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Monthly Credit View

Monthly Themes

- September brought an injection of debt issuance in the US after the Labor Day Holiday with US corporate investment grade issuance rising to a record ~USD162.7bn for the month on the back of strong demand for high-grade paper. This was despite rising risk-off sentiment and lingering market uncertainty as issuers looked to take advantage of cheap funding before election related market volatility takes hold in October and before developments surrounding COVID-19 possibly escalate. Additionally, the absence of more explicit dovish cues at the FOMC meeting weighed on markets. Interestingly, there was a surge of supply from Baa3/BBB- issuers who were taking advantage of a wide-open market for corporate debt. Nissan Motor Co. Ltd issued a 4-part USD8bn issue across 3yr, 5yr, 7yr and 10yr tenors which received around USD22bn in orders and offered new issuance concessions of 25-37.5 basis points according to Bloomberg. These were necessary for Nissan Motor Co. Ltd's first USD issue in over 20 years given expected operating losses for FY2021 ending March which has necessitated job and capacity cuts to reduce costs. In addition, Delta Air Lines Inc ("Delta") / SkyMiles IP Ltd, which priced USD6bn in 2 tranches with the 5-year and 8-year at 4.5% and 4.75% respectively. Secured by Delta's frequent-flier programme, the prospective payout of Delta's new issues attracted strong demand from investors with an orderbook oversubscribed by 3x. Together with another USD3bn 7-year loan, Delta's debt transaction was the largest ever deal for a commercial carrier. After a tech-fueled selloff earlier this month and heightened US-China tensions, high yield bonds saw the biggest weekly loss since April as weaker credits bore the brunt of negative developments with September's issuance of USD48.0bn down 10% compared to August although year to date issuance still remains 48.9% up compared to the same period last year. M/m, the Bloomberg Barclays US Corporate High Yield Average OAS widened 53bps to 528bps while the spreads of IG issuances only widened 8bps m/m due to supply pressure. During the month, the US Bankruptcy Court approved Neiman Marcus Group Inc.'s reorganization plan that will hand ownership to creditors in return for eliminating more than USD4bn of the company's USD5.5bn debt. This marks one of the biggest-name retail collapses since COVID-19 with the luxury department store chain filing for bankruptcy protection in May.
- The Asia dollar market also saw a busy month with issuance reaching ~USD43bn in September, almost double that of August and anchored by a string of China issuers as China's outperforming August economic data lifted investor sentiment despite heightened Sino-US tensions. Financial Institutions were also key contributors to issuance volumes indicating both solid demand for high quality names and also perhaps the rising need for capital buffers to meet challenging operating conditions ahead. Key issuers included Industrial & Commercial Bank of China Ltd which as a group raised USD4.7bn and United Overseas Bank Ltd's USD600mn 10.5NC5.5 year Tier 2 issue that received USD4.25bn in orders. Crossing multiple current and post COVID-19 themes including preference for investment grade names, China's economic recovery, interest in tech names and the rising importance of renewable energy was Contemporary Amperex Technology Co. Ltd.'s ("CATL") first bond issue. CATL is a Chinese and global leader in rechargeable battery production for electric vehicles and a key supplier for global automakers such as BMW AG and Volkswagen AG and recently entered into an agreement to supply batteries to Tesla, Inc. Its USD1.5bn 2 tranche deal received USD13.5bn in orders with its USD1bn 5 year tranche receiving USD7.2bn of orders (including USD2.4bn in joint lead manager interest) while the USD500mn 10 year tranche received USD6.3bn of orders (including USD1.4bn in joint lead manager interest). In particular, interest was solid and higher than normal from investors in Europe, the Middle East and Africa with proceeds to be used for CATL's international expansion including a production base in Germany and a new overseas upstream investment. On the

fundamental front and in a case that is testing the market for bonds issued under keepwell structures, the bankruptcy administrator of [Peking University Founder Group rejected the recognition of keepwell deed](#) and deed of equity interest purchase undertaking for five USD bonds. Additionally, China Evergrande Group (“Evergrande”) shook investors with a crisis of confidence by creditors in the company following reports that Evergrande was seeking the Guangdong government’s support amidst a liquidity crunch. While issues at Evergrande appear to be idiosyncratic (e.g. pertaining to its ability to pull off IPO and refinance), the selloff was systematic for a period in the HY space and were no doubt influenced by Chinese regulators studying the [“three red-lines” policy](#) in the China property space, in which the ability of developers to take on additional debt will be subject to whether certain credit-related triggers have been breached. September ended with [Temasek Holdings Pte Ltd pricing USD2.75bn](#) across three-tranches, including the longest dated issue from a Singapore-based issuer (TEMASE 2.5% ‘70s). The orderbook was USD5.0bn (1.8x covered).

