes done in the airline, hospitality and property sectors, Financial Institution issuer profiles are holding for now despite the material influence of COVID-19 on their results. What is driving the apparent 'stability' in our view is that positive and negative fundamental influences are delicately balanced at the moment but with a clear negative bias. On the one hand, government support to the economy is likely to reduce or become more targeted, economic outlooks remain weak while earnings pressures for Financial Institutions remain from low interest rates and rising credit costs. This though remains offset to an extent by direct and indirect government support to banks that is helping them maintain solid credit ratios. We think much of the prevailing uncertainty will slowly disappear in 2H2020 when we may see the impact of COVID-19 on bank balance sheets as government support winds down and banks themselves become more discerning in their loan deferrals. This will see non-performing loan ratios rise and capital ratios come under pressure leading to rising credit dispersion.



Source: OCBC

Issuer Profile Changes / Updates:

- [City Developments Ltd \("CDL", Issuer profile Neutral \(4\)\)](#) saw its 1H2020 results dragged by a decline in contribution from most of its business segments, especially in the hotel operations segment. We downgraded its issuer profile to Neutral (4). We have also started to re-rate our hospitality focused issuers with [Ascott Residence Trust](#), [Frasers Hospitality Trust](#) and [Hotel Properties Ltd](#) also downgraded. (Bloomberg, OCBC)
- Please note that due to OCBC's engagement in other business activities, we have suspended our coverage on the following names until these activities are completed: **China Aoyuan Property Group Limited**.

Trade Ideas

- **BNP 4.35% '29c24s (Tier 2):** The key positive in recent results for BNP Paribas SA ("BNPP") are positive JAWs in its operating divisions while the key negative remains the substantial rise in risk costs. That said, side-effects from the market dislocation and BNPP's solid expense performance has assisted in preserving its capital position.
- **DBSP 3.98% PERPc25s (Additional Tier 1):** Recent earnings have allowed DBS Group Holdings Ltd ("DBS") to build a war chest against future stress which reduces uncertainty in our view as does underlying fundamentals. We think DBS' results have given them some ability to control its future.
- **CS 5.625% PERPc24s (Additional Tier 1):** Credit Suisse Group AG announced solid 2Q2020 numbers although reminders of COVID-19 are in materially higher credit loss provisions. Results appear to have given management the freedom to try and chart their own course forward with a restructuring of existing businesses. While yields have already compressed since April, spreads at current levels still look interesting.
- **MCTSP 3.055% '29s (senior unsecured):** We think the MCTSP 3.055% '29s look interesting trading at 2.72% yield versus the recently issued AREIT 2.65% '30s which is trading only at 2.37%. While tenant sales and footfall has declined at VivoCity during the circuit breaker period, committed occupancy for the mall remained high at 98.4%. Mapletree Commercial Trust ("MCT")'s operating performance is also buffered by its commercial office properties and SGD1bn of cash and undrawn committed facilities on hand.
- **SLHSP 4.5% '25s (senior unsecured):** Within the besieged hospitality sector, we think the SLHSP 4.5% '25s looks attractive on a relative value basis at a yield to maturity of 3.66%. As a contrast, the ARTSP 3.88%-PERP with a first call date in September 2024 is trading at YTC of 3.91%, 25bps wider though the perpetual is a subordinated security. There is also no certainty that the ARTSP 3.88%-PERP will be called at first call with reset distribution rate implied by current forwards at ~4.1%, lower than a hypothetical replacement perpetual, in our view. While Shangri-La Asia Limited ("SHANG")'s operating performance has also been negatively impacted by the virus outbreak in 1H2020, SHANG's Mainland China-focused portfolio means it is likely to be on a faster recovery path versus peers.
- **OLAMSP 4.0% '26 (senior unsecured):** We are neutral the new OLAMSP 4.0% '26s bond which is trading at a yield of 4.04%. This new issuance sets a new pricing level for OLAMSP's SGD curve. Together with a 20bps since the August 2020 monthly, we have turned neutral on the OLAMSP 6.0% '22s from Overweight.
- **OUESP 3.75% '22s and OUESP 3.55% '23s (both senior unsecured):** We have turned Underweight on these two bonds from Neutral following the results release of OUE Limited ("OUE", Issuer profile: Neutral (5)). With sustainable income generation lacking,

OUE's credit profile continues to be underpinned by its large asset base. OUE's hospitality sector has become a drag with the company also having to top up rental payments to OUE Commercial Trust ("OUE-CT", Issuer profile: Unrated), its Sponsored REIT, amidst the restriction on international visitors to Singapore. With OUESP 3.75% '22s and OUESP 3.55% '23s only yielding 3.43% and 3.59% respectively, we prefer the OLAMSP curve within the high yield space.

