

CMBI Credit Commentary

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

- *IG developers VNKRL/LNGFOR/FUTLAN were unchanged to 0.5pt higher this morning post Beijing and Shanghai implemented new measures to boost real estate market. TMT benchmarks BABA/TENCNT continue to tighten.*
- **Chinese Properties:** *Weaker contracted sales in Nov'23. See below.*
- **VEDLN:** *Media reported that Vedanta Limited plans to raise funds by issuing non-convertible debentures via private placement. VEDLNs down 0.2 to 0.6pt this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, overnight UST yield tightened 16-24bps across the curve after the perceived dovish tone of FED and dot plots showing FFR forecasts revised down to 4.625% from 5.125% by year-end 2024. Chinese SOE/TMT benchmarks TENCNT/BABA/CNOOC 30-31s tightened 2-3bps. In financials, HRINTH 25-30s were 0.1-0.3pt higher (10-20bps tighter). Chinese bank T2s remained better bid. BCHINA/ICBCAS 26-30s were 3-5bps tighter. Meanwhile Chinese AT1s BOCOM/BCHINA/ICBCAS Perps were around 0.5pt higher. EU AT1s performed well. HSBC/UBS/SOGEN/STANLN closed 0.5-3pts higher than last close. In HK Corp space, the high grade names AIA/HKAA Perps were 0.5-1.3pts higher amid RM/Prop desk buying, while the property names such as NWDEVL/HYSAN Perps were 1-2pts higher. SHUION '24/LASUDE '26 were down 0.6-0.8pt. In Chinese properties, DALWAN 24-26s were unchanged to 2pts higher. GRNLGRs were 2.0-3.1pts higher. FUTLAN 24-26s were up 0.6-2.0pts. Industrials were quiet. EHICAR/FOSUNI 24-26s were up 0.5-1.2pt. Macau gaming names MPELs/SANLTDs/STCITYs/WYNMCAs were 0.6-1.4pts higher. In Indian space, VEDLN 24-26s were 0.9-2.9pts lower post the announcement of consent solicitation to extend the maturities of VEDLN 24-25s by 3-4 years. Indonesian SOE names were better bid. The long-end PERTIJ/PLNIJ/IDASAL 48-50s were up 1.6-2.8pts.

The LGFV/Perp market was in full risk-on mode again after the change in rates outlook post FOMC. The perps led the rally with one-way buying from RMs/HFs. In JP perps/ultra long-dated papers, FUKOKU 6.8 Perp/NIPLIF '53 were 1.7-1.9pts higher. MUFG 8.2 Perp/ASAMLI 6.9 Perp were 0.5-0.9pt higher under RM buying. LGFVs were stable but quality names, especially those offer yield pick-up such as GZINFU/BCDHGR 24-26s, were under better buying. Other quality LGFVs YWSOAO/HZCONI 25-26s were up 0.1pt. CQNANA 24-26s were 0.1-0.3pt higher, whilst CQLGST 4.3 '24 was down 0.9pt. In SOE perps, CHPWCN/HUADIA/RLCONS Perps were 0.1-0.3pt higher. FRESHK 25-26s were up 0.2-0.4pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GRNLGR 7 3/4 09/26/29	15.4	3.1	VEDLN 13 7/8 01/21/24	91.0	-2.9
REGH 6 1/2 PERP	41.8	2.8	VEDLN 8.95 03/11/25	77.1	-1.6
PERTIJ 4.175 01/21/50	82.1	2.8	PINGRE 3.45 07/29/26	70.0	-1.1
TAISEM 2.7 09/22/60	65.4	2.6	CQLGST 4.3 09/26/24	97.3	-0.9
GRNLGR 7 3/4 03/03/30	15.2	2.4	VEDLN 9 1/4 04/23/26	62.4	-0.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.26%), Dow (+0.43%) and Nasdaq (+0.19%) continued to rally on Thursday, Dow reached the historical high level. US latest initial jobless claim was +202k, lower than the expectation of +220k. US Nov retail increased 0.3% mom, higher than the expectation of -0.1% mom. UST yields retreated yesterday, 2/5/10/30 yield reached 4.37%/3.90%/3.92%/4.03%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ Chinese Properties: Weaker contracted sales in Nov'23

In Nov'23, the 34 Chinese developers under our radar reported contracted sales totaled RMB233.8bn, decreased 6.0% mom from RMB248.6bn in Oct'23. The yoy decline of contracted sales in Nov'23 was 26.5%. In 11M23, the aggregate contracted sales of 34 developers were RMB3,049.9bn, down 20.7% yoy from RMB3,844.6bn in 11M22, the decline slightly widened from the 20.1% drop in 10M23.

