

CMBI Credit Commentary

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

- *BNKEA/NANYAN/DAHSIN T2s widened another 5-10bps this morning. CCAMCLs tightened 1-2bps. NWDEVLs were unchanged to 1.0pt lower. VNKRLs up 0.3-0.6pt.*
- *BTSDf: USD24.7mn of BTSDf 13.5 06/26/2026 remains outstanding after tender offer. Initiate buy on the new BTSDf 9.125 07/24/28. BTSDf 26s/28s were largely unchanged this morning. See below.*
- *China will guide big state-owned insurance companies to raise both the size and proportion of their investments in Chinese stocks listed on the mainland and equity funds. Chinese lifers CTIHs/PINGINs/PINGRPs/SUNSHGs moved -0.1 to +0.1pt this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, market spotlight remained on properties. Media reported Shenzhen government has recently brought in CICC to conduct due-diligence on Vanke's financial position. Vanke was also reported to be in final stages of negotiations of stakes sales in VX logistics and GLP and the developer expects RMB20bn (USD2.73bn) from both sales to help debt repayments. VNKRL 25-29s fell another 4.1-5.9pts, closed 2.9-8.2pts lower YTD. On the other hand, LNGFOR 27-32s/SHUION 25-26s were up 0.3-0.5pt. In HK, NWDEVL Perps/27-31s declined another 2.4-5.2pts, closed 13.0-27.3pts lower YTD. NANFUN/HYSAN Perps were unchanged to 0.4pt lower on some PB selling. In financials, the new BZLNZ 10NC5 bond tightened 7bps from RO (CT5+130) despite some profit taking. The recent new RCBPM 30s widened 2bps from RO (CT5+115). In T2s, BNKEAs T2s widened 5bps. BBLTB/OCBCSP/ANZ/CBAAU/WSTP T2s widened 1-2bps. In EU AT1s, INTNED 7.25/UBS 9.25 Perps were unchanged to 0.3pt higher. Chinese AMCs were firm on onshore buying. CCAMCLs/ORIEASs tightened 5-7bps. CFAMCLs were 0.1-0.4pt higher (3-10bps tighter). In insurance hybrids, DAIL Perp was up 0.1pt, while NIPLIF 54s/MYLIFE 54s/SUMILF Perp were 0.1-0.3pt lower. ALVGR/ZURNVX 53-54s were down 0.1-0.2pt. Chinese IGs were mixed. LENOVOs widened 2bps, while MEITUAs tightened 1-2bps. In India, UPLLIN Perp was up 0.4pt, closed 0.9pt higher WTD. In the Philippines, VLLPM 27s/29s rebounded 0.6-1.1pts.

In LGFVs, the flows gradually slowed down as onshore clients prepared for CNY long holiday, while the space remained skewed to better buying. SHGUOH/QDJZWD 25s were up 0.2pt. There were two-way interest on CNH names such as QZCCGC/ZOUCAO 27s. In SOE perps, CHPWCN Perps were unchanged to 0.1pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 9 3/8 07/29/29	95.2	1.1	VNKRLE 3 1/2 11/12/29	44.7	-5.9
VLLPM 7 1/4 07/20/27	94.3	0.6	NWDEVL 4 1/2 05/19/30	40.2	-5.2
LNGFOR 3.95 09/16/29	69.9	0.5	NWDEVL 3 3/4 01/14/31	40.3	-5.2
UPLLIN 5 1/4 Perp	95.2	0.4	NWDEVL 5 7/8 06/16/27	45.9	-5.0
CFAMCI 5 1/2 04/27/47	93.5	0.4	VNKRLE 3.975 11/09/27	46.0	-4.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.61%), Dow (+0.30%) and Nasdaq (+1.28%) were strong on Wednesday. Tech stocks up after USD500bn AI infrastructure investment plan from a venture involving Oracle, OpenAI and SoftBank, even though there was no clarity on funding. UST yield moved higher on Wednesday, 2/5/10/30 yield at 4.29%/4.43%/4.60%/4.82%.

❖ Desk Analyst Comments 分析员市场观点

➤ **BTSDf: USD24.7mn of BTSDf 13.5 06/26/2026 remains outstanding after tender offer. Initiate buy on the new BTSDf 9.125 07/24/28**

H&H International (H&H) accepted USD275.3mn in principal amount of BTSDf 13.5 06/26/2026 for purchase at USD109.8 in a tender offer. This is financed by the proceeds from the issuance of BTSDf 9.125 07/24/28 of USD300mn last week. After settlement of the tender offer, USD24.7mn of BTSDf 13.5 06/26/2026 will remain outstanding. The tender offer and concurrent issuance of new bonds effectively lengthen the maturity profile of H&H further while reducing the weighted average interest cost.

Besides, we expect H&H to early redeem the remaining outstanding amount of USD24.7mn of BTSDf 13.5 06/26/2026 with internal resources to reduce the interest cost. As per H&H, its funding cost (incl. hedging costs) was 7.07% in 1H24.

Meanwhile, we initiate buy on BTSDf 9.125 07/24/28 (Ba3/BB/-), in view of H&H's good access to various funding channels, lengthened maturity profile as well as better trading liquidity. Recalled that H&H prepaid USD term loans of USD581mn in Nov'24 which originally due in Jun'25. At 100.6, BTSDf 9.125 07/24/28 is trading at YTM of 8.9%, and offering yield pick-up of 72bps over FOSUNI 8.5 05/19/28 (-/BB/-, YTM of 8.2%), and 140bps over GWFOOD 3.258 10/29/30 (-/BB, YTM of 7.5%) with 2.2 years shorter in maturity.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Gaci First Investment Co/ Public Investment Fund	2,400/1,600	5yr/9.5yr	5.25%/5.625%	5.39%/5.713%	Aa3/-/A+

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Republic of the Philippines	USD	-	10yr/25yr	T+120/6.1%	Baa2/BBB+/BBB

The Korea Development Bank	USD	-	3yr/5yr	SOFR MS+58/ SOFR MS+77	Aa2/AA/AA-
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➤ News and market color

- Regarding onshore primary issuances, there were 103 credit bonds issued yesterday with an amount of RMB45bn. As for month-to-date, 1,759 credit bonds were issued with a total amount of RMB1,408bn raised, representing a 44.6% yoy increase
- Indonesia will raise requirement for natural resources export proceeds deposit to 100% from 30% for at least a year. Implementation timeline is not specified
- **[FOSUNI]** Fosuni International's plan to acquire the 40.4% stake in Shanghai Henlius to take it private was rejected by shareholders. Fosun Pharma will continue to be Henlius's controlling shareholder with a 59.6% interest, the planned privatization will not proceed and Henlius's shares will continue to be listed on the Stock Exchange of Hong Kong
- **[HYUELE]** SK Hynix 4Q24 EBITDA triples, revenue rises 75% yoy
- **[NWDEVL]** Media reported PJT Partners seeks to organize NWD bondholders to against loan refinancing
- **[PLNIJ]** Media reported PLN plans to raise offshore bonds up to USD1.5bn, first return to USD bond market after 4 years if realized
- **[SUNAC]** Sunac China said USD717.6mn of aggregate principal of its MCB remain unconverted

[VNKRL] Media reported Shenzhen government brought in CICC to assess Vanke's financial position

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