

## 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.

- *Asian IG space was firm this morning, spread was 1-3bps tighter across the board. We saw some selling flows on front end leasing and T2 papers. In LGFV sector, we saw buying flows on CPDEVs and other front end carry bonds were better buying like GZGETH'23 and CNSHAN perp.*
- **COGARD:** *Denial of KPMG hiring but the road ahead remains bumpy. COGARs rebounded 0.25-4.25pts yesterday and moved -2 to +4.5 pts post news this morning. See below.*
- **DALWAN:** *Media reported the bondholders of DALWAN 6.875 07/23/23 have received redemption payment. Dalian Wanda Group plans to open over 50 commercial center in 2023. DALWANs rallied 2.5 to 3pts this morning.*

#### ❖ Trading desk comments 交易台市场观点

Asia IG spreads tightened 1-3bps yesterday. In Korea space, new KORELE 26s were traded 5bps tighter inside RO (T2+59) but stuck at T+54 area. The other Korean recent new issues such as NACF 28s/DAESEC 26s grinded 1-3bps tighter. Korea T2s WOORIB/SHINFN papers were under better buying from RMs/AMs. In Chinese SOEs, HAOHUAs edged 1-2bps tighter and the front-end of HAOHUA curve was sought-after. TMT benchmarks TENCNT 28-30s tightened 1-3bps. The high-beta TMTs also grinded 2-3bps tighter. In financials space, AMCs were traded a touch firmer. The HRINTH curve was traded 0.25-0.5pt higher with balanced two-way flows. The front end of CICCHK tightened 1-3bps. The Chinese big bank T2s such as BCHINA/ICBCAS were under better selling. European AT1s STANLN/HSBC AT1s were bid 0.125pt higher. The Chinese properties performed mixed. DALWANs jumped 4.5-7.5pts. LNGFORs were traded 1.5-3.5pts higher. COGARD 24-26s gained 2.75-4.25pts and the rest of the curve was up 0.5-2pts, despite the retreat post the report of KPMG hiring. As per COGARD, the report was not true. On the other hand, FUTLAN '25 was marked 7pts lower at high-30s. SINOCEs/AGILEs were quoted 1-2pts lower. Industrial names FOSUNI '24 and WESCHI '26 were marked 2.5pts higher. Macau gaming space was muted. In Indian space, VEDLNs were down 0.25-0.5pt. Indonesian SOEs PLNIJs and PERTIJs drifted 0.5pt lower.

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

**Cyrena Ng, CPA 吴倩莹**  
 (852) 3900 0801  
 cyrenang@cmbi.com.hk

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

In the LGFV/Perp spaces, sentiment was strong for most of the day amid the rally in equities, thanks to the supportive tone from the China Politburo meeting. The flows in LGFVs were balanced two-way among onshore/offshore RMs. LGFV prices were largely stable ahead of FOMC. CPDEV gained 1pt. ZHHFGR/CQNANA papers were quoted 0.125pt higher. Elsewhere, the deployment buying from Chinese RMs also resumed in SOE Perps. These were PBs trying to pick up bonds but short-dated to call issues failed to attract much buying at prevailing market levels given the rich yields. In HK Corp perps, LIFUNG/FWDGRP perps were indicated 0.25-1pt lower.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 7 1/4 01/29/24	42.4	7.6	FUTLAN 4.45 07/13/25	40.5	-7.1
DALWAN 11 02/13/26	30.9	4.5	SINOCE 6 07/30/24	13.4	-2.2
COGARD 5 5/8 12/15/26	18.2	4.3	RDHGCL 7.8 03/20/24	71.5	-1.7
YLLGSP 5 1/8 05/20/26	67.6	3.8	AGILE 5 1/2 05/17/26	16.1	-1.7
COGARD 6 1/2 04/08/24	22.4	3.7	LIFUNG 5 1/4 PERP	48.1	-1.1

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.28%), Dow (+0.08%) and Nasdaq (+0.61%) remained strong yesterday, markets expect a 25bps hike in tonight's FOMC meeting. US consumer confidence increased to a two-year high in Jul, the Conference Board's consumer confidence index increased to 117 in Jul, higher than market expectation of 111.8. The US treasury yields rallied higher on Tuesday, the 2/5/10/30 yield reached at 4.85%/4.15%/3.91%/3.95%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ COGARD: Denial of KPMG hiring but the road ahead remains bumpy

As per our discussions with COGARD, it denied the report of hiring KPMG for due diligence for liability management. We acknowledged that COGARD has achieved quite a bit of progress in refinancing and believe that it has refinanced most of the offshore loan maturities and redemption in FY23. We estimated the amount to be cRMB10bn (cUSD1.5bn). That said, the road ahead remains bumpy for COGARD as the refinancing pressure remains high. As we have been discussing with clients ([see comments in the daily on 1 Feb'23](#)), prior to maturity of COGARD 8 01/27/24 (o/s amt is USD1bn on 27 Jan'24), COGARD will have to deal with public onshore and offshore bonds maturities/redemptions totaled up to cUSD3.1bn equivalent, including Panda bonds of RMB5.83bn (cUSD810mn) due 2 Sep'23 and CBs of HKD3bn (cUSD384mn) due 5 Dec'23, 53 days ahead of the maturity of COGARD 8 01/27/24. Indeed, it has another CBs of HKD3.9bn (USD500mn) puttable on 28 Jan'24, 1 day after the maturity of COGARD 8 01/27/24. The weak contract sales of COGARD, due partly to its larger exposure in lower tier cities, make the refinancing pressure more acute. In Jun'23, its attributable contract sales were only RMB16bn (cUSD2.2bn). Nonetheless, we believe that the current valuations of COGARDs has largely priced in a high chance of liability management exercise. COGARDs rebounded 0.25-4.25pts yesterday and moved -2 to +4.5pts post news this morning.

##### ➤ 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 124 credit bonds issued yesterday with an amount of RMB152bn. As for Month-to-date, 1,394 credit bonds were issued with a total amount of RMB1,376bn raised, representing a 23.6% yoy increase
- [APLNIJ]** Agung Podomoro Land unit accepted for purchase USD168mn of APLNIJ 5.95 06/02/24 in tender offer
- [CAPG]** Agile Group belatedly disclosed provision of RMB1.9bn loans to Aozhe Investment, Zhuoya Education in 2022. It has not complied with HK listing rules
- [DALWAN]** Media reported that Dalian Wanda Group plans to open over 50 commercial centers in 2023
- [EHOUSE]** E-House (China) Enterprise received support from c75.60% of scheme creditors for irrevocable restructuring
- [FUTLAN]** Seazen Holdings issued RMB850mn CBICL-guaranteed three-year MTNs with 4% coupon rate
- [GRNLGR]** Greenland announced the trading of GRNLGR 6.75 06/25/24 will be suspended due to its failure to pay 5% of the outstanding nominal amount of the bonds; The company remitted USD22.5mn on 25 Jul
- [SAKAEI]** Saka Energi settled USD220mn of SAKAEI 4.45 05/05/24 repurchased via tender, USD156.25mn remains outstanding
- [SINOCE]** Sino-Ocean Group seeks to extend repayment date of RMB2bn corporate bonds due 2 Aug by one year; Media reported that the company is exploring deferring some USD-bond coupons
- [YUNINV]** Yunnan Provincial Investment issued RMB1.1bn 120-day bills to repay debts, proposes to offer up to RMB2bn 140-day bills

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

## Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or

trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## Important Disclosures

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

### Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.