Upcoming Bond Maturities – September 2020

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
OUE CT Treasury Pte Ltd	OUECT	150	09/05/2020
China Aoyuan Group Ltd	CAPG	100	09/07/2020*
Neptune Orient Lines Ltd/Singapore	NOLSP	280	09/09/2020
Falcon Energy Group Ltd	FALESP	50	09/19/2020
China Construction Bank Corp/Singapore	CCB	300	09/21/2020
SingTel Group Treasury Pte Ltd	STSP	150	09/24/2020
UOL Treasury Services Pte Ltd	UOLSP	240	09/29/2020

Source: OCBC Credit Research, Bloomberg

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- 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)
- Aspiat 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)

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Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<u>China/HK property</u>							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.45 '39	3/12/2039	105.50	3.07	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.26	2.89	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	99.75	4.38	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	102.48	1.64	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	103.30	2.72	OW	OW
<u>Singapore property developers</u>							
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	106.60	2.07	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	103.65	2.52	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	103.00	2.77	N	N
City Developments Ltd	N (4)	CITSP 2.93 '21	24/3/2021	100.73	1.61	N	UW
City Developments Ltd	N (4)	CITSP 3.75 '22	6/7/2022	103.30	1.91	N	N
City Developments Ltd	N (4)	CITSP 3.48 '23	3/4/2023	103.00	2.28	OW	N
City Developments Ltd	N (4)	CITSP 3 '24	17/1/2024	101.35	2.58	OW	OW
City Developments Ltd	N (4)	CITSP 3.78 '24	21/10/2024	105.00	2.50	N	N
City Developments Ltd	N (4)	CITSP 2.7 '25	23/1/2025	100.52	2.57	N	N
City Developments Ltd	N (4)	CITSP 3.48 '26	15/6/2026	103.65	2.79	N	N
Frasers Property Ltd	N (5)	FPLSP 3.95 '21	7/10/2021	102.15	1.96	N	N
Frasers Property Ltd	N (5)	FPLSP 4.25 '26	21/4/2026	102.35	3.78	OW	OW
Frasers Property Ltd	N (5)	FPLSP 4.15 '27	23/2/2027	100.90	3.99	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/3/2021	100.55	2.66	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	101.40	2.98	OW	N
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	102.30	2.87	N	OW
GuocoLand Ltd	N (5)	GUOLSP 3.4 '25	10/8/2025	100.40	3.31	N	N
Hotel Properties Ltd	N (5)	HPLSP 3.85 '21	27/5/2021	100.35	3.38	OW	OW
Hotel Properties Ltd	N (5)	HPLSP 3.8 '25	2/6/2025	99.38	3.94	UW	OW
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	100.50	3.43	UW	N
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	99.90	3.59	UW	N
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/1/2022	96.00	8.77	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.40	1.78	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	103.20	2.93	OW	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 3.68 '30	16/1/2025	97.75	4.64	OW	N

Indicative prices from Bloomberg as of 3 September 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
Ascendas REIT	N (3)	AREIT 2.655 '21	7/4/2021	101.09	0.81	UW	UW
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	103.74	1.33	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	103.10	1.40	UW	N
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	102.38	1.64	UW	N
Ascendas REIT	N (3)	AREIT 2.65 '30	29/11/2023	102.46	2.37	UW	
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	105.09	1.95	UW	N
Ascott Residence Trust	N (5)	ARTSP 4.205 '22	23/11/2022	104.06	2.32	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.523 '23	9/11/2023	102.87	2.58	UW	UW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.24	1.63	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	102.17	1.57	UW	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	103.60	2.10	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	102.60	2.72	OW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	102.56	1.76	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	104.03	1.90	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	105.40	2.04	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	105.03	2.13	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	104.59	2.25	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	105.00	2.52	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	102.23	2.54	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	104.23	2.89	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	102.10	2.08	N	UW
Fraser's Centrepoint Trust	N (4)	FCTSP 3.2 '23	11/5/2023	102.73	2.15	UW	N
Fraser's Centrepoint Trust	N (4)	FCTSP 2.77 '24	8/11/2024	99.50	2.90	OW	OW
Fraser's Hospitality Trust	N (5)	FHREIT 2.63 '22	6/7/2022	96.35	4.72	OW	OW
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	101.35	2.88	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.27	1.09	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	103.20	1.89	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	104.20	2.19	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	104.53	2.29	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	103.35	2.52	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	102.45	2.75	N	N
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.35	1.86	N	OW
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	101.60	2.35	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	102.85	2.19	N	OW
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.70	2.36	N	OW
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	102.40	2.45	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	104.90	2.93	N	N
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	103.00	2.26	N	N
Starhill Global REIT	N (4)	SGREIT 3.15 '25	5/6/2025	102.78	2.53	N	UW
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	100.80	2.99	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.88	1.98	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	101.24	2.19	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	102.50	2.43	OW	OW
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	100.81	2.56	OW	OW
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.10	3.09	OW	OW
Suntec REIT	N (4)	SUNSP 2.95 '27	5/2/2027	98.10	3.28	OW	OW

