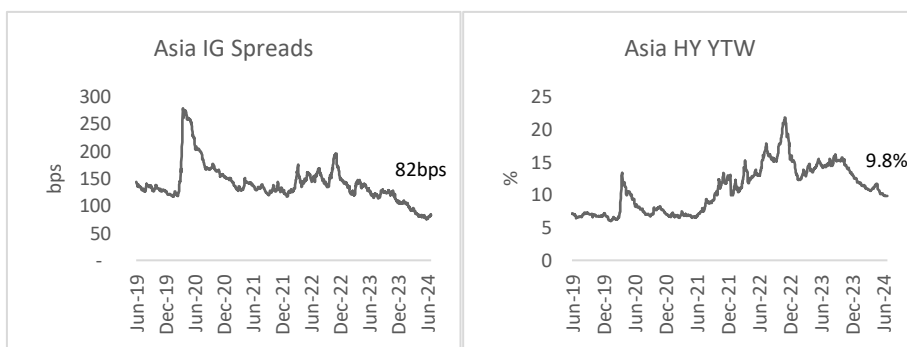


Monthly Credit View

1 July 2024

Monthly Themes & House View

- Asian investment grade credit spreads widened in June**, turning from the year long decline until May. Bloomberg Asia IG spreads was wider m/m by 7bps, finishing the month at 82bps although HY spreads tightened 15bps m/m to reach 9.8% at month end.



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- Likely an indication of issuers’ preference to issue while credit spreads remained relatively tight in the, **June 2024 saw a deluge of new supply in the Asiadollar (excluding Japan) space, especially in the second half of the month.** USD18.4bn was priced in June against USD13.8bn in May per Bloomberg data (does not include Hyundai Motor Group’s automotive finance subsidiary, Hyundai Capital America’s five tranche deal that raised USD3.75bn). Significant sovereign issuers included Indonesia (USD2.35bn across three tranches of sukuk, including a USD600mn 30Y green sukuk) and South Korea (USD1.0bn 5Y bond, its first USD bond since October 2021) while financial institutions from the Greater China region were highly active in the issuance market.
- Bank of China, through its Panama, Hungarian, Johannesburg, the Qatar Financial Centre and Sydney branches priced a total of ~USD2.0bn. Other Greater China financial institutions that came to market during the month included Bocom Leasing Management Hong Kong Co Ltd (Keepwell provider: Bank of Communications Financial Leasing Co Ltd), The Bank of East Asia Ltd, China Construction Bank New Zealand Ltd, Guotai Junan Holdings Limited (Guarantor: Guotai Junan Securities Co., together with its subsidiaries, the “Group”) and FWD Group Holdings Ltd.
- Within the high yield space, Nine Dragons Paper Holdings Ltd (“Nine Dragons”, a paper manufacturer) priced USD400mn of senior unsecured perpetual NC3 at a whopping 14%, tightening from the initial price guidance at the 14.25% area. Unlike many other Asiadollar (excluding Japan) issuers, Nine Dragons is not rated by international rating agencies and this new issue is unrated. Other notable high yield issuers were eight special purpose vehicles of Continuum Green Energy India Pvt, an India-based renewable energy group and MGM China Holdings Ltd, the Macau gaming company.

- **A number of developments were announced on respective restructurings within the China property space.** At a court hearing, **Kaisa Group Holdings Ltd** (“Kaisa”) was given seven more weeks to work on its debt restructuring plan to avoid being liquidated per Bloomberg. The amount of debt involved in the restructuring amounts to ~USD13bn (with more than USD11bn in outstanding dollar securities). Kaisa defaulted in early 2015, becoming the first Chinese developer to default on its USD bonds and then again in 2021. **Agile Group Holdings Ltd** (“Agile”), a Chinese developer, announced in a filing with the Hong Kong exchange that it has enlisted the assistance of financial and legal advisors to handle its offshore debt. The company has appointed Alvarez & Marsal Corporate Finance Ltd. as its financial advisor and Sidley Austin as its legal advisor. **Dexin China Holdings Co.** (“Dexin”), a Zhejiang-based developer concentrated on developing homes and commercial buildings in China’s relatively wealthy Yangtze River Delta region, has been instructed by the Hong Kong court to wind up, three months after a petition was submitted by China Construction Bank (Asia) and a year and a half after it defaulted.
- **Deluge of issuance in June in the SGD credit market as well:** SGD3.8bn of new issues were printed in June versus SGD1.6bn of new issues in May. Capital instruments from financial institutions accounted for 68% of total supply in June, mainly driven by (1) SGD1.5bn HSBC 5.25%-PERP (AT1), (2) SGD500mn Manulife Financial Corporation’s MFCCN 4.275% ‘34s (Tier 2) and (3) SGD500mn UBS 5.6%-PERP (AT1). Besides, Mapletree Investments Pte Ltd issued SGD385mn across two tranches of senior unsecured bonds, a 12Y and a 20Y, priced a week apart from each other. Sabana Industrial REIT, which is undergoing a protracted REIT manager internalisation process priced SGD100mn of 5Y senior unsecured bond, guaranteed by Credit Guarantee and Investment Facility, a Trust Fund of the Asian Development Bank. iFast Corp Ltd made their debut in the SGD credit market, pricing SGD100mn of 5Y senior unsecured bonds.