There were 3 developers under our radar achieved yoy contracted sales growth in 11M23, reduced from 5 developers in last month (Poly and Hopson fell out from the list). The outperformers in 11M23 are YUEXIU (RMB132.9bn, +29% yoy), CRHZCH (RMB286.0bn, +14% yoy) and CHIOLI (RMB287.0bn, +12% yoy). The underperformers are distressed developers such as RONXIN (RMB15.3bn, -73% yoy), TPHL (RMB13.4bn, -65% yoy) and ZHPRHK (RMB14.5bn, -53% yoy).

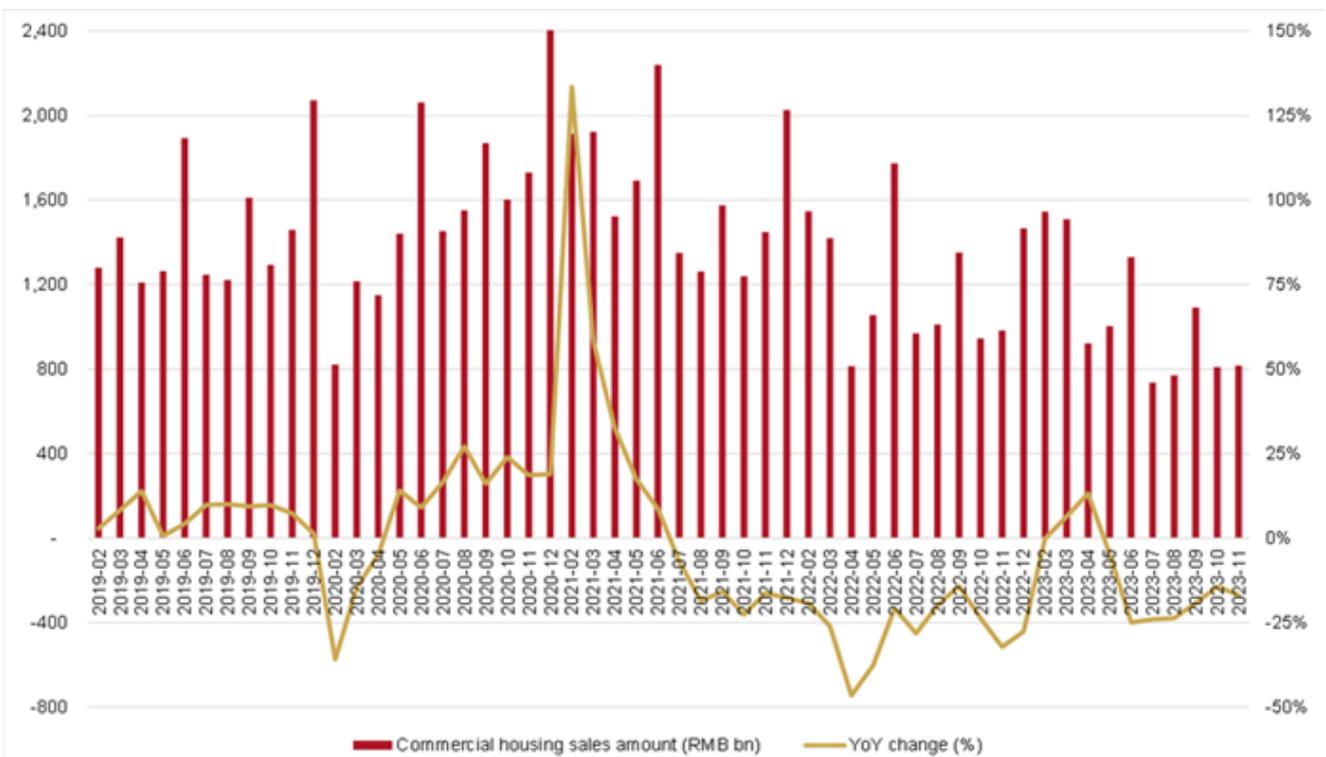
The nationwide commercial housing sales declined 11.2% yoy in 11M23 to RMB10,531.8bn, widened from -10.7% yoy in 10M23. In Nov'23, the value of commercial housing sales was down 16.9% from Oct'23. The sentiment of real estate market remains weak despite the packaged measures implemented in Aug and Sep'23. On 14 Dec'23, Beijing and Shanghai published new measures to boost local real estate market, e.g. lowering down payment ratio and mortgage rate. We expect more measures to be launched in 2024 to stabilize the downward market but the lift to the market could be limited in the near-term with the expectation of lower ASP and concerns of deflation.

