

## CMBI Credit Commentary

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

- *Markets focused on new issues this morning. POHANG'27, SKENER'27 tightened 3bps and SUMIFL'29 tightened 4bps while SATSSP'29 was 1bps tighter. Recent new issue SAMTOT'29 widened 3bps. Secondary side were mixed two way with buying flows on T2s while high-beta TMTs were weak.*
- **Chinese Properties:** *Contracted sales mom rebounded in Dec'23. See below.*
- **YLLGSP:** *S&P withdrew Yanlord Land Group's B+ ratings at company's request. YLLGSPs were unchanged to down 0.5pt this morning.*

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#### ❖ Trading desk comments 交易平台市场观点

Asia IG space was overall traded in a constructive tone yesterday, mainly focus on the new issues. On the new issues, SHFLIN priced USD750mn 3.25-yr social bond at 99.961 to yield 6.625%. POHANG priced a USD500mn 3-yr green bond at CT3+110/CT2+89. SKENER (Kookmin Bank guaranteed) priced a USD500mn 3-yr bond at CT3+100/CT2+79. In JP/SG names, SUMIFL and SATSSP both priced a USD500mn 5-yr bond at T+123 and T+93, respectively. On the secondary side, JP credit was mixed. SMBCAC curve was better bid on 28s vs better sold on 33s. In Chinese SOE/TMT benchmarks, HAOHUA/BABA/TENCNT 29-31s were largely unchanged to 2bps tighter. BIDU curve recovered the Monday widening and tightened 5bps. In the high beta TMTs, WB/XIAOMI 30s widened 4-5bps. In financials, BCHINA/ICBCAS 24-26s were unchanged to 2bps tighter. BOCAVI 27-33s were traded in active two-way flows and closed 1bp tighter. DAHSIN/SHCMBK 33s remained better bid and were 2-5bps tighter. In HK space, HKLSP/HKAA 33s tightened by 3bps. SHUION 25-26s were up 0.5-0.8pt. Chinese properties were firm. Media reported Ping A Bank named 41 developers in a funding support list, mostly covering SOEs and selected non-state-owned names such as LNGFOR/GEMDAL/VNKRLE. See below for comments. LNGFOR 27-32s were 0.4-1.2pts higher. GEMDAL '24 was up 0.8pt while VNKRLE 24/27/29 were up 0.5pt. GRNCH 24-26s and ROADKG 24-25s were 0.8-1.1pts higher. CSCHCN 24s were another 4.9-9.4pts higher to close 5-11pts higher WTD. In industrials, HILOHO '24/EHICAR '26 were up 1.9-3.3pts. Macau gaming names MPEL/WYNMAC 26-29s were 0.7-1.3pts lower. Indian VEDLNs were up 0.2-0.5pt. Indonesian LMRTSP 24/26 were up 3.2-3.9pts post another round of tender offer. LPKRIJ 25-26s were 1.3-1.9pts higher.

In the LGFV/Perp spaces, we saw the buying flows from cross border Chinese RMs slowed down from Monday. The global RMs were more quiet and focus on higher grade papers. The activities in the spaces were overall light and largely driven by the inquiries from offshore AMs/PBs, who were

generally better buyers of risk across the credit curve, with preference for high-beta papers as the theme of yield hunting continued. CPDEV 25/26/Perp were up around 0.2pt while ZHHFGR Perp was 0.4pt higher. Shandong names SHGUOH/QDJZWD 25-26s were up 0.1-0.3pt. KMRLGP '24 was down 1.6pts. In SOE perps, HUADIA 4 Perp/CHSCOI 4 Perp were up 0.1pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CSCHCN 9 12/11/24	45.6	9.4	JIAZHO 11 1/2 04/07/24	7.0	-4.1
CSCHCN 9 10/09/24	45.6	9.3	DAHSHIN 3 11/02/31	91.4	-1.9
CSCHCN 9 04/12/24	45.8	9.2	SINOPC 4 1/4 04/24/43	86.2	-1.7
CSCHCN 9 06/26/24	41.6	4.9	CATIC 3.3 09/23/30	81.3	-1.7
LMRTSP 7 1/4 06/19/24	95.2	3.9	KMRLGP 3.9 12/12/24	92.6	-1.6