Key SGD issues

Issue	Size	Tenor	Pricing	Description
HSBC 5.25%-PERP	SGD1,500mn	PerpNC5	5.25%	Perpetual, AT1
UBS 5.6%-PERP	SGD500mn	PerpNC5	5.6%	Perpetual, AT1
MFCCN 4.275% ‘34s	SGD500mn	10NC5	4.275%	Tier 2
CAPLSP 3.8% ‘31s	SGD275mn	7Y	3.8%	Fixed
OUECT 4.1% ‘27s	SGD250mn	3Y	4.1%	Green, Fixed
CDLPRP 3.6% ‘27s	SGD200mn	3Y	3.6%	Fixed
MAPLSP 3.688% ‘36s	SGD200mn	12Y	3.688%	Fixed
MAPLSP 3.888% ‘44s	SGD185mn	20Y	3.888%	Fixed
SSREIT 4.15% ‘29s	SGD100mn	5Y	4.15%	CGIF-guaranteed, sustainability-linked, Fixed
IFASTC 4.328% ‘29s	SGD100mn	5Y	4.328%	Fixed

Source: Bloomberg, Company, OCBC

- **The SGD credit market continues to provide solid returns** with lower SGD SORA yields, up +0.42% m/m in June, lifted by all segments except AT1s and Tier 2s due to high supply in the space and jitters over French election uncertainties.

SGD Tracker

	Key Statistics			Total Returns		
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	m/m	y/y	Since Jan 2021
<u>By Tenor & Structure</u>						
AT1S	105.9	2.9Y	\$9,401m	-0.1%	8.3%	5.9%
NON-FIN PERP	111.7	11.0Y	\$13,542m	0.6%	8.8%	11.7%
TIER 2S & Other Sub	108.3	4.2Y	\$15,299m	-0.2%	6.5%	8.3%
LONGER TENORS (>9YRS)	90.3	24.5Y	\$11,893m	0.8%	10.3%	-9.7%
MID TENORS (>3Y-9YRS)	102.9	5.2Y	\$37,748m	0.6%	5.8%	2.9%
SHORT TENORS (1-3YRS)	107.4	2.0Y	\$26,315m	0.4%	4.9%	7.4%
MONEY MARKET (<12M)	110.9	0.5Y	\$10,925m	0.3%	4.6%	10.9%
<u>By Issuer Profile Rating</u>						
POS (2)	105.9	8.3Y	\$6,771m	0.3%	5.5%	5.9%
N(3)	107.6	3.4Y	\$20,580m	-0.1%	5.8%	7.6%
N(4)	108.3	6.7Y	\$24,221m	0.4%	6.8%	8.3%
N(5)	107.1	2.3Y	\$3,660m	0.1%	7.8%	7.1%

