

CMBI Credit Commentary

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

- *Compared to previous days, markets were relatively quiet this morning. Flows were overall two-way balanced. Financial sector was also stabilized after Fed, SNB and other banks showed supports to the banks in trouble.*
- **AGILE:** *Media reported that Agile's unit aims to issue up to RMB1bn 2NP1 bonds with full CDS protection on 23-24 Mar. AGILEs were unchanged to -0.5pt this morning.*
- **DALWAN:** *Dalian Wanda Commercial Management proposes up to RMB1.5bn 3yr MTN to repay debts. DALWANs were unchanged to +0.25pt by mid-day.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia IG space opened 5-10bps wider but stabilized after CS announcement to borrow from SNB up to CHF50bn (USD54bn) under a covered loan facility. We saw 90% of the flows were bid for 2023s-2030s papers. China SOEs were a touch softer amid two-way flows. HAOHUA 30s widened 12bps to T+225. TMTs started heavily but recovered to close only 5-10bps wider after the short covering emerged post the headlines of CS's SNB loan. TENCNT 30s/31s were heavily hit to widen 10-15bps to T+175 but tightened back 5-8bps to T+170 from wide. In financials, China leasing also widened 5-15bps. Asia Bank T2 space was still soft. T2s broadly marched 5-20bps wider across spaces. Korea/SG/TH banks were under better selling. Beta names such as WOORIB/OCBCSP/UOBSP/KEBHNB/BBLTB. BNKEA 27s were very volatile, traded at T+295/+285, widening ~50bps from T+245/+235 at Wed close. Overall, China IG spreads closed 3-10bps wider. Elsewhere, Korea Corp names like POHANG widened 5-10bps. In IG properties, VNKRLs/CHJMAOs widened 20-50bps (0.25pt lower in cash prices). China HY property space was lackluster with CENCHI being the biggest underperformer due to uncertainty on curing missed coupon. CENCHI 7.25 04/24/23 plunged 15pts into lunch, while other CENCHIs fell 3-8pts. SINOCEs/FUTLANs/FTLNHDs drifted 1-2pts lower. GRNLGRs were down 1.5-2.5pts. AGILEs were flat. Elsewhere, EHOUSE due-Jun 2023 was bid up 1.5pts at low-10s. Industrials FOSUNs were traded down 1-1.5pts while HONGQIs moved 0.25-0.5pt lower. Macau gaming names MPELs/SANLTDs/STCITYs were indicated 0.75-1.5pts lower. In Indian space, VEDLNs retreated 0.5-2pts after gaining 0.5-1.5pts on Wed. Renewables were marked 0.5-1pt lower as well. Indonesian names MEDCIJs notably dropped 1.5-3.5pts across the curve, though semi-sovereign names PERTIJs performed strongly on the back of RM support.

In the Asia AT1/Perp/LGFV spaces, sentiment turned better but generally remained cautious after the SNB-CS news. New HSBC 8 Perp gained 1pt

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amid one way bidding up again in the AM session by regional PB. Activities on this paper was nonetheless slower as more buyers stayed put to wait for potential better offers post-London entry, which turned out to much quieter than yesterday as the spotlight seemingly shifted to CS papers directly after more positive headlines/ equity price actions. This HSBC AT1 eventually closed the Asia session only at around low-98 (0.5pt higher than last close) from intra-day mid-99 high print. Chinese AT1s were mixed. Benchmark papers ICBCAS 3.2 perp edged a touch higher. NANYAN pair were better-sold whilst CINDBK was better-bid after by Chinese RM. Away from China, SHINFN/CITNAT/KEBHNB/BNKEA perps leaked 1-2pts. Elsewhere, SOE Perps were better-bid amid lower rates, although c23 papers remained under pressure due to rich yield levels relative to funding costs. HK FFL Perps were better offered by AM but remained largely stable. New CTIH perp was marked 0.5pt higher at 101.3. LGFVs continued to be better selling ahead of quarter end, led by tight front-end papers and Shandong names. That said, names without material concerns on credit quality remained well supported by Chinese accounts once reaching 7%.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
EHOUSE 7.6 06/10/23	13.5	1.7	CENCHI 7 1/4 04/24/23	53.1	-13.4
PERTIJ 5 5/8 05/20/43	95.5	0.9	CENCHI 7.65 08/27/23	32.9	-8.6
CSCHCN 9 10/09/24	84.1	0.8	CENCHI 7.9 11/07/23	31.8	-5.8
PERTIJ 4.175 01/21/50	78.3	0.7	CENCHI 7 3/4 05/24/24	29.7	-3.3
PERTIJ 6 05/03/42	99.0	0.7	MEDCIJ 6 3/8 01/30/27	88.5	-3.2

❖ Marco News Recap 宏观新闻回顾

Macro – U.S. sstock markets rebounded yesterday, S&P (+1.75%), Dow (+1.17%) and Nasdaq (+2.48%) were boosted by the news that U.S. banks showed support to First Republic Bank by contributing USD30bn deposit. U.S. latest initial jobless claim is +192k, lower than expectation of +205k. ECB raised interest rate by 50bps to 3.50% basis. The U.S. treasury yields overall rallied yesterday, the 2/5/10/30 yields reached 4.14%/3.72%/3.56%/3.71%, respectively.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
Shengzhou Investment	250	3yr	6.5%	6.5%	-/-/-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Zhangzhou Transportation Development Group Co Ltd	USD	-	364d	6.7%	-/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 148 credit bonds issued yesterday with an amount of RMB125bn. As for Month-to-date, 1,336 credit bonds were issued with a total amount of RMB1,129bn raised, representing a 14.4% yoy increase
- **[AGILE]** Media reported that Agile's Guangzhou Panyu aims to issue up to RMB1bn 2NP1 bonds with full CDS protection on 23-24 Mar
- **[AZUPOE]** Media reported that Azure Power aims to release FY22 results by the end of March
- **[COGARD]** Country Garden unit plans to issue 10yr RMB18.6bn (cUSD2.7bn) onshore bonds to repay debts
- **[DALWAN]** Dalian Wanda Commercial Management proposes up to RMB1.5bn 3yr MTN to repay debts
- **[FOSUNI]** Fosun International's shareholders approved re-election of non-executive directors, 2023 share option, share award scheme in EGM
- **[HRLEAS]** Moody's has withdrawn Huarong Financial Leasing's Baa3 ratings for business reasons
- **[JINMAO]** China Jinmao unit to buy 37.7% stake in Nanjing developer for USD299mn
- **[PWRLNG]** Powerlong unit to redeem RMB1.5bn 20Baolong02 bonds on 20 Mar
- **[RISSUN]** RiseSun Real Estate to suspend principal, interest payments fall due in March in relation to 9.5% due-2023, due-2024 notes due to restructuring
- **[SMCPM]** San Miguel FY22 net sales up 60% to USD27.46bn and EBITDA rose 2.5% to USD3bn

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