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## Monthly Credit View

### Monthly Themes

- A seemingly perfect confluence of drivers drove US Credit last month with high grade bond spreads grinding tighter throughout May on lower long-lasting inflation concerns and positive developments on vaccinations and the reopening of the US economy. US high grade bond spreads fell to their lowest in 14 years according to Bloomberg prompting almost USD140bn in sales as funding costs remain low with minimal new issue concessions. The end of the month also saw renewed buying interest in longer duration with AstraZeneca PLC's 10-year and 30-year tranches priced through guidance as the USD7.0bn six-part debt offering was met with strong investor demand as the orderbook was oversubscribed by more than ~4x during the peak. Dynamics also influenced US high yield along with widening in yields with the busiest May on record in terms of issuance and CCC rated debt outperforming BB and B rated issuers on a relative basis. Despite a slow-down in high-yield Issuance volumes towards the end of the month, USD47.0bn was priced, up from USD43.8bn in the previous year. Year-to-date supply stood at USD277.8bn versus USD150.8bn in the same period a year earlier.
- Drivers in the Asiadollar space were not so much technicals as they were idiosyncratic fundamental developments. Despite meeting its maturities, issues surrounding China Huarong Asset Management Co, Ltd ("Huarong") remain unresolved while challenging pandemic developments hit bonds from Indian issuers. Only one Indian issuer by location of risk has priced bonds in the past 2 months with JSW Hydro Energy Ltd's USD707mn 4.125% green 10NC5 deal starting off below par before recovering to yield ~3.93% as at time of writing. To combat the pandemic's effects, India extended its emergency loan-guarantee program for small and medium businesses until 30 September or until total guarantees worth INR3tr are offered. Overall, the lingering concerns surrounding Huarong led to pockets of issuance by non-Chinese issuers including Khazanah Nasional's two-tranche sukuk deal through SPV Dua Capital Ltd with a USD400mn 5-year senior unsecured bond at T+85bps (1.658% all in yield), tightening from IPT of T+125bps area, and a USD600mn 10-year senior unsecured bond at T+120bps (2.78% all in yield), tightening from IPT of T+150bps area. The deal was 5.3x covered and was Khazanah Nasional's first USD issue since 2016. Korean issuers were prominent with Kookmin Bank, a known sustainability bond issuer out of South Korea, pricing USD500mn of 5-year sustainability bonds, KB Kookmin Card Co Ltd pricing a USD300mn 5-year sustainability bond at T+72.5bps (tightening from IPT of T+110bps area) and Incheon Airport pricing its debut green bonds in a well-received deal that was a rare public bond deal from Incheon Airport. Indonesian issuers also continued to find favour in the Asiadollar space with Golden Energy & Resources Ltd USD285mn 5NC3 senior unsecured bond at 8.875%, tightening from IPT of 9% area and PT Sarana Multi Infrastruktur Persero USD300mn 5-year senior unsecured bond at 2.05%, tightening from IPT of 2.4% area. Asiadollar HY looks to end on a softer note although could be likely unchanged m/m with China Evergrande Group bonds under pressure after news that Chinese regulators are looking into dealings between it and Shengjing Bank that owns its bonds. This put wider pressure on the China property high yield complex. Asiadollar high grade though is finishing firmer on the flow on from global credit sentiments as well as news that Huarong has wired USD978mn for bond repayment.
- Activity in the SGD space in May was the highest for the year with SGD3.3bn priced while issuance was dispersed by issuers. Key deals included National University of Singapore's SGD300mn 10-year senior unsecured green bond at 1.62% and Changi Airport Group (Singapore) Pte. Ltd. ("CAG") debut SGD500mn 10-year senior unsecured bond at 1.88%. CAG is an unlisted entity wholly owned by the Singapore Government, through the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act (Chapter 183 of Singapore). CAG operates Changi Airport and has