Source: OCBC Credit Research, Bloomberg

- **Outlook for 2H2024:** We published the SGD Credit Outlook 2H2024, providing our views on the market for 2H2024, industry outlooks for REITs, Property and Financials, our top trade ideas and a recap of the market in 1H2024. For more information, *please refer to our SGD Credit Outlook 2H2024*.
- **So far, so good.** The SGD credit market performed well, returning +2.6% in YTD2024, with broad-based but uneven returns between segments. The outperformers were non-financial corporate perpetuals (+6.1%) and crossover credits in the Neutral (5) Issuer Profile category (+5.9%). 1H2024 issuance of SGD15.6bn is the highest in recent record, helped by strong demand as yields are still high with forthcoming supply as spreads are around the tightest level in recent years.
- **Still constructive, but more selectively.** The theme to 'buy while rates are still high' should still apply, with no underweight position on any segment. We still like crossover credits with SGD credit market default rates expected to remain low. We think very short and shorter tenor papers offer good risk-reward given the inverted yield curve and can benefit directly from the expected Fed rate cuts. We are now Neutral on bank capital and non-financial corporate perpetuals after a strong YTD2024 performance and potential volatility given geopolitics, though we remain positive on those which are likely to be called.
- **REITs outlook.** There has been a marked increase in bonds issued by S-REITs in 1H2024, driven by refinancing needs as well as to lock in funding costs at tight spreads to provide certainty to stakeholders in our view. While certain REITs have reduced their proportion of fixed/hedged debt compared to a year ago, we note that the sector median was at ~76% as at 31 March 2024 and similar to levels last year. S-REITs in general are more cautious in their acquisition strategy and have continued to look at divestments to strengthen balance sheets instead (especially those whose reported aggregate leverage ratio are on the high side). Revaluation losses were more pronounced, as observed in the December 2023/March 2024 independent property valuations vis-à-vis a year ago and we expect a similar trend for S-REITs that are due to report their valuations in the coming months.
- **SG Property outlook.** We still expect prices to rise by 3-5% in 2024. However, certain trends emerged. While prices rose 2.5% in 1H2024, land bids have been lower. Foreign buyers have been largely absent since the ABSD hike in 2023 and as such, sales have to be targeted at residents. Meanwhile, government land sales reached the highest level in a decade though units available for buyers remain low. Going forward, developers' gross profit should expand, helped by less competition for land, though risks in property development may increase with less certainty that every unit can be moved while costs can be volatile.
- **Financial Institutions outlook.** Stable fundamentals for Financial Institutions bely the elevated present risks and rising future ones centred on climate transition risks that are unprecedented and evolving. Offsetting these risks in our view continues to be another sustainability influence which is governance that remains relevant given Financial Institutions' systemic importance, highly regulated nature, and sensitivity to sentiment and public confidence. This acts to effectively manage the high influence of environmental and social sustainability factors as well as other elevated risks including the deepening use of technology and digitalisation and rising cyber risks as well as the increasing adoption of artificial intelligence.

Key Developments in the SGD Credit Market

Several collaborations were announced: In the month of June, several SGD credit issuers announced collaboration plans with others.

- **Singapore Telecommunications Ltd (“SingTel”) (49% stake)** announced it has entered into a conditional joint venture agreement with Telekom Malaysia Bhd (51% stake) to develop and operate a data centre campus in Johor, Malaysia. The joint venture partners have agreed to commit MYR1.15bn as initial capital for the company (SingTel’s pro rata commitment being MYR564mn) over a period of five years.
- **Hongkong Land Holdings Ltd (“HKL”)** will partner up with ten luxury retail tenants to invest more than USD1.0bn (HKD7.8bn) in LANDMARK, a luxury retail mall owned by HKL in HKSAR. HKL will invest USD400mn while the remaining USD600mn will be shared across these ten tenants namely Cartier, CHANEL, Dior, Hermès, Louis Vuitton, Prada, Saint Laurent, Sotheby’s, Tiffany & Co., and Van Cleef & Arpels. HKL is making this strategic investment to meet its luxury tenants’ demand for significant additional retail space and enhanced brand representation in the heart of Central, HKSAR.
- **Singapore Airlines Limited (“SIA”) and Riyadh Air** has signed a Memorandum of Understanding (“MOU”) to establish a new partnership between the two airlines. Under the MOU, the carriers will explore opportunities for interline connectivity on each other’s services, subject to regulatory approval. They will also work on other potential areas of commercial cooperation including codeshare arrangements, reciprocal benefits for their frequent flyer programme members, cargo services, customer experience and digital innovation as a precursor to a deeper, longer-term, strategic partnership. (Company, PIF, Al Jazeera)
- **Singapore Airlines Limited (“SIA”) and Cathay Pacific Airways Ltd (“Cathay”)** have signed an MOU to collaborate on a broad range of sustainability initiatives aimed at advocating for the development and use of sustainable aviation fuel (“SAF”) in the Asia-Pacific region. SIA and Cathay will also explore potential opportunities for joint procurement of SAF at selected locations, aimed at boosting SAF production and supporting wider adoption in the airline industry.
- **Sembcorp Industries Ltd’s (“SCI”)** wholly-owned subsidiary, Sembcorp Green Hydrogen Pte. Ltd, has signed a Heads of Terms with Sojitz Corporation and Kyushu Electric Power Co., Inc (the consortium) which paves the way for a finalisation of a definitive green ammonia offtake agreement. SCI will use renewable energy to produce an initial 200,000 metric tonnes p.a of green ammonia in India. Separately, SCI has entered into a collaboration with Bloom Energy Corporation (“Bloom”), a US-listed fuel cell provider, on the potential utilisation of Bloom’s low-carbon power generation technologies in Singapore.
- **BNP Paribas SA (“BNPP”), Groupe BPCE (“BPCE”)** announced plans to establish a strategic partnership project for processing all card payments for BNPP and BPCE card holders and merchants in Europe. This would account for 17 billion transactions making it the top card processor in France and top three in Europe.

