

CMBI Credit Commentary

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

- *New issue HYNCRD'29 opened 5bps tighter then closed 2bps tighter this morning. Asian IG space were stable and flows skewed to sell. LNGFORs were unchanged to 0.2pt lower while CHIOLIs were unchanged to 0.4pt higher despite downgrade.*
- *Indika, tender offers and repurchases: INDYIJs rose c0.3pt post the announcement. See below.*
- *VNKRL: Media reported that China Vanke approached potential buyers to sell 21.4% shareholding in GLP Pte. China Vanke paid USD2.5bn for the 21.4% stake in GLP in 2018. VNRKLEs were unchanged to 0.2pt higher this morning.*

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳靄瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Trading desk comments 交易台市场观点

Asia IG space was mixed while the sentiment was more constructive yesterday. In KR, HYNCRD priced a USD500mn 5-yr bond at T+135. The new KEBHNB 27/29 tightened 10-12bps from their ROs (T+70 and T+78, respectively). DAESEC/HYMNTR/KOMRMR/POHANG 27-29s were under better buying and closed unchanged to 2bps tighter. The JP space was mixed. There were better buying flows on SUMIFLs/SMBCACs, versus selling on MIZUHOs/SUMITRs. In AU/NZ, NAB/WSTP T2s were under selling from PBs/AMs and widened 2-5bps. In Chinese IGs, the long end of HAOHUAs/SINOPCs/TENCNTs were better bid and closed unchanged to 2bps tighter. In the high beta TMTs, MEITUA 30s tightened 10bps post S&P revised Meituan's outlook to positive from stable. LENOVO '30/XIAOMI '31 were unchanged to 2bps wider. In financials, Chinese AMCs were mixed with better buying on GRWALLs versus better selling on the front end of HRINTHs/CCAMCLs. In EU AT1s, UBS/SOGEN/BACR Perps rebounded 0.8-1.5pts. HSBC 8 Perp/BNP 8 Perp were 0.5-0.7pt higher and erased some of the Tue losses. In HK, DAHSIN 33s closed 3bps tighter after widening 10bps on Tue. BNKEA 27-32s were still under small selling and closed unchanged to 2bps wider. AIA 46-47s were 0.9-1.1pts higher (unchanged to 2bps tighter in spreads). CKINF Perps were 1.2-1.3pts lower. NWDEVL Perps were down 0.3-0.5pt. Chinese properties were mixed. SHUION '24 was 1.1pts higher. GEMDAL '24 was up 0.5pt. FUTLAN/FTLNHD 24s were up 0.3pt. However, ROADKG '24 was down 1.9pts and closed 14pts lower WTD, while ROADKG 25s/26s/Perps declined another 0.4-1.2pts. COGO '26 was 0.8pt lower, CHJMAO '26 was down 0.4pt. In industrials, FOSUNIs were up another 0.2-0.4pt. In Macau gaming, MPELs were 0.4-1.0pt higher whereas STCITYs were 0.3-0.7pt lower. PTTGC 32/51/52 were up another 0.3-0.8pt and closed 1.2-2.8pts WTD. Indonesian name INDYIJ 24-25s were up 0.2-0.4pt, post the tender offer for INDYIJ 8.25 10/22/25 and concurrent

new issue. See comments below. APLNIJ '24 was up another 0.5pt after gaining 1.0pt on Tue. Indian names were quiet.

In LGFVs, GZINFH priced a USD150mn 2-yr bond at par to yield 5.45%. HNCDHG priced a USD96mn 3-yr SBLC bond at par to yield 5.5%. SHUGRP/SXFIAM 27s were down 0.2pt under small better selling. The lower-yielding LGFVs such as GZGETH '27/SYSTIO '27/YWSOAO '25 were 0.1-0.3pt lower. In SOE perps, CHPWCN 3.45 Perp was up 0.1pt but CHPWCN 3.08 Perp was down 0.1pt. The high beta names were mixed. HUANEN '31 was up 0.5pt whilst CWAHK '26 was 0.6pt lower. ZHOSHK/ GRPCIN 25-26s were unchanged to 0.1pt lower, under some profit taking from RMs.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SINOPC 4 1/4 04/24/43	87.3	1.2	ROADKG 6.7 09/30/24	51.5	-1.9
CITLTD 4 3/4 02/04/36	85.5	1.0	CKINF 4.85 PERP	79.5	-1.3
SHUION 6.15 08/24/24	87.5	1.1	CKINF 4.2 PERP	69.7	-1.2
AIA 4 1/2 03/16/46	87.3	1.1	ROADKG 5.9 03/05/25	35.2	-1.2
MPEL 5 5/8 07/17/27	95.3	1.0	ROADKG 7 3/4 PERP	12.2	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.58%), Dow (-0.12%) and Nasdaq (-1.15%) remained weak on Wednesday. Euro-zone CPI in Mar'24 was +2.4% yoy, in line with the market expectation. UST yield moved higher yesterday, 2/5/10/30 yield reached 4.93%/4.62%/4.59%/4.71%.