been granted subleases of various lands, buildings and other property comprising Changi Airport for the period from 1 July 2009 to 31 March 2042. CAG owns a 51%-stake in the retail mall, Jewel Changi Airport ("Jewel") and a 51%-stake in Concessionaria Aeroporto Rio de Janeiro S.A. which operates the Tom Jobin International Airport in Rio de Janeiro, Brazil. Issuance was also filled with maiden perpetual issuances by Mapletree Industrial Trust (SGD300mn PerpNC5 at 3.15%), Lendlease Global Commercial REIT (SGD200mn PerpNC5 at 4.2%) and Mapletree North Asia Commercial Trust (SGD250mn PerpNC5 at 3.5%). This was all despite the announcement of tighter measures through Phase 2 (Heightened Alert) that will run from 16<sup>th</sup> May to 13<sup>th</sup> June. Amid the new rules, Enterprise Singapore reintroduced two booster packages to help F&B and retail businesses to defray operational costs and enter the online market while REITs said that they will offer affected retailers help in the form of rental and operating assistance. The Ministry of Finance also announced that half a month of rental relief will be given directly to small and medium-sized enterprises ("SME") as well as non-profit organisations with an annual revenue of not more than SGD100mn that are tenants of privately-owned commercial properties.

- On the corporate actions front, [Singapore Press Holdings Ltd \("SPH"\) announced that it will restructure its media business](#) that will see its loss-making Media segment transferred from the group to a not-for-profit entity while [Sembcorp Industries Ltd](#) announced its plan to transform its portfolio such that sustainable solutions will contribute 70% of net profits by 2025 (up from 40% of net profits (excluding corporate costs and exceptional items) in 2020) while [Singapore Telecommunications Ltd](#) ("SingTel", Issuer Profile: Positive (2)) and [Singapore Airlines Ltd](#) ("SIA", Issuer Profile: Neutral (5)) announced results including information on addressing current operating challenges through a possible restructure of its product or business segments through divestment or business combination for SingTel and the exercising of the option to raise a further SGD6.2bn in mandatory convertible bonds for SIA.
- May continued to be constructive in credit markets however a chorus is developing that is raising concerns that current trends are poised to unwind. Credit could be approaching a tipping point as valuations get stretched further while the direction of inflation expectations and pandemic developments have somewhat less conviction. Although market liquidity remains flush, we think investors should remain defensive as this uncertainty persists.

#### Issuer Profile Changes / Updates:

- On 27 May 2021, Sembcorp Industries Ltd ("SCI", Issuer profile: Neutral (4)) unveiled its plans to transform its portfolio from brown to green. This came on the back of the launch of its green financing framework where green financing will be a main way for the company to finance its transformation plan. Whilst SCI has entered the renewable energy business in the past few years (focusing on wind and solar) and has built up a presence in India, Singapore and China, conventional energy is still an important contributor to SCI. We maintain SCI's issuer profile at Neutral (4).
- 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: **Hotel Properties Limited, Keppel Infrastructure Trust, Mapletree Industrial Trust, Mapletree Investments Pte Ltd, Mapletree North Asia Commercial Trust.**
- Please note that due to the completion of OCBC's engagement in other business activities, we have resumed our coverage on the following names: **Nil.**
- We have ceased coverage on China Aoyuan Group Limited given that the sole SGD bond CAPG 7.15% '21s has been called.

### Trade Ideas

- **GUOLSP 4.6% PERP:** With the Singapore residential property market firmer, this should help GuocoLand Ltd move the rest of the unsold units. Despite the pandemic, GUOL remains profitable. Cash of SGD998.3mn exceeds short-term borrowings of SGD777.2mn. We like GUOLSP 4.6% PERP for providing a decent yield and a short call date.
- **STSP 3.3% PERP:** Singapore Telecommunications Ltd ("SingTel")'s results remain lacklustre with reported EBITDA falling 15.6% y/y. While credit metrics still looks healthy despite the fall in profitability, SingTel is looking into recycling more assets and is looking into unlocking value from its portfolio. We are cautious if SingTel spins off or disposes key assets as a result as this would be a negative for bondholders. At 3.01% YTC, we prefer other perpetuals yielding higher for a shorter call date.
- **KEPSP 3.66% '29s and KEPSP 4% 42c32:** We are overweight the KEPSP 3.66% '29s and KEPSP 4% 42c32 which are trading at a YTM of 2.56% and YTC of 3.38% respectively. Both provides a decent yield pick-up versus the recently priced SCISP 2.45% '31s which is trading at YTM of 2.41%. While we see Keppel Corporation Ltd ("KEP", Issuer profile: Neutral (5))'s credit profile as somewhat weaker than Sembcorp Industries Ltd ("SCI", Issuer profile: Neutral (4)), both are similarly undergoing transformations into companies with sustainability solutions at the core of their business models.

