

CMBI Credit Commentary

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

- *Asia IG space was quiet ahead of US job data on Fri night. HAOHUA/BABA 30-31s were 1-2bps tighter. ANZ/NAB 34s were unchanged to 2bps wider. The CNH LGFVs were skewed to better selling.*
- **Asia ex-JP USD bonds issuance:** 9M24 gross issuance increased 33.0% yoy to USD151.0bn. See below for comments.
- **LPKRIJ:** Moody's upgraded Lippo Karawaci's CFR to B3 from Caa1 on improved liquidity after Siloam stake sale, outlook revised to positive from negative. LPKRIJs were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, Chinese AMCs were traded in mixed two-way flows. GRWALLs were another 0.1-0.2pt higher. On the other hand, HRINTHs closed 0.1-0.3pt lower. CCAMCLs/ORIEASs closed unchanged to 2bps wider. See our comments on 3 Oct '24. FRESHK 25-28s tightened another 2-6bps. Elsewhere in financials, BCLMHK/CMINLE Float 26-27s were 1-2bps tighter. In AU T2s, ANZ/MQGAU/NAB 30-34s were under better buying from PBs and tightened 1-4bps. In EU AT1s, the new CMZB 7.5 Perp was down 0.1pt from last close. BNP 7.375 Perp/HSBC 6.95 Perp/HSBC 6.875 Perp were 0.2-0.3pt lower. In JP insurance hybrids, SUMILFs/NIPLIFs/MYLIFEs were 0.2-0.3pt higher under better buying from PBs. In Chinese IGs, HAOHUA '30/BABA '31 tightened 2bps. ZHOSHKs were 2-3bps tighter. Chinese properties were mixed. CHJMAO '29/COGO '26 remained sought after and closed 0.9-1.2pts higher. ROADKG 28-30s were up 0.6-0.8pt. On the other hand, SHUION 25-26s declined 0.5-0.9pt. VNKRL 25-29s/LNGFOR 27-32s were 0.4-0.5pt lower. DALWAN 25-26s were down 0.2-0.5pt. In HK, NWDEVL Perps/27-31s were another 0.3-0.7pt lower. Outside properties, EHICAR '26/WESCHI '26 were 0.3-0.5pt lower. In Macau gaming, SANLTD 25-31s were up 0.1-0.4pt, MPEL 25-29s were down 0.2-0.4pt. In Indonesia, MDLNIJ '25 was 0.4pt higher. LPKRIJ 25/26 closed unchanged to 0.1pt higher. Moody's upgraded Lippo Karawaci's corporate family rating to B3 from Caa1 and revised outlook to positive. In India, BIOLIN priced a USD800mn 5NC2 bond at 99.041 to yield 6.9% and the bond closed 0.2pt higher from RO. UPLLIN 28/30/Perp were 0.3-0.6pt higher.

In LGFVs, FANGYA 5.45 '27/LYURBN 6.8 '26 were 0.2-0.3pt higher. GUOCAP '25/SYSTIO '26/NJYZSO '27 were also 0.1-0.2pt higher. CPDEV 26/Perp were up 0.1pt. JNUCGC '24/DFINVH '25, on the other hand, were down 0.1pt. In SOE perps, CHPWCN 4.25 Perp/CHCOMU 3.65 Perp were 0.2-0.4pt higher. HUADIA 3.375 Perp/SPICPT 3.45 Perp were 0.1pt lower. Meanwhile CWAHK/MINMET 26s were up 0.1-0.2pt.

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

Cyrena Ng, CPA 吳倩瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHJMAO 4 1/4 07/23/29	82.5	1.2	DBJJP 3.363 04/25/44	78.9	-1.1
COGO 2.45 02/09/26	94.6	0.9	HAOHUA 5 1/2 03/14/48	103.5	-1.0
ROADKG 6 03/04/29	47.5	0.8	SHUION 5 1/2 06/29/26	83.8	-0.9
ROADKG 5 1/8 01/26/30	44.0	0.7	XINHUZ 11 06/06/25	92.7	-0.9
ROADKG 7 PERP	25.1	0.7	DBJJP 3.749 12/18/48	82.4	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.17%), Dow (-0.44%) and Nasdaq (-0.04%) were weak on Thursday. The latest US initial jobless claims was +225k, higher than the expectation of +222k. Investors kept a watchful eye on the growing conflict in the Middle East. UST yields moved higher yesterday, 2/5/10/30 yield reached 3.70%/3.62%/3.85%/4.18%.

