

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *New issue AVILC'27 tightened 4bps, ANZ'34 tightened c3bps this morning. Asian IG space opened 1-3bps tighter then widened to unchanged. BNKEA'27/30 were firm with active buying flows. eHi sets 12% p.a. minimum coupon for new USD senior notes and EHICAR'24/26 rose c0.25pt this morning.*
- **Chinese properties:** *Weak contracted sales in Feb'24. See below.*
- **VNRKLE:** *Media reported that China Vanke said to receive RMB80bn syndicated loan from 12 banks to repay bonds. The company is in discussions with banks about debt swaps to convert its onshore bonds into secured debts. VNRKLEs rose 0.5 to 1.75pts this morning.*

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❖ Trading desk comments 交易台市场观点

Yesterday, Asia IG space remained firm ahead of US CPI data on last night. On the new issues, ANZ priced a USD1.25bn 2-yr fixed-rate note at CT2+47, a USD1.25bn 2-yr floating-rate note at SOFR+56, and a USD1bn 10.5NC5.5 T2 at CT5+165. The new ANZ fixed 26s tightened 2bps and floating 26s tightened 5bps from the ROs. The new ANZ 5.731 '34 tightened 2bps from the RO level. In KR, DAESECs/DFHOLDS/HYUELEs were unchanged to 3bps tighter. JP insurance hybrids such as ASAMLI/SUMILF Perps closed 0.1pt lower. In Chinese IG, HAOHUAs/BABAs/TENCNTs tightened 1-3bps. The BBB TMTs such as XIAOMI '30/LENOVO '32 were 2-5bps tighter. In financials, the leasing names were mixed. BOCAVIs were 1-3bps tighter, whilst CDBFLCs widened c2bps. In bank T2s, DAHSIN 33s tightened 2bps. BNKEA 27s tightened 10bps under AM/PB chasing and BNKEA Perps were up another 0.1-0.2pt. In AT1s, ICBCAS/BCHINA Perps closed 0.1pt higher. KBANK/KTBTB AT1s were better offered by PBs and declined 0.1pt. In EU AT1, ACAFP 6.5 Perp/INTNED 3.875 Perp were unchanged to 0.1pt higher under better buying by Asian PBs. In HK, NWDEVL/HYSAN Perps increased 0.4-1.2pts. Chinese properties moved higher. VNRKLEs rose 0.9-4.5pts under short squeezes. VNRKLE 27-29s closed 0.9-2.4pts higher. Media reported China Vanke is in talks with banks on a debt swap that would help avoid default. GEMDAL '24 gained another 3.1pts and closed 5pts higher WTD. DALWAN 24-26s were up 1.7-2.2pts. FUTLAN '25/FTLNHD '26 were up 1.1pts. However, RDHGCL '24, due 20 Mar'24, dropped 1pt. Media reported that Radiance was restricted by SAFE from remitting funds overseas due to a shortfall of property deliveries. In industrials, HILOHO '24 rose 4pts. EHICAR 24/26 were another 0.9-1.6pts higher after moving 1.3-2.9pts higher on Mon. CWAHKS/BTSDFs were up 0.1pt under better buying from PBs/RM/Prop desks. Indian space was quiet. Indonesian name LMRTSP 24/26 were 0.3-0.6pt higher. Elsewhere, GLPSP '25/GLPCHI '26 moved another 1.3-1.8pts higher.

