Monthly Credit View

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Monthly Themes & House View

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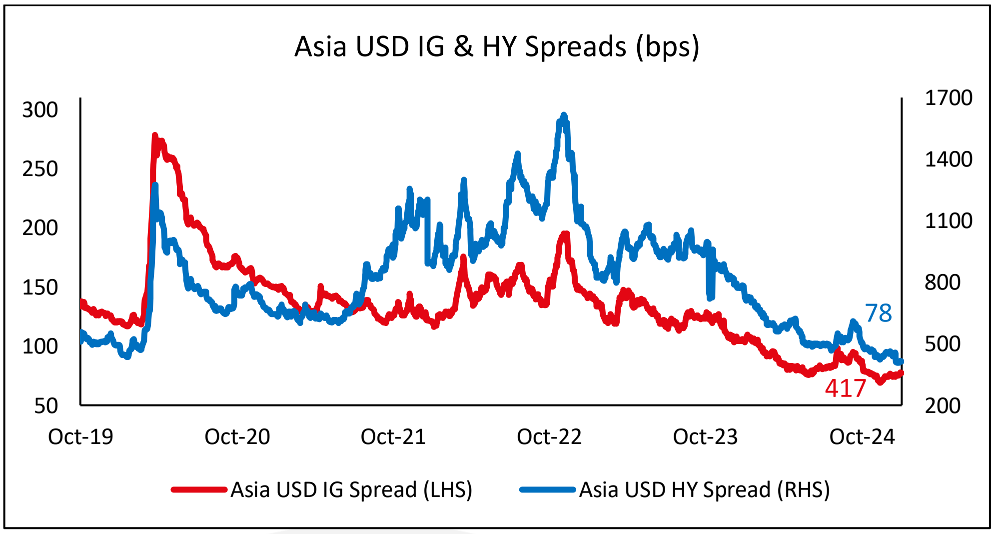
- **Different directions:** Asiadollar credit spreads exhibited disparity in December, with Bloomberg Asia USD Investment Grade spreads widening ~4bps m/m to 78bps, while Bloomberg Asia USD High Yield spread tightened 41bps m/m to 417bps as at time of writing. This could be partially due to the happenings during the US Federal Reserve Meeting ("FOMC") in December, where Fed Chair Jerome Powell indicated a slower pace of rate cuts in 2025 after issuing a 25bps rate cut in that meeting, with investors continuing the search for all in yields while ignoring heightened inflation worries. The US Federal Reserve revised upward 2025 personal consumption expenditures ("PCE") inflation forecast to 2.5% from 2.1% prior, and 2025 core PCE inflation forecast to 2.5% from 2.2% prior.



Source: Bloomberg, OCBC, As of 03 January 2025

- **Slowing down in depth and breadth after a busy year:** December saw a noticeable slowdown in Asiadollar bond issuance (excluding Japan) of USD4.4bn as of 31 December 2024 against around USD15bn in November per Bloomberg data. Issuances predominantly happened in the earlier half of December up till 20 December with the top 3 largest issuances for the month from the Chinese financial and local government sectors, including (i) China Construction Bank (Asia) Corporation Limited issuing a USD1bn bond, (ii) Bank of Communications Co Ltd/Hong Kong issuing a USD300mn bond and (iii) Cixi State Owned Asset Investment Holdings Co. Ltd. issuing a USD300mn sustainability bond.
  - Chinese issuers were material contributors throughout the month with ~63% of December issuance, the bulk of which came from local government financing vehicles ("LGFVs").
  - These issuers reflect a cross section of government linkage and higher yields, which may have been attractive to investors given the

government's recent efforts to stabilise the property sector and economy with market activity picking up and housing prices showing a recovering trend, as well as some expectation of strategic importance for these LGFVs that may result in some level of external credit support.
  - Overall for 2024, Asiadollar bond issuance (excluding Japan) was around USD185bn according to Bloomberg League tables, up ~40% y/y.