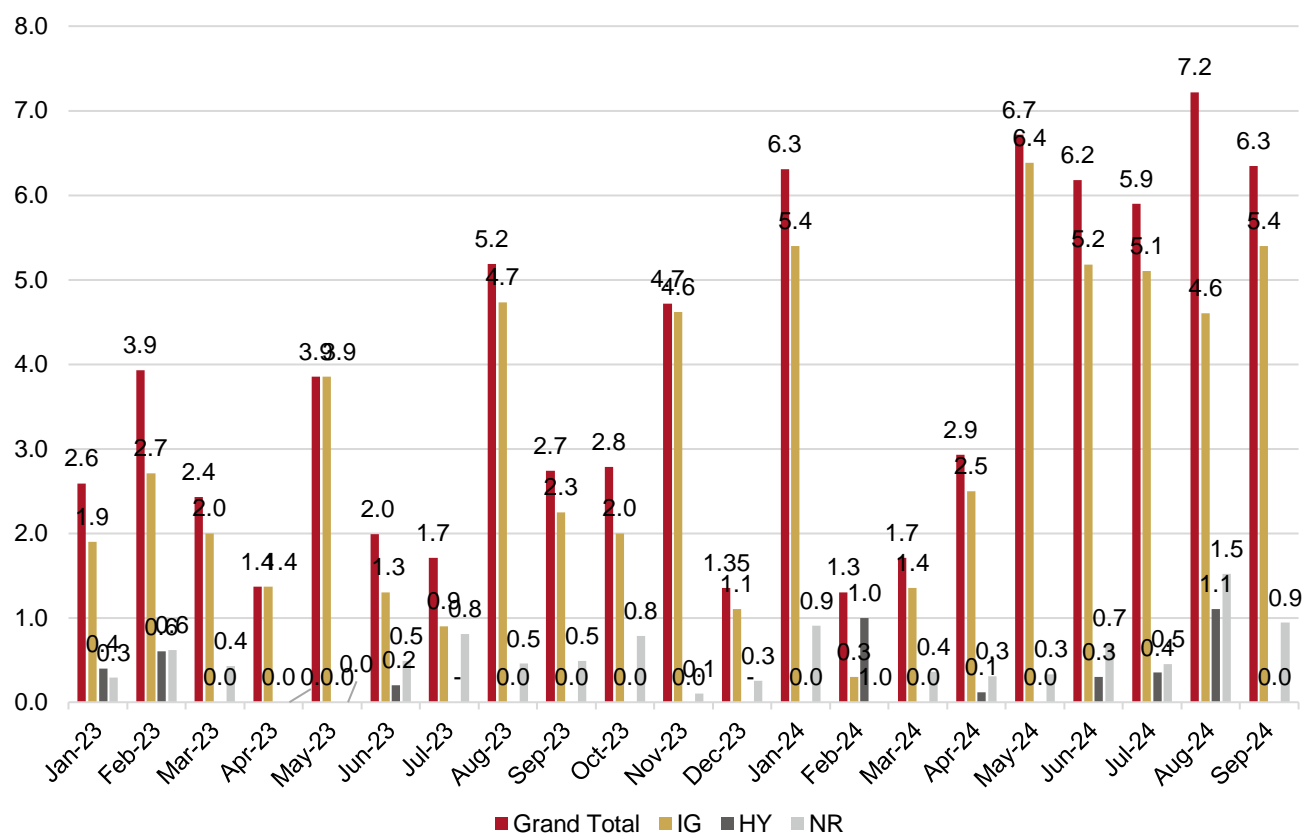
❖ Desk analyst comments 分析员市场观点

➤ Asia ex-JP USD bonds issuance: 9M24 gross issuance increased 33.0% yoy to USD151.0bn