### Model Portfolio

- **Portfolio performance (+0.53% m/m):** Performance was decent for the month of May (+0.53% m/m), with several AT1s being the strongest contributors including SOCGEN 6.125% PERP, CS 5.675% PERP and STANLN 5.375% PERP. We think this is driven by a strong desire to seek yield from subordinated papers of decent names. However, the same spread compression was not seen in the corporate perpetuals because of a deluge of supply recently, which was the same reason pushing our position in ESRCAR 5.65% PERP to a loss.
- **At inflection point, no change to portfolio:** We think that the model portfolio has done well in 5M2021 delivering total returns of ~3.05%. Bearing in mind the frictional cost of bid-ask spread to the portfolio, we make no change to the portfolio this month. As we draw near our Mid-Year 2021 outlook, we will be reassessing if our overweight selection on perpetuals, which has delivered strong performance, would continue to outperform.

Issue Name	OCBC Issuer Profile Rating	Yield to Worst	Maturity / First Call Date	Cost of investment (incl. acc. interest)	Current Value (incl. acc. interest)	Total coupons received	Total Gain/Loss
<b>Property Developers</b>							
WINGTA 3.68 01/16/30	4	3.27%	16/01/2030	\$256,613	\$259,749	\$4,638	\$7,774
METRO 4.3 04/02/24	4	3.30%	02/04/2024	\$254,397	\$257,979	\$5,390	\$8,971
FPLSP 4.98 PERP	5	3.89%	11/04/2024	\$260,003	\$258,820	\$6,225	\$5,043
OHLSP 5.7 01/31/22	6	7.42%	31/01/2022	\$234,590	\$251,382	\$7,184	\$23,976
WINGTP 4.35 PERP	4	3.84%	24/08/2021	\$247,548	\$252,609	\$4,464	\$9,525
GUOLSP 4.6 PERP	5	3.49%	23/01/2023	\$253,989	\$258,345		\$4,355
<b>REITs</b>							
ALLTSP 5 1/2 PERP	4	2.77%	01/02/2023	\$260,822	\$263,272	\$6,875	\$9,325
AAREIT 5.65 PERP	4	4.36%	14/08/2025	\$258,838	\$265,509		\$6,671
SUNSP 3.8 PERP	4	3.89%	27/10/2025	\$253,046	\$249,455	\$4,750	\$1,158
<b>Financial Institutions</b>							

CMZB 4 7/8 03/01/27	4	2.90%	01/03/2027	\$256,551	\$256,315	\$6,094	\$5,858
UBS 5 7/8 PERP	3	3.48%	28/11/2023	\$265,397	\$263,754	\$7,344	\$5,701
SOCGEN 6 1/8 PERP	4	3.71%	16/04/2024	\$264,948	\$267,380	\$7,656	\$10,089
CS 5 5/8 PERP	4	4.31%	06/06/2024	\$264,341	\$257,871	\$7,031	\$561
STANLN 5 3/8 PERP	4	3.41%	03/10/2024	\$262,020	\$266,039	\$6,719	\$10,738

### Others

KITSP 4 3/4 PERP	4	4.06%	12/06/2029	\$261,346	\$266,944		\$5,598
OLAMSP 4 02/24/26	5	4.13%	24/02/2026	\$253,341	\$251,116	\$5,041	\$2,816
OLAMSP 5 3/8 PERP	5	5.24%	18/07/2026	\$255,125	\$256,343		\$1,218
ESRCAY 5.65 PERP	Unrated	5.64%	02/03/2026	\$255,577	\$253,533		-\$2,044
ARASP 5.2 PERP	Unrated	4.33%	19/07/2022	\$255,839	\$256,846		\$1,007