Acquisitions and Significant Investments

- **SingTel** is partnering up with a KKR-led consortium to invest SGD1.75bn in STT Telemedia Global Data Centres (“STTGDC”, a separate credit issuer). There are also warrants, which if exercised in full, will result in the consortium investing an additional SGD1.24bn. For SingTel, its share of the initial investment will be SGD400mn (or SGD684mn including warrants if exercised in full).
- **Wing Tai Holdings Ltd (“WINGTA”)** placed a SGD464mn (SGD1,325 psf) bid for a luxury residential site in Singapore’s River Valley area. There are two bids for the site with WINGTA’s bid higher than the bid of SGD445mn (SGD1,271 psf) by Hong

Leong Investment Holdings.

- **Olam Agri Holdings Limited (“Olam Agri”, ~64.6%-owned subsidiary of Olam Group Ltd (“OG”))** is proposing to acquire Australia-listed Namoi Cotton Limited (“Namoi”). Olam Agri has lodged a Second Supplementary Bidder’s Statement in relation to the offer. OG is in a bidding war with Louis Dreyfus Co. (“LDC”) for Namoi. The Australian Competition and Consumer Commission (“ACCC”) has outline preliminary competition concerns on the proposed acquisition of Namoi by Olam Agri as well as LDC. With 205.3mn of shares outstanding, the purchase consideration assuming Olam Agri acquires Namoi will be ~AUD144mn (~SGD128mn).
- **UBS Group AG (“UBS”)** announced the completion of the merger of parent banks UBS AG and Credit Suisse AG on 31 May 2024. With the cessation of Credit Suisse AG as a separate legal entity, UBS has succeeded to all the rights and obligations of Credit Suisse AG, including Credit Suisse AG’s outstanding debt instruments. Per UBS’s statement, completion of this merger is expected to “unlock the next phase of cost, capital, funding and tax benefits from the second half of 2024.”

Divestments

- **PARAGON REIT (“SPHR”)** is divesting The Rail Mall for SGD78.5mn. This is higher than the valuation of SGD62mn as at 31 December 2023. The Rail Mall is a strip mall with 43 shop units with net lettable area of 49,886 sq ft and it is adjacent to the Rail Corridor nature trail. The Rail Mall accounts for ~2% of total assets, with total assets of SGD4.27bn as at 31 December 2023.

Strategic Review

- **Singapore Post Ltd (“SingPost”)** appointed Merrill Lynch Markets Australia Pty Limited as financial advisor to the board to formulate options for the group’s Australia business. As mentioned in the previous strategic review announced on 19 March 2024, SingPost will focus on Logistics in Australia.

