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

<table>
<thead>
<tr>
<th></th>
<th>Outstanding Amount (billion)</th>
<th>Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SGD</td>
<td>USD</td>
</tr>
<tr>
<td>Total</td>
<td>323</td>
<td>228</td>
</tr>
<tr>
<td>Government</td>
<td>183</td>
<td>129</td>
</tr>
<tr>
<td>SGS Bills and Bonds</td>
<td>106</td>
<td>75</td>
</tr>
<tr>
<td>MAS Bills</td>
<td>78</td>
<td>55</td>
</tr>
<tr>
<td>Corporate</td>
<td>140</td>
<td>99</td>
</tr>
</tbody>
</table>

() = 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

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

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

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

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