

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报****The Asset Asian G3 Bond Benchmark Review 2023**

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "[The Asset Asian G3 Bond Benchmark Review 2024](#)". Thank you for your support!

- *Active flows on LGFV as RMB/USD appreciated this morning. High quality names such as ZHHFGR/GZINFU were well bid. Asian financials were stable post rally in last week.*
- *CCAMCL: Further sale of up to 1% stake in Founder Securities. CCAMCLs were unchanged this morning. See comments below.*
- *CHJMAO: China Jinmao expects its profit attributable to owners will increase c130% yoy to cUSD140mn in 1H24 due to significant decrease in SG&A and financing expenses. CHJMAOs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, Asia IG space was firm. The new NWSZF '28 was actively traded and closed 18bps tighter from RO (CT5+290), despite cash price is only 0.4pt higher as CT5 widened 10bps. Other HK corps such as NWDEVLs were 0.3-0.9pt higher while CPREIT '30 was down 0.5pt. In Chinese IGs, HAOHUA '28/TENCNT '29 tightened 2-3bps. MEITUA/WB 30s tightened 3bps. In financials, Chinese AMCs were firm. HRINTH '27/GRWALL '28/CCAMCL '26 were 3-4bps tighter. ANZ/MQGAU T2s were 1-3bps tighter. In AT1s, KBANK 5.275 Perp/KTBTB 4.4 Perp were 0.1-0.2pt higher. BNP 8 Perp/UBS 7.75 Perp/HSBC 6.5 Perp were 0.3-0.4pt higher. CMZB 7 Perp was 0.3pt higher. In JP, RAKUTNs were up another 0.2-0.4pt and closed 0.7-1.5pts higher WoW. In KR, HYUELE '29/SHNHAN '34 were 1-3bps tighter. KRKPSC 27/29 tightened 2-4bps. In Chinese properties, SHUION 24-26s were 0.3-0.5pt higher. YLLGSP '26 was up 0.2pt. See our comments on [16 Aug'24](#). On the other hand, VNKRLs were down 0.2-0.5pt. ROADKGs were 0.1-0.4pt lower. Road King redeemed another USD30mn of its five extended USD bonds at par as scheduled in the tender offer completed in Jul'24. See our comments on [16 Aug'24](#). In industrials, HILOHO '24 was 0.3pt lower. In Macau gaming, WYNMAC '29/SANLTD '30 were down 0.3-0.4pt. In India, VEDLN 26-28s were 0.7-1.2pts higher. In Indonesia, MDLNIJ '27/TBIGIJ '26 declined 0.6-0.8pt.

In LGFVs, the new HENINV '27 closed 0.4pt higher from par. CPDEV 25/26/Perp were up 0.1-0.2pt. ZHHFGR '25 was down 0.2pt. BJCONS '26/NJYZSO '27 were 0.2-0.3pt lower. In the high beta names, CWAHK '26 was 0.5pt higher. ZHONAN/SUNSHG 26s were down 0.1pt. SOE perps were

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

mixed. SPICPT 3.45 Perp/CHPWCN 3.08 Perp were 0.1pt higher. HUADIA 3.375 Perp/CHSCOI 4 Perp were 0.1pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VEDLN 9 1/4 04/23/26	99.7	1.2	TBIGIJ 2 3/4 01/20/26	96.1	-0.8
XIAOMI 4.1 07/14/51	76.3	1.2	MDLNIJ 5 04/30/27	32.7	-0.6
JD 4 1/8 01/14/50	81.2	1.0	ROADKG 7.95 PERP	22.6	-0.6
HAOHUA 4 3/4 06/19/49	92.2	1.0	VNKRLE 3.15 05/12/25	85.8	-0.5
NWDEVL 5 1/4 PERP	85.4	0.9	CPREIT 2.95 06/15/30	85.3	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.20%), Dow (+0.24%) and Nasdaq (+0.21%) rallied higher on last Friday. US Aug'24 University of Michigan consumer sentiment was 67.8, higher than the expectation of 66.7. UST yields retreated on Friday, 2/5/10/30 yield reached 4.06%/3.77%/3.89%/4.15%.