- **Chinese companies not out of the woods:** That said, Chinese issuers continue to feel the effects of a challenging operating period over the past few years. As of the middle of December 2024, Bloomberg reported that bonds from at least 75 Chinese companies, valued at a total of USD54bn, are under pressure to repay. This includes RMB329.86bn worth of notes and USD8.59bn of offshore bonds. Earlier in December, defaults on offshore corporate bonds USD17.4bn in YTD2024 while local bond defaults were at RMB15bn (~USD2.1bn).

- **New World replaced its CEO, again:** Echo Huang Shaomei has replaced Eric Ma as CEO, who served for only two months after succeeding Adrian Cheng. Cheng, the eldest son of the family patriarch, resigned following New World's first loss in two decades. New World's bonds and perps have fallen significantly.

- **Adani Group's bonds continue to struggle:** Following the cancellation of Adani Group green energy division's priced USD600mn bond after US prosecutors charged Gautam Adani, the group founder with participation of an alleged bribe plot, Adani bonds made small recoveries with the ADGREG 6.7% '42s rising ~5pts in early December to ~85 pts. Since then however, the bond has drifted lower to around ~84 pts and remains >10 pts off from levels in the first half of November. Adani may look to price its USD bond between April and June 2025.

- **Elsewhere in Asia:**
  - **Korean issuers** held up relatively well despite amidst political uncertainty in South Korea following President Yoon's declaration of martial law earlier in the month which lasted briefly. Since then however, political uncertainty has continued with arrest warrants issued for President Yoon as at time of writing for his decision to impose martial law. One of the largest deals in Asiadollar in 2024, Korea Development Bank's USD1.75bn KDB 4.625% '27s has remained above par throughout December and is currently trading around 100.3pts.
  - **Thailand introduced a new series of debt-relief measures** aimed at assisting millions of retail borrowers and small businesses facing challenges in repaying loans. This move represents the government's latest effort to address the highest household debt levels in Southeast Asia.
  - Nissan Motor Co Ltd's dollar-bond spreads narrowed in December after news emerged that the company is gearing up to initiate talks with its Japanese competitor Honda Motor Co Ltd regarding **a potential merger of Japanese automakers**. On 23 December, both companies announced an agreement to begin discussions on a potential business integration with shares in a newly established joint holding company to be listed in

August 2026. While exact terms of the arrangement have not been released, Nissan Motor Co Ltd's shareholders have become concerned about the possible share transfer ratio that will take into account respective share prices.

- **Indonesian clothes maker PT Pan Brothers** returned to the courts for a creditor vote on its latest debt restructuring proposal for ~USD537mn in debts with more than 90% of creditors approving the proposal with the restructuring reportedly to be implemented with mandatory convertible bonds. The restructuring resulted in the company exiting bankruptcy on 23 December. **Separately, Indonesian property developer PT Modernland Realty Tbk** revised the terms of its exchange offer and consent solicitation for its 2025 (MDLNIJ 5.0% '25s) and 2027 notes with 2025 holders to get 18 cents in cash and 62 cents in new 6.0% notes, while 2027 holders will get 10 cents in cash and 76 cents in new 6.0% notes. The company received the required consents before the offer expiry on 23 December London time.

SGD Credit

- **Primary market looking for action:** The SGD primary market's overall issuance activity was very quiet in December, with an issuance level of only SGD492mn from 6 issuers. This followed November which had SGD2.9bn across 9 issuances. Notable issuances came from (1) Cagamas Global PLC issuing 2 bonds amounting to SGD250mn, (i) a SGD 100mn bond and (ii) a SGD150mn bond, both one day apart, and (2) Allgreen Properties Ltd ("Allgreen") which priced a SGD150mn AGSP Float'29s, presumably to refinance the SGD250mn AGSP 3.15% '25s that mature on 16 January. Property developer Allgreen is an infrequent issuer in the SGD space.