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.37%), Dow (-0.62%) and Nasdaq (-0.19%) were weak on Tuesday. China 4Q23 GDP increased 5.2% yoy, lower than the expectation of +5.3% yoy. China Dec'23 unemployment rate was 5.1%, higher than the expectation of 5.0%. UST yields were unchanged on Friday, 2/5/10/30 yield stayed at 4.22%/3.95%/4.07%/4.30%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ Chinese Properties: Contracted sales mom rebounded in Dec'23

In Dec'23, the 34 Chinese developers under our radar reported contracted sales totaled RMB246.6bn, rebounded 5.5% mom from RMB233.8bn in Nov'23. The yoy decline of contracted sales in Dec'23 was 42.0%, further weakened from 26.5% in Nov'23. In 2023, the aggregate contracted sales of 34 developers were RMB3,296.6bn, down 22.8% yoy from RMB4,269.6bn in 2022, the decline widened from the 20.7% drop in 11M23.

There were 4 developers under our radar achieved yoy contracted sales growth in 2023. The outperformers in 2023 are YUEXIU (RMB142.0bn, +14% yoy), CHIOLI (RMB309.8bn, +5% yoy) and CRHZCH (RMB307.0bn, +2% yoy). The underperformers are distressed developers such as RONXIN (RMB16.4bn, -72% yoy), TPHL (RMB14.3bn, -64% yoy) and ZHPRHK (RMB15.4bn, -54% yoy).

The nationwide commercial housing sales declined 12.5% yoy in 2023 to RMB11,662.2bn, widened from -11.2% yoy in 11M23. The Dec'23 commercial housing sales was down 22.9% yoy, further contracted from -16.9% yoy in Nov'23. In Dec'23, a group of Chinese commercial banks including the big four banks held meetings with selected developers to discuss financing supports, in response to PBOC/NAFR/CRSC's proposal of fulfilling reasonable financing needs of developers with different types of ownership. On 16 Jan'24, media reported that Ping An bank listed 41 developers in a whitelist to provide financing supports. The majority of 41 developers are SOE such as CHJMAO, YUEXIU, POLYRE, and LGFV including CPDEV, ZHHFGR. LNGFOR, GEMDAL, MIDEAP and HZRECH are the only few non-state-owned developers in the list in addition to HK developers. We expect the pace of recovery of the property markets will be slow in the near-term. And following the regulators' proposal, there will be more banks to provide financing supports to property developers, particularly to those non-distressed, in our view. We have buy recommendations on **CPDEV**, **LNGFOR** and **ZHHFGR** in our [2024 Asia Credit Outlook](#).

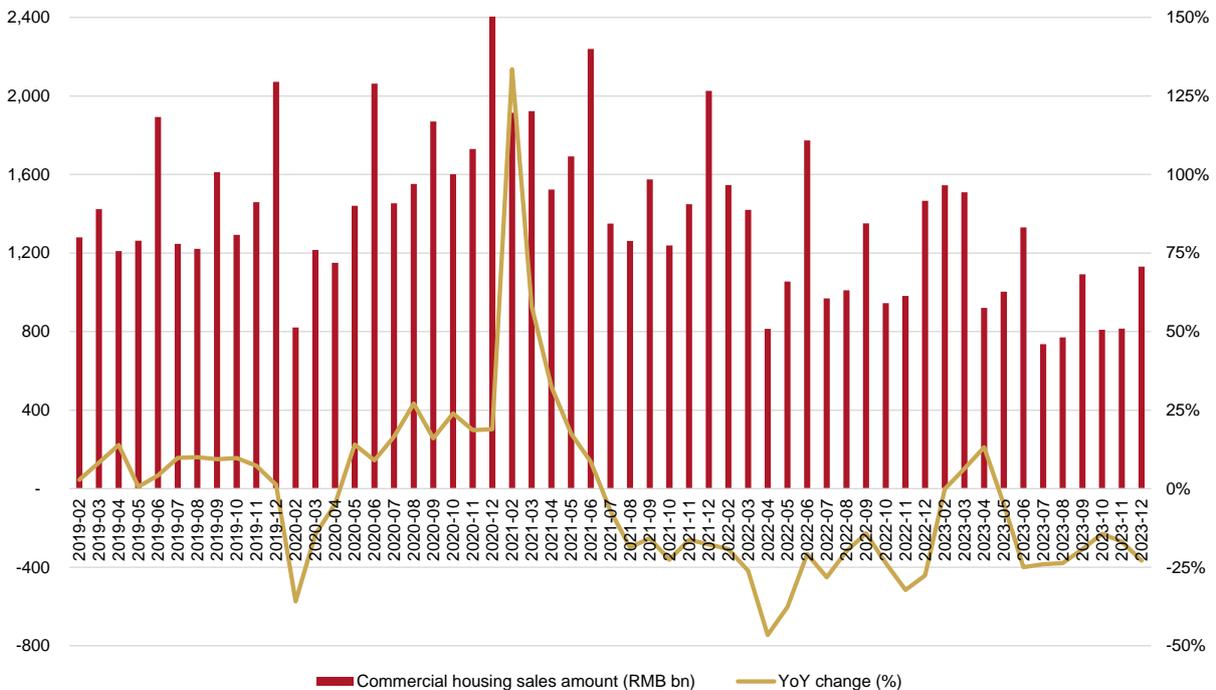
Chart 1: Contracted sales of developers under our radar