The property-related names CPDEVs/BCDHGRs were under better buying from Chinese RMs and closed 0.2-0.4pt higher. FRESHK 25s were 0.1-0.4pt higher. The high-yielding LGFVs were better bid. KMRLGP/WFURCD 24s were 0.3pt higher. Shandong names QDJZWD '25/JNHITE '24 were up 0.1-0.2pt. HUADIA 3.375 Perp/CHPWCN 3.45 Perp/CHSCOI 3.4 Perp were 0.1-0.3pt higher.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.15 05/12/25	72.8	4.5	RDHGCL 7.8 03/20/24	54.3	-1.0
HILOHO 9 3/4 11/18/24	74.7	4.0	TAISEM 3 1/4 10/25/51	76.8	-0.7
GEMDAL 4.95 08/12/24	80.6	3.1	TAISEM 4 1/2 04/22/52	96.7	-0.7
VNKRLE 4.2 06/07/24	94.6	2.8	TAISEM 2.7 09/22/60	63.1	-0.7
VNKRLE 3.975 11/09/27	48.2	2.4	CSCHCN 9 10/09/24	26.7	-0.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.12%), Dow (+0.61%) and Nasdaq (+1.54%) rebounded on Tuesday. US Feb'24 CPI rose 3.2% yoy, higher than the expectation of +3.1% yoy. UST yields rallied higher yesterday, 2/5/10/30 yield reached 4.58%/4.15%/4.16%/4.31%.

❖ Desk analyst comments 分析员市场观点

➤ Chinese Properties: Weak contracted sales in Feb'24

The contracted sales of 33 developers under our radar reported contracted sales totaled RMB111.1bn in Feb'24, declined 63.1% yoy from RMB301.4bn in Feb'23. The contracted sales in Feb'24 were partly adversely affected by CNY holidays. In 2M24, the contracted sales totaled RMB249.9bn, dropped 52.8% yoy from RMB529.6bn in 2M23.

All developers under our radar posted lower sales yoy in 2M24. The outperformers are GRNCH (RMB24.9bn) and YLLGSP (RMB3.5bn) with 21% and 23% yoy declines in contracted sales. The distressed developers continued to underperform. The contracted sales of KWGPRO (RMB1.5bn), COGARD (RMB9.2bn) and SINOCE (RMB2.0bn) fell 86%, 80% and 76% yoy in 2M24.

On 20 Feb'24, PBOC cut 5yr-LPR 25bps to the economy. The 5yr-LPR, with which most mortgage borrowings are linked, lowered to 3.95%, the lowest level since the launch of LPR quotation mechanism in Aug'19. The impact of lower rate to property sales have yet to be seen. From 20 Feb'24 to 12 Mar'24, the commercial residential home sales in Beijing, Shanghai, Guangzhou and Shenzhen totaled 1.02mn sqm, were down 46.1% yoy compared with the same period in 2023. We expect to see more supportive measures to restore the confidence on the property market in 2024. These could include further relaxation of home purchase restrictions in high tier cities and further LPR cut.

