

CMBI Credit Commentary

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

- *Markets were quiet this morning. AMC sector was that Moody's reviewed GRWALL for downgrade. GRWALL/HRINTH retreated up to 0.75pt and CCAMCLs were c2bps wider. Front-end LGFVs were continued to be under better buying.*
- **SHUION:** *Repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23. SHUIONs rose 0.25-0.75pt this morning. See below.*
- **GRWALL:** *Moody's placed Great Wall AMC's Baa1 long-term and P-2 short-term issuer ratings, as well as its b1 Baseline Credit Assessment on review for downgrade. GRWALL were unchanged to down 0.75pt this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia ex-JP IG space was largely stable. Overnight UST yield widened 6-8bps. On the primary front, DBSSP priced a USD750mn 2Y FRN at SOFR+61, and a USD750mn 2Y bond at T+53. DBSSPs closed 7-8bps tighter. HKMTGC priced a USD650mn 5Y bond at T+58. Chinese TMT/SOE benchmarks were unchanged to 2bps wider. The high-beta TMTs such as MEITUA/WB 30s tightened 5-7bps. In financials, HRINTHs were unchanged to 0.25pt higher with mixed two-way flows. After close, Moody's placed Great Wall AMC's ratings on review for downgrade. Chinese/European AT1s were under better selling. In HK IGs, HKAA 28s/33s were under better buying. HK Corp perp space moved higher. NWDEVL Perps were up 1.25pts, and FWDGHD Perps up 0.25pt. HK/Chinese properties were stronger. SHUIONs gained 2.25-3.25pts, while HPDLFs/YLLGSPs were up 0.5pt. DALWANs jumped 5-7.5pts, on the reports on redemption of onshore bonds of RMB3.8bn and progresses of Zhuhai Wanda's HK IPO. LNGFORs/FUTLAN/FTLNHDs were up 2-3.5pts. In industrials, FOSUNI/ANTOIL 25s were indicated 0.5pt higher. In Indian space, VEDLNs grinded 1.5-2pts higher. Indonesian SOEs PERTIJs/PLNIJs lowered 0.5-1pt. Elsewhere, GLPCHI '26 was marked 1pt lower.

We saw active two-way flows in LGFVs since Sep, mainly driven by the compression in onshore yield. The sentiment was also boosted by the recent optimism towards LGFV space, amid China's more supportive policies. We see a robust demand from investors who also had RMB access/exposure for higher-yielding LGFV papers. Those high-beta papers yielding >9% such as GSHIAV/CCUDIH/KMRLGP names were sought after. The front-end of CQLGST/SHUGRP papers were better bid. That said, more profit taking flows emerged from time to time this week, mostly in papers that used to yield 9%-10% and had compressed to 8%-handle. We also see strong demand this week from onshore/QDII mandates with RMB funding/liability side in the quality 26/27s LGFVs. HEFIND/TZCONS/ZHEBAR/ CDCOMM/GZGETH/NJYZSO were sought after at =<6%. The high-coupon papers were still firmer than low coupon seasoned papers. CPDEV 25/26/Perp were quoted 0.25-

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

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

0.5pt higher. SOE perps were quiet. CHPWCN/CHCOMU Perps were up 0.125pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 7 1/4 01/29/24	70.6	7.5	MDLNIJ 3 06/30/25	31.7	-1.3
DALWAN 11 02/13/26	45.9	5.1	HUAHK 5 04/28/25	93.5	-1.0
GEMDAL 4.95 08/12/24	47.7	4.4	GLPCHI 2.95 03/29/26	57.3	-1.0
FTLNHD 4 5/8 10/15/25	39.7	3.3	PERTIJ 4.15 02/25/60	70.0	-0.9
SHUION 5 1/2 06/29/26	51.2	3.2	CSCHCN 9 12/11/24	44.8	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.70%), Dow (-0.57%) and Nasdaq (-1.06%) were down amid worries about possible interest rate hike in Nov'23 as US Aug PMI was beyond than the market expectation. The latest US ISM service PMI was 54.5, compared to the expectation of 52.5. China Aug export/import (USD denominated) were -8.8%/-7.3% yoy, better than the expectation of -9.8%/-8.8% yoy. US treasury yields rallied higher on Wednesday, 2/5/10/30 yield reached at 5.01%/4.44%/4.30%/4.37%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ SHUION: Repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23

	O/S (USD mn)	Maturity	Ask price	YTM (Ask,%)
SHUION 5.75 11/12/23	474.49	11/12/2023	93.71	43.05
SHUION 6.15 08/24/24	500.00	08/24/2024	73.64	42.15
SHUION 5.5 03/03/25	489.91	03/03/2025	62.77	41.44
SHUION 5.5 06/29/26	400.00	06/29/2026	53.15	31.95

Source: Bloomberg.

Shui On Land (SOL) repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23. During investors' call on 1H23 results, SOL mentioned that it bought back USD bonds of USD20-21mn in Jul'23. Assuming all these repurchased bonds are SHUION'23, Shui On Land bought back another USD4-5mn of SHUION'23 after result announcement. We expect more buyback on SHUION'23.

SOL posted stronger 1H23 results as its operations and project deliveries 'normalized' from the lock-down in Shanghai and other major cities. Its credit profile remains largely stable. We consider its liquidity profile adequate, supported by the unencumbered value of its high quality IPs. Assuming a LTV of 50%, SOL will have a headroom of additional financing of cRMB17bn from its IPs. [See more detailed comments on SOL in the daily on 23 Aug'23.](#)

We have buy recommendations on SHUIONS which rebounded 5.5 to 12.5pts post the 1H23 results and were 0.25-0.75pt higher 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)
BOC London Branch	USD	-	3yr	SOFR+105	A1/A/A
Wuhan Jiangxia Agriculture Group (SBLC by Evergrowing Bank Wuhan Branch)	USD	-	3yr	7.2%	-/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 68 credit bonds issued yesterday with an amount of RMB73bn. As for Month-to-date, 300 credit bonds were issued with a total amount of RMB250bn raised, representing a 17.4% yoy decrease
- **[ANTSPL]** ANTA Sports-backed Amer Sports made a confidential IPO application in the US aiming to raise over USD1bn
- **[CIFIHG]** Media reported that CIFI plans to improve repayment plan for RMB1.875bn domestic notes puttable on 14 Sep while pushing for support of proposed grace period
- **[CQLGST]** Chongqing International Logistics Hub Park Construction proposes to offer up to RMB257mn three-year corporate bonds to repay debts
- **[DALWAN]** Dalian Wanda had cRMB79.03mn of assets newly added to subject matter of enforcement by Dongying's court
- **[GRNCH]** Greentown unit schedules put option exercise for RMB950mn 20Lvcheng07 bonds on 8-12 Sep
- **[GRWALL]** Moody's placed Great Wall AMC's Baa1 long-term and P-2 short-term issuer ratings, as well as its b1 Baseline Credit Assessment on review for downgrade
- **[HPDLF]** Hopson planned to distribute a 1H23 bonus issue of shares on the basis of one bonus share per ten existing shares
- **[MONMIN]** Mongolian Mining Corp priced new USD4.287mn 12.5% senior notes due 2026 and intended to issue cUSD180mn 12.50% senior notes due 2026
- **[SHIMAO]** Shimao chairman's Mason Group further delayed scheme document on HKD0.0338 per share privatization offer to 8 Sep

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

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

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.