

CMBI Credit Commentary

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

- *The new CBAAU Float 28s/30s tightened 2bp and 6bps from ROs (SOFR+64 and SOFR+81) respectively this morning. GFFHBV Float '28 was unchanged from RO (SOFR+62). The new MYLIFE 55s declined 0.1pt.*
- **Asia ex-JP USD bonds issuance:** Feb'25 gross issuance increased 10.6% yoy to USD9.2bn See below.
- **CSIPRO:** CSI Properties shareholders approve rights issue and bond subscription to raise HKD2bn (cUSD257mn). CSIPRO 25 was up 1.5pts yesterday and 1.1pts higher this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, NWDEVL Perps/27-31s rose 1.7-4.4pts. The new HYSAN 7.2 Perp rose another 0.1pt while HYSAN 4.1 Perp was unchanged. CSIPRO/PCPDC 25-26s were 0.7-1.5pts higher. In Chinese properties, media reported China is considering removing the price cap for local governments buying unsold apartments. The proposal would give local authorities more autonomy in offering competitive prices and ease the financial burden of developers. VNKRL 25-29s rose 0.8-3.8pts. LNGFOR 27-32s/SHUION 26s increased 1.1-2.1pts. GRNCH/CHJMAO/COGO 26-29s were up 0.2-0.3pt. Outside properties, WESCHI '26 was up 0.6pt. BTSD 28 declined 0.9pt following the company's "profit warning". In Chinese IGs, HAOHUA/ BABA/TENCNT 28-31s were unchanged to 2bps tighter. In financials, the new SUMITR 30-35s tightened 4-5bps. In insurance hybrids, MYLIFE 54-55s and NIPLIF 53-54s were down 0.1pt. EU AT1s were under better selling. BNP 8/UBS 7.75 Perps were 0.1-0.2pt lower. In Indonesia and India, CIKLIS priced a USD350mn 10-yr bond at par to yield 5.65%. Adani complex bonds were unchanged to 0.2pt lower. See our comments on 6 Mar '25. Elsewhere, GLPSP Perps rose 1.7-2.0pts.

In LGFVs, the new KCGZIG '28 closed unchanged. CHDXCH/HNYUZI 26s were up 0.1-0.2pt. We saw buying flows continued to be driven by Chinese RMs whilst the supply liquidity remained limited from tactical investors. There were two way flows on CNH names such as HBPUAO 26s/XYTRCT 27s and USD papers such as QDBTTI 28s/TZXHIG 28s. In SOE perps, CCBINT Perp was up 0.1pt, HUADIA Perp was down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 6.15 PERP	74.4	4.4	BTSD 9 1/8 07/24/28	102.9	-0.9
NWDEVL 5 1/4 PERP	49.6	4.3	SINOPC 4 1/4 04/24/43	90.2	-0.5
VNKRLE 3 1/2 11/12/29	66.3	3.8	HYSAN 3.55 06/16/35	83.1	-0.5
VNKRLE 3.975 11/09/27	76.5	3.6	HUALUG 2.2 10/27/26	95.6	-0.5
NWDEVL 4 1/8 PERP	38.0	3.5	AGILE 15.124 PERP	4.0	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.78%), Dow (-0.99%) and Nasdaq (-2.61%) were lower on Thursday. US latest initial jobless claims was +221k, lower than the market expectation of +234k. UST yield bear flattened on Thursday, 2/5/10/30 yield at 3.96%/4.06%/4.29%/4.58%.

❖ Desk Analyst Comments 分析员市场观点

➤ Asia ex-JP USD bonds issuance: Feb'25 gross issuance increased 10.6% yoy to USD9.2bn

- The new CBAAU Float 28s/30s tightened 2bp and 6bps from ROs (SOFR+64 and SOFR+81) respectively this morning (SOFR+45). The new MYLIFE 55s declined 0.1pt.*
- Asia ex-JP USD bonds issuance: Feb'25 gross issuance increased 10.6% yoy to USD9.2bn See below.*
- CSIPRO: CSI Properties shareholders approve rights issue and bond subscription to raise HKD2bn (cUSD257mn). CSI higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, NWDEVL Perps/27-31s rose 1.7-4.4pts. The new HYSAN 7.2 Perp rose another 0.1pt while HYSAN 4.1 Perps were 0.7-1.5pts higher. In Chinese properties, media reported China is considering removing the price cap for local property. The proposal would give local authorities more autonomy in offering competitive prices and ease the financial burden of developers. LNGFOR 27-32s/SHUION 26s increased 1.1-2.1pts. GRNCH/CHJMAO/COGO 26-29s were up 0.2-0.3pt. Outside properties declined 0.9pt following the company's "profit warning". In Chinese IGs, HAOHUA/ BABA/TENCNT 28-31s were unchanged. SUMITR 30-35s tightened 4-5bps. In insurance hybrids, MYLIFE 54-55s and NIPLIF 53-54s were down 0.1pt. EU AT Perps were 0.1-0.2pt lower. In Indonesia and India, CIKLIS priced a USD350mn 10-yr bond at par to yield 5.65%. Adani closed at a discount. See our comments on 6 Mar '25. Elsewhere, GLPSP Perps rose 1.7-2.0pts.

