

## CMBI Credit Commentary

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

- *Asian IG space was overall unchanged this morning. New SPICPD Perp slightly down to below par. Front-end IG were under better selling flows. AT1s were well-bid.*
- **FAEACO:** *Plans to issue 2-year bonds of RMB200mn to refinance. See below for comments.*
- **CHJMAO:** *China Jinmao announced to redeem USD400m CHJMAO 7.125 PERP on 6 Dec'24, the first call date. We have buy recommendations on CHJMAOs, and prefer CHJMAO 6 PERP. CHJMAOs were unchanged to 0.1pt higher this morning.*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, HYNMTR priced the USD850mn 3-yr bond at CT3+80. EXIMCH priced a USD1bn 3-yr floating rate bond at SOFR+38. In Chinese IGs, BABA/TENCNT/HAOHUA 30-31s were unchanged to 2bps tighter amid mixed two-way flows. In financials, CCAMCL/ORIEAS 26-30s were 1-2bps wider under better selling from Chinese AMs. CHIMIN/CSILTD Float 27s closed unchanged to 1bp tighter. In EU AT1s, the recent new SEB 6.75/NDAFH 6.3/LLOYDS 6.75/UBS 6.85/HSBC 6.875/HSBC 6.9 Perps were 0.2-0.5pt lower under selling from RMs/HFs. In insurance hybrids, MYLIFE '54/NIPLIF '54 were down 0.1-0.2pt. In HK, AIA 35s/CKHH 33s tightened 2-3bps on PB buying. FAEACO is looking to place CNH 2-yr unrated private-placement bonds. See comments below. FAEACO Perp was unchanged. NWDEVL Perps/27-31s and NANFUN Perps were 0.3-0.8pt lower. In Chinese properties, CHJMAO announced to call the USD400mn CHJMAO 7.125 Perp on 6 Dec'24, the first call date. CHJMAO 7.125/CHJMAO 6 Perps were 0.1pt higher, CHJMAO 25-29s were unchanged. FTLNHD/FUTLAN 25-26s and LNGFOR 27-32s rose another 0.5-1.3pts. VNKRL 25-29s and CHIOLI 30-43s were up 0.3-0.7pt. DALWAN '25-26s, on the other hand, declined 0.4pt. In Industrials, HILOHO '24 fell 4.8pts. EHICAR '27 declined 2.9pts. In Macau gaming, SANLTD 29-31s were 0.3-0.4pt lower. Away from China, GLPSP 4.5 Perp was 0.5pt higher. See our comments on [29 Oct '24](#). VLLPM announced tap of USD50mn and increased the issue size of VLLPM 9.375 '29 to USD450mn. In India, ADANEMs/ADSEZs were up 0.1-0.3pt.

In LGFVs, RMs remained better buyers of quality papers. CDCOMM '27/HZCONI '26/HZFYCT '26 were 0.1-0.2pt higher. QDJZWD/HKIQL 25-26s were up 0.1-0.3pt. In SOE perps, SPICPD (keep-well provided by State Power Investment) priced a USD1bn NC3 Perp at par to yield 4.95%. SPICPF 3.38/SPICPT 3.45 Perps were unchanged. HUADIA 3.375/CHPWCN 3.45 Perps were 0.1pt higher..

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 4 1/2 05/02/26	80.3	1.3	HILOHO 9 3/4 11/18/24	51.0	-4.8
LNGFOR 4 1/2 01/16/28	84.4	1.0	EHICAR 12 09/26/27	68.4	-2.9
LNGFOR 3.95 09/16/29	77.3	0.8	NWDEVL 8 5/8 02/08/28	94.0	-0.8
MUFG 4.153 03/07/39	91.5	0.8	ROADKG 6 03/04/29	50.1	-0.4
VNKRLE 3.975 11/09/27	66.4	0.7	DALWAN 11 01/20/25	93.8	-0.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.16%), Dow (-0.36 %) and Nasdaq (+0.78%) were mixed on Tuesday. The US Oct'24 Conference Board consumer index increased to 108.7 from 99.2 in Sep'24 and was higher than the expectation of 99.5. UST yield edged lower yesterday, 2/5/10/30 yield reached 4.11%/4.11%/4.28%/4.52%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ FAEACO: Plans to issue 2-year bonds of RMB200mn to refinance

Far East Consortium (FAEACO) is looking to place 2-year RMB200mn (cUSD28mn) private placement bonds at 7.7% under the USD2bn MTN program. We understand the size of the privately placed CNH bond is only RMB37.5mn and the company is looking to upsize the privately placed bond. The UOPs will be for partially redemption of FAEACO 12.764 Perp, of which coupon was stepped up from 7.375% from 18 Oct'24. The minimum redemption at each of the monthly call date is USD20mn and integral multiples of USD1mn in excess. FAEACO would need to issue irrevocable notices not less than 15 nor more than 30 days prior to the monthly optional call date, and the upcoming optional call date will be 18 Nov'24.

FAEACO 12.764 Perp offers good cash yield after coupon step-up. At 100.2, FAEACO 12.764 Perp was traded at YTC of 11.2% (callable in Dec'24) and YTC of 12.6% (callable in Dec'25). Nonetheless, we are neutral on FAEACO 12.764 Perp pending on more information of progresses and details of non-core asset disposals, as well as updates on its access to funding channels such as the ability to considerably upsize its privately placed CNH bond. Within the HK corp space, we prefer the perps of NWDEVL with high coupon step-up. These offer high visibility of full redemption, in our view. NWDEVL 5.25 Perp (YTC: 16.6%, callable in Jun'26) is our top pick within the NWDEVL complex for its better risk-return profile.

Bond	O/s amt (USD mn)	Px	YTC (callable in Dec'24)	YTC (callable in Dec'25)
FAEACO 12.764 Perp	360	100.2	11.18%	12.60%

Source: Bloomberg.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hyundai Capital America	850	3yr	4.875%	T+80	A3/A-/A-
State Power Investment Corp	1000	PNC3	4.95%	4.95%	-/A-
Export-Import Bank of China	1000	3yr	5.229%	SOFR+38	-/A+/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Jinan Urban Construction Grop	USD	-	3yr	5.4%	-/BBB+
Wuhan Financial Holdings	USD	-	3yr	5.8%	-/BBB-

➤ **News and market color**

- Regarding onshore primary issuances, there were 113 credit bonds issued yesterday with an amount of RMB72bn. As for month-to-date, 1,457 credit bonds were issued with a total amount of RMB1,330bn raised, representing a 4.1% yoy decrease
- Media reported that China plans to approve over RMB10tn additional debt issuance to stimulate economy
- **[ADSEZ]** Adani Ports 1H25 revenue rose 8.8% yoy to USD1.67bn and EBITDA rose 21% yoy to USD1.1bn
- **[CHJMAO]** China Jinmao announced to redeem USD400m CHJMAO 7.125 PERP on 6 Dec'24
- **[CHNAAR]** Fitch to withdraw China Aircraft Leasing Group's BB+ ratings for commercial reasons
- **[COGARD]** Country Garden Services to sell remaining 0.31% of Zhuhai Wanda Commercial Management Group for RMB649mn
- **[SINOCE]** Sino-Ocean Group completed full redemption of USD200mn 3.80% credit enhanced green notes due 2025
- **[VNKRL]** China Vanke got RMB1bn three-year loan from Bank of Communications

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