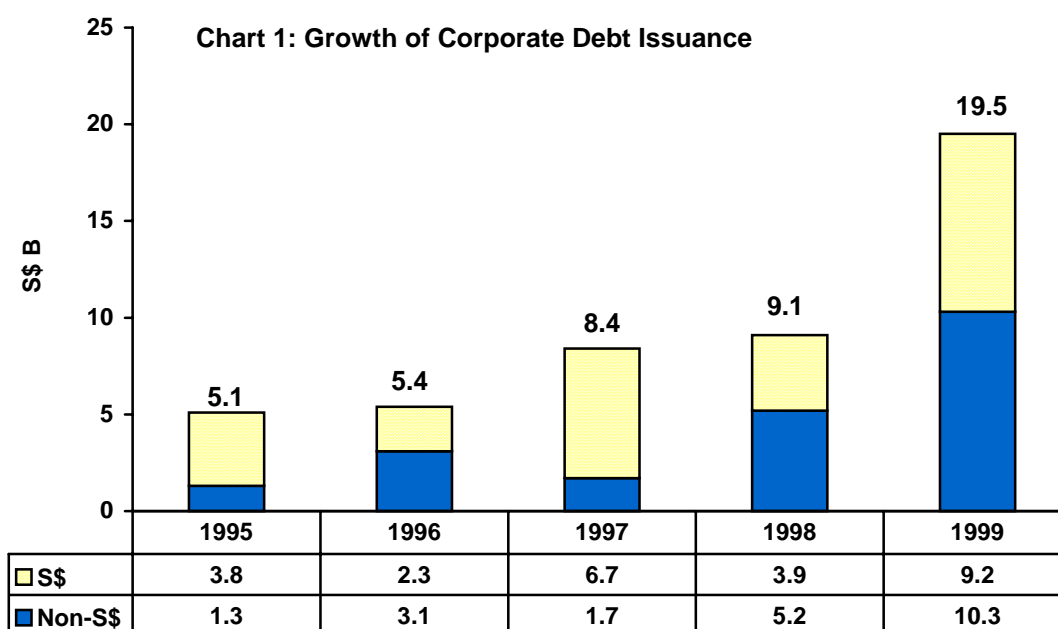


1999 SURVEY OF THE SINGAPORE CORPORATE DEBT MARKET

The Monetary Authority of Singapore (MAS) conducted a survey of the Singapore corporate debt market as at 31 December 1999. The survey covered all the financial institutions that submitted their returns to MAS on debt issues arranged or issued in Singapore. The survey **excludes** Singapore government debt securities (treasury bills and bonds), but **includes** debt issues by Singapore statutory boards. For the purpose of this survey, "debt securities" have included bonds (including convertible bonds), notes, commercial papers and certificates of deposits.

1. LEVEL OF ISSUANCE ACTIVITY

The total amount of corporate debt securities issued in 1999 grew by a significant 114%, from S\$9.1 billion in 1998 to S\$19.5 billion in 1999. This comprised S\$9.2 billion of Singapore-dollar denominated issues, and S\$10.3 billion of non-S\$ issues. [See Chart 1.] The total number of corporate debt issues in 1999 was 497, reflecting a 7% increase over the previous year's 466 issues. The average issue size increased from S\$20 million in 1998 to S\$40 million in 1999.