Key SGD issues in December 2024

Issue	Size (SGDmn)	Tenor	Pricing	Description
QNB Finance Ltd	40	2Y	3.016%	Fixed
Allgreen Treasury Pte Ltd	150	5Y	Float	FRN
Emirates NBD PJSC	25	2Y	2.89%	Fixed
Cagamas Global PLC (guarantor: Cagamas Bhd)	150	2Y	3%	Fixed
Cagamas Global PLC (guarantor: Cagamas Bhd)	100	2Y	3%	Fixed
Samba Funding Ltd	27	2Y	3.375%	Fixed

Source: Bloomberg, Company, OCBC

- **Stronger m/m returns driven by higher yields on a structural and fundamental basis:** The SGD Credit Universe returned +0.17% m/m (+0.17% m/m in November 2024, October 2024: +0.07% m/m) despite the rise in yields as spreads tightened within the SGD Credit Universe. The only weak performer were the longer tenors. Non-financial corporate perpetuals were the best performing by tenor and structure while cross over credits were the strongest by issuer profile rating in December.

SGD Tracker

	Key Statistics					
	(1 Jan 2021 = 100)	Eff Mty	Market Cap (SGD'mn)	m/m	y/y	Since Jan 2021
By Tenor & Structure						
AT1S	110.0	3.6Y	11,935	0.27%	6.95%	10.02%
NON-FIN PERP	116.8	11.4Y	13,444	0.55%	10.90%	16.79%
TIER 2S & Other Sub	112.7	4.0Y	16,793	0.27%	6.89%	12.75%
LONGER TENORS (>9YRS)	96.0	23.3Y	13,550	-0.34%	9.40%	-4.04%
MID TENORS (>3Y-9YRS)	106.5	5.1Y	38,455	0.02%	5.27%	6.53%
SHORT TENORS (1-3YRS)	110.4	2.0Y	25,659	0.23%	5.22%	10.42%
MONEY MARKET (<12M)	113.6	0.6Y	12,741	0.36%	4.68%	13.63%
By Issuer Profile Rating						
POS (2)	109.7	8.0Y	7,399	0.31%	6.25%	9.70%
N(3)	111.8	3.7Y	22,998	0.27%	6.47%	11.79%
N(4)	112.4	7.4Y	22,560	0.40%	7.08%	12.36%
N(5)	111.4	2.2Y	6,059	0.44%	10.18%	11.41%
OCBC MODEL PORTFOLIO	118.2	3.1Y	6	0.38%	10.57%	18.16%
SGD Credit Universe	107.1	6.3Y	129,434	0.17%	6.57%	7.06%

Source: OCBC Credit Research, Bloomberg

Building Defences With SGD Credit In 2025

- **SGD exceptionalism in recent times? Amidst strong credit market performance driven by lower interest rates and tighter spreads,** the SGD credit market returned +6.6% in 2024 according to our tracker. In general, stronger performance were delivered by subordinated papers, long-term papers and higher yielding credits. At the same time, it was a buoyant year for the SGD primary credit market with 2024 issuance surpassing full-year issuances in recent years. Factors favouring issuances include:
  - **Tight credit spreads:** Favourable environment to issue SGD credit due to tight credit spreads even with interest rates remaining high relative to pre-pandemic and pandemic years.
  - **Demand for SGD credits:** Orderbooks were generally decent despite tight spreads, indicating healthy market interest.
  - **Relative stability of interest rates:** Although yields in the Asiadollar markets have fluctuated, their impact on the SGD market has been limited, contributing to a stable issuance landscape.

- **A clean record and new entrants:** The SGD credit market did not have any defaults or losses in 2024, maintaining a strong performance since the last significant loss of SGD750mn due to the write-down of Credit Suisse Group AG's SGD750mn AT1 (CS 5.625% PERP) in March 2023. Thus far, aside from the oil and gas default wave from 2016 to 2018 and other isolated idiosyncratic developments, the SGD credit market has maintained low levels of defaults. In 2024, the SGD credit market welcomed nine issuers, including Singapore Exchange Limited ("SGX") and iFast Corp Ltd ("iFAST") which we featured in our 2H2024 Credit Outlook (published 28 June 2024). The remaining seven debut issuers in 2H2024 are as follows:
  - **Toronto-Dominion Bank/The ("TD")**: This IG-rated Canadian bank priced a SGD250mn Additional Tier 1 ("AT1") bank capital instrument at 5.7% on 2 July 2024.
  - **Ho Bee Land Limited ("Ho Bee")**: A Singapore-based real estate developer,