In LGFVs, the new KCGZIG '28 closed unchanged. CHDXCH/HNYUZI 26s were up 0.1-0.2pt. We saw buying flows continue. In supply liquidity remained limited from tactical investors. There were two way flows on CNH names such as HBPUCAC and QDBTTI 28s/TZXHIG 28s. In SOE perps, CCBINT Perp was up 0.1pt, HUADIA Perp was down 0.1pt.

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❖ Desk Analyst Comments 分析员市场观点

➤ Asia ex-JP USD bonds issuance: Feb'25 gross issuance increased 10.6% yoy to USD9.2bn

In Feb'25, the gross issuance of Asia ex-JP USD bonds (excl. supranational banks) increased by 10.6% yoy to USD9.2bn (USD3.4bn), the Philippines (USD2.3bn) and China (USD2.2bn) were amongst the largest issuers. IGs contributed 73% of total gross issuance, with financial institutions and sovereign totaled USD3.9bn and USD2.8bn, accounting for 42.1% and 30.1% of total gross issuance.

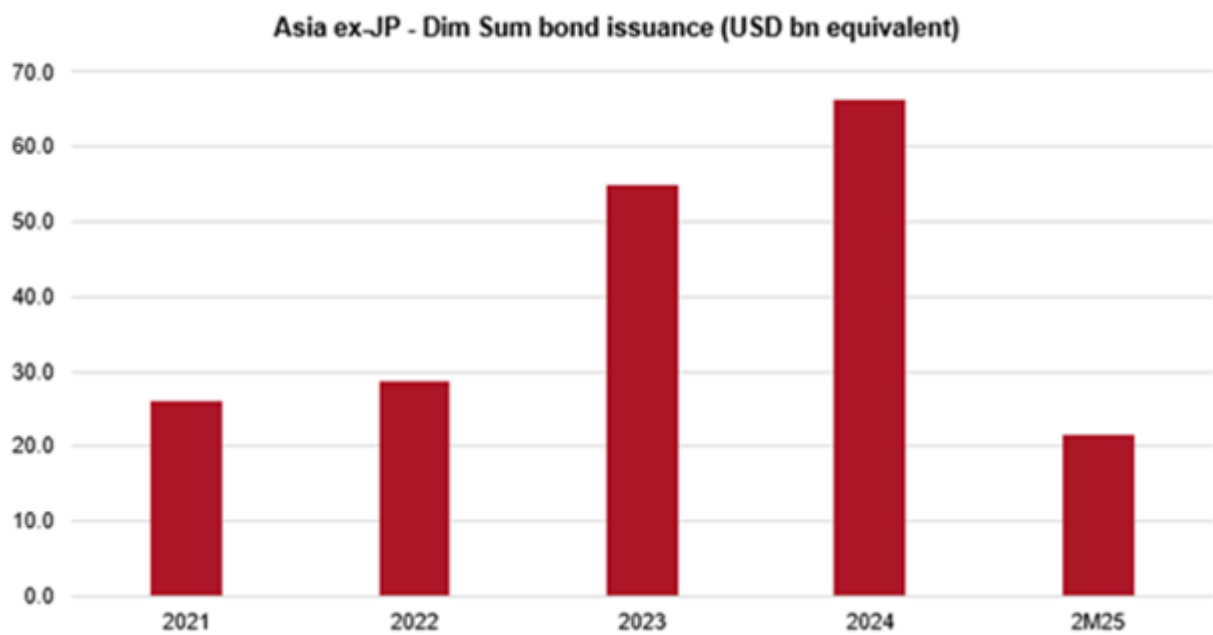
In 2M25, gross issuance of Asia ex-JP USD bonds increased 19.0% yoy to USD28.7bn. South Korea (USD8.2bn), China (USD7.5bn) were the major issuers. Financial institutions issued USD bonds totaled USD12.3bn, accounting for 42.7% of the gross issuance.

For Chinese USD bonds of USD2.2bn issued in Feb'25, IGs, HYs, unrated contributed 13.3%, 22.3% and 64.4%, respectively. LGFVs and real estate totaled USD1.5bn and USD0.5bn, accounting for 68.9% and 22.2% of total gross issuance. Dim Sum bonds issuance in Feb'25 rose 152.3% yoy to USD11.3bn equivalent from USD4.5bn equivalent in Feb'24. LGFV USD1.5bn equivalent in Feb'25, compared with no LGFV USD issue with an issue size of at least USD100mn in Feb'24. Dim Sum issuance rose 64.1% yoy to USD0.3bn equivalent, partly reflected the RMB depreciation under the backdrop of trade war.