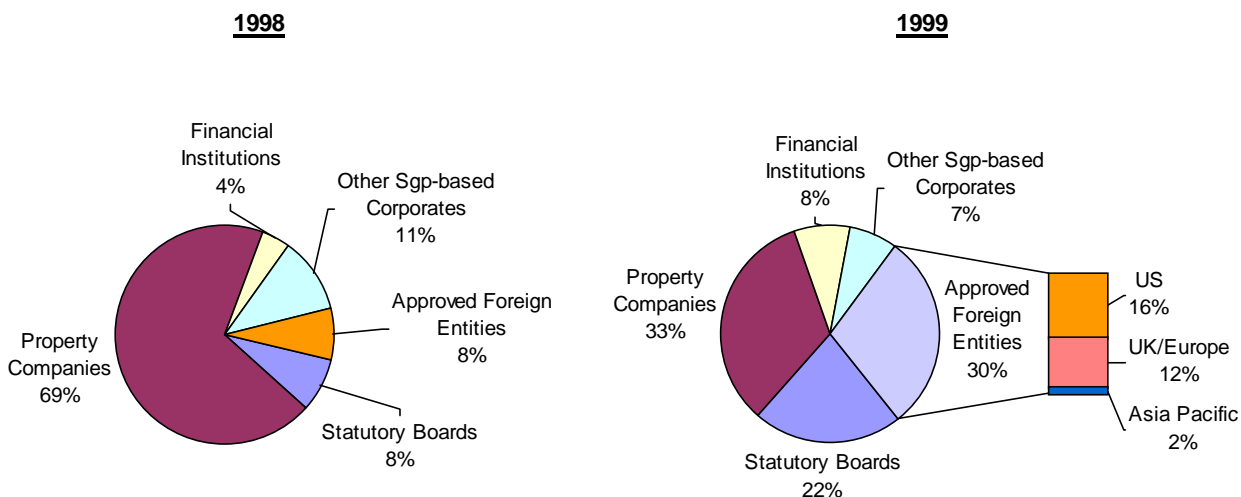


1.1 S\$ Issuance

Measures to boost the Singapore corporate bond market have seen positive results. There was a total of 216 S\$-denominated corporate debt issues in 1999. The amount of S\$ corporate debt issued grew by a substantial 136%, from S\$3.9 billion in 1998 to S\$9.2 billion in 1999. The strong growth could be attributed to the increase in the issuance of S\$ debt by approved foreign entities and statutory boards in 1999. Following from the 1998 policy change to allow approved foreign entities to issue S\$ bonds, there has been a significant increase in issuance. Approved foreign entities tapping the S\$ debt market for their

fund raising activities made up 29% of total S\$ issuance in 1999. Statutory boards continued to be active in the S\$ corporate debt market, and raised a total of S\$2 billion (22%) in 1999. Whilst property companies continued to be the most dominant issuer of S\$ corporate debt securities in 1999, they now contribute only 33% of total S\$ issuance, as compared to 69% in the previous year. [See Chart 2.]

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



1.2 Non-S\$ Issuance

A total number of 281 non-S\$ corporate debt was issued in 1999. The amount of non-S\$ corporate debt issued doubled, from S\$5.2 billion in 1998 to S\$10.3 billion in 1999. This was contributed largely by Singapore-based Japanese corporates and European financial institutions. Part of the increase could also be attributed to S\$1.6 billion of DBS Privatisation Exchangeable Notes (PENs) issued by Finlayson Global Corp and S\$1.3 billion of subordinated debt issued by DBS.

The non-S\$ issues were largely denominated in US Dollar, the Japanese Yen and the Euro. [See Chart 3.]

Chart 3 : Distribution of Non-S\$ Debt Issues by Currencies of Denomination - 1999

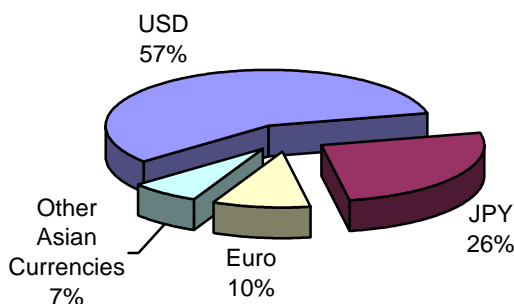
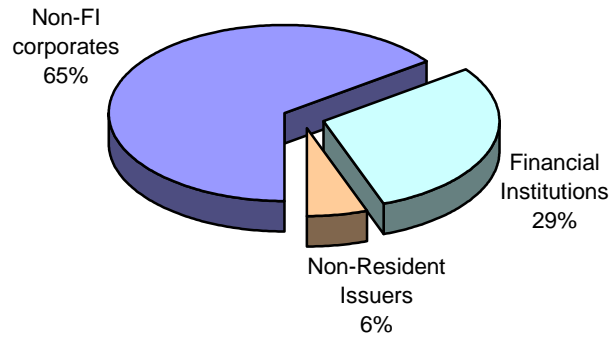