Ho Bee priced a SGD160mn 5Y green bond at 4.35% on 4 July 2024.
  - **Banco Santander SA ("Banco")**: This IG-rated Spanish financial services firm priced a SGD300mn senior non-preferred at 3.6% on 16 October 2024.
  - **PowerDC Holdco Pte Ltd ("PowerDC")**: A member company of Vantage Data Centres, PowerDC is an owner, developer and operator of hyperscale data centre campuses that priced a SGD100mn 5Y bond at 3.625% on 29 October 2024. The issue is guaranteed by Credit Guarantee & Investment Facility ("CGIF") and is externally rated "AA."
  - **Wharf REIC Finance BVI Ltd ("Wharf REIC Finance"):** A special purpose entity of IG-rated Wharf Real Estate Investment Company ("Wharf REIC"), a Hong Kong real estate firm, Wharf REIC Finance priced a SGD100mn 5Y issue at 3.3% on 28 October 2024. Although Wharf REIC is new to the SGD credit market, its sister company The Wharf (Holdings) Ltd and parent company Wheelock & Co Ltd had previously issued in the SGD credit market.
  - **Singapore Medical Group Ltd ("SMG")**: A Singapore healthcare organization with a network of private specialist providers with diagnostic imaging and health screening services, SMG priced a SGD90mn 5Y bond at 3.54% on 11 November 2024. The issue is guaranteed by CGIF and is externally rated "AA."
  - **Korea Housing Finance Corp ("KHFC")**: A government-sponsored enterprise that ensures stable housing finance to enhance citizens' welfare and foster national economic development in Korea, KHFC priced a SGD300mn 2Y social bond at 3.033% on 20 November 2024. KHFC has issued numerous green and social bonds in other countries, with a strong ESG mandate and leadership in supporting sustainability.

- **1H2025 Outlook – Neutral amid Tight Spreads while Yields Remain High:**
  - We expect SGD credit spreads will remain tight relative to historical levels, though some mild widening may occur given the current tightness.
  - Demand for credit has been supported by expectations of interest rate cuts. We think credit may remain in demand as interest rates in 2025 are expected to be flat or lower than 2024 according to OCBC strategists.
  - Meanwhile, OCBC Economists project modest GDP growth for Singapore's key trading partners. However, ongoing geopolitical uncertainties, particularly in Israel-Iran, Russia-Ukraine and US-China relations, could lead to episodic widening of credit spreads.
  - If credit spreads remain at historic tight levels, issuers may capitalize on this by issuing more. Credit spreads can widen should supply exceed demand, noting that the balance of demand and supply for credit has likely normalized following near-record issuance in YTD2024.

- **SGD a relative place of safety:** Although credit spreads are tight, capital losses, if any, should be contained. We expect credit spreads to remain tight relative to historical levels due to (1) a stable economic and credit environment, (2) still high yields which can offset potential capital losses while (3) interest rates are expected to remain flat or lower in 2025. This supports our overall neutral stance for SGD credit in 1H2025.
  - While the SGD credit market is not fully immune to geopolitical tensions and domestic challenges affecting foreign issuers, most SGD credit issuers are anchored in Singapore and derive their income from domestically.
  - According to the World Bank's Worldwide Governance Indicators ("WGI"), which reflect perceptions of governance quality, Singapore's stability contrasts with the fluctuations seen in major global economies.
  - Consequently, we expect SGD credit markets to continue to act as a

relative safe harbour in times of heightened geopolitical stress. Our key views for 1H2025 include:

- We are Neutral on very short (<1Y) and short tenor (1-3Y) bullets while **preferring higher yielding bonds in the belly (>3Y to 9Y) and longer tenors (up to 15Y).** With interest rates expected to remain flat or decline in 2024, we prefer longer duration bonds to lock in yields and mitigate reinvestment risks. Our analysis shows that higher yielding bonds tend to offer better protection, as their carry (income generated from the bond) can offset potential capital losses should interest rates rise.
- **We continue to favour crossover papers in 1H2025**, consistent with our 2024 credit outlook**.** Defaults in the SGD credit market should remain low with a benign funding environment, economic growth (despite slower projected growth by OCBC economists) and stable credit profiles. The curves of issuers rated Neutral (4) and Neutral (5) have performed well in 2024, and we expect the outperformance to continue.
- **We remain positive on selected Non-Financial Corporate Perpetuals that are more likely to be called or those with wide reset spreads.** Based on our analysis, most non-financial corporate perpetuals will likely be redeemed on their first call dates in 2025, as many have coinciding first call and reset dates. The economic incentive to call is high, otherwise these perpetuals could reset to a distribution rate of mid 5% to low 8%, based on benchmark rates as of 25 November 2024 our study.
- **We remain neutral on Bank Capital Instruments**, such as Additional Tier 1 (“AT1”) and Tier 2 securities, due to tight spreads. Issued by reputable and regulated issuers, bank capital instruments can provide higher returns relative to senior issues as they are usually redeemed at their first call dates. In general, we prefer AT1s with higher yields and wider reset spreads.

- **Sector resilience maintained**:
  - **REITs.** Following a public consultation, the Monetary Authority of Singapore (“MAS”) issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the S-REIT sector with a minimum interest coverage ratio (“ICR”) of 1.5x and a single aggregate limit of 50% on all S-REITs imposed. Overall, we see the proposed changes as a friendly move for the S-REIT-sector as S-REIT managers will have higher flexibility in managing their capital and a higher debt headroom for executing growth plans. We expect the market’s comfort level for aggregate leverage to stabilise at 43-44% over time and an ICR of ~1.8x to be the market’s new “line in the sand”. Investors are likely to favour S-REIT managers that practice financial discipline and uphold the market’s expectation of S-REITs as lower risk vehicles that generate stable income to pay its capital providers.
  - **SG Property**. We think prices may rise by 2-4% in 2025. Transactions have picked up strongly in recent months and may remain high if interest rates decline. Meanwhile, HDB cooling measure introduced in August 2024 has limited impact. While demand should remain firm due to strong holding power, growing aspirations and growth in residents, supply should catch up with higher land sales and significant number of launches in 2025. Developers’ profitability and interest coverage should improve with lower cost and lower interest rates, though the trajectory of credit metrics is dependent on their willingness to leverage their balance sheets.
  - **Financial Institutions.** 2024 will continue to be a year of challenges, but one that should still see fundamentals remaining stable. Financial Institutions will continue to focus on controlling costs as net interest

income declines from high levels while overall defensive strategic positioning in 2024 will mitigate an environment of elevated geopolitical risks and ongoing concerns of financial system stability from higher for longer interest rates and elevated systemic leverage. Our fundamental views continue to consider the strong influence of regulations and governance that we continue to see as positive in managing the influence of internal and external factors.

Issuer Profile Changes / Updates

- We **maintain Olam Group Limited ("OG")'s Issuer Profile rating at Neutral (5) with a cautious outlook.** OG's asset base, income stream and capital structure are likely to change overtime on the back of IPO and demerger plans at both ofi (the food and beverage ingredients and solutions business) and Olam Agri (a global agri-business that encompasses food, feed, fibre, agri-industrials and agriculture services). Olam Agri may ultimately be sold instead in a trade sale as opposed to an IPO. A debt pare down from proceeds from OG's stake sale in ofi and Olam Agri may reduce financial risk at OG, notwithstanding our expectations that Remaining Olam Group's business risk is higher versus OG as a whole. We will review the issuer profile rating when further details are available. In the near term, we expect working capital needs as well as interest expense to continue being higher than recent history at OG for 2H2024 on the back elevated commodity prices.