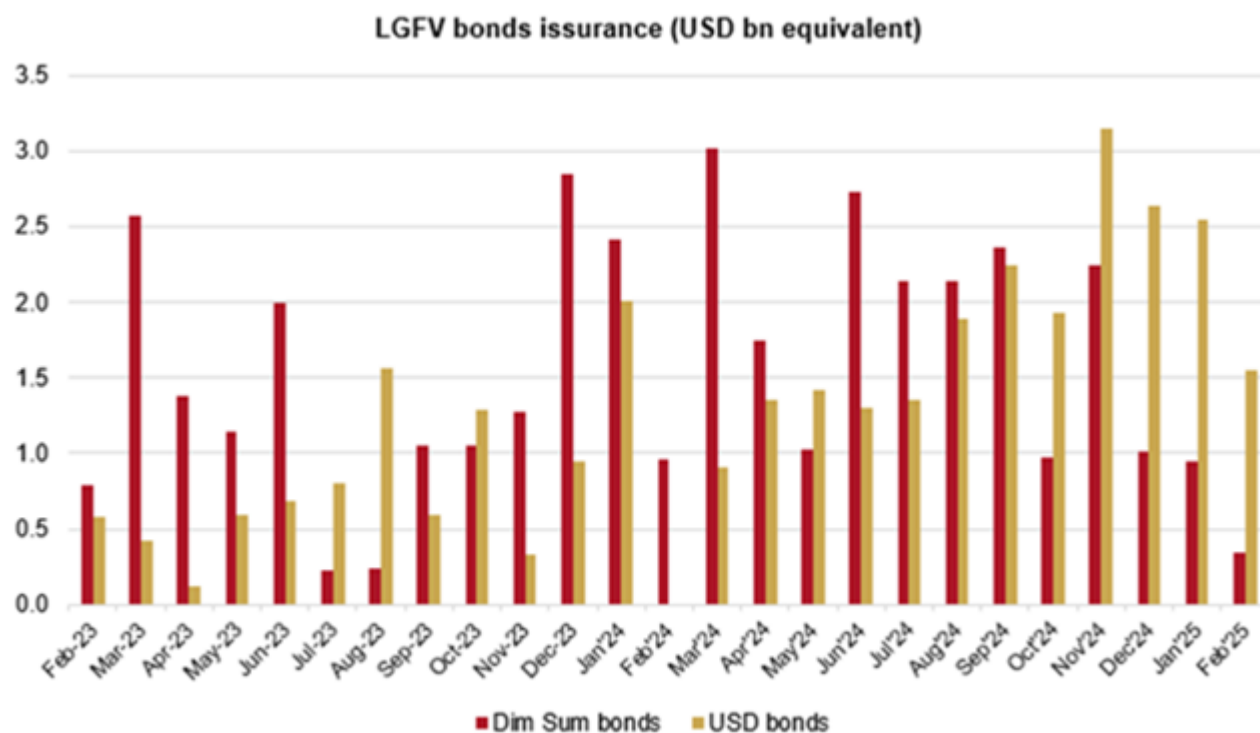
Our house view is USD/RMB might moderately rise to 7.40 at the end of 2025. The RMB depreciation may divert some USD issues from Dim Sum issues. That said, we continue to see Dim Sum bond a lower-cost funding alternative for issuers aloft, taking cues from recording-breaking issuance over the past 3 years despite RMB depreciated.



Source: Bloomberg.



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➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Commonwealth Bank of Australia	750/	3yr/	4.423%/	T+45/	Aa2/AA-/AA-/
	1000/	3yr/	SOFR+64/	SOFR+64/	Aa2/AA-/AA-/
	500/	5yr/	4.608%/	T+55/	Aa2/AA-/AA-/
	1500/	5yr/	SOFR+81/	SOFR+81/	Aa2/AA-/AA-/
	1250	21NC20	5.929%	T+132	A2/A-/A-
GF Securities	380	3yr	SOFR+62	SOFR+62	-/BBB/-
Qingdao Pingdu Holdings Group	84	3yr	6.9%	6.9%	Unrated
Zhangzhou Longhai State-owned Assets Investment and Operation Co	200	3yr	7.1%	7.1%	Unrated

➤ 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 92 credit bonds issued yesterday with an amount of RMB61bn. As for Month-to-date, 352 credit bonds were issued with a total amount of RMB294bn raised, representing a 18.6% yoy decrease

- **[CSIPRO]** CSI Properties shareholders approve rights issue and bond subscription to raise HKD2bn (cUSD257mn)
- **[FAEACO]** Far East Consortium International and Chow Tai Fook Enterprises yet to reach agreement over acquisition of 50% interest in Destination Brisbane from JV partner Star Entertainment
- **[HYUELE]** SK Hynix to close image sensor business to boost focus on high-end AI chips
- **[MONMIN]** Mongolian Mining intends to engage with Mongolian government to protect interests under UHG mining license
- **[POHANG]** S&P changed the outlooks of POSCO Holdings and its subsidiaries POSCO and POSCO International to negative from stable
- **[SHFLIN]** Moody's assigned Ba1 rating to Shriram Finance with stable outlook

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