- After a relatively quiet primary market in August, September saw significantly higher issuance, with SGD3.1bn of deals printed, although this was driven by a SGD800mn 5 year paper from the Housing Development Board, priced at a low of 0.69% and a bumper [SGD800mn printed by CapitaLand Ltd](#) (“CAPL”, Issuer profile: Neutral (3)) in a 12 year bullet, its longest dated bond on issuance, while Ascendas REIT (“AREIT”, Issuer profile: Neutral (3)) priced the [first green perpetual in the SGD-bond market](#), following AREIT’s first green bond in August. Deals were concentrated on high grade issuers, with only one true high yield issue from first time issuer Logos Property Group (“Logos”). Australia-based Logos is a partly owned subsidiary of ARA Asset Management Limited. September was also a busy month for REITs, with major acquisitions announced by Frasers Commercial Trust, [Lippo Mall Indonesian Retail Trust](#) (“LMRT”, Issuer profile: Negative (6)) and [Mapletree Industrial Trust](#) (“MINT”, Issuer profile: Neutral (3)) while [CapitaLand China Retail Trust](#) (“CRCT”, Issuer profile: Neutral (4)) announced a change in its investment mandate to expand into new property types and geographies. Capping this was the forming of mega-REIT CapitaLand Integrated Commercial Trust (“CICIT”, Issuer profile: Neutral (3)), following unitholder approvals. Singapore, whose capital markets lags broader sustainability efforts, saw further inroads made in September, with CAPL announcing the launch of its 2030 Sustainability Master Plan while [Keppel Corporation Ltd](#) (“KEP”, Issuer profile: Neutral (4)) reaffirmed its Vision 2030 plan putting sustainability as its core business. Reportedly, the Monetary Authority of Singapore (“MAS”) and banks are in discussions on extending Singapore’s debt moratorium beyond 31 December 2020 for certain borrowers in industries which have been most impacted by COVID-19. The extension is expected to reduce the possibility of a cliff effect though details of the plan have not been released. In our view, complicating the economic outlook amidst a deep recession is a strong housing market in Singapore, with private home prices rising for two consecutive quarters while flash estimates for HDB resale prices have also ticked up for 3Q2020. Deputy Prime Minister/Minister of Finance Heng will be delivering a ministerial statement on Monday where a Supplementary Supply Bill to reallocate resources for the measures announced in August will also be tabled.
- While market activity will likely be muted given China’s Golden Week holidays at the start of October, upcoming US elections and President Trump’s positive test for COVID-19 could drive a rise in uncertainty and risk off sentiments for the remainder of the month. This could suppress an already expected weaker supply for US investment grade issuance and also restrict an expected uptick in Asiadollar volumes. With technical outperforming against prevailing fundamental developments, we think credit spreads look vulnerable in the face of heightened volatility as we enter 4Q2020.

Issuer Profile Changes / Updates:

- **Golden Agri-Resources Ltd (“GGR”):** We have [lowered GGR’s issuer profile to Negative \(6\) from Neutral \(5\)](#) in view of a tighter financing condition for trade financing reliant

companies. In our view, GGR's SGD-bond represents a more permanent part of its capital structure and as such rather than being paid down, it is likelier that GGR would try and refinance the bond. GGR is able to generate operating cash flow and in our view able to cover its current fixed payments. However, as the company faces significant capex needs including replanting requirements, this may limit the amount of additional amortising term loan it can raise.

