

CMBI Credit Commentary

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

- *Flows were light this morning. Asian IG benchmark names were overall unchanged. High-beta TMT XIAOMI, MEITUA, WB tightened 2-5bps. AU bank T2s tightened c2bps. We saw short covering on front-end AT1 and SOE perp post rates down.*
- **Asia ex-JP USD bonds issuance:** 3M24 gross issuance increased 3.7% yoy to USD50.7bn. See below.
- **LMTRSP:** Lippo Malls Indonesia Retail Trust is exploring potential liability management exercise to address its near-term debts amid discussions on tapping bank loans for refinancing. LMRTSPs were unchanged post the announcement.

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❖ Trading desk comments 交易台市场观点

On Wednesday, the new AIA '34 tightened 1bp under PB chasing. JP/KR names were mixed. The new SMBCAC '34 were 2bps wider, but its 28s/33s were under PB buying. KOROLs/KOMRMRs were better bid and tightened 1bp. DAESECs were unchanged to 2bps tighter but HYUELEs widened 1-3bps. In Chinese IGs, HAOHUA/TENCNT 29-30s were unchanged to 2bps tighter. The high beta TMTs such as MEITUA/LENOVO 30s were 1-3bps tighter. In financials, the front end of Chinese bank T2s such as ICBCASs were under better selling and closed 1-3bps wider. In AT1s, WSTP 5 Perp/ANZ 6.75 Perp were 0.1-0.2pt lower under RM selling. KTBTB/KBANK Perps were also down 0.1pt. EU AT1s were weak. The short-dated-to-call papers BACR 6.125 Perp/INTNED 6.75 Perp were 0.2-0.5pt lower, while the NC25-27 papers such as UBS 6.875 Perp/DB 7.5 Perp were relatively resilient and closed 0.1pt lower. In HK, NWDEVL '31/LASUDE '26 were up 0.5-1.0pt. Chinese properties performed mixed. FTLNHD/FUTLAN 24-26s moved up another 1.0-6.3pts on Wed and closed 5-9pts higher WTD. SHUION 24-26s rose 1.2-2.3pts. However, ROADKG 24-26s lowered 0.8-2.1pts. VNKRL 25-29s declined 0.7-1.8pts. DALWAN 24-25s were down 0.9-1.1pts. In industrials, the GEELY 4 Perp closed another 0.4pt lower at around 98 with a YTC of 7%. The perp will be callable on 12/09/24 and coupon will be reset to 5-yr UST+5.449% if it is not called. Meanwhile the new issue HONGQI '25 was once down 0.1pt following Moody's one-notch downgrade on Tue night, but closed unchanged at 100.4 thanks to PB buying. In Macau gaming, MPEL/SANLTD/STCITY 27-29s were up 0.2-0.3pt. In Indian space, VEDLN 26-28s were 0.3-0.5pt lower.

The LGFVs/perps/high beta spaces were mixed. In the 5-6% LGFVs, BJSTAT '25/SXUCI '26/NJYZSO '27 were up 0.1pt whilst HZCONI '26 was 0.3pt lower. The higher-yielding LGFVs were subdued. CPDEV/BCDHGR

26s were down 0.2-0.4pt. In Shandong names, SHDOIS '24/SHGUOH '26 were down 0.1pt. In SOE perps, COFCHK 3.1 Perp was up 0.2pt whilst RLCONS 3.97 Perp/SPICPT 3.45 Perp were down 0.1pt. Elsewhere, FRESHK '25/HNINTL '30/CHRAIL '27 were up 0.2-0.3pt. GRPCIN '26 was 0.3pt higher whilst SUNSHG '26 was down 0.2pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 4.8 12/15/24	64.0	6.3	ROADKG 5.9 03/05/25	47.3	-2.1
FUTLAN 4.45 07/13/25	43.0	3.0	ROADKG 6.7 09/30/24	60.4	-1.8
FTLNHD 4 5/8 10/15/25	42.1	1.8	VNKRLE 3.975 11/09/27	47.7	-1.8
SHUION 5 1/2 03/03/25	72.4	2.3	CHINLP 2 1/2 06/30/35	76.2	-1.1
SHUION 5 1/2 06/29/26	59.8	1.7	DALWAN 7 1/4 12/29/24	87.1	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.23%), Dow (-1.35%) and Nasdaq (-1.40%) remained weak on Thursday. The latest US initial jobless claim was 221k, higher than the expectation of 213k. UST yields were slightly lower yesterday, 2/5/10/30 yield reached 4.65%/4.30%/4.31%/4.47%.

