

## CMBI Credit Commentary

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

- *Markets were stable this morning. In Asian IG space, TMT sector widened c2bps. Bank T2 were two-way and skewed to selling. Recent new issue CKHH, AIA were unchanged. LGFV names were overall better buying.*
- **DALWAN:** *Waived prepayment option trigger of USD1.3bn loan and Zhuhai Wanda IPO fillings accepted by CSRC. DALWANs down 3 to 7pts this morning as the circulated weixin alleged the company for inflating operating results. See below.*
- **ADSEZ:** *Adani Port announced tender offer for ADSEZ 3.375 07/24/24. ADSEZs changed -0.25 to +0.75 this morning. See below.*

#### ❖ Trading desk comments 交易平台市场观点

Asia IG space had a typical quiet Friday session and closed the week in a mixed tone. On the primary side, new Pertamina Geothermal Energy's debut issuance, PGEOIJ 28s, performed strongly despite profit taking flows during London session, the bonds closed at 100.25/100.4. We saw clients loading up recent HK new issues. CKHH/AIA 33s tightened 3-5bps. In China SOEs, HAOHUA curve widened 1-2bps and its 30s were marked at T+210. TMT benchmarks TENCNT/BABA edged 1-3bps wider. BBB tech names MEITUA/LENOVO widened 2-5bps. In financials, AMC space was subdued again. HRINTHs were unchanged to 0.5pt lower. ORIEAS/CCAMCL had small selling. China property space was weaker again. DALWANs plunged 2.5-7.5pts at EOD. COGARDs were weighed down 1-2pts. FUTLANs/FTLNHDs/CHINSCs moved 0.5-2.5pts lower. ROADKG perps dropped 6.75pts to close at mid-50s. Rest of ROADKGs were traded another 1.25-2.75pts lower across the curve, after falling 1-3pts on last Thu. Elsewhere, GRNLGRs were indicated 0.25-1.25pts higher. Industrials held well amid mixed flows. HILOHO/HONGQI 24s were traded 0.25-0.5pt higher. FOSUNs were unchanged to 0.25pt lower. Macau gaming names such as SANLTDs/MPELs were marked down 0.25-0.5pt. In Indian space, Adani's BBB papers ADSEZs/ADANEMs were traded 0.5-1pt higher. VEDLNs and RPVINS closed 0.25pt lower. Indonesian names MEDCIJs/INDYIJs were down 0.25-0.5pt.

In the LGFV/Perp/Asia AT1 spaces, market was unchanged to marginally firmer. LGFV closed on a constructive tone amid still quite thin flows, as the recent rally in UST yields stabilized a bit. Shandong/Chongqing names that still have offer-side liquidity remained under spotlight. CNSHAN/SHDOIS/QDHTCO 24s were bid up 0.125pt amid two-way flows. YWSOAO/HZCONI/GXFING 23s-25s were also sought-after. ZHHFGR perp was bid up 0.25pt, boosted by the onshore new issue of RMB500mn 3Y bond. China AT1s/Perps were broadly down 0.125pt. BCHINA/ICBCAS Perps were better-offered. HK corp perps performed mixed. NWDEVL/LIFUNG perps

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were traded 0.5-1.5pts lower. CHOHIN/BNKEA perps were down 0.25-0.75pt. On the other hand, LEEMAN/FWDGRP perps were up 0.25pt. Elsewhere, CTIH 6.4 perp held firm at 102.75.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GRNLGR 6 3/4 09/26/25	28.6	1.2	DALWAN 7 1/4 01/29/24	74.1	-7.7
PRUFIN 2.95 11/03/33	85.2	1.0	ROADKG 7 3/4 PERP	54.0	-6.7
GRNLGR 5 7/8 07/03/26	26.2	0.8	ROADKG 7.95 PERP	54.0	-6.7
ADSEZ 4 07/30/27	83.8	0.8	ROADKG 6.7 09/30/24	92.1	-2.8
FWDGRP 6 3/8 PERP	92.6	0.8	ROADKG 5 1/8 07/26/26	56.8	-2.5

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.09%), Dow (+0.07%) and Nasdaq (+0.11%) slightly rebounded on last Friday. U.S April Markit manufacturing PMI reached highest level in recent half year as 50.4 and was higher than the market expectation of 49.0. Service PMI was 53.7 and also beyond the expectation of 51.5. The U.S. treasury yield overall edged up last Friday, 2/5/10/30 yields rose to 4.17%/3.66%/3.57%/3.78%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ **DALWAN: Waived prepayment option trigger of USD1.3bn loan and Zhuhai Wanda IPO fillings accepted by CSRC**

Over the weekend, there was a weixin article circulated, mentioned about the allegations of DALWAN for inflating operating results in earlier Mar'23 and implied that allegations caused the delay in IPO. That said, we heard completely different stories of delay in IPO. Meanwhile, media reported that DALWAN has obtained more than one-third agreement by value from lenders of three loans (totaled USD1.3bn) to waive the prepayment if Zhuhai Wanda fails to complete the IPO by 8 May. The prepayment could have been triggered by the demand of more than two-third of lenders. Furthermore, DALWAN seeks to extend the prepayment trigger to 30 Nov. The lenders of the offshore loans include ICBC, CS, CMB and Ping An Bank. The extension, to some extent, reflects syndicated banks' confidence for the IPO to go through before the year end.