- **Keppel Corporation Ltd ("KEP"):** We are [maintaining KEP's issuer profile at Neutral \(4\)](#), albeit tentatively on the back of its recent announcements reaffirming its Vision 2030 plan and SGD17.5bn of identified assets for divestments. The identified assets for divestment are significant, representing 55% of KEP's total asset of SGD32.0bn as at 30 June 2020. While KEP's equity value had been trading below book for more than a year, its landbank and properties are carried at cost which suggest possible upside if sold at market value. We may lower KEP's issuer profile if the company ends up with having a smaller income stream or asset base without a concurrent reduction in debt.
- **Mapletree Investments Pte Ltd ("MAPL"):** We have [initiated coverage on MAPL at Neutral \(4\) Issuer Profile](#). MAPL is well-diversified across geographical locations and real estate property types, with SGD60.5bn in assets under management ("AUM"), without adjusting for minority interest investors. Singapore listed REITs make up 53% of total AUM, with the remaining AUM accounted for by directly owed assets (30%) and private funds (17%). MAPL has manageable credit metrics, recurring income and good cashflows, on top of being backed by hard assets. MAPL's sponsorship and control of REITs and private funds are also significantly credit positive as they facilitate the recycling of capital.
- **CapitaLand Integrated Commercial Trust ("CICT"):** CapitaLand Mall Trust ("CMT") and CapitaLand Commercial Trust ("CCT") has gotten unit holders' approval to combine. The combined entity is [CapitaLand Integrated Commercial Trust](#). As such, we have ceased the respective Issuer Profiles on CMT and CCT and initiate CICT at Neutral (3) Issuer Profile.
- 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, Frasers Centrepoint Trust, Frasers Property Ltd, Keppel REIT.**

Trade Ideas

- **AREIT 3.0%-PERP:** AREIT's sole green perpetual, the AREIT 3.0%-PERP is trading at a yield to call of 2.99%, which suggest a senior-sub spread of 135bps against the AREIT 3.14% '25s and attractive relative to the rest of its own curve. AREIT's revenue growth in 1H2020 has been driven by inorganic growth, though its reported aggregate leverage has been maintained at 36.1% while EBITDA/Interest coverage was manageable at 4.1x. Industrial REITs in general have been more resilient against REITs operating in other real estate segments.
- **DBS 3.98% PERPc25:** DBS's SGD Additional Tier 1 instrument continues to look attractive on valuation and fundamentals. Although the operating environment is expected to remain challenging, fundamentals for DBS remain buffered by its solid earnings capacity as well as its stronger provisioning coverage levels. This should offset potential credit costs for the remainder of FY2020 and pressure on capital ratios.
- **MLTSP 4.18%-PERP:** This MLT's perpetual is trading at a yield to call of 3.28%, with a short first call date in November 2021. Current forward rates suggest that the distribution rate of this perpetual may reset lower to ~3.0%. However, going by recent perpetual issuances in the market, we think MLTSP may be able to price a replacement perpetual at around the 3.0%-handle which suggest a 50:50 chance of a call at first call.

Upcoming Bond Maturities – October 2020

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call Date*
GSH Corp Ltd	GSHSP	53.75	12/10/2020
Keppel Corp Ltd	KEPSP	500	12/10/2020
Ascendas Real Estate Investment Trust	AREIT	300	14/10/2020*
CITIC Envirotech Ltd	CELSP	240	19/10/2020*
Hyundai Capital Services Inc	HYUCAP	150	19/10/2020
Cagamas Global PLC	CAGA	160	19/10/2020
China Construction Bank Corp/Singapore	CCB	500	26/10/2020

Source: OCBC Credit Research, Bloomberg

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- 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)
- Aspial 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

