

Singapore

The local currency (LCY) bond market of Singapore expanded 1.2% quarter-on-quarter (q-o-q) and 11.0% year-on-year (y-o-y) in the fourth quarter (Q4) of 2018, reaching SGD403 billion (USD295 billion) on the back of both increased LCY government and corporate bonds. There was a total of SGD244 billion in LCY government bonds outstanding, corresponding to a 1.5% q-o-q increase, due mainly to a rise in Singapore Government Securities (SGS) bonds as none of these instruments matured in Q4 2018. LCY corporate bonds outstanding amounted to SGD158 billion at the end of December on growth of 0.7% q-o-q.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2017		Q3 2018		Q4 2018		Q4 2017		Q4 2018	
	SGD	USD	SGD	USD	SGD	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	363	272	398	291	403	295	0.1	7.9	1.2	11.0
Government	222	166	241	176	244	179	0.6	14.9	1.5	10.2
SGS Bills and Bonds	116	87	122	89	125	92	(0.9)	5.5	2.1	7.7
MAS Bills	106	79	119	87	120	88	2.4	27.3	0.8	12.9
Corporate	141	106	157	115	158	116	(0.8)	(1.4)	0.7	12.3

(-) = 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:

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

LCY corporate bond issuances dropped 35.9% q-o-q, following a rebound in issuances in the previous quarter when long-term Singapore interest rates declined. The largest corporate bond issuance during the quarter came from the Land Transport Authority, followed by Shangri-La Hotel and Singapore Airlines.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2018

Corporate Issuers	Coupon Rate (%)	Issued Amount (SGD million)
Land Transport Authority		
35-year bond	3.43	1,000
Shangri-La Hotel		
7-year bond	4.50	825
Singapore Airlines		
5-year bond	3.16	600
Hong Kong Land Treasury Services		
20-year bond	3.95	150
Aspial Treasury		
3-year bond	6.25	50

SGD = Singapore dollar.

Source: Bloomberg LP.

Outstanding LCY corporate bonds of the top 30 issuers amounted to SGD72.7 billion at the end of December, or 45.9% of total LCY corporate bonds outstanding. The government's Housing & Development Board topped all issuers in 2018 with total outstanding LCY corporate bonds of SGD21.9 billion, or 13.8% of the total in Q4 2018. This was followed by another government institution, the Land Transport Authority, with outstanding LCY corporate bonds totaling SGD7.5 billion in Q4 2018. Led by the Housing & Development Board, the real estate sector topped all sectors with SGD33.2 billion of outstanding bonds, or 45.7% of the aggregate LCY corporate bonds of the top 30 issuers. This was followed by the transportation sector with SGD11.9 billion (16.4%).

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	21.9	16.1	Yes	No	Real Estate
2.	Land Transport Authority	7.5	5.5	Yes	No	Transportation
3.	Singapore Airlines	3.6	2.7	Yes	Yes	Transportation
4.	Temasek Financial	3.6	2.6	Yes	No	Finance
5.	Frasers Property	3.4	2.5	No	Yes	Real Estate
6.	DBS Group Holdings	2.5	1.9	No	Yes	Banking
7.	United Overseas Bank	2.5	1.8	No	Yes	Banking
8.	Mapletree Treasury Services	2.3	1.7	No	No	Finance
9.	Capitaland	2.2	1.6	Yes	Yes	Real Estate
10.	Keppel Corporation	1.7	1.2	No	Yes	Diversified
11.	Capitaland Treasury	1.6	1.2	No	No	Finance
12.	Oversea-Chinese Banking Corporation	1.5	1.1	No	Yes	Banking
13.	SP Powerassets	1.4	1.0	No	No	Utilities
14.	Public Utilities Board	1.3	1.0	Yes	No	Utilities
15.	CMT MTN	1.3	0.9	No	No	Finance
16.	GLL IHT	1.3	0.9	No	No	Real Estate
17.	Olam International	1.2	0.9	No	Yes	Consumer Goods
18.	Singtel Group Treasury	1.2	0.8	No	No	Finance
19.	City Developments Limited	1.1	0.8	No	Yes	Real Estate
20.	Hyflux	1.1	0.8	No	Yes	Utilities
21.	National University of Singapore	1.0	0.7	No	No	Education
22.	Ascendas	1.0	0.7	No	Yes	Finance
23.	Mapletree Commercial Trust	0.9	0.6	No	Yes	Real Estate
24.	Sembcorp Financial Services	0.9	0.6	No	No	Engineering
25.	Suntec REIT	0.8	0.6	No	Yes	Real Estate
26.	Shangri-La Hotel	0.8	0.6	No	Yes	Real Estate
27.	DBS Bank	0.8	0.6	No	Yes	Banking
28.	Overseas Union Enterprise	0.8	0.6	No	Yes	Real Estate
29.	Sembcorp Industries	0.8	0.6	No	Yes	Shipbuilding
30.	SMRT Capital	0.8	0.6	No	No	Transportation
Total Top 30 LCY Corporate Issuers		72.7	53.3			
Total LCY Corporate Bonds		158.3	116.2			
Top 30 as % of Total LCY Corporate Bonds		45.9%	45.9%			

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

Notes:

1. Data as of end-December 2018.

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

Sources: AsianBondsOnline calculations based on Bloomberg LP and EDAILY BondWeb data.