In Sep'24, the issuance of Asia ex-JP USD bonds rose 44.4% yoy to USD21.6bn from USD15.0bn in Sep'23. South Korea (USD7.8bn), China (USD6.3bn), and Hong Kong (USD2.3bn) were the largest issuers. IGs contributed 85.0% of the gross issuance and financial sector remained the largest issuer with issuance amount of USD9.2bn, accounting for 42.7% of total gross issuance of the month. In 9M24, gross issuance of Asia ex-JP USD bonds increased 33.0% yoy to USD151.0bn. China (USD44.6bn), South Korea (USD42.1bn), and Hong Kong (USD11.3bn) were the largest issuers. Financial institutions issued USD91.0bn bonds in 9M24, accounting for 60.3% of the gross issuance.

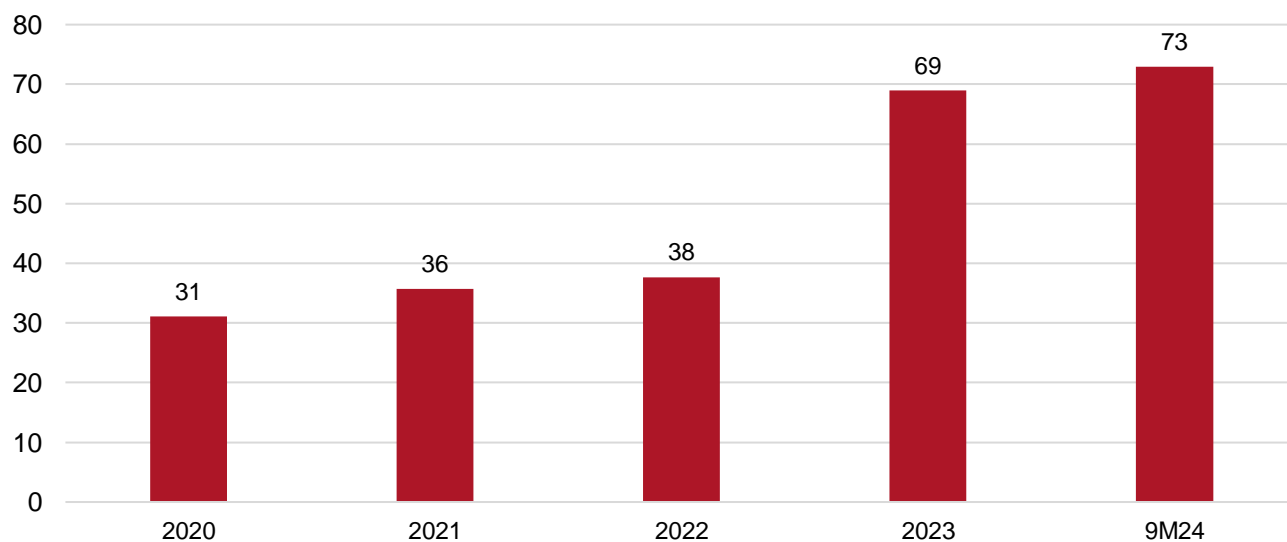
In 9M24, gross USD bonds issuance from Chinese issuers rose 72.9% yoy to USD44.6bn from USD25.8bn in 9M23. Besides, the Asia ex-JP Dim Sum bonds issuance increased 36.7% yoy to USD73.0bn. The offshore USD and Dim Sum issuances by LGFVs increased 127.8% and 68.0% yoy in 9M24, to USD12.5bn and USD18.5bn, respectively. There will be USD LGFV bonds totaled USD10.6bn and Dim Sum bonds totaled USD623mn will be matured in the rest of 2024. We expect LGFV Dim Sum issuance will continue to be active given the maturity profile of LGFV bonds, lower funding cost of Dim Sum issuance as well as the expectation of stronger CNH.