Chart 1: Contracted sales amount of 33 developers in Jan'24

2024 YTD Sales (in RMB mn)

Company	CN Name	BBG Ticker	Jan	Feb	Trend	Feb'24 MoM Growth	Feb'24 YoY Growth	Feb'24 YTD Sales	Feb'24 YTD Sales Growth
Greentown	绿城	GRNCH	12,000	12,900	↗	8%	-28%	24,900	21%
Yanlord*	仁恒置地*	YLLGSP	1,480	2,060	↗	39%	-44%	3,540	23%
China Vanke	万科企业*	VNKRLE	19,450	14,000	↘	-28%	-54%	33,450	43%
Future Land	新城控股	FUTLAN/FTLNHD	3,692	4,020	↗	9%	-48%	7,712	43%
Poly Real Estate	保利地产	POLYRE	20,323	15,624	↘	-23%	-54%	35,947	44%
Radiance*	金辉控股*	JNHUIG/RDHGCL	1,450	610	↘	-58%	-85%	2,060	44%
Hopson	合生创展	HPDLF	1,286	630	↘	-51%	-71%	1,916	46%
China Resources Land	华润置地	CRHZCH	11,420	9,190	↘	-20%	-62%	20,610	49%
Shimao	世茂房地产	SHIMAO	2,110	2,240	↗	6%	-45%	4,350	50%
Times Property	时代中国控股	TPHL	532	841	↗	58%	-57%	1,373	51%
Zhongliang	中梁控股	ZHLGHD	2,010	1,730	↘	-14%	-57%	3,740	51%
Greenland Holding*	绿地控股集团*	GRNLGR	4,500	4,000	↘	-11%	-48%	8,500	51%
Logan Property*	龙光地产*	LOGPH	800	760	↘	-5%	-65%	1,560	52%
Redsun	弘阳地产	REDSUN/HONGS	982	862	↘	-12%	-69%	1,844	52%
China Overseas	中国海外发展	CHIOLI	10,504	8,491	↘	-19%	-69%	18,995	53%
CIFI Holdings*	旭辉集团	CIFIHG	3,720	2,240	↘	-40%	-71%	5,960	54%
Yuexiu Property	越秀地产	YUEXIU	6,545	3,815	↘	-42%	-72%	10,360	54%
Longfor (Attributable)	龙湖集团*	LNGFOR	4,660	3,680	↘	-21%	-67%	8,340	55%
Gemdale	金地集团	GEMDAL	5,510	5,100	↘	-7%	-66%	10,610	56%
China Jinmao	中国金茂	CHJMAO	6,400	4,150	↘	-35%	-71%	10,550	56%
Powerlong	宝龙地产	PWRLNG	1,121	1,177	↗	5%	-65%	2,298	57%
Ronshine China	融信中国	RONXIN	448	543	↗	21%	-69%	991	57%
Guangzhou R&F	富力地产*	GZRFPR	980	470	↘	-52%	-78%	1,450	58%
Yuzhou Properties	禹洲地产	YUZHOU	803	503	↘	-37%	-71%	1,306	60%
Jingrui Holdings	景瑞控股	JINGRU	206	112	↘	-46%	-75%	318	60%
Zhenro Properties	正荣地产	ZHPRHK	619	471	↘	-24%	-71%	1,090	63%
Sunac China	融创中国	SUNAC	3,760	2,730	↘	-27%	-75%	6,490	64%
Agile	雅居乐	AGILE	2,390	1,530	↘	-36%	-75%	3,920	69%
Central China Real Estate	建业地产	CENCHI	710	680	↘	-4%	-68%	1,390	72%
China SCE*	中骏集团控股*	CHINSC	850	820	↘	-4%	-78%	1,670	76%
Sino-Ocean	远洋集团	SINOCE	1,200	820	↘	-32%	-84%	2,020	76%
Country Garden (Attributable)	碧桂园	COGARD	5,490	3,720	↘	-32%	-85%	9,210	80%
KWG Property*	合景泰富集团	KWGPPO	830	620	↘	-25%	-86%	1,450	82%

Note: * represents the data was collected from CRIC.

Source: Company fillings, CRIC.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Avic International	500	3yr	5.15%	T+87.5	-/-/A-
Del Monte Philippines	70	PNC3	9.0%	9.0%	-/-/-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
EHi Car Services	USD	-	3.5yr	-	-/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 113 credit bonds issued yesterday with an amount of RMB93bn. As for month-to-date, 833 credit bonds were issued with a total amount of RMB721bn raised, representing a 1.5% yoy increase
- **[COGARD]** Country Garden missed interest payments of RMB96mn for H1BiDi01 bonds, the payment has 30 days grace period
- **[DELMPI]** Del Monte Philippines prices USD70mn 9% USD Reg S perps at par
- **[EHICAR]** eHi Car Services sets 12% p.a. minimum coupon for new USD senior notes
- **[FOSUNI]** Fosun gets cUSD250mn commitments for at least USD400mn loan which aims to partly refinance USD824mn-bullet loan due 7 May
- **[FWDGRP]** FWD Group announced USD5bn global MTN, capital securities programme
- **[RDHGCL]** Media reported that Radiance Holdings was restricted by State Administration of Foreign Exchange from remitting funds overseas due to a shortfall of property deliveries
- **[VNKRLE]** Media reported that China Vanke said to receive RMB80bn syndicated loan from 12 banks to repay bonds; China Vanke is in discussions with banks about debt swaps. Its creditor banks are mulling a proposal to convert billions of onshore bonds into secured debt; China Vanke is in talks with insurance companies over put deferrals and maturity extensions

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