

## CMBI Credit Commentary

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

- *Strong market with active flows this morning. New AIA'54 tightened 10bps, AIA'35, ANZ'35 and BCHINA'27 tightened 2bps. CCAMCL/ORIEAS were 3-5bps tighter and HRINTH/GRWALL were unchanged to 0.4pt higher. WBS tightened 3-5bps.*
- **MEITUA:** *FV of new 3.5/5y USD bonds to be CT3+105-115/CT5+110-120. We maintain buy on MEITUA CBs.*
- **China properties:** *PBOC announced to cut mortgage rate for existing home loans and lower the minimum down payment ratio for purchasing second home to 15% from 25%. LNGFOR/NWDEVL/VNKRLE were unchanged to 0.4pt higher this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, BCHINA priced a 3-yr floating rate bonds at SOFR+59. AIA priced 10.5/30-yr bonds at CT10+125 and CT30+135, respectively. ANZ priced 3-yr floating rate bond at SOFR+65, 3-yr fixed-rate bond at CT3+45, and 11NC10 fixed-rate bond at CT10+147. INDKOR priced a 3-yr floating rate bond at SOFR+62, and a 5-yr fixed-rate bond at CT5+57. HYNMTR priced 3-yr floating-rate bond at SOFR+103, and 3/5/7-yr fixed-rate bonds at CT3+85, CT5+105, CT7+115, respectively. RECLIN priced a 5-yr bond at CT5+127.5. Away from new issues, in JP insurance hybrids, MYLIFE/NIPLIF 53-54s were 0.2-0.3pt lower. In financials, HRINTH 25-27s were unchanged to 5bps wider. DFHOLD '26 widened 2bps following Moody's changed its rating outlook to negative from stable. In AT1s, the recent new BNP 7.375 Perp/HSBC 6.95 Perp/HSBC 6.875 Perp/UBS 6.85 Perp were 0.2-0.5pt lower on some profit taking. BACR 8 Perp/SOCGEN 8.5 Perp were also down 0.2pt. BOCOHK/BOCOM Perps were sought-after by RMs and closed 0.1pt higher. In Chinese TMTs, BIDU '30/TENCNT '28 were 2bps tighter. In Chinese properties, DALWAN 24-26s were 0.2-0.7pt higher. On the other hand, VNKRLE 25-29s were 0.2-0.9pt lower. In HK, NWDEVLs were 0.1-0.8pt lower. Outside properties, HILOHO '24/EHICAR '26 rose 0.7-0.9pt. In Macau gaming, MEPLs/SANLTDs were up 0.1-0.5pt. In Indonesia, KRKPSC 27/29 widened 10-12bp following S&P revised its outlook to negative from stable. MEDCIJs were unchanged to 0.1pt higher post the tender offer. See our comments on [23 Sep '24](#). In India, VEDLNs were 0.2-0.3pt lower. Elsewhere, GLPSP '25/GLPCHI '26 were 0.3-0.5pt lower.

In LGFVs, ZHTWIV priced a CNH400mn 3-yr bond at par to yield 5.2%. SZIIGC priced a USD150mn 3-yr bond at par to yield 5.8%. CPDEV 25/26/Perp were 0.1-0.4pt higher, following media report on its plan of new issuance to refinance CPDEV 5.75 Perp. GXCMIN/QZSOAT 25s and GZINFU/HZCONI 26s were up 0.1pt. On the other hand, ZHEBAR/HNFARM 27s was down 0.1pt. HRINT '25/LIANYU '25/GZDZCD '26 were 0.2pt lower.

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

**Cyrena Ng, CPA 吳蒨瑩**  
 (852) 3900 0801  
[cyrenang@cmbi.com.hk](mailto:cyrenang@cmbi.com.hk)

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

In SOE perps, CTIH/CMHI Perps were up 0.2pt. CHCOMU/COFCHK Perps were 0.1pt higher. CHSCOI Perp was down 0.1pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
HILOHO 9 3/4 11/18/24	55.9	0.9	VNKRLE 3.975 11/09/27	48.4	-0.9
CCAMCL 5 02/08/48	89.5	0.8	NWDEVL 6 1/4 PERP	51.9	-0.8
EHICAR 7 09/21/26	70.3	0.7	VNKRLE 3 1/2 11/12/29	44.8	-0.7
DALWAN 11 01/20/25	96.6	0.7	GWFOOD 3.258 10/29/30	79.3	-0.6
MUFG 5.475 02/22/31	105.6	0.6	NWDEVL 8 5/8 02/08/28	89.3	-0.5

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.25%), Dow (+0.20%) and Nasdaq (+0.56%) moved higher on Tuesday. The US Sep'24 Conference Board consumer index dropped to 98.7 from 105.6 in Aug'24 and was lower than the expectation of 103.9. UST yields retreated yesterday, 2/5/10/30 yield reached 3.49%/3.47%/3.74%/4.09%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ MEITUA: FV of new 3.5/5y USD bonds to be CT3+105-115/CT5+110-120

Meituan mandated to issue senior unsecured 3.5y and 5y USD bonds (Baa2/BBB+/BBB) to refinance existing offshore debts and other general corporate purposes. We consider the FV of the new 3.5y MEITUA'28 to be CT3+105-115 (YTM of 4.52-4.62%) vs IPG of CT3+145, taking cues from LENOVO'28's YTM of 4.58%. We consider the FV of the new 5y MEITUA'29 to be CT5+110-120 (YTM of 4.61-4.71%) vs. IPG of CT5+160, in view of c1-year shorter tenor than MEITUA 3.05 10/28/30 and c0.5-year shorter than XIAOMI 3.375 04/29/30.

