

**CMBI Credit Commentary****Fixed Income Daily Market Update 固定收益部市场日报**

- *New issue BZLNZ'29 tightened 9bps amid firm sentiment in IG space this morning. Recent new issue DAESEC'27/29 tightened 3bps. IG benchmarks/High-beta IGs were 1-3/3-5bps tighter. SEA AT1s were also well bid.*
- **VEYONG:** *Accepted USD80.4mn as of the early deadline; set tender price at USD94.8. VEYONG'26 down 0.2pt this morning. See below.*
- **GEMDAL:** *Gemdale schedules RMB2bn 21Jindi01 bond put option exercise on 25-31 Jan'24. GEMDAL'24 continued to down 1pt this morning.*

**Glenn Ko, CFA** 高志和  
(852) 3657 6235  
glennko@cmbi.com.hk

**Cyrena Ng, CPA** 吳靄瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

**❖ Trading desk comments 交易台市场观点**

Yesterday, overnight UST yield tightened 3-6bps. The new DAESEC 27s tightened 10bps from RO (CT2+175) and DAESEC 29s tightened 22bps from RO (CT5+222). On the secondary side, Korean securities papers such as DFHOLD/DAESEC 26s were 3-5bps tighter. Chinese IG benchmarks were traded in mixed two-way flows. HAOHUA/BABA 30-31s tightened 1-2bps whereas TENCNT/BIDU 30s widened 1bp. The high beta TMTs LENOVO/MEITUA 30s tightened 3-5bps. In financials, AMCs were traded a bit weaker. HRINTHs/GRWALLs were 0.3-0.5pt lower, CCAMCLs/ORIEASs widened 5bps and we saw selling flows on the longer duration papers. In leasing space, there were active two-way flows across names such as ICBCIL/CDBFLD/CMINLE/BOCAVI 24-26s. BOCAVI 28-33s tightened 1-3bps. In bank T2s, DAHSIN 33s widened 5bps while CINDBK/SHCMBK 33s were unchanged to 2bps tighter. Chinese big-4 bank T2s were under small buying. BCHINA '26/ICBCAS '25 tightened 2-3bps. Chinese AT1s were stable, while EU/Thai AT1s STANLN/BBLTB/KBANK Perps were up 0.2-0.5pt. In HK names, SHUION 24-26s were down another 2.2-2.9pts to close 4-5pts lower WTD. We saw the tone remained weak in HK property names amid PB selling. NWDEVL 29-31s/LIHHK 24-26s were 0.5-1.1pts lower. Chinese properties recovered in general. VNKRL 24s were up 0.5-1pt, and VNKRL 25-29s rebounded 2.8-5.2pts and we saw buying from PBs/Prop desks. GEMDAL '24 was bounced 4.6pts. LNGFORs/CHJMAOs were 0.5-2.2pts higher. On the other hand, FUTLAN 25-26s were down 0.8-0.9pt. CSCHCN 24s were 0.5-1.6pts lower. In industrials, EHICAR 24/26 and ANTOIL '24 were up 0.4-1.4pts. ENN Natural Gas purchased USD80.4mn of its VEYONG 3.375 05/12/26 via a tender offer. See below for comments. Macau gaming names SANLTDs/WYNNMACs were 0.5-1pt higher. In Indian space, ADANEM/ADSEZ 27-32s were up 0.5-1.1pts. S&P affirmed the ratings of Adani Electricity and Adani Ports, and changed the outlooks to stable from negative. VEDLN 26-28s were up 0.4-0.8pt. Indonesian name LMRTSP '26 was up 1.6pts.

