

CMBI Credit Commentary

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

- *New issue CCAMCL 5.75'29 tightened 4bps this morning. Asian IG space was stable with two-way flows. China SOE developers remained firm, CHIOLI/COGO/YUEXIU were unchanged to 0.2pt higher. VNKRLs dropped c0.5pt.*
- *Asian ex-JP USD bonds: Early redemptions and net redemption trend continue to support the market technical. See below.*
- *FUTLAN/FTLNHD: Seazen raised RMB1.36bn via offering MTNs, 3yr RMB800mn priced at 3.2% and 5yr RMB560mn priced at 3.4%.*

❖ Trading desk comments 交易台市场观点

Asia IG space was stable yesterday. In KR, DAESEC/HYNCRD 29s were 1-2bps tighter. In Chinese IGs, HAOHUA 28-29s widened 1-2bps. BABA '31/BIDU '27 edged 1bp tighter. In the BBB TMTs, MEITUA/JD 30s tightened 1-3bps. In financials, CCAMCL priced a USD800mn 5-yr bond at T+130. HRINTH/GRWALL 27s were 2bps tighter. PINGIN 34s tightened another 1bp. In EU AT1s, INTNED 3.375 Perp/HSBC 6.375 Perp were 0.2-0.3pt higher amid light flows among PBs. HK IGs such as AIA '34/CKHH '29 closed unchanged to 1bp tighter. In HK corp, LASUDE '26 was 0.9pt higher. NWDEVL Perps and 27-31s were up 0.2-0.8pt. Chinese properties performed strongly. FUTLAN/FTLNHD 25-26s jumped another 4.2-7.5pts after gaining 7.8-8.7pts last week, and their 24s increased 0.9-2.6pts after the gain of 1.0-2.8pts over last week. VNKRL 25-29s rose another 3.6-4.5pts and closed 20.7-25.0pts higher MTD. SHUION 25-26s increased 2.6-5.3pts. ROADKGs were up 1.1-1.6pts. LNGFOR 27-32s and CHIOLI 34-43s moved another 0.6-1.3pts higher. GEMDAL '24/GRNCH '25/CHJMAO '26/YXREIT '26/YUEXIU '31 were up 0.3-0.8pt. In industrials, FOSUNI 25-26s were 0.3pt higher. In Macau gaming, MPEL '25/SANLTD '29 were up 0.2-0.3pt. In Indonesia, APLNIJ '24 was 3.8pts higher. MDLNIJ 25s lowered another 2.4pts while its 27s closed unchanged. In India, VEDLN '26 dropped 1.4pts while its 27-28s were down 0.1-0.4pt. ADANEMs/ADTINs/ADSEZs were 0.2-0.5pt lower.

In LGFVs, the flows were active on CNH issues. In USD LGFVs, the property-related names such as CPDEV 25/26 were another 0.1-0.4pt higher after gaining 1.1-2.2pts last week. Shandong names were mixed. SHDOIS '24 was up 0.1pt while JNHTE '24 was down 0.1pt. In the 5-6% LGFVs, BJSTAT/GZINFU 26s were up 0.1pt. In the high-beta names, HUANEN '31/HNINTL '30 were up 0.4-0.7pt. In SOE perps, CHSCOI 4 Perp/CHPWCN 3.45 Perp/HUADIA 3.375 Perp were up 0.1-0.2pt.

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

Cyrena Ng, CPA 吳倩瑩
 (852) 3900 0801
 cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 4 1/2 05/02/26	64.4	7.5	MDLNIJ 5 06/30/25	32.0	-2.4
SHUION 5 1/2 06/29/26	76.0	5.3	VEDLN 9 1/4 04/23/26	85.1	-1.4
VNKRLE 3.975 11/09/27	69.9	4.5	TAISEM 4 3/8 07/22/27	96.7	-1.0
FTLNHD 4 5/8 10/15/25	72.5	4.4	SINOPE 4 09/13/47	83.2	-0.8
FUTLAN 4.45 07/13/25	74.4	4.2	TAISEM 3 1/8 10/25/41	77.9	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.09%), Dow (-0.49%) and Nasdaq (+0.65%) were firm on Monday and Nasdaq reached historical high level. . UST yield rallied higher on Friday, 2/5/10/30 yield were 4.82%/4.46%/4.44%/4.58%.

❖ Desk analyst comments 分析员市场观点

➤ Asia ex JP USD bonds: Early redemptions and net redemption trend continue to support the market technical

Asia ex-JP USD bond issuers remains active in early redemptions of outstanding USD bonds. YTD, issuers completed early redemptions totaled USD3.1bn via tender offers and open market repurchases. Separately, issuers announced calls of bonds and perps totaled USD6.0bn and completed calls totaled USD3.8bn in YTD. These compared with early redemptions totaled USD2.6bn via tender offers and repurchases and completion of early calls totaled USD3.7bn over the same period of 2023. Recalled that Asian ex-JP USD bond issuers early redeemed bonds and perps over USD11bn p.a. during 2021-2023. We expect the total amount of early redemptions to remain active given the availability of lower-cost funding alternatives in China, HK, India, Indonesia, the Philippines, Thailand and etc. The early redemptions make the net redemption trend since 2022 even more apparent. We see the net redemption trend to continue in the coming 3 years given the high level of scheduled maturities (over USD200bn from 2024-2026 vs gross issuance of cUSD130bn in 2023). Taking cues from these, Asia ex JP USD bond universe could shrink over 1/3 by 2026 from the peak in 2021, unless gross issuance will sharply rebound. The imbalance demand and supply dynamics could further be aggravated by lower UST and weakened USD. Hence, the technical in our space will remain strong and supportive for the overall performance.