Notable financings

- **Shangri-La Asia Ltd (“SHANG”)** priced a RMB1bn (~USD138mn) 3Y panda bond at 2.5%. This is a debut panda bond issuance by SHANG. This bond is issued as part of a RMB20bn MTN programme and was subscribed 4.09x.
- **Keppel Real Estate Investment Trust (“KREIT”)** has priced AUD175mn of floating rate green bonds due in June 2027. The net proceeds from the bonds, will be fully used towards partly funding the acquisition of a 50%-interest in 255 George Street, Sydney, an office property. This is a debut AUD credit issuance from KREIT. KREIT has also established a Green Financing Framework to support its sustainability efforts and facilitate the achievement of its environmental, social and governance targets and commitments. The framework will serve as a reference for all green finance transactions issued by KREIT, including bonds, term loans, revolving credit facilities, medium-term notes, convertible bonds, perpetuals and any other financial instrument publicly or privately placed in various formats, tenure and currency.
- **Bloomberg reported that Oxley Holdings Ltd (“OHL”)** is seeking up to USD120mn private loan (~SGD160mn), with part of the proceeds to be used to repay SGD133mn OHLSP 6.9% ‘24s maturing on 8 July 2024. If the private loan were raised, this will be more than sufficient to repay SGD133mn OHLSP 6.9% ‘24s maturing on 8 July 2024. OHL responded subsequently where the company did not deny the article but provided more information.
- **Olam Group Ltd (“OG”)** announced that its wholly-owned subsidiary, olam food ingredients, which focuses on food and beverage ingredients has obtained a multi-tranche revolving credit facility and term loan aggregating USD1.8bn. Earlier the

same week, OG announced that its food, feed and fibre operating group, Olam Agri has obtained a USD550mn revolving credit facility.

Earnings guidance

- **Australian-listed Lendlease Group (“LLC”)** is cutting its FY2024 (ending June 2024) core operating profit after tax guidance from AUD450mn to AUD305mn, as the AUD1.3bn sale of 12 Communities projects is not able to complete by June 2024. The ACCC will only announce the outcome of its review by 4 July 2024. LLC’s net gearing as at 30 June 2024 is expected to be ~17%-20% versus the previous guidance of ~15-16%.

Issuer Profile Changes / Updates

- **While Lippo Mall Indonesia Retail Trust (“LMRT”) overcomes a liquidity hurdle for now, we maintain Lippo Malls Indonesia Retail Trust (“LMRT”) Issuer Profile at Negative (7).** LMRT announced that it obtained a secured bank loan of up to IDR2.5 trillion (~SGD210mn). Post this transaction, LMRT will have sufficient liquidity to repay all debt in 2024 based on our estimation (including the USD-denominated 7.25% bond that matured on 19 June 2024). This new IDR bank loan is significant as it helps LMRT overcome a stretched liquidity situation this year where LMRT faces sizeable debt maturities. This is especially so as the take up rate for LMRT’s recent exchange offer was not significant. All-in, investors holding 29% of the amount outstanding of the bond had agreed to the exchange offer, which will push out the bond’s maturity to 2026 aside from investors receiving some cash. According to an external rating agency opinion, the exchange offer was conducted to avoid a default. Subsequently, LMRT announced a tender offer for its USD-denominated LMRTSP 7.5% ‘26s bonds and on 27 June 2024 announced that it had upsized the existing IDR2.5 trillion (~SGD210mn) loan facilities to IDR4.5 trillion (~SGD370mn).
- 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 Group Pte Ltd and Mapletree Investments Pte Ltd.**
- Please note that due to the completion of OCBC’s engagement in other business activities, we have **resumed coverage** on the following names: **CapitaLand Ascendas REIT and GuocoLand Limited.**

Trade Ideas

KREITS 3.15%-PERP (SGD)

- Sponsored by Keppel Ltd, Keppel Real Estate Investment Trust (“KREIT”) has a market cap as at 28 June 2024 of SGD3.2bn. As at 31 March 2024, portfolio value was SGD9.2bn. In May 2024, KREIT bought a 50% interest in an iconic office asset located in Sydney, Australia for ~SGD321mn.
- While we expect KREIT’s interest cover to thin and reported aggregate leverage to breach 40%, KREIT’s resilient Singapore portfolio of Grade A offices continue to underpin its credit profile (~77% of AUM). In Singapore, its assets include Ocean Financial Centre (“OFC”, 79.9% interest), Marina Bay Financial Centre (“MBFC”, comprising of MBFC Towers 1, 2 and 3 and Marina Bay Link Mall, 33.3% interest) and One Raffles Quay (“ORQ”, 33.3% interest). The remaining assets are in Australia, South Korea and Japan.