- We **maintain OUE's Issuer Profile rating at Neutral (5), albeit with a cautious outlook amidst potential risks from China property sector.** Despite the weaker interest coverage ratio due primarily to higher interest expenses, OUE's outlook is expected to be underpinned by improvements across its business segments (e.g.: Hospitality, Office, Retail and Healthcare). OUE's performance is also expected to be supported by the improved business outlook of First Real Estate Investment Trust ("FIRT"), a subsidiary that consistently contributed a ~SGD17mn dividend and ~SGD10mn management fees per annum to OUE. That said, there could be more share of losses ahead from Gemdale Properties and Investment Corporation Limited ("GPI") amidst the weak China Property sector, though we believe the impact is likely manageable as (1) the losses are non-cash in nature, (2) GPI accounted for 12% of OUE's total assets, (3) there is no loan guaranteed or extended by OUE to GPI and (4) dividend received from GPI has been modest since 2023.

- **We recently revised the outlook on the Neutral (4) Issuer Profile on Singapore Post Limited ("SingPost") to negative amidst uncertainties** related to disciplinary proceedings against its Group Chief Executive Officer ("CEO"), Group Chief Financial Officer ("CFO"), and Chief Executive Officer, International Business Unit Operations, including the termination of their employment. We believe the short-term commercial impact of this announcement is likely manageable however there are medium to longer term uncertainties ahead related to potential governance concerns including possible (1) reputational impacts to SingPost's other business, (2) regulatory actions and scrutiny related to SingPost's domestic mail business and (3) delays in the disposal of its Australian assets. We still consider the possible sale of SingPost's Australian assets as a positive catalyst that may mitigate the current governance concerns stemming from both the termination and the current disagreement between the terminated management and SingPost's board. The CEO and CFO will "vigorously contest the termination of our employment, both on merits and on the grounds of procedural unfairness." Absent the recent governance concerns, we expected SingPost to benefit from the disposal of its Australian assets from a better capital structure and more stable Singapore businesses. That said, our view was somewhat dependent on the future strategy of SingPost. Should SingPost aggressively expand to other riskier businesses in the future, we may adjust our Issuer Profile rating and outlook accordingly.

- 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: **Suntec Real Estate Investment Trust.**
- Please note that due to the completion of OCBC's engagement in other business activities, we have **resumed coverage** on the following names: **Barclays PLC** and **Keppel Limited.**

Trade Ideas

HOBEE 4.35% '29s (SGD)

- Ho Bee Land Ltd ("HOBEE") is more of a property owner, with property investments in Singapore and London accounting for 85% of its total assets.
- Portfolio occupancy was 95% as at end-1H2024 for the investment property, with well staggered lease expiry profile and revenue visibility in 2028 and beyond.
- Rising rates have dampened profitability, with EBITDA/Interest in 1H2024 falling to 1.5x (2022: 3.0x). That said, with Bank of England starting to cut rates, finance costs should decline in 2H2024.
- We are Overweight HOBEE 4.35% '29s which is one of the few bullet papers trading above 4%.

OUECT 3.9 '31 (SGD)

- OUEREIT is a mid-sized diversified REIT in Singapore, with a market cap of SGD1.6bn as of 3 January 2025 while total assets under management were SGD6.3bn as of 31 December 2023. By 3Q2024 revenue, OUEREIT's assets are contributed by offices (48%), retail (17%) and hospitality (35%). Post the disposal of Shanghai Lippo Plaza (previously accounted for 7% of 3Q2024 revenue) for SGD357.4mn on 27 December 2024, OUEREIT's assets are all located in Singapore. Within hospitality and retail, it owns Crowne Plaza Changi Airport, Hilton Singapore Orchard, Mandarin Gallery. For offices, OUEREIT owns 50% stakes of OUE Bayfront, OUE Downtown and 68% stakes of One Raffles Place in Singapore.
- Overall 3Q2024 results are largely stable with consistent performance from Singapore Hospitality, Retail and Office segments. Results are slightly affected by more cautious consumer sentiments on both Retail and Hospitality segments. The outlook is stable, underpinned by the premium asset portfolio in Singapore.
- Attractive ask yield of ~3.8% with a credit spread of ~110bps.