In our opinion, the most likely candidates for early redemptions include **commodity plays in Indonesia (Indika and Medco), Macau gaming operators, Thailand IGs (PTTEP and Thai Oil) and Philippine corps.** Their operating cash flows and access to funding channels have notably improved over the past 1-2 years. We have buy recommendations on **SMCPM 5 ½ PERP** and **PCORPM 5.95 PERP**, as well as **MEDCIJs**. We also like the Macau gaming sector with **SJMs, MPELs** and **STCITYs** more preferred. Additionally, we have buy recommendations on **EHICARs**. Recalled that eHi Car completed an exchange and concurrent new issue in mid Mar'24.

Table 1: Asian ex-JP YTD tender offers (USD mn)

Announced date	Company name	Region	Industry	Deadline	Bond	Bond O/S	Proposed price	Original proposed amount	Accepted amount
13-May-24	Lippo Karawaci	ID	Real Estate	3-Jun-24	LPKRIJ 8.125 01/22/25	237.1	96.5	-	-
					LPKRIJ 6.75 10/31/26	194.7	89.5		
2-May-24	Medco Energi	ID	Energy	15-May-24(early) 31-May-24(expiration)	MEDCIJ 7.375 05/14/26	473.8	100.8/97.8	150	150
					MEDCIJ 6.375 01/30/27	508.4	98/95		0
17-Apr-24	Indika Energy	ID	Metals and Mining	30-Apr-24(early) 16-May-24(expiration)	INDYIJ 8.25 10/22/25	534.06	101.25/96.25	350	310.3

16-Apr-24	PTT Global Chemical	TH	Chemicals	23-Apr-24	PTTGC 4.4 03/30/32 PTTGC 4.3 03/18/51 PTTGC 5.2 03/30/52	800 525.2 240	91.625 77.5 887.5	700	464.9 151.6 137.0
8-Apr-24	Studio City	MO	Macau Gaming	19-Apr-24(early) 6-May-24(expiration)	STCITY 6 07/15/25	400	100/97	100	100.0
8-Apr-24	Hysan Development	HK	Financials	16-Apr-24	HYSAN 4.1 PERP	850	92.25	100	99.9
6-Mar-24	Bukit Makmur Mandiri	ID	Metals and Mining	18-3-2024(early) 2-4-2024(expiration)	BUMAIJ 7.75 02/10/26	365.7	100/97	365.74	153.5
16-Feb-24	Azure Power	IN	Power Generation	1-3-2024(early) 18-3-2024(expiration)	AZUPOE 5.65 12/24/24 AZUPOE 3.575 08/19/26	350.1 343.2	100 100	40 14.47	40 12
16-Jan-24	Bharat Petroleum	SG	Oil&Gas	25-Jan-24	BPCLIN 4.375 01/18/27	600	98.2	120	102.0
16-Jan-24	Lippo Mall Indonesia Retail Trust	ID	Retail	24-Jan-24	LMRTSP 7.25 06/19/24 LMRTSP 7.5 02/09/26	188.3 143.2	90-95 80	90	49.8 28.4
8-Jan-24	ENN Energy	CN	Natural Gas	6-Feb-24	VEYONG 3.375 05/12/26	675.1	94-94.8	120	83.1
Total									1,882.5

Source: Bloomberg, Company filings.

Table 2: Asian ex-JP YTD open market repurchases (USD mn)

Date	Company name	Region	Industry	Bond	Repurchase amount
1-May-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5.75 11/15/24	5.2
29-Apr-24	THAIOIL TRSRY CENTER	TH	Refining	TOPTB 3.75 06/18/50	85.0
24-Apr-24	INDONESIA INFRASTRUCTU	ID	Financials	IIFPTN 1 1/2 01/27/26	1.6
24-Apr-24	MONGOLIAN MORTGAGE CO	MN	Financials	MGMTGE 11.5 01/18/27	22.3
12-Apr-24	THAIOIL TRSRY CENTER	TH	Refining	TOPTB 3.75 06/18/50	35.0
10-Apr-24	LEE & MAN PAPER MFG LTD	CN	Packaging&Containers	LEEMAN 5 1/2 PERP	6.5
2-Apr-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	63.8
28-Mar-24	LEE & MAN PAPER MFG LTD	CN	Packaging&Containers	LEEMAN 5 1/2 PERP	0.3
15-Mar-24	CHANG DEVELOPMENT INT	CN	Engineering&Construction	CCUDIH 4.3 04/27/24	62.3
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 01/21/27	530.0
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 12/09/28	192.0
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	3.5
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	80.7
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	70.7
24-Jan-24	NAN FUNG TREASURY LTD	HK	Real Estate	NANFUN 5 09/05/28	28.8
23-Jan-24	INDONESIA INFRASTRUCTU	ID	Financials	IIFPTN 1 1/2 01/27/26	1.8
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 09/07/26	1.4
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	2.1
8-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	12.5
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 11/15/27	6.8
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 05/19/26	8.9
3-Jan-24	NWD FINANCE (BVI) LTD	HK	Real Estate	NWDEVL 5 1/4 PERP	1.0
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/2 05/19/30	9.2
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/8 07/18/29	10.2
Total					1,241.6