Chinese USD bonds new issuance amount (USD bn)

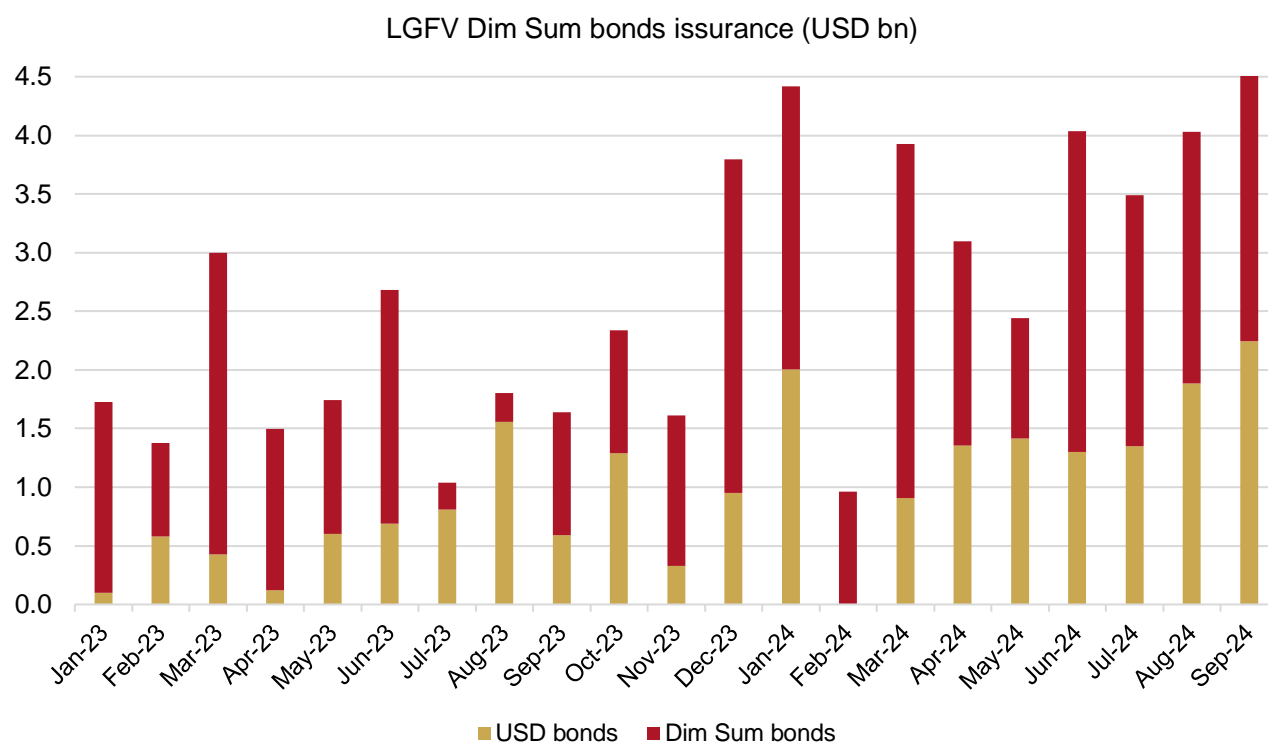


Source: Dealogic.

Asian ex JP Dim Sum bond issuance (USD bn)



Source: Bloomberg, Dealogic.



Source: Bloomberg, Dealogic.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	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

- Onshore primary issuances suspend during the National Day Holiday
- [COGARD]** Country Garden's Forest City Malaysia becomes first location in Malaysia to offer zero rate for family offices
- [LPKRIJ]** Moody's upgraded Lippo Karawaci's CFR to B3 from Caa1 on improved liquidity after Siloam stake sale, outlook revised to positive from negative
- [VEDLN]** Vedanta Resources announced final settlement of tender offer, USD429.975mn of VEDLN'27 and USD918.284mn of VEDLN'28 remain outstanding as of 3 Oct'24

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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