

## CMBI Credit Commentary

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

- *Asia IG space was quiet this morning. The new NORBK '29 tightened 20bps from its RO (CT5+123). VNKRLs declined another 1.0-1.3pts. NWDEVLs were unchanged to down 0.4pt.*
- **GLPSP:** *Sale of GCP's non-China operations to Ares for up to USD5.2bn. GLPCHI '26/GLPSP '25 were another 0.6-0.9pt higher and GLPSP Perps were down 0.2-0.3pt this morning. See below for comments.*
- **LASUDE:** *Lai Fung Holdings expects FY24 loss to decrease no less than 50% yoy; eSUN Holdings expects FY24 loss to widen yoy due to increase in assets impairment. LASUDE '26 was unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the sentiment in Asia IG space turned soft after the NDRC briefing which focuses on implementation of stimulus policies instead of introduction of new stimulus policies. See our comments on [8 Oct '24](#). In KR, DAESEC 26-29s were 1-3bps tighter. LGENSO 28/29 tightened 3-4bps. In Chinese IGs, SINOCH/BABA 31s and TENCNT 28/30 were unchanged to 3bps wider. MEITUA 28/29/30 widened 2-3bps. ZHOSHK '28 widened 4bps. In financials, FRESHK 26/28 widened 5bps under selling from AMs. DAHSIN '33/BNKEA '32/NANYAN '34 were 1-4bps tighter. In AT1s, the recent new ACAFP 6.7/CMZB 7.5 Perps were unchanged to 0.2pt higher amid mixed two-way flows. HSBC 6.875/6.95 Perps were 0.1-0.2pt lower. In JP insurance hybrids, SUMILF 5.875 Perp/FUKOKU 6.8 Perp were 0.1-0.3pt lower. In Chinese AMCs, CCAMCLs/ORIEASs were unchanged to 2bps wider. The front end of HRINTHs were unchanged to 4bps wider. In Chinese properties, VNKRL 25/27/29 and LNGFOR 28/29/32 dropped 1.7-3.3pts. DALWAN 25-26s, FUTLAN/FTLNHD 25-26s and ROADKG 28-30s declined 1.4-2.2pts. SHUION 25-26s were also 0.8-1.2pts lower. Outside properties, FOSUNI 26-27s were 0.3-0.5pt lower. Away from China, GLPSP Perps rose 2.4-2.5pts and GLPSP '25/GLPCHI '26 were up 0.5-0.7pt. Ares Management has entered into a definitive agreement to acquire GLP Capital Partners' non-China operations. See comments below. In India, ADANEMs/ADSEZs/ADGREGs were down 0.1-0.4pt.

In LGFVs, SDECDI '26 was up 0.4pt. GETDZS '25/UECTED '27 were 0.1-0.2pt higher. CPDEV/ZHHFGR '25s were 0.1-0.2pt lower. HKIQCL/NJYZSO '27s were down 0.1-0.3pt. In SOE perps, HUANEN 5.3 Perp was up 0.2pt. CHPWCN 3.45 Perp was down 0.1pt.

**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

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4 1/2 PERP	70.0	2.5	VNKRLE 3.975 11/09/27	65.4	-3.3
GLPSP 4.6 PERP	68.9	2.4	VNKRLE 3 1/2 11/12/29	61.8	-2.2
GLPCHI 2.95 03/29/26	89.1	0.7	FTLNHD 4 1/2 05/02/26	72.1	-2.2
MIZUHO 2.172 05/22/32	85.3	0.6	ROADKG 5 1/8 01/26/30	46.3	-2.1
GLPSP 3 7/8 06/04/25	96.1	0.5	LNGFOR 3.95 09/16/29	74.5	-1.9

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.97%), Dow (+0.30%) and Nasdaq (+1.45%) were higher yesterday. Markets are waiting for the CPI tomorrow. UST yield were largely unchanged yesterday, 2/5/10/30 yield reached 3.98%/3.86%/4.04%/4.32%.