Total Gain/Loss m/m

\$0

Total Gain/Loss since portfolio inception

\$152,483

Statistics	Simple Avg, Issuer Profile	Simple Avg, Yield	Simple Avg, Tenor	Total, Invested Amount	Cash Balance	Unrealised Profit	Portfolio Value
	4.3	4.08%	3.6Y (8.5Y*)	\$4,874,331	\$239,224	\$38,928	\$5,152,483

\*Assuming maturity of perpetuals = 10Y

### Upcoming Bond Maturities – June 2021

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
BPCE SA	BPCEGP	130	03/06/2021*
FCT MTN Pte Ltd	FCTSP	50	21/06/2021
Mapletree Treasury Services Ltd	MAPLSP	200	21/06/2021

Source: OCBC Credit Research, Bloomberg

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- Sembcorp Industries Ltd: New Issue View (02 June 2021)
- ARA LOGOS Logistics Trust: Credit Update (19 May 2021)
- Keppel Corporation Ltd: Credit Update (4 May 2021)
- Suntec REIT: Credit Update (28 April 2021)
- China Huarong Asset Management Co., Ltd: Special Interest Commentary (15 April 2021)
- Ascendas REIT: Credit Update (12 April 2021)
- Landesbank Baden-Württemberg: Credit Update (1 April 2021)
- SPH REIT: SGD Credit Initiation (1 April 2021)
- Credit Suisse Group AG: Credit Update (31 March 2021)
- Singapore Capital Markets Update: Special Interest Commentary (30 March 2021)
- Perpetual Series 7: Special Interest Commentary (25 March 2021)
- Capitaland Ltd and its Sponsored REITs: Credit Update (23 March 2021)
- Hongkong Land Holdings Ltd: Credit Update (15 March 2021)
- City Developments Ltd: New Issue View (12 March 2021)
- Olam International Ltd: Credit Update (11 March 2021)
- HSBC Holdings Plc: Credit Update (11 March 2021)
- Sembcorp Industries Ltd: Credit Update (9 March 2021)
- Standard Chartered Plc: Credit Update (5 March 2021)
- United Overseas Bank Ltd: Credit Update (4 March 2021)
- ESR Cayman Ltd: New Issue View (23 February 2021)
- Frasers Property Ltd: Credit Update (17 February 2021)
- DBS Group Holdings Limited: Credit Update (11 February 2021)
- Capitaland China Trust: Credit Update (11 February 2021)
- Ascott Residence Trust: Credit Update (10 February 2021)
- BNP Paribas SA: Credit Update (10 February 2021)
- Julius Baer Group Ltd: Credit Update (4 February 2021)
- Keppel Infrastructure Trust: Credit Update (3 February 2021)
- Capitaland Integrated Commercial Trust: Credit Update (2 February 2021)
- UBS Group AG: Credit Update (1 February 2021)
- Singapore Airlines Limited: Recent Issue View (15 January 2021)
- Olam International Limited: Recent Issue View (14 January 2021)
- Singapore Airlines Limited: New Issue View (13 January 2021)
- Olam International Limited: New Issue View (11 January 2021)
- Singapore Credit Outlook 2021 (4 January 2021)

