

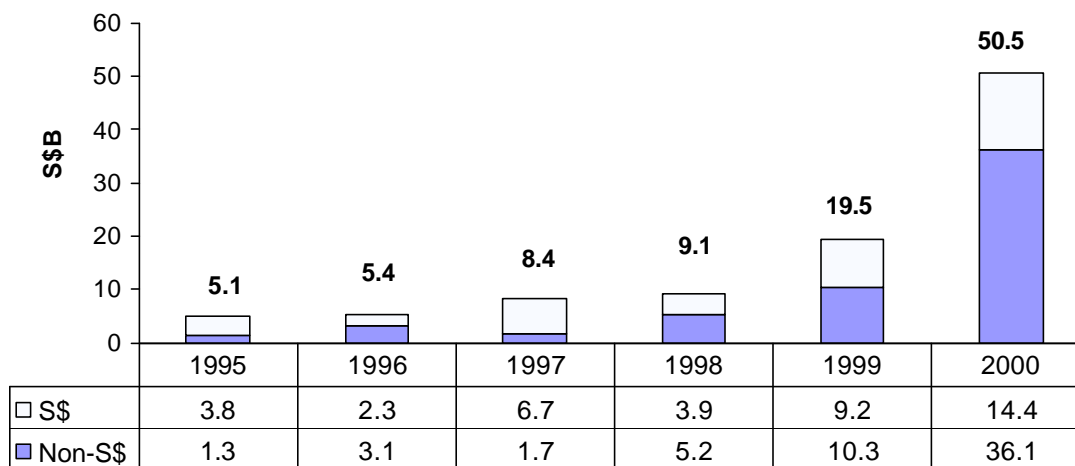
2000 SURVEY OF THE SINGAPORE CORPORATE DEBT MARKET

The Monetary Authority of Singapore (MAS) conducted a survey of the Singapore corporate debt market as at 31 December 2000. The survey covered all the financial institutions that have submitted their returns to MAS on debt issues arranged or issued in Singapore. The survey **excluded** Singapore government debt securities (treasury bills and bonds), but **included** debt issues by Singapore statutory boards. For the purpose of this survey, "debt securities" included bonds (including convertible bonds), notes, commercial papers and certificates of deposits.

1. LEVEL OF ISSUANCE ACTIVITY

The total amount of corporate debt issuance in 2000 increased by 159%, from S\$19.5 billion in 1999 to S\$50.5 billion in 2000. This comprised S\$14.4 billion of Singapore Dollar (S\$) denominated issues and S\$36.1 billion of non-Singapore Dollar (non-S\$) denominated issues. [See Chart 1.] The number of issues doubled from 497 issues in 1999 to 807 issues in 2000. The average issue size increased from S\$40 million in 1999 to S\$62 million in 2000.

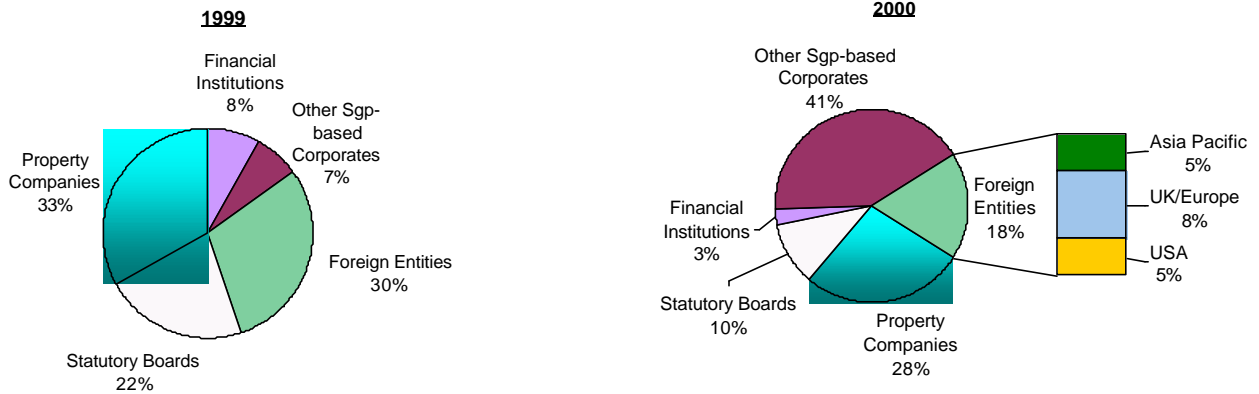
Chart 1: Growth of Corporate Debt Issuance



1.1 S\$ Denominated Issuance

The amount of new S\$ denominated issuance increased 57% from S\$9.2 billion to S\$14.4 billion in 2000, while the number of issues increased 72% over the year, from 216 issues in 1999 to 372 in 2000. Chart 2 shows the types of issuers in the S\$-denominated bond market in 2000. Where in the past, the bulk of the issuance were from property companies, there has been strong issuance growth from corporates in other industry sectors such as engineering, logistics, transportation, and food in 2000. This shows a growing diversification in the profile of issuers. There was also an increase in the issuance of structured products such as asset back securities, which accounted for 18% of the S\$ denominated bond market.

