

## CMBI Credit Commentary

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

- *Trading flow was overall faded as closing to the year end. CIFI Group announced this morning to sell 23.26% stake in CIFI Ever Sunshine Services to cope with liquidity pressure, CIFIHGs moved -0.5 to +0.5pt.*
- **FUTLAN/FTLNHD:** *Seazen Group announced to raise HKD1.96bn (cUSD250mn) via share placement. FUTLAN/FTLNHD rose 0.25 to 2.5pts by mid-day. Seazen has quite a few progress recently in fund raising. We consider Seazen a survivor for the sector. See below.*
- **COGARD:** *Country Garden's controlling shareholder Yang Huiyan plans to raise HKD5.05bn (cUSD650mn) by selling 7% shares in Country Garden Services. COGARs were unchanged to +3.5pts this morning.*

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

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

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

#### ❖ Trading desk comments 交易平台市场观点

Last Friday, UST yields overall moved up and long term yields up 2-12bps as Nov PPI data, published as +7.4% yoy, was higher than the expectation of +7.2% yoy. The PPI data increased markets' worry that the Fed may maintain hawkish interest rate hike in the future. China IG space performed well along with relaxing Covid controls in last week but overall lost momentum on Friday. TMTs tightened 10-40bps in a week and slightly widened on Friday, MEITUA and XIAOMI are top performers (tightened 25-40bps) among the sector, followed by TENCNT, LENOVO and BABA (tightened c10bps). Financial names rose less compared to TMTs while still tightened up to 12bps, CCAMCL4.75'29 and HRINTH3.375'30 performed best with 12bps yields down. AT1 and T2 were traded firm. IG properties were overall stable on Friday after rallies in previous days with VNKRLs, YUEXIUs fluctuate between -0.25 to 0.25pts. CHIOLI'29/30 were exceptions to rose 3.8 and 4.3pts. Longfor announced to early redeem all of its USD300mn LNGFOR 3.9 04/16/23. Boosted by the announcement, LNGFORs up 0.5 to 1.5pts. In HY properties, COGARs continued to rebound 0.5 to 4pts as its controlling shareholder plans to raise cUSD650mn via selling shares of its service unit. FUTLANs/FTLNHDs edged 0.5 to 3pts due to cUSD252mn share placement plan. Other HY like CIFIHGs, CHINSC, CENCHIs rallied 0.5 to 2.5pts. Macau gaming names lost steam late last week after rebound since early Nov, the sector moved -1 to 2pts in a week and kept stable on Friday. Outside China, Indian/Indonesian names continued to be calm that MEDCIJs, VEDLNs and GRNKENS fluctuated between -0.5 to 0.5pt.

SOE sector was better buying last week, CSSSHI'30 tightened 38bps and petrochemical names SINOPEs, CNOOCs overall tightened up to 20bps. The yields of CHALUMs and HAOHUAs also slightly down c5bps. LGFV sector was stable on Friday and we saw demand on strong regions' LGFVs. CPDEV 5.75 PERP up 6.4pts while BEIPRO, BJSTAT were unchanged to +0.25pt. Other active traded names TLINVT, CQNANA and JNRWVE down -0.5 to -0.25pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CPDEV 5 3/4 PERP	77.6	6.4	CNOOC 7 1/2 07/30/39	117.4	-3.8
ZHONAN 3 1/2 03/08/26	83.1	4.4	CITLTD 5.07 04/18/48	97.9	-2.2
CHIOLI 2 3/4 03/02/30	83.1	4.3	CNOOC 5 3/4 01/26/41	101.3	-2.0
COGARD 8 01/27/24	73.6	3.9	TENCNT 3.94 04/22/61	72.1	-2.0
CHIOLI 3.05 11/27/29	85.1	3.8	GRNLHK 10.21 PERP	61.5	-2.0

#### ❖ Macro News Recap 宏观新闻回顾

**Macro** – U.S. stock markets closed lower on last Friday, the S&P (-0.73%), Dow (-0.90%) and Nasdaq (-0.70%) were dragged by the Nov PPI data, which was published as +7.4% yoy and higher than the expectation of +7.2% yoy. The PPI data increased markets' worry that the Fed may maintain hawkish interest rate hike in the future. China announced to issue RMB750bn special bond on 12 Dec to boost economy. The U.S. treasury yields overall up on Friday and 2/5/10/30 yields were bear steepened to 4.33%/3.75%/3.57%/3.56%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ FUTLAN/FTLNHD: Recent progresses in fund raising

Seazen has achieved a bit of progress recently in fund raising. It was selected as one of the first developers to issue CBICL-guaranteed bonds. It issued 3-yr CBICL-guaranteed bonds of RMB1bn at a coupon rate of 3.28% in Sep'22. It is now going through the book building of 3-yr onshore bonds of RMB2.1bn, RMB2bn will be guaranteed by CBICL. Additionally, Seazen is working on a share placement to raise cHKD2bn (cUSD250mn). The proceeds for recent funding exercises help relieve its near-term refinancing risk and lengthen its debt maturity profile. In 1H23 and 2H23, the offshore bonds maturing (FUTLAN and FTLNHD) will be USD300mn and USD350mn, respectively. It had onshore bonds maturing or puttable of RMB5.1bn and RMB1bn in 1H23 and 2H23, respectively. We expect Seazen to meet its onshore bond refinancing with additional onshore bond issues and unrestricted cash of cRMB39bn. Its near-term maturity profile of Seazen is manageable. We consider Seazen to be one of the survivors of the sector.

##### ➤ Offshore Asia New Issues (Priced)

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

➤ **Offshore Asia New Issues (Pipeline)**

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

➤ **News and market color**

- Regarding onshore primary issuances, there were 80 credit bonds issued last Friday with an amount of RMB99bn. As for Month-to-date, 476 credit bonds were issued with a total amount of RMB501bn raised, representing a 35% yoy decrease
- **[BYANIJ]** Bayan Resources announced to pay USD1bn interim dividend on 5 Jan'23
- **[CENCHI]** Moody's downgraded Central China Real Estate to Caa2/Caa3 and placed negative outlook
- **[CIFIHG]** CIFI Holdings pursuing sale of entire 23.26% stake in CIFI Ever Sunshine Services due to liquidity pressures. The current market value of these stakes is cUSD300mn.
- **[COGARD]** Country Garden's controlling shareholder Yang Huiyan plans to raise HKD5.05bn (cUSD650mn) by selling 7% shares in Country Garden Services
- **[DEXICN]** Dexin China announced that USD270.5mn of DEXICN 9.95 12/03/22 tendered for exchange pursuant to exchange offer
- **[FUTLAN]** Seazen Group announced to raise HKD1.96bn (cUSD250mn) via share placement.
- **[LNGFOR]** Longfor Group Holdings redeems its USD300mn LNGFOR 3.9 04/16/23, longfor has no debt due before 2027 after this redemption
- **[PACBAS]** Pacific Basin Shipping repurchases additional USD10.65mn of PACBAS 3 12/10/25
- **[YUEXIU]** Yuexiu Property signed HKD920mn 364-day term loan facility agreement

CMB International Global Markets Limited

*Fixed Income Department*

Tel: 852 3761 8867/ 852 3657 6291

[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.