### Links to other OCBC Resources and OCBC Insights Podcast

Media	Link
OCBC Bank Website	<a href="http://www.ocbc.com">www.ocbc.com</a>
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Twitter	<a href="https://twitter.com/OCBCBank">twitter.com/OCBCBank</a>
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Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
<b>China/HK property</b>							
Hongkong Land Holdings Ltd	Pos (2)	HKLSP 3.45 '39	3/12/2039	104.51	3.13	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.00	1.45	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	102.66	3.31	OW	OW
<b>Wing Tai Properties Ltd</b>	<b>N (4)</b>	<b>WINGTP 4.25 '22</b>	<b>29/11/2022</b>	<b>103.43</b>	<b>1.92</b>	<b>N</b>	<b>UW</b>
<b>Singapore property developers</b>							
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	107.72	1.36	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	105.62	2.13	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	105.46	2.42	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 2.9 '32	21/9/2032	100.54	2.84	UW	UW
City Developments Ltd	N (4)	CITSP 3.75 '22	6/7/2022	102.90	1.09	UW	UW
City Developments Ltd	N (4)	CITSP 3.48 '23	3/4/2023	103.85	1.35	UW	UW
City Developments Ltd	N (4)	CITSP 3 '24	17/1/2024	102.42	2.05	N	N
City Developments Ltd	N (4)	CITSP 3.9 '24	21/3/2024	105.06	2.04	N	N
City Developments Ltd	N (4)	CITSP 3.78 '24	21/10/2024	104.90	2.27	N	N
City Developments Ltd	N (4)	CITSP 2.7 '25	23/1/2025	101.52	2.26	UW	UW
City Developments Ltd	N (4)	CITSP 2.3 '25	21/5/2025	99.38	2.46	N	N
City Developments Ltd	N (4)	CITSP 2.3 '26	23/3/2026	100.59	2.17	UW	UW
City Developments Ltd	N (4)	CITSP 3.48 '26	15/6/2026	105.53	2.31	UW	UW
City Developments Ltd	N (4)	CITSP 2 '26	16/6/2026	98.61	2.29	UW	UW
Frasers Property Ltd	N (5)	FPLSP 3.65 '22	22/5/2021	100.98	1.94	N	N
Frasers Property Ltd	N (5)	FPLSP 4.25 '26	21/4/2026	105.53	3.02	N	N
Frasers Property Ltd	N (5)	FPLSP 4.15 '27	23/2/2027	105.02	3.18	N	N
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	102.28	0.59	UW	UW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	103.26	1.90	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.4 '25	10/8/2025	103.30	2.57	N	N
Hong Fok Corp Ltd	N (5)	HFCSP 4.2 '22	28/3/2022	100.98	3.00	OW	OW
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	101.40	2.13	UW	UW
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	101.75	2.62	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/1/2022	99.00	7.37	OW	OW
Oxley Holdings Ltd	Neg (6)	OHLSP 6.5 '23	28/2/2023	98.60	7.36	OW	OW
<b>Wing Tai Holdings Ltd</b>	<b>N (4)</b>	<b>WINGTA 4.5 '22</b>	<b>26/9/2022</b>	<b>103.95</b>	<b>1.47</b>	<b>N</b>	<b>UW</b>
<b>Wing Tai Holdings Ltd</b>	<b>N (4)</b>	<b>WINGTA 4.25 '23</b>	<b>15/3/2023</b>	<b>104.42</b>	<b>1.73</b>	<b>N</b>	<b>UW</b>
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	106.76	2.15	N	N
<b>Wing Tai Holdings Ltd</b>	<b>N (4)</b>	<b>WINGTA 3.68 '30</b>	<b>16/1/2025</b>	<b>102.82</b>	<b>3.27</b>	<b>OW</b>	<b>N</b>