- Ask YTC of 5.55% is decent while the potential reset yield of ~5.8% (based on current forward rates, reset spread of 257.7bps and SORA adjustment) is likely to economically incentivise the issuer to call the perpetual.

LREIT 5.25%-PERP (SGD)

- Lendlease Global Commercial REIT (“LREIT”) owns Jem (contributes 60% of 1Q24 AUM, (2) 313@Somerset (28%) and Sky Complex (12%, grade A office in Milan). Performance of LREIT is well underpinned by the assets in Singapore.
- Overall 3QFY2024 (ended 31 Mar 24) operating metrics are improving though credit metrics weakened slightly amidst higher rates and capex.
- This perpetual is yielding (to call) 4.9%. The next reset and call date will be on 11 April 2025. The rest yield is expected to be 6.1% based on today SORA rates.
- There will be high chances of this perpetual being called amidst high reset yield. Even if this perpetual is not called, the potential reset yield of ~6% is still highly attractive to hold.

Model Portfolio (As at 26 June 2024)

- Fell 0.06% m/m: The model portfolio retraced somewhat m/m, with returns falling behind the SGD Credit Universe (+0.38%) in the same period. Bank capital weighed on returns such as SOCGEN 8.125% PERP, BPCEGP 5% ‘34c29s and UBS 5.375% PERP, with a larger than expected issuance of bank capital in June while uncertainties in French politics weighed more on French bank capital. Overall, the model portfolio posted 5.4% returns in YTD2024, ahead of the SGD Credit Universe (+2.6%).
- Removed SOCGEN, added GUOLSP: We swapped out of SOCGEN 8.125% PERP as it already rose significantly YTD2024 while French political results loom in the corner. Meanwhile, we add GUOLSP 4.05% ‘27s, in-line with our call to favour short-dated and crossover papers.

Issue Name	OCBC Issuer Profile Rating	Yield to Worst	Maturity / First Call Date / Reset Date	Cost of investment (incl. acc. interest)	Current Value (incl. acc. interest)	Total coupons received	Total Gain/Loss
Property Developers							
OUECT 3.95 05/05/27	5	4.01%	05/05/2027	\$242,063	\$250,075	\$15,564	\$23,576
GUOLSP 4.6 PERP	5	4.59%	23/01/2025	\$243,735	\$254,311	\$17,250	\$27,826
GUOLSP 4.05 06/04/27	5	4.03%	04/06/2027	\$250,896	\$250,896	\$0	\$0
FPLSP 3 10/09/28	5	4.24%	09/10/2028	\$227,004	\$239,028	\$7,521	\$19,545
REITs							
SPHRSP 4.1 PERP	4	7.33%	30/08/2024	\$245,856	\$251,807	\$15,389	\$21,340
LREIT 5 1/4 PERP	4	4.91%	11/04/2025	\$251,820	\$253,166	\$0	\$1,346
EREIT 6.632 PERP	4	5.90%	03/11/2024	\$249,059	\$250,254	\$0	\$1,195
AAREIT 5.65 PERP	4	5.51%	14/08/2025	\$258,838	\$255,403	\$42,375	\$38,940
CERTSP 5 PERP	Unrated	9.05%	24/11/2026	\$248,181	\$168,759	\$31,250	-\$48,172
Financial Institutions							
CS 5 5/8 PERP	Unrated			\$264,341	\$0	\$28,125	-\$236,216
STANLN 5 3/8 PERP	4	5.20%	03/10/2024	\$262,020	\$253,049	\$53,750	\$44,779
UBS 4.85 PERP	3	4.35%	04/09/2024	\$258,118	\$253,453	\$24,250	\$19,585
UBS 5 3/4 PERP	3	5.50%	21/08/2029	\$254,709	\$257,447	\$0	\$2,738
BACR 8.3 PERP	4	5.98%	15/09/2027	\$262,992	\$266,947	\$36,313	\$40,267
BACR 7.3 PERP	4	6.22%	15/06/2028	\$224,569	\$259,708	\$18,250	\$53,389
BPCEGP 5 03/08/34	Unrated	4.76%	08/03/2034	\$251,854	\$255,601	\$0	\$3,747
DB 5 09/05/26	4	4.48%	05/09/2025	\$251,649	\$255,082	\$25,000	\$28,433
CMZB 6 1/2 04/24/34	4	5.03%	24/04/2034	\$252,056	\$267,009	\$8,125	\$23,077