Source: Bloomberg.

Table 3: Asian ex-JP YTD early call announcement (USD mn)

Announced date	Company name	Region	Industry	Bond	Call effective date	Call amount
8-May-24	CRCC CHENGAN LTD	CN	Transportation	RLCONS 3.97 PERP	27-Jun-24	1,000.0

26-Apr-24	LEE & MAN PAPER MFG LTD	HK	Packaging&Containers	LEEMAN 5 1/2 PERP	29-May-24	206.3
26-Apr-24	DIANJIAN HAIYU LTD	CN	Engineering&Construction	CHPWCN 4.3 PERP	20-Jun-24	500.0
19-Apr-24	CHINA HUADIAN OVERSEAS	CN	Electric	HUADIA 4 PERP	29-May-24	500.0
5-Apr-24	MEDCO PLATINUM ROAD	ID	Oil&Gas	MEDCIJ 6 3/4 01/30/25	6-May-24	33.3
2-Apr-24	INDIKA ENERGY III PTE	ID	Coal	INDYIJ 5 7/8 11/09/24	3-May-24	293.6
18-Mar-24	ROYAL CAPITAL BV	PH	Commercial Services	ICTPM 4 7/8 PERP	5-May-24	289.8
15-Mar-24	H&H HOLDINGS	CN	Pharmaceuticals	BTSDJ 5 5/8 10/24/24	25-Mar-24	53.4
11-Mar-24	SMC GLOBAL POWER HLDGS	PH	Electric	SMCGL 6 1/2 PERP	25-Apr-24	783.2
8-Mar-24	INDIA TOLL ROADS	IN	Commercial Services	INDTLL 5 1/2 08/19/24	11-Mar-24	300.0
1-Mar-24	MCC HOLDING HK CORP LTD	CN	Metal Fabricate/Hardware	CHMETL 2.95 PERP	20-Apr-24	500.0
1-Mar-24	MINSHENG HK (LNDMK 20)	CN	Diversified Finan Serv	MSFLCZ 3.15 03/10/24	1-Mar-24	300.0
29-Feb-24	MONGOLIAN MINING CORP	MN	Coal	MONMIN Float PERP	1-Apr-24	20.0
27-Feb-24	ADANI GREEN ENERGY UP	IN	Energy-Alternate Sources	ADGREG 6 1/4 12/10/24	13-Mar-24	500.0
26-Feb-24	YINSON JUNIPER LTD	MY	Transportation	YNSMK 8.1 PERP	29-Mar-24	120.0
17-Jan-24	CHINDATA GROUP HLDS LTD	CN	Telecommunications	CNDATA 10 1/2 02/23/26	26-Jan-24	300.0
3-Jan-24	INDIA GREEN ENERGY	IN	Energy-Alternate Sources	INGREN 5 3/8 04/29/24	11-Jan-24	325.0
Total						6,024.5

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Cinda HK Holdings	800	5yr	5.75%	T+130	-/BBB+/A-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Kubota Credit Corp USA	USD	-	3yr	T+100	-/A/-

➤ News and market color

- Regarding onshore primary issuances, there were 48 credit bonds issued yesterday with an amount of RMB77bn. As for month-to-date, 458 credit bonds were issued with a total amount of RMB599bn raised, representing a 0.1% yoy decrease
- Media reported that China banks have approved RMB935bn (cUSD129bn) loans to fund real estate projects placed on government white lists
- [DALWAN]** Media reported that Dalian Wanda's cRMB1.1bn stake in Zhuhai Wanda Commercial Management frozen by court
- [FUTLAN/FTLNHD]** Seazen raised RMB1.36bn via offering MTNs, 3yr RMB800mn priced at 3.2% and 5yr RMB560mn priced at 3.4%.
- [GEMDAL]** Gemdale schedules redemption of RMB2bn 21JindiMTN004 on 27 May'24
- [PTTGC]** PTT Global Chemical's JV NatureWorks got USD350bn loan from Krungthai Bank
- [REDSUN]** Redsun Properties does not expect to pay REDSUN 7.3 21/05/24 at maturity

- **[SOFTBK]** Media reported that SoftBank Group plans to issue JPY550bn (cUSD3.5bn) 7yr bonds to refinance debt
- **[VNRKLE]** China Vanke raised RMB1.2bn bank loan from BOC Shenzhen

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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