**Table 1: Peer comparison**

	MEITUA 3.05 10/28/30	LENOVO 5.831 01/27/28	XIAOMI 3.375 04/29/30
YTM (%)	4.70	4.58	4.75
Mod duration	5.4	2.93	4.9
T-Spread (bps)	119	115	124
Z-Spread (bps)	146	139	151
Maturity	28 Oct'30	27 Jan'28	29 Apr'30
Rating (M/S/F)	Baa2/BBB+/BBB	Baa2/BBB/BBB	Baa2/BBB-/BBB

Source: Bloomberg.

MEITUA 0 04/27/27 of USD1,480mn will be first puttable in Apr'25, followed by the maturity of MEITUA 2.125 10/28/25 of USD750mn in Oct'25. Meituan has ample liquidity to cover its short-term debts of RMB13.9bn as at Jun'24 and capex, and to redeem or repay its offshore maturities in the medium term. As of Jun'24, Meituan's unrestricted cash and cash equivalent increased to RMB54.7bn from RMB50.8bn at Mar'24. Together with the short-term treasury investment of RMB78.6bn, Meituan's net cash position (unrestricted cash and short term investments minus total debts) further increased to RMB90.2bn at Jun'24. Over the past 5 years, its net cash position averaged RMB60bn. We maintain buy on MEITUA CBs.

**Table 2: Meituan's outstanding bonds**

	Px (ask)	YTM/YTP (%)	Next put date	Put px	Amt o/s (USDmn)
MEITUA 0 04/27/27	97.2	5.48	04/27/25	100.37	1,480
MEITUA 0 04/27/28	93.5	5.13	04/27/26	101.28	1,500
MEITUA 2.125 10/28/25	97.2	4.80	-	-	750

MEITUA 3.05 10/28/30	91.4	4.69	-	-	1,250
----------------------	------	------	---	---	-------

Total					4,980
-------	--	--	--	--	-------

Source: Bloomberg.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
AIA	500/750	10.5/30yr	4.95%/5.4%	T+125/135	A2/A-/A
ANZ Banking Group	750/500	3yr	3.919%/5.51%	T+45/SOFR+65	Aa2/AA-/AA-
ANZ Banking Group	1250	11NC10	5.204%	T+147	A3/A-/A-
Hyundai Capital America	500	3yr	5.89%	SOFR+103	A3/A-/A-
Hyundai Capital America	900/850/500	3/5/7yr	4.3%/4.55%/4.75%	T+85/105/115	A3/A-/A-
Industrial Bank of Korea	300/500	3/5yr	5.48%/4.0%	SOFR+62/T+57	Aa2/-/AA-
Muangthai Capital	335	4yr	6.875%	6.875%	-/BB-/BB
REC Ltd	500	5yr	4.75%	T+127.5	Baa3/-/BBB-
Suzhou Industry Investment Holding Group	150	3yr	5.8%	5.8%	-/-/-

## ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Biocon Biologics Global	USD	-	5yr	-	-/BB/BB
Korea National Oil Corporation	USD	-	3yr	SOFR Equiv	Aa2/AA/-
Korea National Oil Corporation	USD	-	3/5yr	T+105/120	Aa2/AA/-
Kyushu Electric Power Company	USD	-	5yr	-	A3/-/-
Meituan	USD	-	3.5/5yr	T+145/160	Baa2/BBB+/BBB
NBN Co Ltd	USD	-	3/5yr	T+90/105	Aa3/-/AA+
Shriram Finance Limited	USD	-	3.5yr	6.5%	-/BB/BB

## ➤ News and market color

- Regarding onshore primary issuances, there were 111 credit bonds issued yesterday with an amount of RMB98bn. As for month-to-date, 1,273 credit bonds were issued with a total amount of RMB1,135bn raised, representing a 17% yoy decrease
- NFRA announced to increase core tier-1 capitals for six commercial banks
- PBOC announced to cut bank's RRR by 50bps, to cut mortgage loan for existing home loans
- [FWDGRP]** FWD Group announced USD5bn global MTN, capital securities programme
- [SKONKR]** Media reported that SK On and its partners will receive USD150mn from the US government for a project in South Carolina
- [YIDCHL]** Yida China's winding-up petition hearing further adjourned to 18 Nov'24

[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.