Chart 2: Breakdown of S\$ Corporate Debt Issuance by Issuer Types



1.2 Non-S\$ Denominated Issuance

The amount of non-S\$ denominated issuance in 2000 increased by 250%, from S\$10.3 in 1999 billion to S\$36.1 billion in 2000. The bulk of the issuance were by corporates resident in Singapore. These included the non-S\$ denominated issuance by PSA Corporation, Singapore Power, DBS and also that of the multinational companies based in Singapore. Chart 3 gives the breakdown of the types of issuers which issued non-S\$ bonds in Singapore in 2000.

**Chart 3 : Distribution of Non-S\$ Corporate Debt Issuance
by Issuer Types : Year 2000**

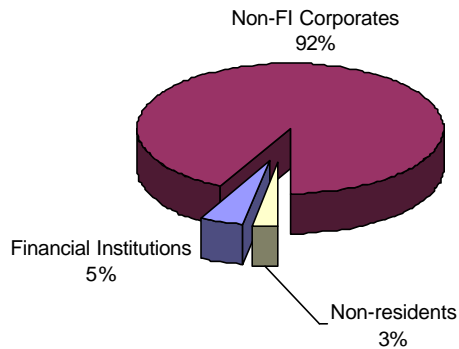
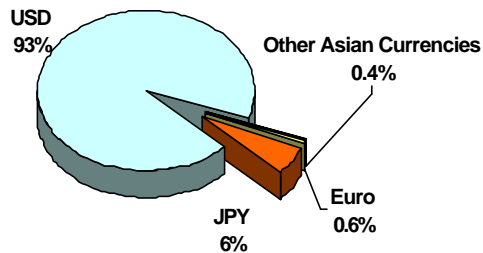


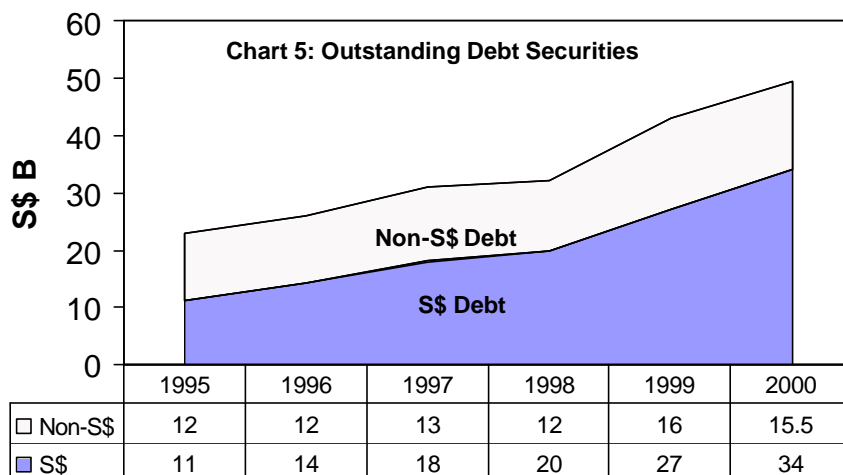
Chart 4 shows the currencies of the non-S\$ denominated debt issued.

**Chart 4 : Distribution of Non-S\$ Debt Issues
by Currencies of Denomination - Year 2000**



2. OUTSTANDING CORPORATE DEBT SECURITIES

As at end December 2000, the total amount of corporate debt securities outstanding was S\$49.5bn. This comprised S\$34 billion of S\$ denominated debt and S\$15.5 billion of non-S\$ denominated debt. [See Chart 5.]



3. FEATURES OF DEBT ISSUED

3.1 Types of Corporate Debt Instruments Issued

About 85% of the S\$ denominated debt securities issued were fixed rate notes and bonds. For non-S\$ denominated debt, commercial papers and fixed rate debt accounted for the bulk at 78% and 17% respectively.