Chart 1: Contracted sales of developers under our radar

2023 YTD Sales (in RMB mn)																		
Company	CN Name	BBG Ticker	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Trend	Nov'23 MoM Growth	Nov'23 YoY Growth	Nov'23 YTD Sales	Nov'23 YTD Sales Growth
Yuexiu Property	越秀地产	YUEXIU	8,884	13,712	21,237	13,331	12,355	14,108	8,473	9,858	9,976	9,100	11,875		30%	5%	132,909	3%
China Resources Land	华润置地	CRHZCH	16,020	24,200	38,800	33,010	31,300	26,900	17,190	20,290	26,610	27,580	24,120		-13%	3%	286,020	3%
China Overseas	中国海外发展	CHIOLI	13,188	27,424	42,987	34,033	29,345	33,199	11,947	18,833	28,071	25,056	22,945		-8%	3%	287,028	3%
Poly Real Estate	保利地产	POLYRE	29,545	34,284	50,301	41,695	40,838	40,157	31,002	31,308	36,022	33,113	31,237		-6%	3%	399,502	0%
Hopson	合生创展	HPDLF	1,327	2,193	6,547	1,585	2,323	2,087	1,067	1,177	6,988	1,426	996		-30%	1%	27,716	-1%
Greentown	绿城	GRNCH	13,500	17,900	29,900	27,100	20,200	25,600	18,200	18,100	21,800	30,400	33,700		11%	-1%	256,400	-3%
China Jinmao	中国金茂	CHJMAO	10,000	14,130	20,100	14,402	14,180	13,140	6,368	5,100	12,080	12,500	10,030		-20%	1%	132,030	-37%
Longfor	龙湖集团	LNGFOR	7,220	11,140	15,240	11,260	9,410	11,370	7,600	8,520	9,120	9,340	6,950		-26%	1%	107,170	-8%
China Vanke	万科企业	VNKRL	28,630	30,120	42,630	33,470	32,940	36,140	22,050	22,610	32,010	31,830	30,700		-4%	1%	343,130	-9%
Greenland Holding*	绿地控股集团	GRNLGR	9,790	7,710	11,290	6,860	11,940	11,310	6,857	8,563	10,180	7,940	10,060		27%	-1%	102,500	3%
Gemdale	金地集团	GEMDAL	9,210	14,790	20,110	15,000	13,230	13,470	10,510	12,510	13,100	11,000	10,200		-7%	1%	143,130	9%
Powerlong	宝龙地产	PWRLNG	2,040	3,319	3,478	3,123	3,054	2,596	2,031	2,067	1,945	1,629	1,132		-31%	1%	26,414	30%
Agile	雅居乐	AGILE	6,440	6,120	4,250	3,680	4,200	3,540	2,270	2,540	3,170	3,480	2,230		-36%	1%	41,920	22%
Future Land	新城控股	FUTLAN/FTLNHD	5,776	7,809	7,920	7,162	7,033	6,700	6,006	6,047	5,740	6,032	5,003		-17%	-3%	71,228	25%
Central China Real Estate	建业地产	CENCHI	2,871	2,120	1,237	1,013	1,523	1,260	402	650	720	910	890		-2%	1%	13,596	8%
Redsun	弘阳地产	REDSUN/HONGSL	1,109	2,770	3,434	2,189	2,019	1,504	2,011	1,877	1,990	1,202	929		-23%	1%	21,034	8%
Dexin China*	德信中国*	DEXICN	2,340	3,200	2,630	1,390	2,150	1,810	1,030	3,150	1,150	490	750		53%	7%	20,090	40%
Radiance*	金辉控股*	JNHUIG/RDHGCL	1,920	1,750	1,530	3,050	3,230	1,370	1,640	1,800	1,980	2,070	2,410		16%	2%	22,750	-4%
CIFI Holdings	旭辉集团	CIFHIG	5,020	7,810	8,300	8,300	7,000	5,510	4,700	4,460	5,350	4,370	3,830		-12%	1%	64,650	25%
Jingrui Holdings	景瑞控股	JINGRU	342	454	442	370	449	405	265	218	207	203	209		3%	1%	3,564	26%
Sino-Ocean	远洋集团	SINOCE	3,290	5,070	8,190	7,030	5,040	7,040	2,490	1,970	2,570	2,740	2,120		-23%	1%	47,550	7%