Indicative prices from Bloomberg as of 3 June 2021

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
REITS							
AIMS APAC REIT	N (4)	AAREIT 3.6 '22	22/3/2022	101.71	1.44	OW	OW
AIMS APAC REIT	N (4)	AAREIT 3.6 '24	12/11/2024	102.09	2.96	OW	OW
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	102.28	0.60	N	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	102.50	0.69	N	UW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	103.54	0.83	N	UW
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	106.98	1.23	N	UW
Ascendas REIT	N (3)	AREIT 2.65 '30	26/8/2030	105.10	2.04	UW	UW
Ascott Residence Trust	N (5)	ARTSP 4.205 '22	23/11/2022	104.69	0.99	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.523 '23	9/11/2023	104.81	1.50	UW	UW
Ascott Residence Trust	N (5)	ARTSP 4 '24	22/3/2024	107.12	1.40	UW	UW
CapitaLand Integrated Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	102.44	0.51	UW	UW
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 2.8 '23	13/3/2023	103.55	0.78	UW	UW
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.2115 '23	9/11/2023	105.41	0.96	N	N
CapitaLand Integrated Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	105.65	1.08	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.48 '24	6/8/2024	107.15	1.18	N	N
CapitaLand Integrated Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	107.14	1.39	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.2 '25	21/8/2025	107.39	1.39	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.15 '26	11/2/2026	107.37	1.52	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.5 '26	25/2/2026	108.98	1.53	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 2.88 '27	10/11/2027	105.97	1.89	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 3.35 '31	7/7/2031	109.40	2.30	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 2.15 '32	7/12/2032	100.40	2.11	N	N
CapitaLand Integrated Commercial Trust	N (3)	CAPITA 2.1 '28	8/3/2028	100.76	1.98	N	N
CapitaLand Retail China Trust	N (4)	CRCTSP 3.25 '22	4/7/2022	102.55	0.89	N	N
Frasers Centrepoint Trust	N (4)	FCTSP 3.2 '23	11/5/2023	104.41	0.90	N	N
Frasers Centrepoint Trust	N (4)	FCTSP 2.77 '24	8/11/2024	103.51	1.71	OW	OW
Frasers Hospitality Trust	N (5)	FHREIT 2.63 '22	6/7/2022	101.30	1.43	UW	UW
Frasers Hospitality Trust	N (5)	FHREIT 3.08 '24	8/11/2024	102.05	2.45	UW	UW
Keppel REIT	N (4)	KREITS 3.275 '24	8/4/2024	103.45	2.02	OW	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	103.81	0.95	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	106.38	1.30	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	106.82	1.74	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	106.24	1.98	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	106.50	2.21	N	N
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	104.42	1.13	N	N
Starhill Global REIT	N (4)	SGREIT 3.15 '25	5/6/2025	105.86	1.63	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	105.78	1.99	N	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	101.31	1.35	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	103.02	1.80	N	N
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	102.10	1.85	N	N
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	103.46	2.37	N	N
Suntec REIT	N (4)	SUNSP 2.6 '25	27/5/2025	99.60	2.71	N	N
Suntec REIT	N (4)	SUNSP 2.95 '27	5/2/2027	100.70	2.82	N	N

Indicative prices from Bloomberg as of 3 June 2021



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	101.70	0.98	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	102.10	1.08	UW	UW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	107.46	2.43	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.58	0.88	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	102.58	0.88	UW	UW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	105.77	1.36	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	104.42	1.45	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	104.49	2.10	N	N
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	107.86	2.56	OW	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	105.80	3.38	OW	OW
Lendlease Group	N (3)	LLCAU 3.9 '27	27/4/2027	106.61	2.68	N	N
Olam International Ltd	N (5)	OLAMSP 6 '22	25/10/2022	104.96	2.36	N	N
Olam International Ltd	N (5)	OLAMSP 4 '26	24/2/2026	99.44	4.13	OW	OW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/5/2024	106.59	1.38	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/8/2025	110.42	1.69	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	108.46	1.96	N	N
Sembcorp Industries Ltd	N (4)	SCISP 2.45 '31	9/6/2031	100.11	2.44	UW	
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	107.75	2.64	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 3.5 '30	29/1/2030	99.80	3.53	OW	OW
Singapore Airlines	N (5)	SIASP 3.16 '23	25/10/2023	103.58	1.63	N	N
Singapore Airlines	N (5)	SIASP 3.03 '24	28/3/2024	103.99	1.58	UW	UW
Singapore Airlines	N (5)	SIASP 3.75 '24	8/4/2024	105.89	1.63	UW	UW
Singapore Airlines	N (5)	SIASP 3.035 '25	11/4/2025	104.77	1.75	UW	N
Singapore Airlines	N (5)	SIASP 3.13 '26	17/11/2026	104.79	2.19	N	N
Singapore Airlines	N (5)	SIASP 3.13 '27	23/8/2027	104.00	2.43	N	UW
Singapore Airlines	N (5)	SIASP 3.5 '30	2/12/2030	102.29	3.22	OW	OW
Singapore Post Ltd	N (3)	SPOST 2.53 '30	19/11/2030	103.37	2.13	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.895 '23	3/7/2023	103.59	0.84	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	102.81	0.88	UW	UW
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	107.97	1.88	UW	UW
StarHub Ltd	N (3)	STHSP 2.48 '31	8/1/2031	100.01	2.48	UW	UW
Financial Institutions - Senior Issues							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 4 '25	12/2/2025	109.60	1.32	N	N
China Construction Bank	N (3)	CCB 1.073 '23	25/9/2023	100.20	0.99	N	N