2023 YTD Sales (in RMB mn)																Dec'23 MoM Growth	Dec'23 YoY Growth	Dec'23 YTD Sales	Dec'23 YTD Sales Growth
Company	CN Name	BBG Tick	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Trend				
Yuexiu Property	越秀地产	YUEXIU	8,884	13,712	21,237	13,331	12,355	14,108	8,473	9,858	9,976	9,100	11,875	9,121		-23%	-59%	142,030	14%
China Overseas	中国海外发展	CHIOLI	13,188	27,424	42,987	34,033	29,345	33,199	11,947	18,833	28,071	25,056	22,945	22,781		-1%	-4%	309,809	5%
China Resources Land	华润置地	CRHZCH	16,020	24,200	38,800	33,010	31,300	26,900	17,190	20,290	26,610	27,580	24,120	21,000		-13%	-53%	307,020	2%
Greentown	绿城	GRNCH	13,500	17,900	29,900	27,100	20,200	25,600	18,200	18,100	21,800	30,400	33,700	44,700		33%	2%	301,100	0%
Hopson	合生创展	HPDLF	1,327	2,193	6,547	1,585	2,323	2,087	1,067	1,177	6,988	1,426	996	4,867		389%	9%	32,583	0%
Poly Real Estate	保利地产	POLYRE	29,545	34,284	50,301	41,695	40,838	40,157	31,002	31,308	36,022	33,113	31,237	22,733		-27%	-6%	422,235	3%
China Jinmao	中国金茂	CHJMAO	10,000	14,130	20,100	14,402	14,180	13,140	6,368	5,100	12,080	12,500	10,030	9,170		-9%	-43%	141,200	5%
China Vanke	万科企业	VNKRL	28,630	30,120	42,630	33,470	32,940	36,140	22,050	22,610	32,010	31,830	30,700	32,980		7%	-17%	376,110	-1%
Longfor (Attributable)	龙湖集团	LNGFOR	7,220	11,140	15,240	11,260	9,410	11,370	7,600	8,520	9,120	9,340	6,950	7,640		10%	-32%	114,810	-1%
Greenland Holding*	绿地控股集团*	GRNLGR	9,790	7,710	11,290	8,660	11,940	11,310	6,857	8,563	10,180	7,940	10,060	11,000		9%	-5%	113,500	-1%
Agile	雅居乐	AGILE	6,440	6,120	4,250	3,680	4,200	3,540	2,270	2,540	3,170	3,480	2,230	3,370		51%	-13%	45,290	-3%
Gemdale	金地集团	GEMDAL	9,210	14,790	20,110	15,000	13,230	13,470	10,510	12,510	13,100	11,000	10,200	10,420		2%	-4%	153,550	-3%
Powerlong	宝龙地产	PWRLNG	2,040	3,319	3,478	3,123	3,054	2,596	2,031	2,067	1,945	1,629	1,132	1,108		-2%	-6%	27,522	-3%
Future Land	新城控股	FUTLAN	5,776	7,809	7,920	7,162	7,033	6,700	6,006	6,047	5,740	6,032	5,003	4,756		-5%	-2%	75,984	-3%
Redsun	弘阳地产	REDSUN	1,109	2,770	3,434	2,189	2,019	1,504	2,011	1,877	1,990	1,202	929	795		-14%	-32%	21,829	-3%
Central China Real Estate	建业地产	CENCHI	2,871	2,120	1,237	1,013	1,523	1,260	402	650	720	910	890	1,090		22%	-5%	14,686	-3%
Radianc*	金辉控股*	JNHUIG	1,920	1,750	1,530	3,050	3,230	1,370	1,640	1,800	1,980	2,070	2,410	1,580		-35%	3%	24,310	-4%
Dexin China*	德信中国*	DEXICN	2,340	3,200	2,630	1,390	2,150	1,810	1,030	3,150	1,150	490	750	910		21%	-6%	21,000	-4%