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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	105.85	3.05	N	N
Metro Holdings Ltd	N (4)	METRO 4 '21	25/10/2021	101.33	2.75	OW	OW
Metro Holdings Ltd	N (4)	METRO 4.3 '24	2/4/2024	100.80	4.05	OW	OW
Wharf Holdings Ltd/The	N (3)	WHARF 4.5 '21	20/7/2021	102.58	1.26	N	N
Wing Tai Properties Ltd	N (4)	WINGTA 4.25 '22	29/11/2022	102.90	2.86	OW	OW
Singapore property developers							
CapitaLand Ltd	N (3)	CAPLSP 3.8 '24	28/8/2024	106.80	1.98	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.08 '27	19/10/2027	104.40	2.40	N	N
CapitaLand Ltd	N (3)	CAPLSP 3.15 '29	29/8/2029	104.30	2.61	N	N
CapitaLand Ltd	N (3)	CAPLSP 2.9 '32	21/9/2032	101.25	2.78	UW	
City Developments Ltd	N (4)	CITSP 2.93 '21	24/3/2021	100.60	1.67	N	N
City Developments Ltd	N (4)	CITSP 3.75 '22	6/7/2022	103.30	1.84	N	N
City Developments Ltd	N (4)	CITSP 3.48 '23	3/4/2023	102.75	2.34	OW	OW
City Developments Ltd	N (4)	CITSP 3 '24	17/1/2024	101.10	2.65	OW	OW
City Developments Ltd	N (4)	CITSP 3.78 '24	21/10/2024	105.50	2.35	N	N
City Developments Ltd	N (4)	CITSP 2.7 '25	23/1/2025	100.50	2.58	N	N
City Developments Ltd	N (4)	CITSP 3.48 '26	15/6/2026	104.00	2.72	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.62 '21	30/3/2021	100.60	2.40	N	OW
GuocoLand Ltd	N (5)	GUOLSP 4 '22	31/1/2022	102.40	2.17	N	OW
GuocoLand Ltd	N (5)	GUOLSP 3.85 '23	15/2/2023	102.45	2.78	N	N
GuocoLand Ltd	N (5)	GUOLSP 3.4 '25	10/8/2025	101.05	3.16	N	N
Heeton Holdings Ltd	Neg (6)	HTONSP 6.08 '21	19/7/2021	81.00	38.38	OW	
Hotel Properties Ltd	N (5)	HPLSP 3.85 '21	27/5/2021	100.40	3.25	OW	OW
Hotel Properties Ltd	N (5)	HPLSP 3.8 '25	2/6/2025	99.29	3.97	N	UW
Mapletree Investments Pte Ltd	N (3)	MAPLSP 2.888 '21	21/6/2021	101.33	1.03	N	
Mapletree Investments Pte Ltd	N (3)	MAPLSP 2.85 '25	29/8/2025	103.53	2.09	N	
Mapletree Investments Pte Ltd	N (3)	MAPLSP 3.4 '26	3/9/2026	106.39	2.24	N	
Mapletree Investments Pte Ltd	N (3)	MAPLSP 3.58 '29	13/3/2029	107.82	2.55	UW	
Mapletree Investments Pte Ltd	N (3)	MAPLSP 3.15 '31	3/9/2031	104.34	2.69	UW	
OUE Ltd	N (5)	OUESP 3.75 '22	17/4/2022	100.75	3.25	UW	UW
OUE Ltd	N (5)	OUESP 3.55 '23	10/5/2023	100.60	3.31	UW	UW
Oxley Holdings Ltd	Neg (6)	OHLSP 5.7 '22	31/1/2022	94.00	10.62	OW	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4 '21	7/10/2021	102.10	1.92	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.5 '22	26/9/2022	103.65	2.60	OW	
Wing Tai Holdings Ltd	N (4)	WINGTA 4.25 '23	15/3/2023	104.85	2.21	N	OW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.7 '24	28/2/2024	105.50	2.99	OW	
Wing Tai Holdings Ltd	N (4)	WINGTA 3.68 '30	16/1/2025	99.84	4.12	OW	OW

