

**CMBI Credit Commentary****Fixed Income Daily Market Update 固定收益部市场日报****The Asset Asian G3 Bond Benchmark Review 2023**

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of ["The Asset Asian G3 Bond Benchmark Review 2023"](#). Thank you for your time. Your support will mean a lot to us.

- Markets were quiet this morning. Asian IG space was overall unchanged. Recent new issues HWQCUS'28 tightened 2bps. HRINTH curve down 0.25-0.5pt due to weak sentiment in property sector. Front end leasing and China SOE names were more active than other sectors. In LGFV space, we saw selling flows on ZHHFGR/CPDEV.*
- DALWAN:** Sold 49% stakes of Beijing Wanda Investment to Shanghai Ruyi for RMB2.26bn. DALWANs down 2.5 to 3.5pts this morning. See below.*
- AACTEC:** AAC Technologies announced that its 1H23 profit is expected to drop up to 65% yoy to RMB122-157mn. AACTECs down 0.5-1.25pts this morning.*

**❖ Trading desk comments 交易台市场观点**

Asia ex-JP IG space performed mixed with light flows last Friday. The new DAESSEC 26s that tightened another 7bps from the Thursday close. Another Korean new issue HWQCUS 28s also tightened 3bps inside RO (T+105). On the Korea secondary front, the recent new SHINFN'28 was traded stable at T+115/+112 with two-way balanced flows. Other recent new issues such as NACF/KOEWPW/HATELE 28s tightened 1-2bps. In Japan credit space, MUFG/SUMI/SUMITR papers were under better buying. Whilst SMBCAC 33s edged 1-2bps wider with better selling flows from clients. In Chinese SOEs, the short end of CHIOIL/CWAHK papers were better bid. TMTs benchmarks BABA/TENCNT tightened 1-3bps. The high-beta TMTs such as XIAOMI/WB 30s grinded 4-6bps tighter. In financials, Chinese bank T2s such as BCHINA/ICBCAS papers widened 1-3bps. Chinese AT1s were skewed to better selling. Chinese properties remained lackluster. COGARDs fell 1.5-6pts across the curve. FTLNHD 24s dropped 5.75pts. SHUION 23-25s declined 1.5-3pts. DALWANs lowered 1-2pts. Over the weekend, DALWAN has transferred 49% stakes of Beijing Wanda Investment to Shanghai Ruyi Films and proceeds will help Dalian Wanda Commercial Management to repay USD400mn DALWAN 6.875 07/23/23. Industrials WESCHI 26s/FOSUNI 24s were bid up 1-2pts. In Macau gaming, SANLTDs drifted 0.5-1pt higher. In Indian space, VEDLNs were traded 0.5-1pt lower. ADANEMs/ADSEZs were down 0.25pt. Elsewhere, GLPCHIs declined 1-1.5pts.

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The LGFV/Perp spaces were quiet. Market focus remained on property space amid COGARD's plunge last Fri, and ahead of DALWAN 23's maturity. In LGFV space, we continued to see better selling on CPDEVs from PBs. Whilst ZHHFGR stabilized a bit at low-90s. Otherwise, flows in LGFV space continued to be led by AM deployment buying in 6%-7% papers. Shandong/Chongqing names remained active. KMRLGP '24 was traded 0.3pt lower. SOE perps/HK perps were skewed to better selling from RMs/Prop desks/PBs. HUADIA 4 Perp/CHPWCN 3.45 Perp were marked 0.125-0.25pt lower. There were some precautionary selling in NWDEVL/HYSAN perps amid latest volatilities in the Chinese property space. NWDEVL perps lowered 0.5-1.5pts.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
WESCHI 4.95 07/08/26	75.5	2.0	COGARD 8 01/27/24	42.0	-6.2
SINOCE 6 07/30/24	15.4	1.6	FTLNHD 4.8 12/15/24	51.9	-5.7
CWAHK 4.85 05/18/26	88.8	1.4	COGARD 5.4 05/27/25	23.8	-4.7
CHIOIL 4.7 06/30/26	84.5	1.0	COGARD 6.15 09/17/25	21.8	-4.3
YLLGSP 6.8 02/27/24	94.8	0.8	COGARD 6 1/2 04/08/24	34.6	-3.5

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.03%), Dow (+0.01%) and Nasdaq (-0.22%) were mixed on last Friday and Dow rose in ten consecutive trading days. China central government proposed to propel shanty town renovation 19 major cities including four tier-1 cities. The US treasury yields were stable on Friday, the 2/5/10/30 yield stayed at 4.82%/4.09%/3.84%/3.91%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ DALWAN: Sold 49% stakes of Beijing Wanda Investment to Shanghai Ruyi for RMB2.26bn

China Ruyi (0136.HK) announced on 23 Jul'23 that it has signed an equity transfer agreement (through Shanghai Ruyi) to acquire 49% shares of Beijing Wanda Investment for RMB2.26bn (cUSD314.6mn). Concurrently, Shanghai Ruyi provided a RMB800mn 45-day interest-free loan to Wanda Cultural and Wanda Investment. The equity transfer is the third equity disposal related to Wanda Film in Jul'23. Recalled that Wanda Investment has sold 8.26% stakes of Wanda Film to Lu Lili for RMB2.17bn and another 8.14% stakes to Shenxian Rongzhi for RMB2.34bn. After the completion of three disposals, the share percentage of Dalian Wanda in Wanda Film is 21.1% while the Wang Jianlin is still the actual controller of Wanda Film.