In the LGFV/Perp spaces, sentiment was firm. The property-related names CPDEV/ZHHFGR stabilized a bit as occasional selling was met with keen bids again. CPDEV/ZHHFGR 25s were up 0.1pt. We continued to see Chinese RMs adding the high-beta names and switched out from the low-yielding papers, which were in turn well digested by cash parking demands from offshore prop desks. SOE perps and low-yielding LGFVs papers remained largely stable. HUADIA 4 Perp/CHSCOI 4 Perp were unchanged to 0.1pt higher. HZCONI '26/HKIQCL '25 were up 0.1pt. There were decent two-way interests in the high-beta LGFVs. SHGUOH/QDJZWD 25-26s were up 0.1pt. Elsewhere, JP insurance hybrids had a firm session. FUKOKU/SUMILF Perps were 0.2-0.5pt higher despite occasional profit taking from PBs.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.15 05/12/25	80.1	5.2	SHUION 5 1/2 06/29/26	52.6	-2.9
GEMDAL 4.95 08/12/24	59.2	4.6	SHUION 5 1/2 03/03/25	62.9	-2.2
VNKRLE 3 1/2 11/12/29	54.4	3.8	CSCHCN 9 12/11/24	42.1	-1.6
VNKRLE 3.975 11/09/27	62.2	2.8	SHUION 6.15 08/24/24	80.9	-1.6
LNGFOR 4 1/2 01/16/28	51.0	2.2	AGILE 5 3/4 01/02/25	18.9	-1.1

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.29%), Dow (-0.25%) and Nasdaq (+0.43%) were mixed on Tuesday. Most of the Chinese provinces set 5%-6% GDP growth goal for FY24 during the provincial annual sessions. UST yields movements were mixed yesterday, short-term yields retreated while long-term yields moved higher, 2/5/10/30 yield reached at 4.31%/4.06%/4.14%/4.38%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ VEYONG: Accepted USD80.4mn as of the early deadline; set tender price at USD94.8

ENN Natural Gas accepted USD80.4mn, or 10.5% of its outstanding principal, of its VEYONG 3.375 05/12/26 as of the early deadline of the tender offer at a price of USD94.8. This is the maximum bid price in the modified Dutch auction conducted by the company. ENN also increased the tender offer consideration for the notes tendered after the early deadline and before the expiration date to USD94.8. Recalled that ENN plans to buy up to USD120mn in the tender offer, representing 15.6% of the total outstanding amount.

As at 30 Sep'23, ENN had RMB16.5bn cash on hand. And apart from the cash on hand, ENN also has access to onshore funding channel. It has an onshore bond VEYONG 3.3 04/26/26 trading at YTM of 2.7% at 101.3. At 94.6, VEYONG 3.375 05/12/26 is trading at YTM of 5.9% and 2.3 years to maturity.

**Table 1: Details of tender offer**

Bond	VEYONG 3.375 05/12/26
Consideration	USD94.8
Accepted amount as of early deadline	USD80.432mn
Maximum acceptance amount	USD120mn
Outstanding amount	USD770mn
Expiration time	6 Feb'24

Ask price 94.55  
 Ask YTM (%) 5.94  
 Source: Bloomberg, Company' filling.

### ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bank of New Zealand	750	5yr	5.076%	T+103	A1/AA/-
Hainan State Farms Investment Holdings Group., Ltd.	300	3yr	6.2%	6.2%	-/BBB

### ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Korea Electric Power Corp	USD	-	3yr	T+115	Aa2/AA/-
Shaoxing Shangyu State-Owned Capital	USD	-	-	-	-/BBB-

### ➤ News and market color

- Regarding onshore primary issuances, there were 65 credit bonds issued yesterday with an amount of RMB54bn. As for Month-to-date, 1,184 credit bonds were issued with a total amount of RMB977bn raised, representing a 7.1% yoy increase
- **[FUTLAN]** Seazen opened 22 new Wu Yue Plazas in 2023, there are 161 plazas in operation nationwide
- **[GEMDAL]** Gemdale schedules RMB2bn 21Jindi01 bond put option exercise on 25-31 Jan'24
- **[GLPCHI]** GLP unit schedules redemption of RMB700mn 21GLP01 bonds on 25 Jan'24
- **[MINMET]** Minmetals Land FY23 contracted sales drop 15% yoy to RMB11.3bn
- **[YESTAR]** Yestar Healthcare's scheme meeting will be held on 19 Feb'24

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

### Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

### Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.