Indicative prices from Bloomberg as of 2 October 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	100.85	1.00	UW	UW
Ascendas REIT	N (3)	AREIT 4 '22	3/2/2022	104.00	0.99	UW	UW
Ascendas REIT	N (3)	AREIT 3.2 '22	3/6/2022	103.41	1.14	UW	UW
Ascendas REIT	N (3)	AREIT 2.47 '23	10/8/2023	103.06	1.38	UW	UW
Ascendas REIT	N (3)	AREIT 2.65 '30	26/8/2030	102.66	2.35	UW	
Ascendas REIT	N (3)	AREIT 3.14 '25	2/3/2025	106.55	1.60	UW	UW
Ascendas REIT	N (3)	AREIT 2.65 '30	26/8/2030	102.66	2.35	UW	
Ascott Residence Trust	N (5)	ARTSP 4.205 '22	23/11/2022	104.21	2.18	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.523 '23	9/11/2023	103.30	2.41	UW	UW
CapitaLand Commercial Trust	N (3)	CCTSP 2.96 '21	13/8/2021	101.15	1.63	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 2.77 '22	4/7/2022	102.01	1.61	N	UW
CapitaLand Commercial Trust	N (3)	CCTSP 3.17 '24	5/3/2024	104.14	1.92	N	N
CapitaLand Commercial Trust	N (3)	CCTSP 3.327 '25	21/3/2025	103.00	2.61	OW	OW
CapitaLand Mall Trust	Pos (2)	CAPITA 2.8 '23	13/3/2023	102.91	1.58	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2115 '23	9/11/2023	104.40	1.75	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.48 '24	6/8/2024	106.20	1.81	UW	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.2 '25	21/8/2025	105.71	1.97	UW	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.15 '26	11/2/2026	105.05	2.15	N	UW
CapitaLand Mall Trust	Pos (2)	CAPITA 3.5 '26	25/2/2026	106.55	2.21	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 2.88 '27	10/11/2027	103.50	2.34	N	N
CapitaLand Mall Trust	Pos (2)	CAPITA 3.35 '31	7/7/2031	105.75	2.73	N	N
Frasers Hospitality Trust	N (5)	FHREIT 2.63 '22	6/7/2022	99.60	2.86	N	OW
Mapletree Commercial Trust	N (3)	MCTSP 3.2 '21	12/4/2021	101.34	0.68	UW	UW
Mapletree Commercial Trust	N (3)	MCTSP 3.25 '23	3/2/2023	103.68	1.65	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.28 '24	23/9/2024	105.20	1.92	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.11 '26	24/8/2026	105.39	2.13	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.045 '27	27/8/2027	104.25	2.37	N	N
Mapletree Commercial Trust	N (3)	MCTSP 3.05 '29	22/11/2029	104.15	2.54	UW	N
Mapletree Industrial Trust	N (3)	MINTSP 3.65 '22	7/9/2022	103.81	1.64	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.02 '23	11/5/2023	101.85	2.29	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.16 '24	28/3/2024	104.22	1.91	N	N
Mapletree Industrial Trust	N (3)	MINTSP 3.58 '29	26/3/2029	99.13	3.70	OW	N
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.2 '21	8/9/2021	101.86	1.20	N	N
Mapletree North Asia Commercial Trust	N (4)	MAGIC 3.43 '22	9/3/2022	101.76	2.18	N	N
Starhill Global REIT	N (4)	SGREIT 3.5 '21	26/2/2021	100.95	1.16	N	
Starhill Global REIT	N (4)	SGREIT 3.4 '23	26/5/2023	103.52	2.03	N	N
Starhill Global REIT	N (4)	SGREIT 3.15 '25	5/6/2025	103.38	2.38	N	N
Starhill Global REIT	N (4)	SGREIT 3.14 '26	3/10/2026	103.00	2.60	N	N
Suntec REIT	N (4)	SUNSP 3 '21	16/7/2021	100.85	1.91	OW	N
Suntec REIT	N (4)	SUNSP 3.025 '22	16/3/2022	101.32	2.10	N	N
Suntec REIT	N (4)	SUNSP 3.4 '23	10/5/2023	102.44	2.43	N	OW
Suntec REIT	N (4)	SUNSP 2.85 '23	2/8/2023	101.12	2.44	OW	OW
Suntec REIT	N (4)	SUNSP 3.355 '25	7/2/2025	101.35	3.02	OW	OW
Suntec REIT	N (4)	SUNSP 2.95 '27	5/2/2027	99.77	2.99	OW	OW