Indicative prices from Bloomberg as of 3 June 2021



Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
AIMS APAC REIT	N (4)	AAREIT 5.65 'PERP	14/8/2025	104.92	4.36	OW	OW
ARA Logos Logistics Trust	N (4)	ALLTSP 5.5 'PERP	1/2/2023	103.09	3.57	N	UW
Ascendas REIT	N (3)	AREIT 3 'PERP	17/9/2025	101.30	2.67	OW	N
Ascott Residence Trust	N (5)	ARTSP 3.07 'PERP	30/12/2021	98.85	3.37	N	N
Ascott Residence Trust	N (5)	ARTSP 3.88 'PERP	4/9/2024	100.89	3.59	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	102.96	2.73	UW	UW
CapitaLand Retail China Trust	N (4)	CRCTSP 3.375 'PERP	27/10/2025	98.60	3.72	N	N
First REIT	Neg (7)	FIRTSP 5.68 'PERP	8/7/2021	63.53	8.84	N	N
Frasers Property Ltd	N (5)	FPLSP 3.95 'PERP	5/10/2022	97.11	3.94	UW	UW
Frasers Property Ltd	N (5)	FPLSP 4.38 'PERP	17/1/2023	100.17	4.28	N	N
Frasers Property Ltd	N (5)	FPLSP 4.98 'PERP	11/4/2024	102.91	3.89	N	N
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	101.86	3.44	OW	OW
Keppel REIT	N (4)	KREITS 3.15 'PERP	11/9/2025	98.53	3.52	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	83.09	8.42	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	82.77	7.83	N	N
Mapletree Logistics Trust	N (3)	MLTSP 3.65 'PERP	28/3/2023	101.25	2.93	OW	OW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	103.12	2.65	UW	OW
Olam International Ltd	N (5)	OLAMSP 5.375 'PERP	18/7/2026	100.77	5.21	N	N
Singapore Post Ltd	N (3)	SPOST 4.25 'PERP	2/3/2022	102.30	1.13	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 3.3 'PERP	14/7/2031	102.53	3.01	UW	UW
SPH REIT	N (4)	SPHRSP 4.1 'PERP	30/8/2024	101.76	3.52	N	N
Starhill Global REIT	N (4)	SGREIT 3.85 'PERP	15/12/2025	99.46	3.98	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	101.63	2.38	N	N
Suntec REIT	N (4)	SUNSP 3.8 'PERP	27/10/2025	99.51	3.92	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	100.72	3.42	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	102.08	3.73	N	N
Wing Tai Properties Ltd	N (4)	WINGTP 4.35 'PERP	24/8/2021	100.03	4.27	OW	OW

Indicative prices from Bloomberg as of 3 June 2021

Issuer	Issuer Profile	Issue	Maturity	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Financial Institutions - Capital Instruments							
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	102.20	1.00	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	105.25	2.36	N	UW
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	107.15	1.57	N	N
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	101.65	2.62	OW	OW
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	102.10	3.23	OW	OW
Credit Agricole AG	N (3)	ACAF 3.8 '31	30/4/2026	109.15	1.84	N	N
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	103.95	4.22	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	104.65	0.93	N	N
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	108.30	1.94	N	OW
HSBC Holdings PLC	N (3)	HSBC 4.7 'PERP	8/6/2022	102.35	2.37	OW	OW
HSBC Holdings PLC	N (3)	HSBC 5 'PERP	24/9/2023	105.00	2.74	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.70	1.51	N	N
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	100.75	2.96	OW	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	105.97	1.06	N	N
Societe Generale SA	N (4)	SOCGEN 6.125 'PERP	16/4/2024	106.50	3.71	OW	OW
Standard Chartered PLC	N (4)	STANLN 5.375 'PERP	3/10/2024	106.65	3.25	OW	OW
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	106.90	2.97	OW	OW
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	105.20	3.15	OW	OW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	106.50	1.09	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	107.50	2.03	N	N
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	104.05	0.61	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 3 June 2021

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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.

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