

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *This morning, the new DBSSP 4.403 '28 tightened 3bps while the new DBSSP Float 28s/30s were unchanged. ANZ/WSTP/MQGAU T2s were under better selling and widened 1-2bps. TOPTBs widened 4-5bps. LASUDE 26s declined 0.8pt.*
- **Chinese properties:** *Yoy contracted sales decline narrowed in 2M25. See below.*
- **China Economy:** *A mild rebound in credit growth. CMBI expects the PBOC may cut RRR by 50bps soon in 2Q25 and LPRs by 20bps in 2H25. Outstanding social financing and loans may pick up 8.2% and 7.7% at end-2025 after rising 8% and 7.6% at end-2024. See below for comments from CMBI economic research.*

❖ Trading desk comments 交易台市场观点

Last Friday, in HK, HPHTSP/CKHH 30-34s widened 3-7bps following a Chinese official media's negative comments on CKHs' sales of ports to BlackRock-TiL consortium. NWDEVL Perps/27-31s decreased another 1.0-1.8pts. CKPH/CKINF Perps were down 0.3-0.4pt, while REGH Perp was up 0.6pt. In financials, the new DBSSP Float '30 widened 2bps from RO. JP insurance hybrids and EU AT1s were under better selling. MYLIFE/NIPLIF 53-55s declined 0.2-0.3pt. SUMILF/FUKOKU Perps were down 0.4-0.5pt. SANTAN 9.625/INTNED 7.25/LLOYDS 8 Perps were 0.4-1.0pts lower. In Chinese IGs, BABA 27-35s widened 2-3bps. In Chinese properties, YUEXIU 31s/POLHON 25s were up 0.3-0.5pt. However, VNKRL 25-29s were 0.2-0.6pt lower. Outside properties, WESCHI '26 was up 0.3pt. In India, Adani complex bonds were 0.3-1.4pts lower.

In LGFVs, the new CPDEV 7.15 '28 surged around 1.0pt from RO at par thanks to top up demands from Chinese RMs, who were sweeping up offers from primary participants' profit taking. CPDEV 3.85 '25 and CPDEV 4.65 '26 rose 0.1 and 0.5pt, respectively. See our comments on [14 Mar '25](#). The new ZZCITY 5.3 '28 rose 0.1pts from RO at par. Meanwhile, the high yielding LGFVs continued to grind tighter on back of RM lifting. CHDOHU 7.6 '28/XHCTID 7 '27 were up 0.1-0.3pt. In SOE perps, SPICPD/COFCHK Perps were 0.1pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
REGH 6 1/2 PERP	47.4	0.6	NWDEVL 6 1/4 PERP	38.9	-1.8
CPDEV 4.65 01/19/26	99.3	0.5	NWDEVL 4.8 PERP	32.2	-1.8
YUEXIU 3.8 01/20/31	86.5	0.5	NWDEVL 4 1/8 PERP	44.6	-1.5
POLHON 4 11/10/25	98.3	0.4	NWDEVL 4 3/4 01/23/27	80.6	-1.5
RAKUTN 6 1/4 PERP	90.6	0.4	NWDEVL 8 5/8 02/08/28	77.2	-1.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+2.13%), Dow (+1.65%) and Nasdaq (+2.61%) were higher on last Friday. US Mar'25 Michigan Consumer Sentiment was 57.9, lower than the market expectation of 63.1. UST yield was higher on last Friday, 2/5/10/30 yield at 4.02%/4.09%/4.31%/4.62%.

❖ Desk Analyst Comments 分析员市场观点

➤ Chinese properties: Yoy contracted sales decline narrowed in 2M25

In Feb'25, 32 developers under our radar reported contracted sales totaled RMB108.2bn, decreased 2.2% yoy from RMB111.6bn in Jan'25. 10 out of 32 developers reported yoy increases in contracted sales in Feb'25, up from 8 developers in Jan'25.

In 2M25, the cumulative contracted sales of 32 developers dropped 11.5% yoy to RMB219.8bn. 9 out of 32 developers reported yoy increases in contracted sales in 2M25. SINOCE (RMB2.8bn), SUNAC (RMB8.6bn) and CHIOLI (RMB25.2bn) were the better performers with 41%, 33%, 33% yoy increase in contracted sales, respectively. The bottom performers were JINGRU (RMB122mn), FUTLAN/FTLNHD (RMB3.0bn) and AGILE (RMB1.6bn) that their contracted sales dropped 62%, 61%, 58% yoy in 2M25, respectively.

