

CMBI Credit Commentary

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

- *China HY market opened in weak sentiment this morning with most of the names down 0.25-0.5pt. LOGPH curve underperformed, down 3-5pts while COGARD/KWGPRO down 1-2pts. AGILE front end traded 0.5pt higher.*
- **Chinese Properties:** *mortgage approval process time has been shortened in Jan'22 compared to 2H21. The average approval process time for 103 major cities is back to 2021 mid-year level. We view the gradual normalizing regulatory environment is the silver lining to the property sector. See below.*
- **TBLA:** *Indonesia is considering widening palm oil export ban to cover all palm oil products to prevent domestic supply crunch. This should have limited impact on TBLA as it generates c90% of its revenue domestically.*

❖ Trading desk comments 交易台市场观点

Trading flow remained light on Friday given China market will only resume trading today. Friday morning AGILE front end were 0.5-1pt higher while LOGPH/KWGPRO/ZHPRHK marked lower by 0.5-1pt. This morning we saw LOGPH further down 3-5pts while COGARD/KWGPRO down 1-2pts.

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➤ Yesterday's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
AGILE 5 1/8 08/14/22	56.9	2.9	JINGRU 12 01/28/24	25.7	-5.6
ZHPRHK 8.3 09/15/23	50.8	2.4	LOGPH 4 1/2 01/13/28	70.4	-2.8
JINGRU 12 09/26/22	31.5	1.9	LOGPH 4 1/4 09/17/24	73.9	-2.5
ZHPRHK 7.1 09/10/24	45.1	1.7	LOGPH 4 1/4 07/12/25	71.8	-2.5
AGILE 5 1/2 05/17/26	43.3	1.2	LOGPH 5 3/4 01/14/25	73.8	-2.4

➤ Macro News Recap 宏观新闻回顾

Macro – U.S. stock market ended mixed on Friday with better-than-expected earnings reports and more new jobs added than forecast in US. The Dow Jones down slightly (-0.06%) while S&P (0.52%) and Nasdaq (1.58%) ended higher. In addition, ECB's Klaas Knot expects rate hike as early as in the fourth quarter and second one can take place in early 2023, pushing European government bond yields surged above zero on Friday for the first time in years. The yield on the 1/5/10/30Y Treasury note up 11/ 12/ 11/ 9bps to 0.89/ 1.78/ 1.82/ 2.23%.

➤ Desk analyst comments 分析员市场观点

➤ Chinese Properties: Mortgage approval process time normalized

Media reported that mortgage approval process time has been shortened compared to 2H21. The average approval process time for 103 major cities in Jan'22 is back to 2021 mid-year level, according to Beike Research Institute. Average process time in all four tier-1 cities have been shortened compared to Dec'21, Guangzhou shortened more than 40 days and Beijing shortened 12 days. Tier-2 cities such as Wuhan, Hangzhou and Chengdu also shortened more than 20 days. Gradual normalization in mortgage approval and restricted cash policies help stem the declining home sales and improve the cash flow of developers, in our view.

➤ Offshore Asia New Issues (Priced)

Issuer	Size (mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

➤ Offshore Asia New Issues (Pipeline)

Issuer	Currency	Size (mn)	Tenor	IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **Onshore China conditions and color**

- **[CHJMAO]** Jinmao Property Services secures approval from HKEx for IPO plan
- **[COGARD]** Country Garden further repurchases USD 6m of 4.75% senior notes due July 2022 from open market
- **[EVERRE]** China Evergrande may sell Yuen Long residential land plot in near term despite Oaktree's appointment of receiver over the asset; Oaktree seizes second Evergrande asset after developer defaults on USD 400m loan
- **[FTLNHD]** Seazen Holdings to make early redemption of USD 200m offshore bonds due 20 March 2022
- **[LIHKK]** Lifestyle International signs up to GBP 125m five-year refinancing facility agreement

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