

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市场日报

- *Active flows on front-end names this morning. Front-end T2s, leasing names and LGFV were under better buying. IG benchmarks were unchanged. New issues ICBC'26 were weak. Shandong LGFVs were active traded due to new issues.*
- *HRINTH: Room for further repurchases? HRINTHs were unchanged this morning. See below.*
- *DALWAN: Dalian Wanda Commercial Management resold RMB514.15mn and cancelled RMB3.3bn 20Wanda01 bonds. DALWANs down 1-2pts this morning.*

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

Cyrena Ng, CPA 吳蓓瑩
(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 10yr yield widened 8bps to 4.91%. On new issues, MUFG priced USD750mn AT1 at par to yield 8.2%. The AT1 opened at 101.3, and was traded 0.8pt lower to close at 100.5 after profit taking flows. ICBCAS priced USD500mn 3yr fixed rate bond at T+45, and USD1bn 3yr FRN at SOFR+60. Both 3yr floating/fixed rate ICBCAS were trade heavily, widened 10-15bps. In Korea space, new KDB papers were unchanged to 1bp wider. KEBHNB 28s were under better buying from PBs but closed unchanged. On the secondary front, the tone in Asia IG space turned softer. In China SOE/TMT benchmarks, HAOHUA/BIDU were 1-3bps wider. The high beta TMTs WB/XIAOMI/MEITUA 30s were under better selling. Chinese financials were mixed. The front end of leasing/AMC papers were better bid. CCAMCL '25/ORIEAS '27/CMINLE '26 tightened 2-4bps. Last night, HRINTH announced further repurchases totaled USD201.12mn. See comments below. Chinese bank T2s were better sold. BCHINAs/CCBs widened 3-6bps. In HK Corp space, NWDEVL 4.8 Perp/HYSAN 4.1 Perp were down 0.9-1.4pts as RM selling flows persisted amid higher rates level. HK/Chinese properties moved lower. LNGFORs/VNKRLEs lowered another 1.9-3.9pts. PINGRE 25/26 dropped 2.6-3.7pts. FUTLAN/FTLNHD/GRNCH 24-25s were down 0.8-1.5pts. COGARDs declined 0.5pt. The exceptions are SHUION '23/YLLGSP '24 which were 0.4pt higher. Whilst Chinese properties moved lower. Industrials were mixed. AACTEC/CHALHK 26s were up 0.3-0.4pt. WESCHI '26 declined 0.9pt. In Macau gaming names, MGMCHI/SANLTD/STCITY 25-30s lowered 0.8-1.6pts. In Indian space, AZUPOEs/ADSEZs were 0.5-1.1pts lower. In Indonesia, MEDCIJ 27-28s closed 0.5pt lower. MEDCIJ priced USD500mn 5.5NC2 at 98.771 to yield 9.25%. BSDEIJ '25 was 2.3pts higher. BSDEIJ announced the launch of a tender offer for any-and-all of its outstanding USD300mn 5.95% due-2025 senior notes at par. Elsewhere, GLPCHI 24/26 declined 0.9-1.6pts while GLPSPs closed 0.5pt lower.

The LGFV/Perp spaces had a stable session with balanced two-way flows. On the primary front, we saw the new issue JINLIX 7.3 '26 was better bid under top-up demands from RMs. JLNLI 3.4 '24 was up 0.5pt. CONSON 7 '26 was traded softly given its keepwell structure (vs. CONSON 2.8 '23 the direct issuance) but managed to stabilize at 99.7, thanks to its high coupon. The 7%-handle papers from Shandong were better bid by demand from new RM mandates. JNHITE 24s/QDHTCO 24s were 0.1pt higher. Elsewhere in LGFVs, the flows were light in Chinese names across on-and-offshore RMs. There were also some switching out of front end papers. CPDEV 25/26/Perp lowered 2.1-4.2pts. SOE Perps were muted.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
BSDEIJ 5.95 01/23/25	100.1	2.3	CPDEV 3.85 07/14/25	73.1	-4.2
ROADKG 5.9 03/05/25	59.1	2.0	LNGFOR 3 3/8 04/13/27	47.3	-3.9
ZJSOAM 3.2 10/18/24	96.9	1.6	PINGRE 3.45 07/29/26	53.7	-3.7
CSCHCN 9 07/20/24	43.8	0.6	LNGFOR 4 1/2 01/16/28	44.2	-2.7
JINLIX 3.4 11/16/24	96.5	0.5	PINGRE 3 1/4 06/23/25	60.3	-2.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.85%), Dow (-0.75%) and Nasdaq (-0.96%) continued to down on Thursday. The latest US initial jobless claim was +198k, lower than the expectation of +212k and last week's +211k. The Philadelphia Fed Manufacturing Index was -9.0 in Oct, compared with the expectation of -6.4. US existing home sales dropped 2% mom to 3.96mn units, the lowest level since 2010, while was still higher than the expectation of 3.89mn units. Long-term UST yields rallied higher while short-term yields were stable yesterday, 2/5/10/30 yield reached 5.14%/4.95%/4.98%/5.11%, respectively.