## ❖ Desk analyst comments 分析员市场观点

## ➤ GLPSP: Sales of GCP's non-China operations to Ares for up to USD5.2bn

GLP agreed to sell its businesses in Japan, U.S., Europe, Brazil and Vietnam of GLP Capital Partners (GCP) to Ares Management. The total considerations are up to USD5.2bn, comprising initial consideration of USD3.7bn (USD1.8bn in cash and USD1.9bn in Ares shares) and additional earn-out provision up to USD1.5bn. The transaction is expected to close in the 1H25 subject to customary regulatory approvals and other closing conditions. GCP and GCP International had AUM of USD126bn and USD44bn respectively as at Jun'24.

GLP, owns 54.5% of GCP, expects to receive up to USD2.5bn from the sales of GCP non-China operations. Out of the USD2.5bn considerations, initial considerations of USD1.8bn will be comprised of USD1.5bn in cash and USD0.3bn in Ares shares, as well as USD0.7bn additional earn-out provision. GLP plans to use USD1.25bn for debt repayments and USD250mn for capex. The sales of non-China operations of GCP would help to alleviate the near-term refinancing pressure of GLP in particular the next USD bond maturity of USD1bn in Jun'25. As at Jun'24, GLP had cash of UD1.9bn and ST debts of USD4.6bn.

Besides, GLP is on track to achieve the USD10bn monetization target announced in Oct'23, and GLP expects to exceed the monetization target in the coming months. We view the continuous deleveraging of GLP, thanks mainly to asset monetization, would enhance its financial resilience. On a pro-forma basis, the disposals of GCP's non-China operations will lower the net leverage of GLP to 3.4x from 5.4x at Jun'24, and the core underlying EBITDA/interest paid will increase to 4.0x from 2.7x.

On the other hand, GLP recorded LBT of USD311mn in 1H24 compared with PBT of USD346mn in 1H23, mainly due to 13% drop in revenue to USD1bn, as well as share of loss from equity accounted investments of USD60mn. On core underlying EBITDA basis, GLP recorded LTM core underlying EBITDA of USD2bn, 10% yoy decrease from USD2.2bn in LTM 1H23. The net debts to core underlying EBITDA of 5.4x at Jun'24 was largely the same as 5.3x at Dec'23.

Security name	ISIN	O/s amt (USDmn)	Px	YTM/YTC (%)	Rating (M/S/F)
GLPSP 4.5 Perp	XS2340147813	850	70.0	29.24	-/-B+
GLPSP 4.6 Perp	XS2357239057	300	69.2	19.79	-/-B+
GLPSP 3.875 06/04/25	XS1242348164	1000	96.1	10.20	-/-BB
GLPCHI 2.95 03/29/26	XS2314779427	700	90.5	10.47	-/-

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
The Norinchukin Bank	500	5y	T+123	T+123	A1/A/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Bank of China, London Branch	USD	-	3y	SOFR+105	A1/A/A
CITIC Securities International	USD	-	3y	-	-/BBB+/-
Export-Import Bank of Korea	USD	-	3y	T+60	Aa2/AA/-
Mianyang Xinxing Investment Holdings	USD	-	3y	7.2%	Unrated
Yantai Guofeng Investment	USD	-	3y	-	-/BBB+

➤ **News and market color**

- Regarding onshore primary issuances, there were 22 credit bonds issued yesterday with an amount of RMB13bn. As for month-to-date, 22 credit bonds were issued with a total amount of RMB13bn raised, representing a 17.4% yoy decrease
- China will hold a briefing on fiscal policy on 12 Oct'24 to introduce moves to strengthen fiscal policy to shore up growth and answer questions
- **[ADGREG]** Media reported Adani Green Energy intends to raise up to USD1bn from the proposed bond issuance
- **[CAPG]** China Aoyuan to issue 80.9mn new shares to eligible scheme creditors
- **[HYSAN]** Hysan Development announced USD4bn MTN program
- **[YUZHOU]** Yuzhou Group's HK Scheme and Cayman Scheme sanctioned by Courts; schemes effective date occurred on 4 Oct'24

*Fixed Income Department*

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto: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.