BACR 5.4% 'PERPc30s (SGD)

- Barclays current three-year plan reflects management's intention to allocate capital to better returning businesses including Barclays UK, UK Corporate Bank and Private Bank and Wealth Management. Recent actions in this regard include the UK acquisition of Tesco Bank and exit of non-priority businesses in Germany and Italy. We think this is positive for underlying fundamentals.
- 3Q2024 results were constructive given the solid performance of its UK businesses and the Investment Bank's ability to take advantage of increased market volatility and deal activity. That said, overall performance is in line with expectations with Barclays Investment Bank contribution to total income at 47.7% in 9M2024.
- While overweight this AT1, we have a neutral call on bank capital instruments in general as valuations have already tightened considerably through 2024.

Model Portfolio (As at 03 January 2025)

- **Rose 0.31% since previous update:** The model portfolio rose since the previous update, with returns ahead of the SGD Credit Universe in the same period (+0.09%). Outperformers included crossover credits such as FPLSP 3% '28s while perpetuals and AT1s generally delivered positive returns. Meanwhile, underperformers included HKLSP 3.45% '39s and BPCEGP '34c29s.

- **Taking profit to make room for deals:** We took profit on OLGSP 5.375% PERP as it is near par as well as ESRCAY 5.65% PERP. We expect to deploy proceeds going ahead if issuances remain forthcoming.

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	3.49%	05/05/2027	$242,063.08	$253,480.70	$20,857.53	$32,275.15
GUOLSP 4.6 PERP	5	1.85%	23/01/2025	$243,734.62	$255,326.90	$23,000.00	$34,592.28
GUOLSP 4.05 06/04/27	5	3.38%	04/06/2027	$250,896.47	$254,284.40	$5,048.63	$8,436.56
FPLSP 3 10/09/28	5	3.33%	09/10/2028	$227,003.94	$248,141.82	$11,280.82	$32,418.70
HOBEE 4.35 07/11/29	5	4.17%	11/07/2029	$257,188.01	$256,716.76	$0.00	-$471.25
REITs							
EREIT 2.6 08/04/26	4	3.66%	04/08/2026	$244,264.73	$247,904.33	$0.00	$3,639.61
EREIT 6.632 PERP	4	5.83%	03/05/2025	$249,059.20	$249,895.10	$8,290.00	$9,125.90
OUECT 3.9 09/26/31	5	3.79%	26/09/2031	$254,313.87	$253,707.62	$0.00	-$606.25
LREIT 5 1/4 PERP	4	3.64%	11/04/2025	$251,819.93	$253,786.88	$6,562.50	$8,529.45
AAREIT 5.65 PERP	4	3.86%	14/08/2025	$258,837.77	$258,058.75	$49,437.50	$48,658.48
CERTSP 5 PERP	Unrated	7.51%	24/11/2026	$248,180.96	$200,678.10	$37,500.00	-$10,002.86
Financial Institutions							
CS 5 5/8 PERP	Unrated			$264,341.44		$28,125.00	-$236,216.44
UBS 5 3/4 PERP	3	4.84%	21/08/2029	$254,708.53	$264,414.32	$7,187.50	$16,893.29
BACR 8.3 PERP	4	5.08%	15/09/2027	$262,992.23	$271,160.03	$46,687.50	$54,855.31
BACR 7.3 PERP	4	5.13%	15/06/2028	$224,568.75	$268,012.50	$27,375.00	$70,818.75
BPCEGP 5 03/08/34	Unrated	4.00%	08/03/2029	$251,854.14	$263,043.34	$6,250.00	$17,439.20
DB 5 09/05/26	4	3.31%	05/09/2025	$251,649.25	$256,832.83	$31,250.00	$36,433.58
CMZB 6 1/2 04/24/34	4	4.09%	24/04/2029	$252,056.27	$274,972.79	$16,250.00	$39,166.52
Others							
HKLSP 3.45 12/03/39	2	3.98%	03/12/2039	$229,663.22	$234,392.05	$12,902.06	$17,630.89
OLAMSP 4 02/24/26	Unrated	4.20%	24/02/2026	$253,341.13	$252,633.53	$39,917.81	$39,210.21
SLHSP 3 1/2 01/29/30	4	3.68%	29/01/2030	$243,420.03	$251,056.06	$8,678.08	$16,314.11
SITB 01/28/25	Unrated	3.03%	28/01/2025	$743,644.10	$743,644.10	$0.00	$0.00
Total Gain/Loss since portfolio inception							$812,613