Besides, CSRC indicated that it had accepted Zhuhai Wanda's HK IPO fillings on 20 Apr. The acceptance does not mean an approval from regulator while it indicates a possible date of inspection completed as CSRC has to feedback official reply within 20 working days, i.e. on or before 20 May if DALWAN's fillings meet requirements.

DALWAN will announce FY22 results before the end of this month. The company will be required to file latest financials with regulators for the IPO of Zhuhai Wanda. We shall provide more updates when latest financials will be available.

##### ➤ **ADSEZ: Adani Port announced tender offer for ADSEZ 3.375 07/24/24**

Adani Port announced a tender offer to purchase up to USD130mn of its 3.375% senior notes due in 2024, representing 20% of the total outstanding principal of USD650mn. It is offering early tender premium of USD1.5 per USD100 principal and early tender consideration of USD97. After the tender offer, the company expects to

purchase USD130mn each in the next four quarters, i.e. 20% each quarter. Before the second quarter of 2024, the company should purchase in full for the total outstanding USD650mn.

Adani Port has 7 USD bonds outstanding and the bond under tender offer is the only one maturing in 2024, while the remaining will be matured in 2027 onwards. The scheduled and gradual repurchase timetable provides a clarity for the investor on the company's repayment plan, and also to even out the refinancing pressure in 2024. It is a part of the company plan of reducing net debt to EBITDA ratio to c2.5x by 31 Mar'24, down from 3.2x as at 31 Dec'22, representing a decrease of Rs5000Crores (cUSD609mn) in net debt. Besides, Adani Port plans to fund the tender offer and the net debt reduction target by the its cash reserves. ADSEZ 3.375'24 is now trading at 95.7 and YTM at 7.0%. See below for the details of the tender offer:

Bond	ADSEZ 3.375 07/24/24
Outstanding principal	USD650mn
Tender amount	USD130mn
Early tender offer price	USD97
Early tender premium	USD1.5
Tender offer price	USD95.5
Early tender deadline	8 May'23
Deadline	22 May'23
Price	95.7
YTM	7.0%

Sources: Bloomberg, Company's filling.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
Pingdu State-owned AMC	200	3yr	7.7%	7.7%	-/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Korea Ocean Business Corp	USD	-	5yr	T+140	Aa2/-/AA-
Mongolian Mining	USD	-	-	-	B3/-/-
SMBC Aviation Capital	USD	-	-	-	-/-/-

#### ➤ News and market color

- Regarding onshore primary issuances, there were 81 credit bonds issued yesterday with an amount of RMB65bn. As for Month-to-date, 1,425 credit bonds were issued with a total amount of RMB1,470bn raised, representing a 34% yoy increase
- [ADSEZ]** Adani Ports board approves tender offer for company's USD650mn ADSEZ 3.375 07/24/24

- **[EHOUSE]** Media reported the ad hoc group of E-House public bondholders now controls blocking stake to press for improved proposal and plans to hire FA
- **[FOSUNI]** Fosun International said its unit did not violate relevant provisions of framework agreement in relation to 60% stake disposal in Nanjing Nangang
- **[GRNCH]** Greentown proposes to offer up to RMB1.5bn two-year MTNs to repay debts
- **[GRNLGR]** Greenland Holding delays disclosure of results for FY22, 1Q23 to 29 April
- **[MONMIN]** Mongolian Mining Corp announces exchange, tender invitation for MONMIN 9.25 04/15/24; proposes to issue new 3-year notes to fund the exchange and tender offer. The size of exchange and new issue altogether will be USD300mn
- **[RISSUN]** RiseSun Real Estate Development further extends deadline for reply to Shenzhen bourse inquiries regarding up to RMB3bn private placement
- **[SHIMAO]** Media reported that Shimao Group completed sale of London property to Greycoat, Mitsui Fudosan for GBP315mn
- **[SINOCE]** Sino-Ocean clarified that it has never been in discussion with creditors over formation of creditors' committee; its unit schedules redemption of RMB2bn notes on 24 April
- **[YANGOG]** Yango Group expects unable to make payment of RMB36.4mn due 27 Apr for RMB570mn notes
- **[YLLGSP]** Yanlord Land redeemed USD330.4mn YLLGSP 6.75 04/23/23

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