Logan Property*	龙光地产*	LOGPH	1,070	2,190	3,110	3,200	2,490	1,270	1,960	3,490	1,390	1,000	700		-30%	7%	21,870	28%
Zhongliang	中梁控股	ZHLGHD	3,660	4,020	3,750	3,300	3,190	3,110	2,200	2,040	2,380	2,400	1,900		-21%	2%	31,950	28%
Guangzhou R&F*	富力地产*	GZRFP	1,350	2,110	3,910	1,660	1,540	2,970	1,000	980	1,470	1,120	610		-46%	1%	18,720	29%
Yuzhou Properties	禹洲地产	YUZHOU	1,505	1,750	2,150	2,063	2,253	1,952	1,302	1,252	1,202	1,101	703		-36%	1%	17,233	29%
KWG Property	合景泰富集团	KWGP	3,561	4,320	3,850	3,231	2,380	1,730	1,130	880	830	760	1,251		65%	1%	23,923	29%
Shimao	世茂房地产	SHIMAO	4,510	4,110	6,220	5,010	4,010	4,210	3,050	2,200	2,020	2,240	2,430		8%	1%	40,010	30%
Country Garden	碧桂园	COGARD	22,010	24,850	25,010	22,690	18,200	16,000	12,070	7,980	6,170	6,310	6,110		-3%	7%	167,400	20%
China SCE	中骏集团控股	CHINSC	3,051	3,809	4,608	2,505	3,102	3,090	2,304	1,199	1,105	1,014	1,022		1%	1%	26,809	21%
Sunac China	融创中国	SUNAC	7,230	10,860	11,180	8,060	7,790	7,020	5,120	4,190	9,570	4,760	3,500		-26%	5%	79,280	21%
Yanlord	仁恒置地	YLLGSP	905	3,667	3,557	4,220	6,101	2,876	1,634	1,564	1,568	2,054	1,088		-47%	7%	29,234	33%
Zhenro Properties	正荣地产	ZHPRHK	1,356	1,620	1,811	1,654	1,566	1,674	1,024	1,010	1,090	975	705		-28%	5%	14,485	33%
Times Property	时代中国控股	TPHL	852	1,961	2,638	1,494	1,418	1,080	818	908	850	750	654		-13%	3%	13,423	25%
Ronshine China	融信中国	RONXIN	995	1,334	1,537	2,086	2,029	1,809	947	872	1,171	1,695	797		-53%	1%	15,272	3%

Note: * means the data was collected from CRIC
 Source: Company filings, CRIC.

Chart 2: China monthly commercial housing sales amount and YoY change



Source: NBS, Wind.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Rudong County Jinxin	USD	-	3yr	6.2%	-/-
Taian City Development	USD	-	364d	9.1%	-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 83 credit bonds issued yesterday with an amount of RMB73bn. As for Month-to-date, 779 credit bonds were issued with a total amount of RMB690bn raised, representing a 1.8% yoy decrease
- **[BABA]** Alibaba injects USD634mn into Southeast Asia platform Lazada
- **[CAPG]** China Aoyuan to hold EGM on 10 Jan'24 to consider transactions under proposed restructuring
- **[EVERRE]** China Evergrande announced to sell 30% stake in Shanghai North Bund Project to China Everbright Group for RMB663mn
- **[VEDLN]** Media reported that Vedanta Limited plans to raise funds by issuing non-convertible debentures via private placement
- **[YUNINV]** Yunnan Provincial Investment raised RMB1.2bn via 2-year onshore bond with 4.04% coupon
- **[ZZCITY]** Zhuzhou City Construction Development proposes to offer RMB3bn corporate bonds

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