Statistics	Simple Avg, Issuer Profile	Simple Avg, Yield*	Simple Avg, Tenor	Total, Invested Amount	Cash Balance	Unrealised Profit	Portfolio Value
	4.2	**4.36%**	**3.2Y* (7.0Y**)**	**$5,959,601.67**	**$470.40**	**-$147,459**	**$5,812,613**

*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, Next Reset and Next Call Dates – January 2024

Issuer	Ticker	Coupon	Amt. Outstanding (SGDmn)	Maturity Date	Call Date	Reset Date
Wing Tai Holdings Ltd	WINGTA	3.680	100	16/01/2030	16/01/2025	-
Thomson Medical Group Ltd	TMGSP	4.050	175	28/01/2025	-	-
Allgreen Treasury Pte Ltd	AGSP	3.150	250	16/01/2025	-	-
City Developments Ltd	CITSP	2.700	200	23/01/2025	-	-
Aspial Lifestyle Ltd	MSFSSP	6.050	21	24/01/2025	-	-
Bank of Communications Co Ltd/Singapore	BOCOM	3.440	100	17/01/2025	-	-

Source: OCBC Credit Research, Bloomberg

Current / Recent Reports from OCBC Credit Research

- OUE Limited: Credit Update (31 December 2024)
- Singapore Post Limited: Credit Update (24 December 2024)
- Singapore Post Limited: Credit Update (19 December 2024)
- Olam Group Limited: Credit Update (16 December 2024)
- Sustainable Finance Special Interest Commentary (6 December 2024)
- Shangri-La Asia Limited: Credit Update (21 November 24)
- Standard Chartered PLC / Standard Chartered Bank: Credit Update (20 November 24)
- ABN Amro Bank NV: Credit Update (18 November 24)
- Hongkong Land Holdings Ltd and The Hongkong Land Company, Limited: Credit Update (13 November 24)
- Sembcorp Industries Ltd: Credit Update (11 November 24)
- Frasers Logistics & Commercial Trust: Credit Update (08 November 24)
- CapitaLand Integrated Commercial Trust: Credit Update (07 November 24)
- CapitaLand China Trust: Credit Update (1 November 2024)
- GuocoLand Ltd: Credit Update (30 October 2024)
- HSBC Holdings PLC / HSBC Bank PLC: Credit Update (30 October 2024)
- Barclays PLC / Barclays Bank PLC: Credit Update (28 October 2024)
- Deutsche Bank AG: Credit Update (25 October 2024)
- Sustainable Finance Special Interest Commentary (23 October 2024)
- Lendlease Global Commercial REIT: Credit Update (18 October 2024)
- Keppel Infrastructure Trust: Credit Update (14 October 2024)
- Starhill Global REIT: Credit Update (11 October 2024)
- CapitaLand Investment Ltd: Credit Initiation (1 October 2024)
- CapitaLand Ascendas REIT: Credit Update (26 September 2024)
- Ho Bee Land Ltd: Credit Initiation (25 September 2024)
- SGD Credit Market Overview and Coverage (24 September 2024)
- CapitaLand Group Pte Ltd: Credit Update (12 September 2024)
- OUE Real Estate Investment Trust: Credit Update (30 August 2024)
- CK Asset Holdings Limited: Credit Update (28 August 2024)
- ESR-LOGOS REIT: Credit Update (27 August 2024)
- Mapletree Investments Pte Ltd: Credit Update (26 August 2024)
- REIT Special Interest Commentary (26 July 2024)
- SGD Credit vs Asiadollar Credit Special Interest Commentary (16 July 2024)
- Wing Tai Properties Ltd: Credit Update (12 July 2024)
- SGD Credit Outlook 2H2024 (28 June 2024)
- Sharpening the Sustainability Focus for Financial Institutions Special Interest Commentary (28 June 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

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