Dalian Wanda Group received a total of RMB6.77bn from the three sales of the equity stakes in Wanda Film. This will relieve its liquidity pressure for incoming debt maturity. We understand these proceeds will help Dalian Wanda Commercial Management to repay USD400mn DALWAN 6.875 07/23/23. Besides, Dalian Wanda announced to pay outstanding principal and interest of 20DalianwandaMTN004 totaled RMB594.8mn on 29 Jul'23. There is no other due-bonds in 2H23, Zhuhai Wanda's IPO is next key concern for Wanda's liquidity, [see our previous comments for details](#).

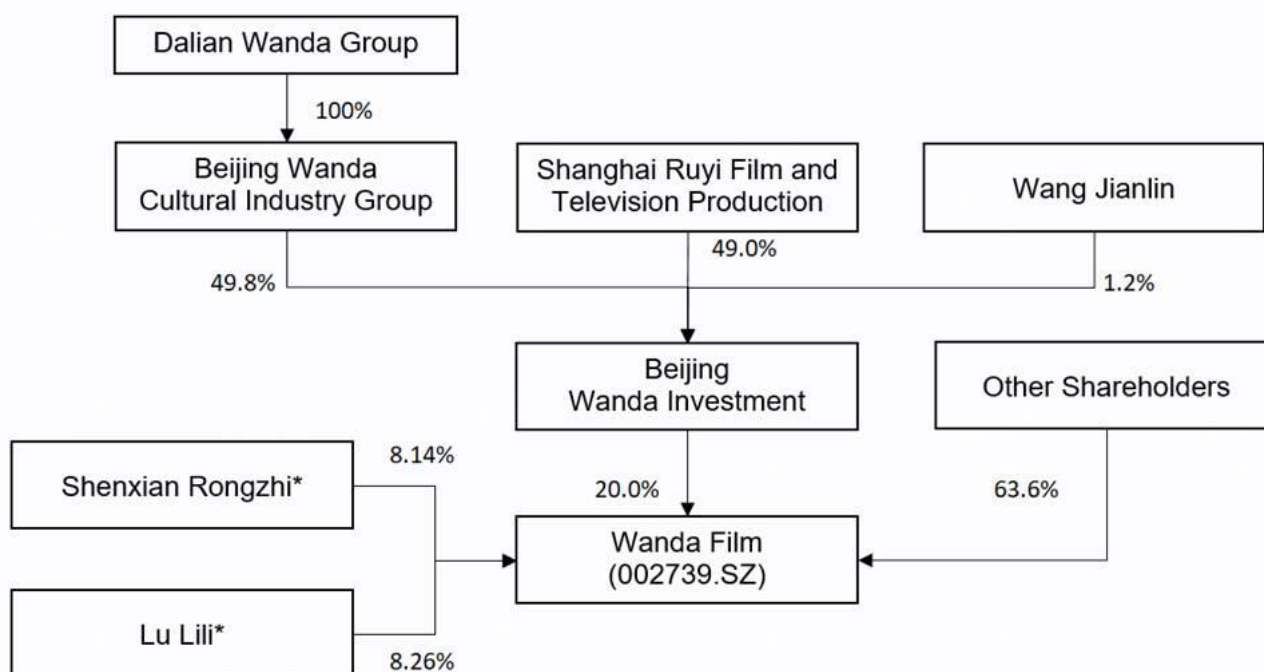
**Table: Dalian Wanda's bond maturity**

	Onshore (RMB mn)	Offshore (USD mn)
2H23	588	400
1H24	760	600

2H24	1,118	-
1H25	4,800	400
2H25	2,000	-
After 2025	1,500	300
<b>Total</b>	<b>10,766</b>	<b>1,700</b>

Source: Wind.

Chart: Wanda Film's equity penetration



Note: The equity transfers with Shenxian Rongzhi and Lu Lili are not completed.

Source: Company fillings.

## ➤ 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)
Korea Electric Power Corp	USD	-	3yr	T+135	-/-/-

## ➤ News and market color

- Regarding onshore primary issuances, there were 86 credit bonds issued yesterday with an amount of RMB62bn. As for Month-to-date, 1,162 credit bonds were issued with a total amount of RMB1,111bn raised, representing a 16.7% yoy increase
- **[AACTEC]** AAC Technologies announced that its 1H23 profit is expected to drop up to 65% yoy to RMB122-157mn
- **[APLNIJ]** Agung Podomoro Land extended tender offer, consent solicitations for APLNIJ 5.95 06/02/24 to 24 Jul
- **[CHJMAO]** China Jinmao issued RMB2.5bn three-year MTNs with 3.53% coupon
- **[COGARD]** Media reported that Country Garden unit Tengyue completed repayment of RMB1.27bn domestic MTN due 21 Jul
- **[DALWAN]** Fitch downgraded Wanda Commercial, Wanda HK to C
- **[FTHDGR]** Winding-up petition at Cayman court against Fantasia was withdrawn
- **[RISSUN]** RiseSun Real Estate Development controlling shareholders sell 1.99% stake of the company to 44.64%
- **[RPVIN]** ReNew Energy signed MoUs for INR640bn (cUSD7.8bn) loans from Power Finance Corporation and Rural Electrification Corporation
- **[SHIMAO]** Shanghai Shimao failed to pay due 21 Jul onshore bonds of RMB51mn
- **[SINOCL]** Sino-Ocean Capital pledged 20% stake in Sichuan Langyuan Hengrun Enterprise Management to guarantee payment for RMB800mn 21Yuanzi01
- **[VEDLN]** Media reported that Vedanta Resources USD449mn loan from Cairn India extended by a year and interest revised to 17% from 7%
- **[XINHUZ]** Xinhua Zhongbao schedules put option exercise for RMB1bn 21Xinhua01/21Xinhua02 bonds in early Aug
- **[YUEXIU]** Yuexiu Property signed HKD700mn 364-day term loan facility agreement

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