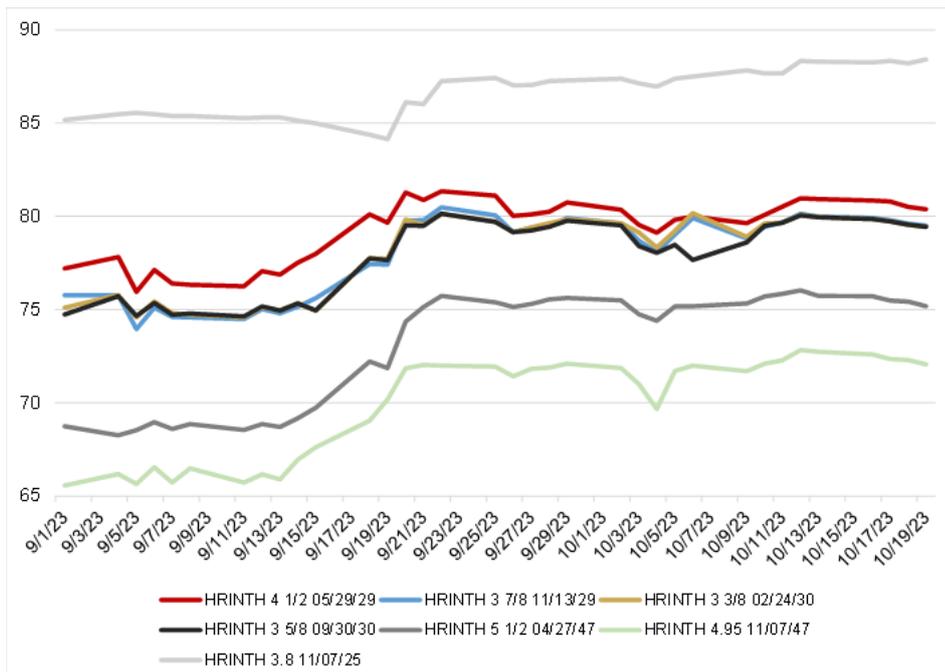
❖ Desk analyst comments 分析员市场观点

➤ HRINTH: Room for further repurchases?

Buy on HRINTHs on the expectation of further repurchases

Last night, Huarong announced the 5th round of offshore bond repurchases. In this round, the repurchased amount was USD201.12mn in principal. All of these were conducted between 12-19 Oct'23. The focuses remain to be on longer-dated and lower cash price bonds. HRINTHs are our top picks of the Chinese AMC sector given the better risk-return profiles and our expectation of further repurchases. Within the HRINTH curve, our preferences are HRINTH 3.75 05/29/24, HRINTH 5.5 01/16/25 and HRINTH 4.25 Perp (callable 09/30/25). For Chinese AMCs, we also like GRWALL 3.95 Perp (callable 07/31/24) and CCAMCL 4.4 Perp (callable 03/11/26) as a low beta play. YTD, Asia ex Australia, New Zealand and JP issuers had tender-offered and repurchased USD bonds totaled cUSD7.4bn in principal amount (excl. convertible bonds) vs USD15.6bn in 2022 (cUSD10.9bn over 10M22). Please read [our comments for Opportunities from tender offers and repurchases dated 17 Oct'23](#).

Chart 1: Price movement of repurchased HRINTHs since 1 Sep'23



Source: Bloomberg.

Click [here](#) for full report

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Medco Energi	500	5.5NC2	9.25%	9.5%	B1/B+/B+

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Fujian Zhanglong Group	USD	-	-	-	-/-/BBB-
Jinan Hi-Tech Holding	USD	-	3yr	7.7%	-/-/BBB

➤ News and market color

- Regarding onshore primary issuances, there were 93 credit bonds issued yesterday with an amount of RMB147bn. As for Month-to-date, 662 credit bonds were issued with a total amount of RMB744bn raised, representing a 5.5% yoy increase

- PBOC kept 1/5yr LPR unchanged at 3.45%/4.2%
- China NBS published Sep home prices of 70 major cities. 54/65 cities recorded mom price decline for new/second-hand houses, only Beijing and Shanghai's home prices for both new and second-hand houses increased by mom
- **[CHAECO]** Changde Economic Construction Investment proposes to offer up to RMB1bn five-year MTNs to repay debts
- **[COGARD]** Media reported that Country Garden is seeking to sell remaining Wilton Greens projects valued USD1.3bn in Sydney to raise cash to pay creditors; The company denied rumors that founder and chairman have fled China
- **[DALWAN]** Dalian Wanda Commercial Management resold RMB514.15mn and cancelled RMB3.3bn 20Wanda01 bonds
- **[LIFUNG]** Li & Fung closed tender offer for due-2025 notes, USD209.2mn was purchased and USD313.3mn remains outstanding
- **[MOLAND]** Modern Land (China) announced to sell 20% of Changsha residential property development project to Times China at nil consideration to cut loss
- **[SHIMAO]** Media reported that Shimao Group Chairman Hui Wing Mau sold cattle farm investment portfolio in Western Australia for AUD250mn

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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