❖ Desk analyst comments 分析员市场观点

➤ Indika, tender offers and repurchases

Indika announced the tender offer for INDYIJ 8.25 10/22/25 at 101.25 including the early tender consideration and concurrent 5-year new issue. The maximum tender amount will be capped at the size of concurrent new issue. The tender's early deadline is 30 Apr'24 and expiration date is 16 May'24.

Indika has 2 o/s USD bonds, i.e. INDYIJ 5.875 11/09/24 and INDYIJ 8.25 10/22/25. On 2 Apr'24, Indika announced the call of INDYIJ 5.875 11/09/24 (o/s USD293.6mn) at par, funded with the loan facilities of USD300mn secured from Bank Mandiri in Jan'24. Furthermore, Indika completed the MUTU sales for USD203mn in Feb'24. The recent funding exercises of Indika will considerably improve its liquidity and debt maturity profiles. **We maintain our neutral recommendation on INDYIJs in view of valuation.**

YTD, Asia ex JP USD bond issuers competed early redemption of USD1.7bn via tender offers and open market repurchases. This week alone, in addition to Indika, PTTGC announced the tender offers of up to USD700mn for its 2032, 2051 and 2052 bonds. We expect the tender offers and open market repurchases in Asia ex JP USD bond universe to remain active given issuers' ability to access lower-cost onshore or other alternative funding channels. The early redemptions could be even more active after the recent price corrections resulting from the rebound of US treasury rates. For issuers with notably improvement in operating performance, we believe that the exchange and concurrent new issues will be an alternative for early redemptions.

In our opinion, the most likely candidates for early redemptions include **commodity plays in Indonesia (Indika and Medco), Macau gaming operators, Thailand IGs (i.e. PTTEP , PTTGC and Thai Oil) and Philippine corps.** We have buy recommendations on **SMCPM 5 ½ PERP** and **PCORPM 5.95 PERP** (the call on SMCGL 6 ½ PERP announced), as well as **MEDCIJs**. We also like the Macau gaming sector with **SJMs, MPELs** and **STCITYs** more preferred. Additionally, we have buy recommendations on **EHICARs**. Recalled that eHi Car completed an exchange and concurrent new issue in mid Mar'24.

Table 1: Details of INDYIJ's tender offer and new issuance

Security Name	ISIN	o/s amount (USD mn)	Tender Cap (USD mn)	Deadline	Tender price
INDYIJ 8.25 10/22/25	US45569GAA04	534.1	Not exceed the principal amount of new bonds	30-Apr-24(early) 16-May-24(expiration)	101.25(early) 96.25(base)
New issue					
Issuer	Size (USD mn)	Tenor	Payment rank	Rating (M/S/F)	
Indika Energy Tbk PT	-	5yr	Unsecured	Ba3/-/BB	

Source: Bloomberg, Company fillings.

Table 2: Asian ex-JP YTD tender offers (USD mn)

Announced date	Company name	Region	Industry	Deadline	Bond	Bond O/S	Proposed price	Original proposed amount	Accepted amount
17-Apr-24	Indika Energy	ID	Metals and Mining	30-Apr-24(early) 16-May-24(expiration)	INDYIJ 8.25 10/22/25	534.06	101.25/96.25	-	-
16-Apr-24	PTT Global Chemical	TH	Chemicals	23-Apr-24	PTTGC 4.4 03/30/32 PTTGC 4.3 03/18/51 PTTGC 5.2 03/30/52	800 525.2 240	91.625 77.5 887.5	700	-
8-Apr-24	Studio City	MO	Macau Gaming	19-Apr-24(early) 6-May-24(expiration)	STCITY 6 07/15/25	400	100/97	100	-
8-Apr-24	Hysan Development	HK	Financials	16-Apr-24	HYSAN 4.1 PERP	850	92.25	100	99.9
6-Mar-24	Bukit Makmur Mandiri	ID	Metals and Mining	18-3-2024(early) 2-4-2024(expiration)	BUMAIJ 7.75 02/10/26	365.7	100/97	365.74	153.5
16-Feb-24	Azure Power	IN	Power Generation	1-3-2024(early) 18-3-2024(expiration)	AZUPOE 5.65 12/24/24 AZUPOE 3.575 08/19/26	350.1 343.2	100 100	40 14.47	40 12
16-Jan-24	Bharat Petroleum	SG	Oil&Gas	25-Jan-24	BPCLIN 4.375 01/18/27	600	98.2	120	102.0
16-Jan-24	Lippo Mall Indonesia Retail Trust	ID	Retail	24-Jan-24	LMRTSP 7.25 06/19/24 LMRTSP 7.5 02/09/26	188.3 143.2	90-95 80	90	49.8 28.4
8-Jan-24	ENN Energy	CN	Natural Gas	6-Feb-24	VEYONG 3.375 05/12/26	675.1	94-94.8	120	83.1
Total									568.7

Source: Bloomberg, Company fillings.