Indicative prices from Bloomberg as of 2 October 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	22/6/2021	97.11	8.83	N	N
Fraser and Neave Ltd	N (4)	FNNSP 3.09 '22	23/3/2022	101.60	1.99	N	N
Fraser and Neave Ltd	N (4)	FNNSP 2.8 '22	22/8/2022	101.05	2.23	OW	OW
Fraser and Neave Ltd	N (4)	FNNSP 3.8 '27	21/4/2027	102.85	3.31	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.145 '22	14/2/2022	101.63	1.94	UW	N
Keppel Corp Ltd	N (4)	KEPSP 3.8 '27	23/4/2022	102.60	2.08	OW	OW
Keppel Corp Ltd	N (4)	KEPSP 3.725 '23	30/11/2023	104.35	2.29	N	N
Keppel Corp Ltd	N (4)	KEPSP 3 '24	7/5/2024	101.90	2.45	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3 '26	1/10/2026	101.23	2.78	OW	N
Keppel Corp Ltd	N (4)	KEPSP 3.66 '29	7/5/2029	103.96	3.13	N	N
Keppel Corp Ltd	N (4)	KEPSP 4 '42	7/9/2032	101.92	3.80	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	104.90	3.52	N	N
Olam International Ltd	N (5)	OLAMSP 4 '26	29/11/2024	99.70	4.06	N	N
Sembcorp Industries Ltd	N (4)	SCISP 2.94 '21	26/11/2021	101.48	1.65	UW	UW
Sembcorp Industries Ltd	N (4)	SCISP 3.64 '24	27/5/2024	104.72	2.29	N	N
Sembcorp Industries Ltd	N (4)	SCISP 4.25 '25	30/8/2025	107.93	2.52	N	N
Sembcorp Industries Ltd	N (4)	SCISP 3.593 '26	26/11/2026	105.17	2.68	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 4.5 '25	12/11/2025	104.28	3.58	OW	OW
Shangri-La Asia Ltd	N (4)	SLHSP 3.5 '30	29/1/2030	99.58	3.55	UW	UW
Singapore Airlines	N (5)	SIASP 3.145 '21	8/4/2021	100.82	1.55	UW	UW
Singapore Airlines	N (5)	SIASP 3.16 '23	25/10/2023	101.20	2.75	UW	UW
Singapore Airlines	N (5)	SIASP 3.03 '24	28/3/2024	100.52	2.87	UW	UW
Singapore Airlines	N (5)	SIASP 3.75 '24	8/4/2024	102.99	2.85	UW	UW
Singapore Airlines	N (5)	SIASP 3.035 '25	11/4/2025	99.65	3.12	UW	UW
Singapore Airlines	N (5)	SIASP 3.13 '26	17/11/2026	99.02	3.31	UW	UW
Singapore Airlines	N (5)	SIASP 3.13 '27	23/8/2027	98.55	3.37	UW	UW
Singapore Telecommunications Ltd	Pos (2)	STSP 2.72 '21	3/9/2021	101.71	0.86	N	N
Singapore Telecommunications Ltd	Pos (2)	STSP 2.895 '23	3/7/2023	103.00	1.63	N	N
StarHub Ltd	N (3)	STHSP 3.08 '22	12/9/2022	102.25	1.90	N	OW
StarHub Ltd	N (3)	STHSP 3.55 '26	8/6/2026	104.00	2.78	OW	OW

Financial Institutions - Senior Issues

Australia & New Zealand Banking Group Lt	Pos (2)	ANZ 4 '25	12/2/2025	105.40	2.65	OW	N
China Construction Bank*	N (3)	CCB 1.073 '23	25/09/2023	100.17	1.01	N	

Indicative prices from Bloomberg as of 2 October 2020

Issuer	Issuer Profile	Issue	Call Date	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Corporate perpetuals							
ARA Logos Logistics Trust	N (4)	ALLTSP 5.5 'PERP	1/2/2023	99.90	5.53	N	N
Ascendas REIT	N (3)	AREIT 3 'PERP	17/9/2025	100.09	2.98	N	
Ascott Residence Trust	N (5)	ARTSP 3.07 'PERP	30/12/2020	96.95	3.78	UW	UW
Ascott Residence Trust	N (5)	ARTSP 3.88 'PERP	4/9/2024	99.60	3.99	UW	UW
CapitaLand Ltd	N (3)	CAPLSP 3.65 'PERP	17/10/2024	102.55	2.97	N	UW
Frasers Hospitality Trust	N (5)	FHREIT 4.45 'PERP	12/5/2021	95.00	13.55	N	UW
GuocoLand Ltd	N (5)	GUOLSP 4.6 'PERP	23/1/2023	100.25	4.47	N	N
Hotel Properties Ltd	N (5)	HPLSP 4.65 'PERP	5/5/2022	96.25	7.16	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	101.50	4.54	OW	OW
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 7 'PERP	27/9/2021	89.08	20.71	N	N
Lippo Malls Indonesia Retail Trust	Neg (6)	LMRTSP 6.6 'PERP	19/12/2022	81.14	17.15	N	N
Mapletree Investments Pte Ltd	N (3)	MAPLSP 4.5 'PERP	19/1/2022	102.36	2.63	N	
Mapletree Investments Pte Ltd	N (3)	MAPLSP 3.95 'PERP	12/11/2022	102.05	2.94	OW	
Mapletree Logistics Trust	N (3)	MLTSP 4.18 'PERP	25/11/2021	100.98	3.31	OW	N
Mapletree Logistics Trust	N (3)	MLTSP 3.65 'PERP	28/3/2023	100.57	3.41	UW	UW
Olam International Ltd	N (5)	OLAMSP 5.5 'PERP	11/7/2022	101.93	4.34	UW	UW
Singapore Post Ltd	N (3)	SPOST 4.25 'PERP	2/3/2022	103.40	1.82	N	N
StarHub Ltd	N (3)	STHSP 3.95 'PERP	16/6/2022	101.65	2.95	N	N
Wing Tai Holdings Ltd	N (4)	WINGTA 4.08 'PERP	28/6/2022	95.50	6.85	UW	UW
Wing Tai Holdings Ltd	N (4)	WINGTA 4.48 'PERP	24/5/2024	100.13	4.43	UW	