Indicative prices from Bloomberg as of 3 September 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	101.50	2.10	N	UW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	100.75	2.41	OW	N
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	102.50	3.38	OW	OW
Lendlease Group	N (3)	LLCAU 3.9 '27	27/4/2027	98.50	4.16	OW	OW
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	104.99	3.56	N	OW
Olam International Ltd	N (5)	OLAMSP 4 '26	29/11/2024	99.80	4.04	N	
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	103.95	3.66	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 3.5 '30	29/1/2030	98.25	3.72	UW	UW
Singapore Airlines	N (5)	SIASP 3.145 '21	8/4/2021	100.82	1.77	UW	UW
Singapore Airlines	N (5)	SIASP 3.16 '23	25/10/2023	101.60	2.62	UW	N
Singapore Airlines	N (5)	SIASP 3.03 '24	28/3/2024	100.99	2.74	UW	UW
Singapore Airlines	N (5)	SIASP 3.75 '24	8/4/2024	103.09	2.84	UW	UW
Singapore Airlines	N (5)	SIASP 3.035 '25	11/4/2025	100.00	3.03	UW	N
Singapore Airlines	N (5)	SIASP 3.13 '26	17/11/2026	99.60	3.20	UW	N
Singapore Airlines	N (5)	SIASP 3.13 '27	23/8/2027	99.30	3.24	UW	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.75	0.96	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.895 '23	3/7/2023	103.24	1.57	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	102.30	1.92	OW	N
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	103.70	2.85	OW	OW
CMA CGM (Parent of Neptune Orient Lines)	Neg (6)	NOLSP 4.4 '21	22/6/2021	94.05	12.93	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.50	2.09	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	101.97	2.58	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.28	2.35	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	101.75	2.50	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	101.01	2.82	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	103.43	3.20	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	101.91	3.80	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	101.20	1.96	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/5/2024	104.45	2.39	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/8/2025	107.82	2.57	N	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	104.85	2.74	OW	OW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	105.40	2.67	N	N

Indicative prices from Bloomberg as of 3 September 2020

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
Ascott Residence Trust	N (5)	ARTSP 3.07 'PERP	30/6/2020	95.50	4.11	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.88 'PERP	4/9/2024	99.90	3.91	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	102.00	3.13	UW	UW
Frasers Hospitality Trust	N (5)	FHREIT 4.45 'PERP	12/5/2021	98.00	7.57	UW	N
Frasers Property Ltd	N (5)	FPLSP 3.95 'PERP	5/10/2022	92.75	7.77	UW	UW
Frasers Property Ltd	N (5)	FPLSP 4.38 'PERP	17/1/2023	94.00	5.37	N	N
Frasers Property Ltd	N (5)	FPLSP 4.98 'PERP	11/4/2024	99.25	5.21	OW	OW
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	99.70	4.67	N	N
Hotel Properties Ltd	N (5)	HPLSP 4.65 'PERP	5/5/2022	96.25	7.05	UW	UW
Hotel Properties Ltd	N (5)	HPLSP 4.4 'PERP	22/10/2024	100.00	4.40	UW	UW
Keppel Infrastructure Trust	N (4)	KITSP 4.75 'PERP	12/6/2029	101.10	4.59	OW	OW
Keppel REIT	N (4)	KREITS 4.98 'PERP	2/11/2020	98.38	14.68	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	89.08	19.60	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	81.49	16.61	N	N
Mapletree Logistics Trust	N (3)	MLTSP 4.18 'PERP	25/11/2021	101.30	3.10	N	UW
Mapletree Logistics Trust	N (3)	MLTSP 3.65 'PERP	28/3/2023	100.48	3.45	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	102.25	4.21	UW	N
Singapore Post Ltd	N (3)	SPOST 4.25 'PERP	2/3/2022	103.25	2.04	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	101.25	3.22	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	96.00	6.44	UW	UW
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	2.73	OW	N
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	102.10	2.36	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	100.60	3.61	UW	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	100.50	2.26	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	104.75	2.87	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	100.50	2.65	N	N
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	100.50	3.84	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	97.25	6.86	N	
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	92.00	7.17	N	
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/4/2026	100.20	3.76	OW	N
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	101.20	5.26	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	105.20	1.56	UW	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	105.65	2.76	N	N
HSBC Holdings PLC	N (3)	HSBC 4.7 'PERP	8/6/2022	99.20	5.17	N	N
HSBC Holdings PLC	N (3)	HSBC 5 'PERP	24/9/2023	98.85	5.40	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	99.85	6.40	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.45	3.54	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	97.00	5.60	OW	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	104.20	2.53	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	100.25	3.97	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	100.90	5.84	N	N
Standard Chartered PLC	N (4)	STANLN 4.4 '26	23/1/2021	101.15	1.37	UW	UW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	101.05	5.08	N	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	103.10	4.82	N	N
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	100.50	4.71	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.70	1.56	N	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	105.16	1.96	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	104.05	2.82	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	103.20	2.30	N	N
* Issuer/Branch profile ratings are equal to parent issuer profile ratings							

Upgrades
Downgrades
New / Resume Coverage
Black List / Suspended

Indicative prices from Bloomberg as of 3 September 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 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.

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, CapitaMall Trust and Ascott Residence Trust.

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