

Singapore

Singapore's local currency (LCY) bond market reached a size of SGD333 billion (USD230 billion) at the end of December 2016, reflecting a rise of 2.3% quarter-on-quarter and 3.2% year-on-year in the fourth quarter (Q4) of 2016. Growth in the LCY bond market was driven by an increase in the stock of Monetary Authority of Singapore bills and government bonds. Corporate bonds declined 2.0% quarter-on-quarter but rose 0.3% year-on-year. Depressed oil prices significantly affected energy companies in 2016, causing some corporate debt defaults and contributing to the stagnant growth seen in the corporate debt sector.

Table 1: Size and Composition of the LCY Bond Market in Singapore

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2015		Q3 2016		Q4 2016		Q4 2015		Q4 2016	
	SGD	USD	SGD	USD	SGD	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	323	228	326	239	333	230	(0.5)	0.0	2.3	3.2
Government	183	129	183	134	193	133	(2.3)	(5.7)	5.6	5.4
SGS Bills and Bonds	106	75	107	78	110	76	2.7	7.7	2.8	4.1
MAS Bills	78	55	76	56	83	57	(8.5)	(19.4)	9.6	7.2
Corporate	140	99	143	105	140	97	2.1	8.5	(2.0)	0.3

(-) = negative, LCY = local currency, MAS = Monetary Authority of Singapore, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, SGD = Singapore dollar, SGS = Singapore Government Securities, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. Government bonds are calculated using data from national sources. Corporate bonds are based on *AsianBondsOnline* estimates.
2. SGS bills and bonds do not include the special issue of Singapore Government Securities held by the Singapore Central Provident Fund.
3. Bloomberg LP end-of-period LCY-USD rates are used.
4. Growth rates are calculated from an LCY base and do not include currency effects.

Sources: Bloomberg LP, Monetary Authority of Singapore, and Singapore Government Securities.

New corporate bond issuance in Singapore amounted to SGD1.5 billion in Q4 2016, declining from SGD4.1 billion in the previous quarter. The state-owned Housing and Development Board had the largest corporate issuance in Q4 2016.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2016

Corporate Issuers	Coupon Rate (%)	Issued Amount (SGD million)
Housing and Development Board		
5-year bond	2.22	900
Singapore Airlines		
10-year bond	3.13	430
Mapletree Commercial Trust		
7-year bond	2.80	85
Starhill Global REIT		
10-year bond	3.14	70

REIT = real estate investment trust, SGD = Singapore dollar.

Source: Bloomberg LP.

LCY bonds outstanding from the top 30 corporate issuers in Singapore amounted to SGD69.1 billion at the end of December, representing 49.2% of the total corporate bond stock.

Table 3: Top 30 Issuers of Local Currency Corporate Bonds in Singapore

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (SGD billion)	LCY Bonds (USD billion)			
1.	Housing & Development Board	22.5	15.6	Yes	No	Real Estate
2.	United Overseas Bank	4.7	3.2	No	Yes	Banking
3.	Temasek Financial I	3.6	2.5	Yes	No	Finance
4.	Land Transport Authority	3.5	2.4	Yes	No	Transportation
5.	Capitaland	2.8	1.9	No	Yes	Real Estate
6.	FCL Treasury	2.4	1.6	No	No	Finance
7.	DBS Bank	2.2	1.5	No	Yes	Banking
8.	SP Powerassets	1.9	1.3	No	No	Utilities
9.	Olam International	1.7	1.2	No	Yes	Consumer Goods
10.	Keppel Corporation	1.7	1.2	No	Yes	Diversified
11.	DBS Group Holdings	1.5	1.1	No	Yes	Banking
12.	Oversea-Chinese Banking Corporation	1.5	1.0	No	Yes	Banking
13.	City Developments Limited	1.5	1.0	No	Yes	Real Estate
14.	Hyflux	1.5	1.0	No	Yes	Utilities
15.	Singapore Airlines	1.4	1.0	No	Yes	Transportation
16.	Public Utilities Board	1.4	1.0	Yes	No	Utilities
17.	Neptune Orient Lines	1.3	0.9	No	Yes	Transportation
18.	Capitaland Treasury	1.2	0.8	No	No	Finance
19.	Mapletree Treasury Services	1.1	0.8	No	No	Finance
20.	CMT MTN	1.1	0.7	No	No	Finance
21.	Capitamalls Asia Treasury	1.0	0.7	No	No	Finance
22.	National University of Singapore	1.0	0.7	No	No	Education
23.	Ascendas REIT	1.0	0.7	No	Yes	Finance
24.	Sembcorp Financial Services	1.0	0.7	No	No	Engineering
25.	Singtel Group Treasury	0.9	0.6	No	No	Finance
26.	GLL IHT	0.8	0.6	No	No	Real Estate
27.	Overseas Union Enterprise	0.8	0.6	No	Yes	Real Estate
28.	Sembcorp Industries	0.8	0.6	No	Yes	Shipbuilding
29.	Global Logistic Properties	0.8	0.5	No	Yes	Real Estate
30.	SMRT Capital	0.8	0.5	No	No	Transportation
Total Top 30 LCY Corporate Issuers		69.1	47.7			
Total LCY Corporate Bonds		140.4	97.0			
Top 30 as % of Total LCY Corporate Bonds		49.2%	49.2%			

LCY = local currency, SGD = Singapore dollar, USD = United States dollar.

Notes:

1. Data as of end-December 2016.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.