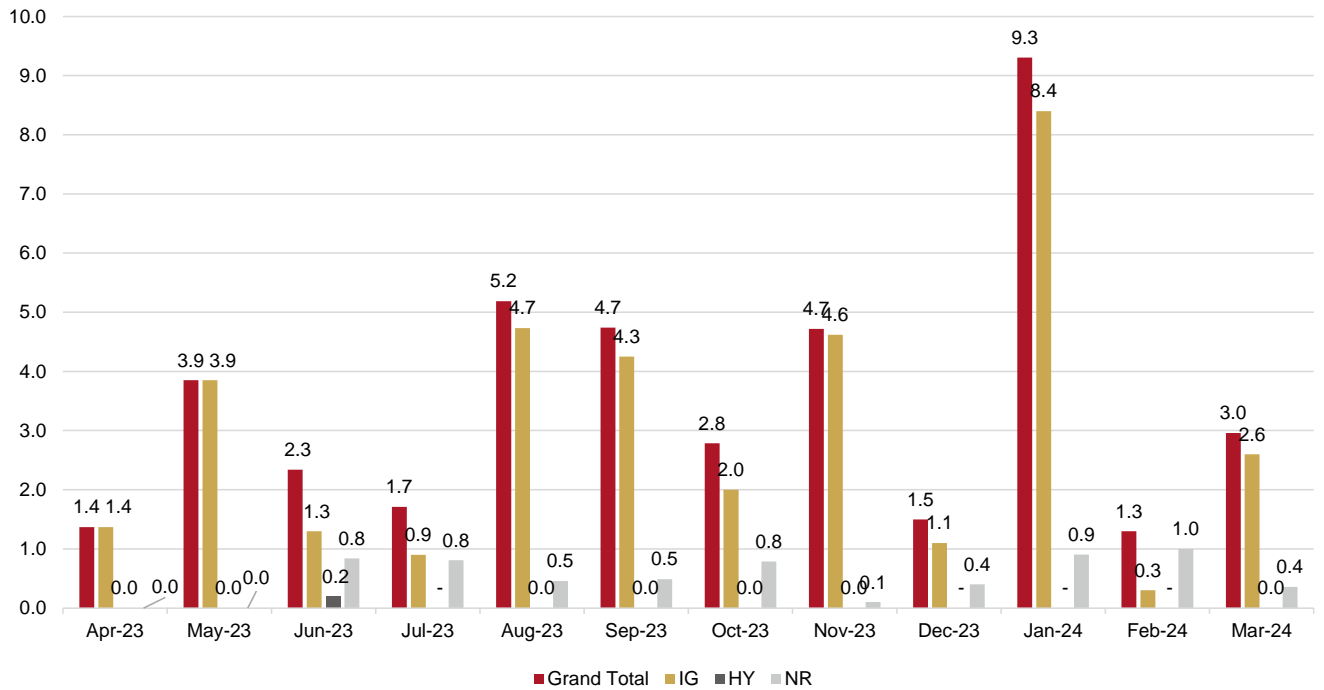
❖ Desk analyst comments 分析员市场观点

➤ Asia ex-JP USD bonds issuance: 3M24 gross issuance increased 3.7% yoy to USD50.7bn

In Mar'24, Asia ex-JP USD bond issuance was USD10.4bn, rose 33.2% yoy from USD7.8bn in Mar'23. South Korea (USD3.5bn), China (USD3.0bn) and Hong Kong (USD1.5bn) are among the largest issuers and IG issuances accounted for 88.4% of the gross issuance. By sector, financial industry was issuer with most issuance amount for USD6.1bn bonds, c58.1% of total issuance. In 3M24, gross issuance of Asia ex-JP USD bonds recovered 3.7% yoy to USD50.7bn from USD48.9bn in 3M23.