❖ Desk analyst comments 分析员市场观点

➤ CCAMCL: Further sale of up to 1% stake in Founder Securities

China Cinda plans to sell up to 1% stake or 82mn shares in Founder Securities in the open market from 9 Sep'24-8 Dec'24. The proposed sale could realize up to RMB589mn for China Cinda based on the share price of Founder Securities at RMB7.15 per share this morning. Currently, China Cinda owns 7.47% stake or 615mn shares in Founder Securities.

According to the announcements made by Founder Securities on SSE, China Cinda sold a total of 95mn shares in Founder Securities during Aug'23-Feb'24 and Apr'24-Jul'24 for RMB900mn. In Sep'21, China Cinda seized 8.62% stake or 710mn shares in Founder Securities from Beijing Zengquan Holdings via a Court Order. Per our estimation, China Cinda's current 7.47% shareholdings in Founder Securities valued at RMB4.4bn, and this only accounted for a tiny portion of China Cinda's financial assets of RMB809bn at Dec'23. The financial impact on China Cinda regarding the sale of up to 1% stake in Founder Securities is therefore muted.

We like CCAMCL 4.4 Perp as a low beta play in Chinese AMC space and a yield pick-up play within the CCAMCL curve. Nonetheless, in the Chinese AMC space, our top pick are HRINTHs in view of their better risk-return profiles. We still like HRINTH 4.25 PERP as a shorter-dated and yield pick-up play. For dated HRINTH bonds, we prefer HRINTH 3.875 11/13/29, HRINTH 3.375 02/24/30 and HRINTH 3.625 09/30/30 more and believe they are the more likely candidates for any repurchases in view of the potential monetization of Huarong's investments.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Avic International Leasing	USD	-	3yr	SOFR+125/T+105	A3/-/A
Bocom Financial Leasing	USD	-	3yr	SOFR+125/T+105	A3/-/A

➤ News and market color

- Regarding onshore primary issuances, there were 92 credit bonds issued on last Friday with an amount of RMB73bn. As for month-to-date, 1,075 credit bonds were issued with a total amount of RMB1,082bn raised, representing a 29.8% yoy increase
- [ADEIN]** Adani Enterprises withdrew draft prospectus for NCD issue of up to INR6bn and filed fresh one for up to INR8bn (cUSD95mn) NCD issue
- [CENCHI]** Central China Real Estate expects to record cRMB2.5-3.5bn loss in 1H24, widened from RMB1.2bn loss in 1H23
- [CHJMAO]** China Jinmao expects its profit attributable to owners will increase c130% yoy to cUSD140mn in 1H24 due to significant decrease in SG&A and financing expenses
- [HONGQI]** China Hongqiao Group 1H24 revenue rose 12% yoy to RMB73.6bn and pretax profit increased 260% yoy to RMB13.87bn
- [MINMET]** Minmetals Land expects to turn to loss of cHKD1bn for 1H24 due to weak market
- [MPEL]** Melco Resorts bought back USD44.5mn of shares since 2 Jul'24
- [SANLTD]** Sand China 1H24 revenue rose 22.7% yoy to USD3.6bn and adj. property EBITDA rose 24.7% yoy to USD1.2bn
- [SINOCE]** Sino-Ocean Group expects to record loss of up to RMB6bn for 1H24
- [VNRLE]** China Vanke's unit Vanke Overseas Investment Holding expects a loss attributable to shareholders of HKD29mn in 1H24, compared with a profit of HKD3mn in 1H23
- [YCGXIV]** Fitch affirmed Yichang High-Tech Investment BB+ rating with stable rating outlook
- [ZHLGHD]** Zhongliang Holdings expects to turn to loss of cRMB1.5-2bn for 1H24 due to impairments on property projects

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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