Others

HKLSP 3.45 12/03/39	2	4.22%	03/12/2039	\$229,663	\$227,839	\$8,601	\$6,777
OLAMSP 4 02/24/26	Unrated	5.18%	24/02/2026	\$253,341	\$247,447	\$34,959	\$29,065
OLGSPSP 5 3/8 PERP	5	7.46%	18/07/2026	\$244,179	\$245,606	\$13,438	\$14,864
SLHSP 3 1/2 01/29/30	4	4.03%	29/01/2030	\$243,420	\$246,487	\$4,339	\$7,406
ESRCAY 5.65 PERP	Unrated	6.81%	02/03/2026	\$255,577	\$248,783	\$49,438	\$42,643
SITB 07/30/24	Unrated	3.70%	30/07/2024	\$96,687	\$96,687	\$0	\$0

Total Gain/Loss since portfolio inception \$554,933

Statistics	Simple Avg, Issuer Profile	Simple Avg, Yield*	Simple Avg, Tenor	Total, Invested Amount	Cash Balance	Unrealised Profit	Portfolio Value
	4.1	5.40%	3.4Y* (8.0Y**)	\$5,822,628	\$91	-\$267,785	\$5,554,933

*Assume first call date as maturity, or reset date as maturity (if not called at first call)

**Assuming maturity of perpetuals = 10Y, and issuers do not exercise the call for non-perps with call dates. Excludes SITB

Upcoming Bond Maturities – July 2024

Issuer Name	Ticker	Amount (SGDmn)	Maturity / Call* Date
Oxley MTN Pte Ltd	OHLSP	133	08/07/2024
National Australia Bank Ltd	NAB	135	12/07/2024
Commonwealth Bank of Australia	CBAAU	220	14/07/2024
Toyota Motor Finance Netherlands BV	TOYOTA	150	19/07/2024
Housing & Development Board	HDBSP	900	24/07/2024

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports from OCBC Credit Research

- SGD Credit Outlook 2H2024 (28 June 2024)
- Sharpening the Sustainability Focus for Financial Institutions Special Interest Commentary (28 June 2024)
- Lippo Malls Indonesia Retail Trust: Credit Update (31 May 2024)
- Mapletree Industrial Trust: Credit Update (30 May 2024)
- Transition Bonds Special Interest Commentary (27 May 2024)
- AIMS APAC REIT: Credit Update (14 May 2024)
- Keppel Real Estate Investment Trust: Credit Update (3 May 2024)
- Wing Tai Holdings Ltd: Credit Update (25 April 2024)
- Lendlease Group: Credit Update (18 April 2024)
- ESR-LOGOS REIT: Credit Re-Initiation (4 April 2024)
- SGD Bond Trade Ideas Special Interest Commentary (28 March 2024)
- DBS Group Holdings Ltd and United Overseas Bank Ltd: Credit Update (22 March 2024)
- Singapore Exchange Ltd: Credit Initiation (21 March 2024)
- Singapore Airlines Ltd: Credit Update (19 March 2024)
- Perpetual Series 9 Special Interest Commentary (18 March 2024)
- Mapletree Pan Asia Commercial Trust: Credit Update (15 March 2024)
- Oxley Holdings Ltd's: Credit Update (13 March 2024)
- Suntec Real Estate Investment Trust: Credit Update (06 March 2024)
- Housing & Development Board: Special Interest Commentary (1 March 2024)
- Frasers Centrepont Trust: Credit Update (23 February 2024)
- Capitaland Ascott Trust: Credit Update (22 February 2024)
- Mapletree Logistics Trust: Credit Update (8 February 2024)
- First Real Estate Investment Trust: Credit Update (2 February 2024)
- Singapore Property Special Interest Commentary (29 January 2024)
- Sustainable Finance Special Interest Commentary (23 January 2024)

- REIT Special Interest Commentary (9 January 2024)
- Singapore Credit Outlook 1H2024 (5 January 2024)

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 issue 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 issue 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 issue 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.

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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, Frasers Centrepoint Trust, Suntec Real Estate Investment Trust, Mapletree Pan Asia Commercial Trust, Frasers Hospitality Trust, Lendlease Global Commercial REIT, Capitaland Ascott Trust, Frasers Property Ltd.

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