

CMBI Credit Commentary

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

- *Markets sentiment was better than previous days this morning. Asian IG opened 10-15bps tighten while retreated c5bps near noon. New issue BNKEA'27 and HSBC'29 were under better buying.*
- **FOSUNI:** Fosun to sell 60% of Nangang to Shagang for RMB13.58bn; Fosun High Tech to acquire 29.5% of Zhejiang Wansheng for RMB2.65bn; FOSUNIs were unchanged to +0.5pt this morning.
- **VEDLN:** Media reported that Vedanta gets indicative term sheet for USD1bn, four-year loan at SOFR+800bps. VEDLNs rose 0.1 to 0.75pt by mid-day.

❖ Trading desk comments 交易台市场观点

Yesterday, Asia IG market had a relatively calm opening and turned better selling in the afternoon on a risk off tone, as clients were generally sidelined for more updates on the banking crisis unfolding in EU/US and the CPI data on Tue night. Front-end IGs were traded heavy as the volatility in rates significantly worsened the market liquidity and risk sentiment. CT2 spiked again in the PM session and climbed 27bps to close at 4.261%. IG spreads broadly ended 10-20bps wider. Financials space suffered from the recent negative headlines on banks. CS reported material weakness in its delayed financial reporting. T2s remains to be the unloved sector with sellers on CCB/CINDBK/ SHCMBK/UOBSP/OCBCSP. BNKEA widened 20-30bps and new BNKEA 27 were marked at T+250. AMC space was one way selling. CCAMCL/ORIEAS/GRWALL curves widened 10-20bps and HRINTH curve were marked 1-1.5pts lower in cash prices. China SOEs/TMTs widened 3-8bps. We saw selling on central SOEs such as SINOPE/CHITRA despite small short covering before the day end. HAOHUA 29s/30s were traded another 5-8bps wider to T+202/222, respectively. TMT benchmarks BABA/TENCNT were traded 5-10bps wider with front-end bonds underperformed on profit taking flows from clients. China property space were down 0.5-2pts amid RM selling across benchmark names. DALWAN 25-26s were traded 2pts lower. The company announced its Chairman Qi Jie resigned due to personal reasons. COGARDs dropped another 0.5-1.25pts after moving around 1pts lower on Mon. ROADKG/FUTLAN/FTLNHD 25-26s drifted 0.5-1.5pts lower. YLLGSPs were down 0.75-2.25pts. GRNLGR 25-26s were indicated 2.5pts lower at high-40s. Elsewhere, TINGYI 1.625 '25 gained 1.5pts. Industrial names FOSUNI/ HONGQI 25-26s were traded 1.5-2pts lower. Macau gaming names such as MPELs/WYNMACs lowered another 0.5-1.5pts after declining 1-2pts on Mon. STCITYs/STDCTYs were down 1.5-3pts. Away from China, Indian space was also weaker. VEDLNs dropped 0.5-1.75pts. Renewables such as GRNKENS/RPVINs were down 0.5-1.5pts. Indonesian space was quiet with thin flows. LMRTSPs/LPKRIJs were down 0.5-1pt.

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

In the Asia AT1/Perp/LGFV spaces, market sentiment remained fragile amid mixed macro headlines. AT1s were immediately marked down by FM sellers on the back of CS headlines during the PM session. HSBC 8 Perp lowered ~1pt amid RM selling but stabilized at high-97 to low-98 with strong PB flow support. Elsewhere, STANLN/Thai/ Korean/Singaporean AT1s were another 1-1.5pts lower. HK AT1s such as BNKEA/CHOHIN Perps lowered 0.5-2pts. Chinese AT1s remained resilient and closed roughly unchanged to 0.25pt lower, supported by demand from Chinese accounts. Perps were largely stable with SOE Perps remained under better buying before the rebound in UST yields. New CTIH 6.4 Perp were traded active two-way and ended unchanged to a touch lower at 106.75. LGFVs started to see selling out of NBRM and structured products, as demand was generally soft amid a weak broader sentiment.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GRNCH 2.3 01/27/25	95.5	2.0	STCITY 6 1/2 01/15/28	82.6	-2.4
TINGYI 1 5/8 09/24/25	91.5	1.3	YLLGSP 5 1/8 05/20/26	86.1	-2.2
SSW 5 1/2 08/01/29	78.0	1.0	STCITY 5 01/15/29	74.8	-2.0
SANLTD 4 3/8 06/18/30	85.1	0.6	DALWAN 11 01/20/25	91.9	-2.0
ZJXCID 3.9 02/04/24	99.8	0.6	DALWAN 11 02/13/26	88.6	-2.0

❖ Marco News Recap 宏观新闻回顾

Macro – U.S. stock markets rebounded yesterday, S&P (+1.68%), Dow (+1.06%) and Nasdaq (+2.14%) rallied after previous down as market expect Fed may suspend interest rate hike to temporarily relieve pressure of bank system. U.S Feb CPI is +6.0% yoy and same with market forecast. The U.S. treasury yields edged up yesterday, the 2/5/10/30 yields reached 4.20%/3.78%/3.64%/3.77%, respectively.

➤ 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 112 credit bonds issued yesterday with an amount of RMB93bn. As for Month-to-date, 1,042 credit bonds were issued with a total amount of RMB876bn raised, representing a 14.8% yoy increase
- [AGILE]** Media reported that Agile Group's application for compulsory sale of Kowloon Tong luxury property is approved by HK Lands Tribunal. The base price of the sale is HKD966mn (cUSD123mn)

- **[FOSUNI]** Fosun to sell 60% of Nanjing Nangang to Shagang for RMB13.58bn; Fosun High Tech to acquire 29.5% of Zhejiang Wansheng for RMB2.65bn
- **[GEMDAL]** Gemdale Properties expects FY22 profit drop up to 48% yoy to RMB2.1-2.5bn
- **[GRNLGR]** Meida reported that Greenland Holding remits funds to cure missed 12 Feb'23 USD coupons within grace period
- **[LIANYU]** Fitch affirmed Lianyungang Port at BBB; outlook stable
- **[POLYRE]** Poly Development plans to raise up to RMB2.5bn (cUSD364mn) via onshore notes
- **[RDHGCL]** Radiance Holdings (Group) deposits USD11.7mn into designated bank account for interest payment of RDHGCL 7.8 03/20/24
- **[SUNAC]** Media reported that Sunac bondholder AHG agrees in-principle to offshore restructuring plan, including swapping about USD3.7bn into equity instruments
- **[TPHL]** Media reported that Times China's unit obtained bondholder's approval to extend RMB500mn onshore ABS due 2024
- **[VEDLN]** Media reported that Vedanta gets prelim term sheet for USD1bn, four-year loan at Zinc Int'l from JPM, DB, Barclays, StanC at SOFR+800bps
- **[VNKRLE]** China Vanke to redeem RMB1.5bn 20Wanke01 bonds on 16 Mar
- **[ZHPRHK]** Zhenro Properties' offshore holistic liability management solutions may have no hair-cut and include amortization of principal of existing debt; expects to turn to loss for FY22

CMB International Global Markets Limited

Fixed Income Department

Tel: 852 3761 8867/ 852 3657 6291

fis@cmbi.com.hk

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