We saw the yoy decreases narrowed in 2M25, compared to 19.0% yoy decrease in Jan'25. As per NBS, the new home prices in 18 out of 70 cities surveyed reported a mom increase in Feb'25. The average new home prices across 70 major cities in China dropped 4.8% yoy in Feb'25, reduced from 5.0% yoy decrease in Jan'25. We expect to see further relaxation of home purchase restrictions in the tier-1 cities in 2025, except Guangzhou which had cancelled all the purchase restrictions for Guangzhou residents and non-Guangzhou families in Sep'24. We also expect to see further LPR cut to stimulate the housing demand. Our house view is LPR cuts by 20bps in 2H25.

Company	CN Name	BBG Ticker	Jan	Feb	Feb'25 MoM Growth	Feb'25 YoY Growth	Feb'25 YTD Sales	Feb'25 YTD Sales Growth
Sino-Ocean	远洋集团	SINOCE	1,890	990	-48%	21%	2,880	43%
Sunac China	融创中国	SUNAC	6,840	1,800	-74%	-34%	8,640	33%
China Overseas	中国海外发展	CHIOI	12,020	13,200	10%	55%	25,220	33%
Yuexiu Property	越秀地产	YUEXIU	6,602	6,225	-6%	63%	12,827	24%
China Resources Land	华润置地	CRHZCH	11,600	13,500	16%	47%	25,100	22%
Yanlord*	仁恒置地*	YLLGSP	1,420	2,650	87%	39%	4,070	15%
Central China Real Estate	建业地产	CENCHI	580	990	71%	48%	1,570	13%
Times Property	时代中国控股	TPHL	650	280	-57%	-9%	930	11%
China Jinmao	中国金茂	CHJMAO	6,695	4,416	-34%	6%	11,111	5%
Greentown	绿城	GRNCH	11,300	12,700	12%	-2%	24,000	-4%
Poly Real Estate	保利地产	POLYRE	18,015	15,996	-11%	2%	34,011	-5%
Shimao	世茂房地产	SHIMAO	2,200	1,860	-15%	-17%	4,060	-7%
China SCE*	中骏集团控股*	CHINSC	600	800	33%	-2%	1,400	-16%
Yuzhou Properties	禹洲地产	YUZHOU	501	561	12%	12%	1,062	-19%
Greenland Holding*	绿地控股集团*	GRNLGR	3,300	3,600	9%	-10%	6,900	-19%
Longfor (Attributable)	龙湖集团	LNGFOR	3,010	3,730	24%	-1%	6,740	-20%
Radiance*	金辉控股*	JNHUIG/RDHGCL	490	1,010	106%	66%	1,500	-27%
Logan Property*	龙光地产*	LOGPH	550	460	-16%	-39%	1,010	-35%
Zhenro Properties	正荣地产	ZHPRHK	373	330	-12%	-30%	703	-36%
Ronshine China	融信中国	RONXIN	350	283	-19%	-48%	633	-36%
China Vanke*	万科企业*	VNKRLE	11,010	10,200	-7%	-27%	21,210	-37%
Zhongliang	中梁控股	ZHLGHD	1,100	1,210	10%	-30%	2,310	-38%
Redsun	弘阳地产	REDSUN/HONGSL	669	443	-34%	-49%	1,112	-40%
KWG Property	合景泰富集团	KWGPRO	502	361	-28%	-42%	863	-40%
CIFI Holdings	旭辉集团	CIFIHG	1,810	1,610	-11%	-28%	3,420	-43%
Powerlong	宝龙地产	PWRLNG	692	608	-12%	-48%	1,300	-43%
Country Garden (Attributable)	碧桂园	COGARD	2,260	2,300	2%	-38%	4,560	-50%
Gemdale	金地集团	GEMDAL	2,250	2,800	24%	-45%	5,050	-52%
Hopson	合生创展	HPDLF	473	427	-10%	-32%	900	-53%
Agile	雅居乐	AGILE	790	850	8%	-45%	1,640	-58%
Future Land	新城控股	FUTLAN/FTLNHD	1,017	1,959	93%	-51%	2,976	-61%
Jingrui Holdings	景瑞控股	JINGRU	60	62	3%	-45%	122	-62%

➤ China Economy: A mild rebound in credit growth

Overall credit growth showed tentative signs of stabilisation as outstanding social financing growth climbed thanks to strong government bond issuance. However, renminbi loans continued to slow down, especially household loans as the new housing market and consumer demand remained weak. Recent policy signals of continued support to the stock market, housing market and household consumption might bolster economic activity and credit demand in the next several months. In addition, the PBOC may cut RRR by 50bps soon in 2Q25 and LPRs by 20bps in 2H25. Outstanding social financing and loans may pick up 8.2% and 7.7% at end-2025 after rising 8% and 7.6% at end-2024.