Indicative prices from Bloomberg as of 2 October 2020

Issuer	Issuer Profile	Issue	Call Date	Ask Price	Ask YTW	Recommendation	
						Current	Previous
Financial Institutions - Capital Instruments							
ABN AMRO Bank NV	N (3)	ABNANV 4.75 '26	1/4/2021	101.35	2.01	N	OW
Australia & New Zealand Banking Group Ltd	Pos (2)	ANZ 3.75 '27	23/3/2022	102.35	2.13	N	N
Barclays PLC	N (4)	BACR 3.75 '30	23/5/2025	100.85	3.55	N	UW
BNP Paribas SA	N (3)	BNP 4.3 '25	3/12/2020	100.50	1.33	N	N
BNP Paribas SA	N (3)	BNP 4.35 '29	22/1/2024	104.60	2.88	OW	OW
BPCE SA*	N (3)	BPCEGP 4.45 '25	17/12/2020	100.75	0.80	N	N
BPCE SA*	N (3)	BPCEGP 4.5 '26	3/6/2021	100.50	3.76	OW	OW
Commerzbank AG	N (4)	CMZB 4.875 '27	1/3/2022	100.50	4.52	N	N
Commerzbank AG	N (4)	CMZB 4.2 '28	18/9/2023	98.50	4.76	N	N
Credit Agricole AG	N (3)	ACAFP 3.8 '31	30/4/2026	101.20	3.56	N	OW
Credit Suisse Group AG	N (4)	CS 5.625 'PERP	6/6/2024	102.00	5.02	OW	OW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.8 '28	20/1/2023	105.30	1.44	UW	UW
DBS Group Holdings Ltd	Pos (2)	DBSSP 3.98 'PERP	12/9/2025	106.65	2.54	OW	N
HSBC Holdings PLC	N (3)	HSBC 4.7 'PERP	8/6/2022	99.50	5.01	N	N
HSBC Holdings PLC	N (3)	HSBC 5 'PERP	24/9/2023	99.65	5.14	N	N
Julius Baer Group Ltd	N (3)	BAERVX 5.9 'PERP	18/11/2020	100.15	4.44	OW	OW
Julius Baer Group Ltd	N (3)	BAERVX 5.75 'PERP	20/4/2022	103.45	3.44	OW	OW
Landesbank Baden-Wuerttemberg	N (4)	LBBW 3.75 '27	18/5/2022	98.00	5.03	OW	OW
National Australia Bank Ltd	Pos (2)	NAB 4.15 '28	19/5/2023	104.40	2.41	N	N
Societe Generale SA	N (4)	SOCGEN 4.3 '26	19/5/2021	100.40	3.68	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 5.375 'PERP	3/10/2024	99.40	5.54	OW	N
UBS Group AG	N (3)	UBS 5.875 'PERP	28/11/2023	103.80	4.56	N	N
UBS Group AG	N (3)	UBS 4.85 'PERP	4/9/2024	100.80	4.63	N	N
United Overseas Bank Ltd	Pos (2)	UOBSP 4 'PERP	18/5/2021	101.78	1.13	UW	N
United Overseas Bank Ltd	Pos (2)	UOBSP 3.5 '29	27/2/2024	106.10	1.65	UW	UW
United Overseas Bank Ltd	Pos (2)	UOBSP 3.58 'PERP	17/7/2026	104.10	2.80	UW	UW
Westpac Banking Corp	Pos (2)	WSTP 4 '27	12/8/2022	103.50	2.07	N	N

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

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Downgrades
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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.

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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

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