Table 3: Asian ex-JP YTD open market repurchases (USD mn)

Date	Company name	Region	Industry	Bond	Repurchase amount
12-Apr-24	THAIOIL TRSRY CENTER	TH	Refining	TOPTB 3.75 06/18/50	35.0
10-Apr-24	LEE & MAN PAPER MFG LTD	CN	Packaging&Containers	LEEMAN 5 1/2 PERP	6.5
2-Apr-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	63.8
28-Mar-24	LEE & MAN PAPER MFG LTD	CN	Packaging&Containers	LEEMAN 5 1/2 PERP	0.3
15-Mar-24	CHANG DEVELOPMENT INT	CN	Engineering&Construction	CCUDIH 4.3 04/27/24	62.3
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 01/21/27	530
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 12/09/28	192
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	3.48
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	80.7
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	70.7

24-Jan-24	NAN FUNG TREASURY LTD	HK	Real Estate	NANFUN 5 09/05/28	28.8
23-Jan-24	INDONESIA INFRASTRUCTU	ID	Financials	IIFPTN 1 1/2 01/27/26	1.8
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 09/07/26	1.4
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	2.1
8-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	12.5
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 11/15/27	6.8
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 05/19/26	8.9
3-Jan-24	NWD FINANCE (BVI) LTD	HK	Real Estate	NWDEVL 5 1/4 PERP	1
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/2 05/19/30	9.2
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/8 07/18/29	10.2
Total					1,127.5

Source: Bloomberg.

Table 4: Asian ex-JP YTD early call announcement (USD mn)

Announced date	Company name	Region	Industry	Bond	Call effective date	Call amount
5-Apr-24	MEDCO PLATINUM ROAD PTE	ID	Oil&Gas	MEDCIJ 6 3/4 01/30/25	6-May-24	33.3
2-Apr-24	INDIKA ENERGY III PTE	ID	Coal	INDYIJ 5 7/8 11/09/24	3-May-24	293.6
18-Mar-24	ROYAL CAPITAL BV	PH	Commercial Services	ICTPM 4 7/8 PERP	5-May-24	289.8
11-Mar-24	SMC GLOBAL POWER HLDGS	PH	Electric	SMCGL 6 1/2 PERP	25-Apr-24	783.2
1-Mar-24	MCC HOLDING HK CORP LTD	CN	Metal Fabricate/Hardware	CHMETL 2.95 PERP	20-Apr-24	500.0
29-Feb-24	MONGOLIAN MINING CORP	MN	Coal	MONMIN Float PERP	1-Apr-24	20.0
Total						1,919.8

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Guangzhou Finance Holdings	150	2yr	5.45%	5.45%	-/-/A-
Huainan Construction Development Holding Group	96	3yr	5.5%	5.5%	-/-/
Hyundai Card Co Ltd	500	5yr	5.75%	T+135	Baa1/-/BBB+

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
LG Electronics Inc	USD	-	3/5yr	T+135/150	Baa2/BBB/-
Perenti Finance Pty Ltd	USD	350	5NC2	7.875%-8%	-/BB/BB+

➤ News and market color

- Regarding onshore primary issuances, there were 112 credit bonds issued yesterday with an amount of RMB102bn. As for month-to-date, 931 credit bonds were issued with a total amount of RMB892bn raised, representing a 12.8% yoy decrease
- Media reported that Chinese banks approved over RMB520bn in loans to developers included in property whitelist

- **[APLNIJ]** Media reported that Agung Podomoro may delay launching exchange offer for due 2024 USD bonds amid push back from holders
- **[CHIOLI]** Moody's downgraded China Overseas Land issuer rating to Baa2 and revised outlook to stable from negative
- **[DALWAN]** Beijing Wanda Cultural Industry, Wang Jianlin completed sale of 51% stake in Beijing Wanda Investment to Shanghai Ruyi Investment Management for cRMB2.2bn
- **[HYSAN]** Hysan development announced to accept USD99.9mn of HYSAN 4.1 PERP via tender offer
- **[INDYIJ]** Moody's affirmed Indika Energy at Ba3 and maintained stable outlook; S&P affirmed Indika at BB- and placed stable outlook
- **[LNGFOR]** Moody's downgrade Longfor's corporate family ratings to Ba2 and maintained negative outlook
- **[MEITUA]** S&P affirmed Meituan's BBB rating and revised its outlook to positive from stable
- **[SANLTD]** Sands China 1Q24 net revenue rose 42% yoy to USD1.8bn and adjusted property EBITDA rose 53.3% yoy to USD610mn
- **[VNKRL]** Media reported that China Vanke approached potential buyers to sell 21.4% shareholding in GLP Pte. China Vanke paid USD2.5bn for the 21.4% stake in GLP in 2018

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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