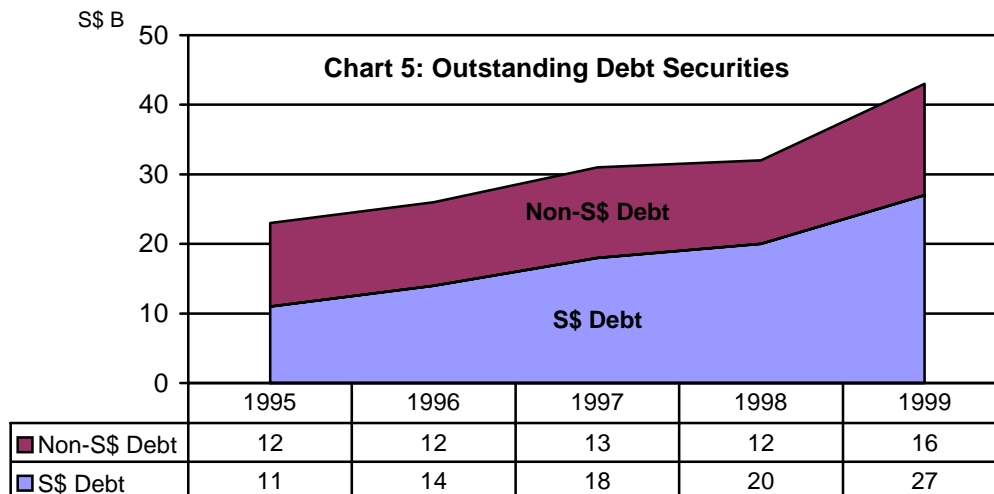
Chart 4 provides the breakdown of non-S\$ corporate debt issuance by Types of Entities. The bulk (65%) of the non-S\$ issuers are Singapore-based corporates, with Non-Resident issuers comprising largely Asia Pacific issuers.

Chart 4 : Breakdown of Non-S\$ Corporate Debt Issuance by Issuer Types (S\$m) : 1999



2. OUTSTANDING CORPORATE DEBT SECURITIES

The amount of outstanding corporate debt securities has been growing over the years. As at 31 December 1999, the total amount of corporate debt securities outstanding was S\$43 billion, comprising S\$27 billion in S\$ corporate debt issues and S\$16 billion in non-S\$ corporate debt issues. [See Chart 5.]



3. FEATURES OF CORPORATE DEBT ISSUED

3.1 Types of Corporate Debt Instruments Issued

Fixed rate bonds and notes make up the bulk (61%) of corporate debt instruments in Singapore. [See Chart 6.] In particular, Asset-Backed Securitisation (ABS) deals made up 12% (S\$2 billion) of the bonds and notes issued. The ABS deals were mainly denominated in S\$ and were issued mainly by property companies, as it provided an efficient means to obtain longer term funding.

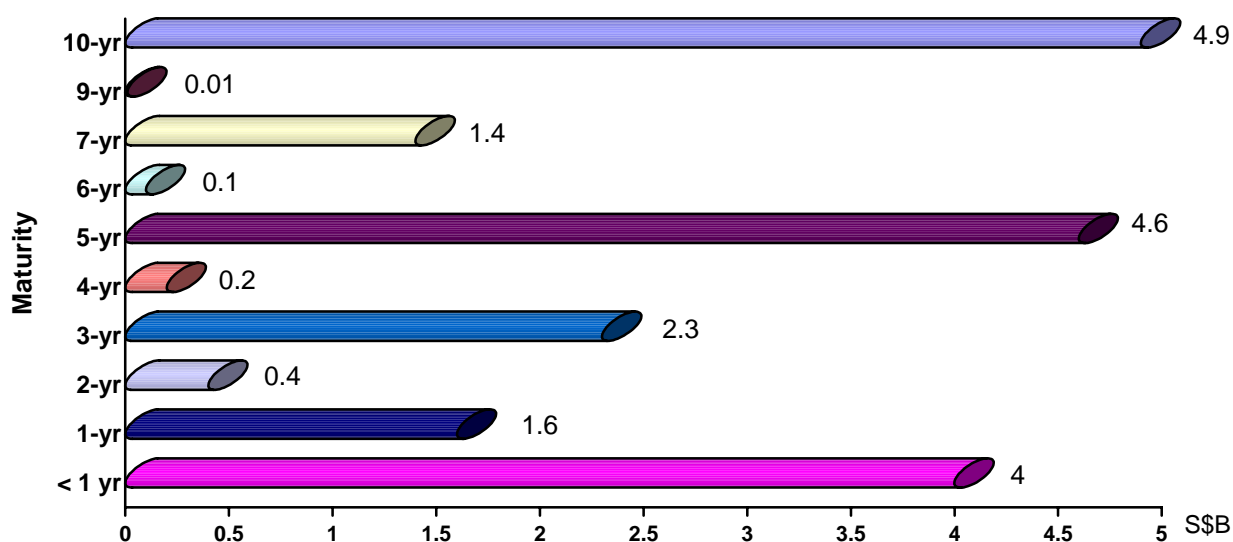
Chart 6 : Types of Corporate Debt Instruments (Amts in S\$ Billion)

