

CMBI Credit Commentary

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

- *Flows were more active this morning post onshore holidays. Asian IG space were unchanged to 2bps wider after UST rates increase. LGFV space were two-way balanced and front-end names were continued to be sought after.*
- *NWDEVL/NWSZF: All pre-conditions under CTFE's conditional voluntary general cash offer are satisfied. NWDEVLs rose another 1.5-3pts post 1-2pts rally on last Friday. NWSZFs were unchanged this morning. See below.*
- *PTTGC: PTT Global Chemical repurchased USD36mn of 2.98% senior notes due 2031. PTTGCs moved -0.2 to +0.3pt morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, Asia ex-JP IG space stayed range-bound ahead of NFP data release and the long weekend (Japan/US holiday on Monday). In financials, HRINTHs were traded 0.25pt higher with small buying flows on front end. Chinese bank T2s were traded in mixed two-way flows, with better buying on BCHINA 24s/ICBCAS 25s whilst better selling on CCB 29s/BOCOHK 31s. Chinese AT1s were well bid. In Chinese SOEs, HAOHUAs were also mixed. HAOHUA 30s tightened 2bps while its 28s/29s were 1-2bps wider. Chinese TMTs were stable. WB/LENOVO 30s were better bid. HK Corp perps were firm. NWDEVL Perps were traded 1-2pts higher, with PB buying. CKINF 4.85 Perp/CKPH 3.5 Perp were up 1pt. HK/Chinese properties were traded firmer. SHUION/YLLGSP 24-26s were up 0.5-0.75pt. LNGFOR 27-32s gained 2-4pts. CHJMAO 26s/VNKRLE 27s were 1.5-2.5pts higher. CSCHCN 24s/GRNCH 25s were up 1.5pts. DALWAN/LASUDE 26s were among the exceptions to close 1-1.5pts lower. In industrials, EHICAR 24s/26s were down 0.25-0.5pt. Macau gaming names performed mixed. MPELs/SANLTDs were up 0.5pt while STCITY/WYNMAC 28-31s were down 0.5-1pt. In Indian space, VEDLN 24-26s were 0.25pt lower. Indonesian names LPKRIJ/LMRTSP 26s were down 0.25-0.5pt. Elsewhere, GLPCHI 24s/26s were 1-2pts higher.

The LGFV/Perp spaces were stable ahead of the US job data. The flows remained light, with the majority being offshore Chinese AMs parking cash in 24s LGFVs/ c24s SOE Perps. In the 7-8% LGFVs, QDHTCO 24s/JMUDIV 25s/GZDZCD 26s were 0.1pt higher. In Shandong/Chongqing names, SHGUOH 25s/SHDOIS 24s were up 0.1-0.15pt. CQNANA 26s were 0.25pt higher. In the higher-yielding LGFVs, KMRLGP/WFURCD 24s were bid up 0.25-0.5pt. Elsewhere, CPDEV 5.75 Perp was 0.75pt higher. In SOE perps, CHPWCN 4.25 Perp/CHSCOI 3.4 Perp were down 0.15-0.25pt.

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
LNGFOR 3.85 01/13/32	43.1	4.1	DALWAN 11 02/13/26	35.0	-1.5
LNGFOR 3 3/8 04/13/27	58.0	4.0	LASUDE 5 07/28/26	54.1	-1.3
LNGFOR 4 1/2 01/16/28	56.1	3.2	TAISEM 3 1/4 10/25/51	64.6	-1.1
VNKRLE 3 1/2 11/12/29	60.4	2.4	WYNMAC 5 5/8 08/26/28	83.9	-1.0
LNGFOR 3.95 09/16/29	48.7	2.3	TAISEM 4 1/2 04/22/52	82.0	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.18%), Dow (+0.87%) and Nasdaq (+1.60%) rallied higher despite strong NFP data on last Friday. The US Sep NFP was +336k, rose from +227k in Aug and was higher than the expectation of +170k. US Sep unemployment rate was 3.8%, higher than the expectation of 3.7%. The UST yields increased on last Friday, 2/5/10/30 yield reached at 5.08%/4.75%/4.78%/4.95%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ NWSZF: All pre-conditions under CTFE's conditional voluntary general cash offer are satisfied

NWS announced all the pre-conditions under the conditional voluntary cash offer from Chow Tai Fook Enterprises (CTFE) have been satisfied as at 6 Oct. These include approvals from the Bermuda Monetary Authority and Insurance Authority, as well as all the required consents or waivers in respect of the relevant loan terms.

Obtaining all the required consents or waivers in respect of relevant loan terms is a demonstration of support from various banks towards NWS, NWD and the Cheng family. This shall clear the air that market speculated banks withdrew credit lines to NWD. Recall that NWD's Vice Chairman Adrian Cheng stressed in the NWD result briefing that the group has maintained credit lines with over 60 banks with long-standing relationships.

After the satisfaction of pre-conditions, the composite document is required to be dispatched to the NWS shareholders and optionholders no later than seven days after the satisfaction of all the pre-conditions, i.e. on or before 13 Oct. The NWS offer appears to be on track to complete before the longstop date on 26 Dec'23.

➤ 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)
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No Offshore Asia New Issues Pipeline Today

➤ News and market color

- Onshore primary issuances suspend on Last Friday during the National Day Holiday
- **[CENCHI]** Central China Real Estate denied rumors of filing for bankruptcy
- **[CHAECO]** Changde Economic Construction Investment proposes to offer up to CNY1bn five-year MTNs to repay debts
- **[COGARD]** Country Garden-guaranteed Risland (Thailand) debentures' rating was withdrawn by Fitch due to lack of information
- **[EVERRE]** UAE investors halted USD500mn injection in Evergrande EV unit
- **[LIFUNG]** Li & Fung made payment for early tendered due-2025 notes, USD331.23mn remains outstanding
- **[PTTGC]** PTT Global Chemical repurchased USD36mn of 2.98% senior notes due 2031
- **[QDJZWD]** Qingdao Jiaozhou Bay Development proposed to offer up to RMB800mn two-year MTNs to repay debts
- **[RISSUN]** RiseSun Real Estate Development completed consent solicitation regarding 9.5% senior notes due in 2023, 2024
- **[VEDLN]** Vedanta Limited incorporated first unit Vedanta Aluminum Metal Limited under six-way demerge plan
- **[ZJCOMG]** Zhenjiang Transportation Industry to hold noteholders' meeting on 10 Oct to vote on proposed early redemption of outstanding 2021 notes

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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