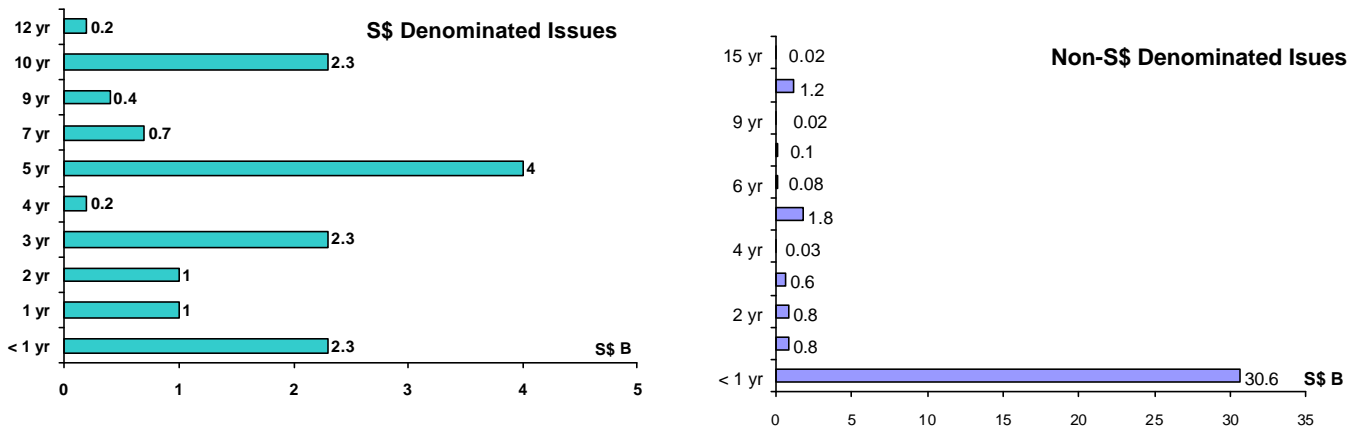
Chart 6: Types of Corporate Debt Instrument (Amts in S\$ Bil)

	Bonds & Notes					Total
	Fixed Rate	Floating Rate	Zero Coupon	Certificates of Deposits	Commercial Papers	
S\$	12.3	1.5	0.02	0.05	0.5	14.4
Non-S\$	6.1	1.5	0.11	0.31	28.1	36.1
Total	18.4	3.0	0.13	0.36	28.6	50.5
Percent	36%	6%	negligible	1%	57%	100%

3.2 Maturities of Debt Securities

There was a range of corporate debt issuance across all maturities of the credit curve up to 12 years. The tenors of the S\$ denominated debt were fairly distributed across the range of maturities, while issuance of short term debt securities of less than 1 year dominated the non-S\$ debt issuance. [See Chart 7.]

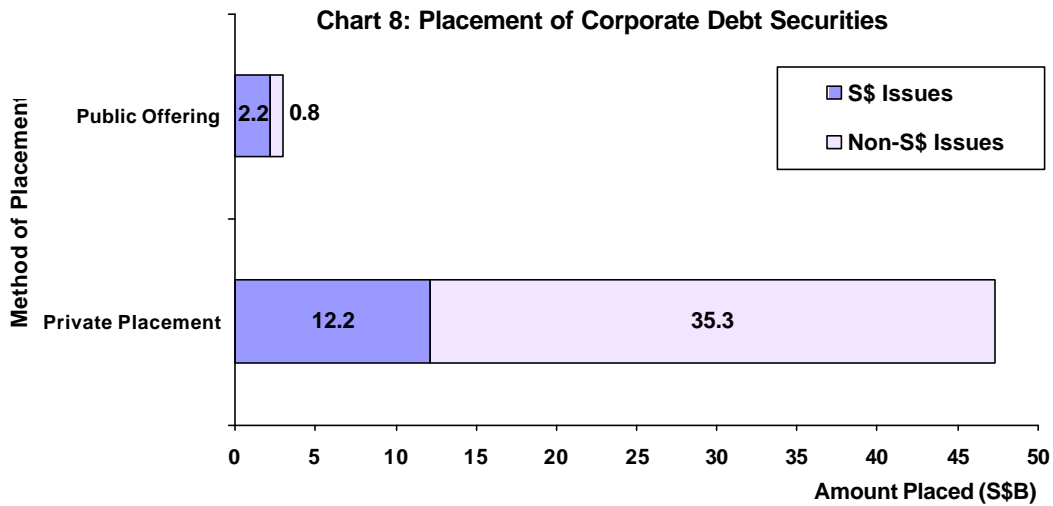
Chart 7: Breakdown of Corporate Debt Securities by Maturities- 2000



4. INVESTORS

4.1 Method of Placement of Debt Securities

A large bulk of corporate debt securities (94%) were sold through private placement rather than public issuance. [See Chart 8]



4.2 Residency of Investors

(This section only applies to qualifying debt securities)

The bulk of S\$ denominated debt was sold to investors in Singapore. For non-S\$ corporate debt issuance, the investor base was largely offshore. [See Chart 9.]

Chart 9: Residency of Investors

	S\$ Issues	Non-S\$ Issues	Total
Investors in Singapore	98%	2%	31%
Investors outside Singapore	2%	98%	69%

Prepared by Monetary Authority of Singapore
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