Growth of social financing flow accelerated thanks to government bond issuance. The growth of outstanding social financing (SF) edged up to 8.2% in Feb (all in YoY terms unless otherwise specified) from 8% in Jan, as the SF flow expanded from 9% growth to RMB7.1trn in Jan to 49.3% to RMB2.2trn, although missing market expectation at RMB2.65trn. Government bond issuance extended its rapid growth to 182% in Feb at RMB1.7trn, thanks to the fiscal expansion as broad deficit is expected to widen by RMB2.4trn in 2025. Corporate bond issuance also increased 19.6% to RMB170bn in Feb, as business credit demand gradually bottomed out. New RMB loans to the real economy fell back into negative territory, declining by 33.4% YoY to RMB650bn, after recording the first positive YoY growth in 15 months in January. Excluding CNY distortions, SF flow increased by 16.6% in 2M25, driven by a 167% surge in government bond issuance and a 7.2% rise in corporate bond issuance, while RMB loans to the real economy saw a moderate growth of 0.9%. The M1 supply,

which once majorly reflected corporate business vitality and now better captures overall liquidity of money under new calibre, moderated to 0.1% in Feb from 0.4%. M2 remained flat at 7% in Feb, as fiscal deposits notably surged.

New RMB loans missed expectations. Growth of outstanding RMB loans inched down to 7.3% in Feb from 7.5%, while the new RMB loans dropped from 4.3% growth to RMB5.1trn in Jan to -30.3% to RMB1.01trn in Feb, falling short of market expectations at RMB1.24trn. It declined 3.6% in 2M25. Household loan flows recorded a net decline of RMB389bn in Feb, with short-term loans decreasing by RMB274bn and M&L-term loans by RMB115bn. In 2M25, household loan flows contracted by 86%, as flow of short-term loans remained in negative territory for both months, while M&L-term loans fell by 27.7%, indicating persistently weak consumer demand. New loans to the corporate sector dropped to -33.8% at RMB1.04trn in Feb. In 2M25, new loans to the corporate sector increased by 7.2%, driven by a rise in short-term loans, while M&L loans declined by 13%, possibly due to the impact of the LGFV debt swap.

Credit growth may mildly rebound this year. The Chinese policymakers have signaled continued policy support to local governments, housing market and durable consumers. The PBOC may cut RRR by 50bps soon in 2Q25 and LPRs by 20bps in 2H25. Credit growth might see a mild rebound in 2025 thanks to more proactive fiscal policy, a stabilization of housing sales and a recovery in durables consumption. Outstanding social financing and loans may pick up 8.2% and 7.7% at end-2025 after rising 8% and 7.6% at end-2024.

Click [here](#) for the full report.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Tai An High-tech Construction Group	50	3yr	6.95%	6.95%	Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Bank Mandiri	USD	-	3yr	T+145	Baa2/BBB/-
Binjiang Guotou	USD	-	3yr	6.5%	Unrated
Lanxi Transportation Construction Investment Group	USD	-	3yr	6.3%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 111 credit bonds issued on last Friday with an amount of RMB62bn. As for month-to-date, 935 credit bonds were issued with a total amount of RMB737bn raised, representing a 24.9% yoy decrease
- China Real Estate Association holds meeting with non-state-owned developers to gather feedback and recommendation
- China launches plans to boost consumption in eight major areas with 30 policies
- [FOSUNI]** Fosun Pharma to sell stake in Chinese hospital operator United Family Healthcare for USD124mn

- **[FUTLAN/FTLNHD]** Seazen expects FY24 profit to decline by up to 49% yoy, mainly due to a decrease in one-off gains from the disposal of equity and assets belonging to the company's subsidiaries
- **[GTJA]** Guotai Junan Securities completes H-share share exchange in relation to Haitong Securities merger; change the company name to Guotai Haitong Securities
- **[HONGQI]** China Hongqiao FY24 gross profit to increase 101.2% yoy to RMB42.2bn (cUSD5.8bn) attributable to higher sales prices and sales volume while the raw materials costs were lower
- **[LASUDE]** Lai Sun Development expects to record HKD100-150mn loss in 1HFY25, down from HKD1.9bn in 1HFY24 due to improved valuations of IPs, improved contribution from JVs, gain on disposal of a subsidiary, and reduction of finance costs
- **[MPEL]** Melco International Development expects to record up to HKD1.0bn impairment on assets in relation to Studio City for FY24, no impact on cash flow or liquidity
- **[WESCHI]** West China Cement expects profit to surge 35-45% yoy in FY24 due to the absence of one-off losses recognized in FY23
- **[YUZHOU]** Yuzhou expects 55% yoy drop in FY24 revenue due to fewer property deliveries

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