	Fixed Rate	Floating Rate	Zero Coupon	Certificates of Deposit	Commercial Papers	Total
S\$	7.4	1.5	negligible	0.2	0.1	9.2
Non-S\$	4.5	1.1	1.6	1.7	1.4	10.3
Total	11.9	2.6	1.6	1.9	1.5	19.5
	61%	14%	8%	10%	7%	100%

3.2 Maturities of Corporate Debt Securities

There was a range of corporate debt issuance across all maturities of the credit curve up to 10 years. The most popular maturity lengths are of 10-year maturity (25%), 5-year (24%) and less than 1 year maturity (20%). [See Chart 7.]

Chart 7 : Breakdown of Corporate Debt Securities by Maturities - 1999

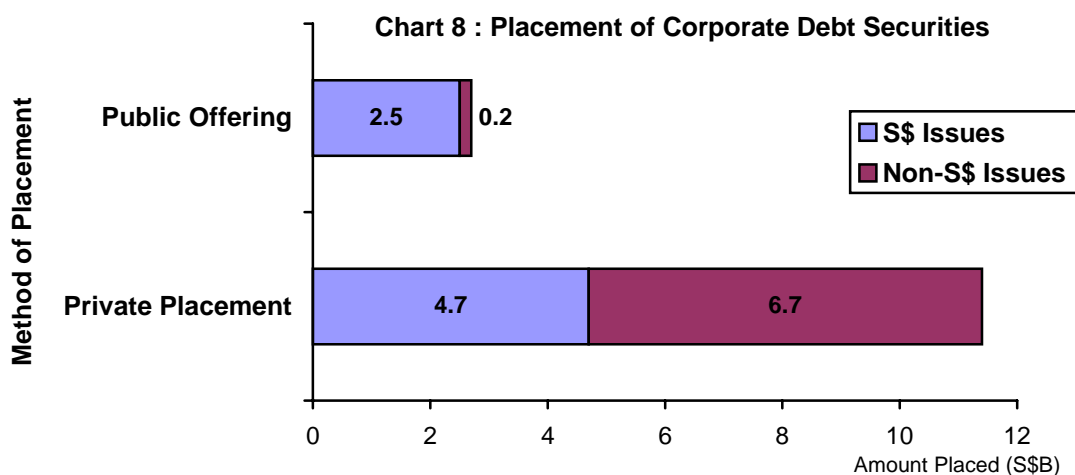


4. INVESTORS

4.1 Method of Placement of Corporate Debt Securities

(This section covers only corporate debt securities issued on or after 26 April 1999.)

Most of the corporate debt securities (81%) were sold via private placement, although there has also been a fair proportion (35%) of the S\$ corporate debt issues being sold via public offering. [See Chart 8.]



4.2 Residency of Investors

(This section covers only qualifying corporate debt securities issued on or after 26 April 1999.)

66% of all corporate debt securities issued in 1999 were absorbed by investors in Singapore. S\$ corporate debt issues were taken up almost solely by investors in Singapore (99%), whilst non-S\$ corporate debt issues tended to be sold to investors outside Singapore (92%). [See Chart 9.]

Chart 9 : Residency of Investors

	S\$ Issues	Non-S\$ Issues	Total
Investors in Singapore	99%	6%	66%
Investors outside Singapore	0%	92%	33%
Related parties	1%	1%	1%

Prepared by Monetary Authority of Singapore
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