

## CMBI Credit Commentary

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

- *Markets were quiet this morning. Recent new issues KOLAHO'25/ANZs were unchanged. In LGFV/SOE Perps space, we saw two way flows from offshore China while onshore flows focused on high-yielding names.*
- **ADSEZ:** *Adani Port commenced a tender offer to purchase up to USD195mn of ADSEZ 3.375 07/24/24. See below.*
- **CHJMAO:** *China Jinmao announced to fully redeem USD300mn CHJMAO 4.875 PERP on 6 Nov'23. CHJMAOs moved -0.5 to +0.25pt this morning.*

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#### ❖ Trading desk comments 交易台市场观点

Asia ex-JP IG space was firm yesterday. On the new issue front, KOLAHO 25s were priced at CT2+75 and were traded stable at T+70 area. The new ANZ fixed-rate and floating-rate notes were priced at CT2+55 and SOFR+64, respectively. The ANZ FRN 25s tightened 3bps to SOFR+63/61 range with active two-way flows. In Chinese financials, the long-end of HRINTHs were traded 0.5-1pt lower while the front-end still held up well post Moody's review for downgrade. Chinese bank T2 tightened 1-3bps. We continued to see better buying flows on BCHINA 5 '24/CCB 4.25 '29 papers. In non-China space, DBSSP 25s were under one-way bidding from clients. SMBCAC 28s/33s were under better selling. Elsewhere in Asian AT1s, BBLTB 5 Perp/KBANK 5.275 Perp were better-offered by PBs. European AT1s HSBC 8 Perp/STANLN 4.3 Perp were down 0.3pt amid mixed flows. Chinese SOE/TMT benchmarks edged 1-2bps tighter. In the high beta TMTs, XIAOMI 30s tightened 5bps. WB 30s grinded 10bps tighter. HK/Chinese properties were mixed. CHJMAO Perp were traded 2.5pts higher post the company announced to fully redeem USD300mn CHJMAO 4.875 Perp on first call date on 6 Nov'23. CHJMAO '24 was up 0.5pt. On the other hand, FUTLAN/FTLNHD 25s and LNGFOR 28-29s declined 1.25-1.75pts. GRNLGR 25s/COGARD 24s were 1.5-1.75pts lower. NWDEVL Perps were down 0.75-1.25pts. SHUIONs were down 0.5pt. In Macau gaming, MPEL/SANLTD 28-30s were marked 0.5pt higher. In Indian space, VEDLNs were bid up 0.5pt. Indonesian names LPKRIJ 24s/26s were down 0.5pt.

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In the LGFV/Perp spaces, market became a bit directionless after the recent yield compression since Aug, as clients found valuations got quite rich. We saw a wave of selling across the spaces ahead of quarter-end amid volatility in rates. Those low-yielding LGFVs/SOE perps that were trading at <=mid-6% were still under better selling from non-Chinese accounts, while Chinese accounts were generally happy to catch some of the short-dated-to-call SOE perps but had more mixed two-way flows/interests in LGFVs. The yields retraced by around 10-15bps wider across these papers in general, as liquidity gradually thinned up with more onshore clients sidelined ahead of long holiday. In the higher-yielding LGFVs, WFURCD '24 was 0.4pt higher.

GSHIAV 23s/25s were up 0.125pt. In SOE perps, HUADIA 4 Perp/CHPWCN 3.45 Perp were 0.15-0.2pt higher.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHJMAO 4 7/8 PERP	99.4	2.6	GRNLGR 6 1/8 04/22/25	8.2	-1.7
CHGRAU 9.109 PERP	91.8	2.4	FTLNHD 4 5/8 10/15/25	28.7	-1.7
CHJMAO 4 06/21/24	94.1	0.6	COGARD 8 01/27/24	11.6	-1.6
VEDLN 8.95 03/11/25	74.1	0.6	LNGFOR 3.95 09/16/29	52.3	-1.6
WFURCD 2.6 09/27/24	92.4	0.4	PBRXIJ 7 5/8 12/31/25	41.1	-1.4

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.47%), Dow (-1.14%) and Nasdaq (-1.57%) were down on Tuesday. US Sep consumer confidence index issued by ConferenceBoard was 103.0, down from 108.7 in Aug and lower than the expectation of 105.5. US Aug new home sales fell 8.7% mom, compared to +8.0% mom in Jul. The UST yields continued to rally higher yesterday, 2/5/10/30 yield reached at 5.04%/4.62%/4.56%/4.70%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ ADSEZ: Adani Port commenced a tender offer to purchase up to USD195mn of ADSEZ 3.375 07/24/24

Adani Port announced a tender offer to purchase up to USD195mn of ADSEZ 3.375 07/24/24. The tender offer will be funded from its cash reserves. In May'23, Adani Port has purchased USD130mn for cash and planned to purchase 20% of the total principal issued in each of the next four quarters. The current tender offer is the second tranche, representing 30% of the principal amount issued.

Repurchase of ADSEZ 3.375'24 by tranches help to smooth out Adani Port's liquidity needs over a year. If the maximum amount of USD195mn is accepted for purchase, it will further reduce the total outstanding amount to USD325mn, i.e. 50% of the original issued amount. Besides, Adani Port does not have other USD bond due until Jul'27 after ADSEZ 3.375'24 due in Jul'24.

Bond	ADSEZ 3.375 07/24/24
Amount issued	USD650mn
Amount outstanding	USD520mn
Early tender premium	USD1
Early tender consideration	USD97.5
Tender consideration	USD96.5
Maximum acceptance amount	Up to USD195mn
Early tender deadline	11 Oct
Expiration time	26 Oct
Price (ask)	96.18
YTM (ask)	8.27%

Source: Company filling.

## ➤ 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

- Regarding onshore primary issuances, there were 138 credit bonds issued yesterday with an amount of RMB97bn. As for Month-to-date, 1,693 credit bonds were issued with a total amount of RMB1,541bn raised, representing a 23.4% yoy increase
- **[CHGRAU]** China Grand Auto announced to redeem all outstanding USD261mn CHGRAU 9.109 PERP on 30 Oct
- **[CHINSC]** Media reported that China SCE Group has not decided whether it will pay on time the 29 Sep coupon on USD450mn CHINSC 5.95 09/29/24
- **[CHJMAO]** China Jinmao announced to fully redeem USD300mn CHJMAO 4.875 Perp on 6 Nov'23
- **[CIFIHG]** CIFI Holdings 1H23 revenue rose 5.4% yoy to RMB31.3bn (cUSD4.3bn) and pre-tax loss of RMB6.8bn (cUSD932mn)
- **[COGARD]** Media reported that Country Garden paid initial up to RMB100k principal, accrued interest on termed-out panda bonds
- **[EVERRE]** Media reported that some offshore creditors may consider joining winding-up court petition if no new debt restructuring plan submitted by 30 Oct
- **[FUTLAN]** Seazen Group to sell Changzhou Hengxuan Consulting Management Co to PAG for RMB1.37bn
- **[QDJZWD]** Qingdao Jiaozhou Bay Development Group announced the issue of RMB800mn 5.5% due-2026 bonds
- **[VEDLN]** Moody's downgraded Vedanta Resources' CFR one notch to Caa2 and maintains negative outlook
- **[XINHUZ]** S&P affirmed Xinhua Zhongbao B rating with negative outlook

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