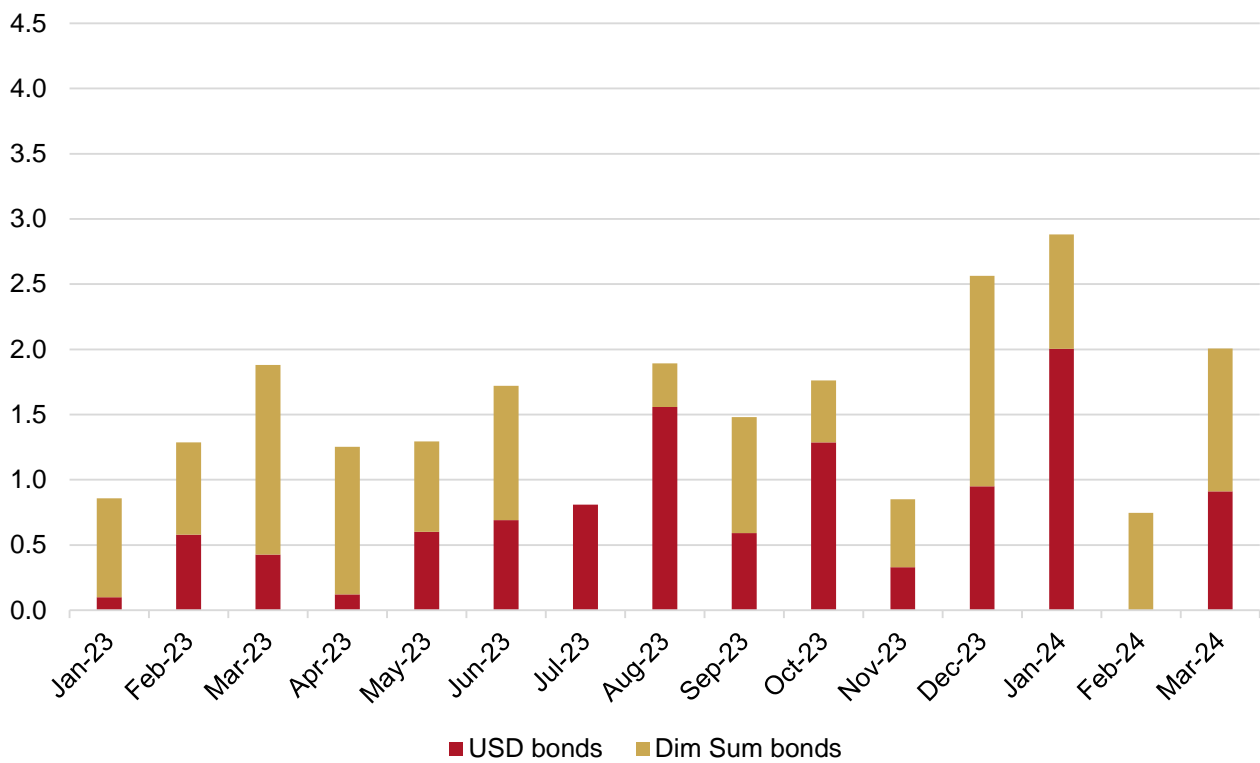
In Chinese space, the total new issuance rose 25% yoy to USD3.0bn in Mar'24 from USD2.4bn in Mar'23. In LGFV space, USD bond issuance doubled yoy to USD0.9bn in Mar'24 and total issuance increased 163.1% yoy to USD2.9bn in 3M24. That said, Dim Sum LGFV bonds have somewhat cannibalized USD LGFV bonds issuance. In Mar'24, Dim Sum LGFV bonds issuance was cUSD1.1bn, decreased 24.8% yoy but more than USD LGFV bonds issuance of USD0.9bn in the month. We expect Dim Sum LGFV bond issuance to continue to be active until a notable US rate cut and weakening of USD.

Chinese USD bonds new issuance amount (USD bn)



Source: Dealogic.

LGFV Dim Sum bonds issuance (USD bn)



Source: Dealogic.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Development Bank of Kazakhstan	500	3yr	5.5%	5.75%	Baa2-/BBB

➤ **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 21 credit bonds issued on Wednesday with an amount of RMB18bn. As for Month-to-date, 146 credit bonds were issued with a total amount of RMB187bn raised, representing a 147.5% yoy increase
- Media reported that China is allowing banks to finance up to 100% of the purchase of a new vehicle to spur car sales
- **[GRNKEN]** Greenko's project company issued USD37mn equivalent private NCDs
- **[LMIRT]** Lippo Malls Indonesia Retail Trust is exploring potential liability management exercise to address its near-term debts amid discussions on tapping bank loans for refinancing
- **[SECGRP]** Shanghai Electric FY23 revenue declined 2.4% to USD15.86bn and operating income turned to positive USD463.7mn from USD280mn loss in FY22
- **[UPLLIN]** Media reported that UPL Limited is likely to launch IPO for seeds business in FY25
- **[VEDLN]** Vedanta Limited plans to raise up to cUSD300mn via NCDs

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