CIFI Holdings	旭辉集团	CIFIHG	5,020	7,810	8,300	8,300	7,000	5,510	4,700	4,460	5,350	4,370	3,830	5,340		39%	-17%	69,990	-4%
Jingrui Holdings	景瑞控股	JINGRU	342	454	442	370	449	405	265	218	207	203	209	223		7%	5%	3,787	-4%
Guangzhou R&F	富力地产	GZRFPR	1,350	2,110	3,910	1,680	1,540	2,970	1,000	980	1,470	1,120	610	1,176		93%	-4%	19,896	-4%
Zhongliang	中梁控股	ZHLGHD	3,660	4,020	3,750	3,300	3,190	3,110	2,200	2,040	2,380	2,400	1,900	2,180		15%	-4%	34,130	-4%
Logan Property*	龙光地产*	LOGPH	1,070	2,190	3,110	3,200	2,490	1,270	1,960	3,490	1,390	1,000	700	500		-29%	-7%	22,370	-4%
Sino-Ocean	远洋集团	SINOCE	3,290	5,070	8,190	7,030	5,040	7,040	2,490	1,970	2,570	2,740	2,120	2,980		41%	-7%	50,530	-5%
Yuzhou Properties	禹洲地产	YUZHOU	1,505	1,750	2,150	2,063	2,253	1,952	1,302	1,252	1,202	1,101	703	603		-14%	-6%	17,836	-5%
Sunac China	融创中国	SUNAC	7,230	10,860	11,180	8,060	7,790	7,020	5,120	4,190	9,570	4,760	3,500	5,490		57%	-3%	84,770	-5%
KWG Property	合泉泰富集团	KWGPRO	3,561	4,320	3,850	3,231	2,380	1,730	1,130	880	830	760	1,251	1,320		6%	-6%	25,243	-5%
Shimao	世茂房地产	SHIMAO	4,510	4,110	6,220	5,010	4,010	4,210	3,050	2,200	2,020	2,240	2,430	2,810		16%	-8%	42,820	-5%
Country Garden (Attributable)	碧桂园	COGARD	22,010	24,850	25,010	22,690	18,200	16,000	12,070	7,980	6,170	6,310	6,110	6,910		13%	-6%	174,310	-5%
Yanlord	仁恒置地	YLLGSP	905	3,667	3,557	4,220	6,101	2,876	1,634	1,564	1,568	2,054	1,088	3,118		187%	-4%	32,352	-5%
China SCE	中骏集团控股	CHJNSK	3,051	3,809	4,608	2,505	3,102	3,090	2,304	1,199	1,105	1,014	1,022	1,047		2%	-7%	27,856	-5%
Zhenro Properties	正荣地产	ZHRPHK	1,356	1,620	1,811	1,654	1,566	1,674	1,024	1,010	1,090	975	705	899		28%	-6%	15,384	-5%
Times Property	时代中国控股	TPHL	852	1,961	2,638	1,484	1,418	1,080	818	908	850	750	654	923		41%	-4%	14,346	-6%
Ronshine China	融信中国	RONXIN	995	1,334	1,537	2,086	2,029	1,809	947	872	1,171	1,695	797	1,114		40%	4%	16,385	-7%

Note: \* means the data was collected from CRIC

Source: Company filings, CRIC.

Chart 2: China monthly commercial housing sales amount and YoY change



Source: NBS, Wind.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
POSCO	500	3yr	4.875%	T+110	Baa1/A/-
Sats Treasury Pte Ltd	500	5yr	4.828%	T+93	A3/-/-
SK Battery America	500	3yr	4.875%	T+100	Aa3/-/-
Shriram Finance Ltd	750	3.25yr	6.625%	6.625%	-/BB/BB

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
ABC New York Branch	USD	-	3yr	SOFR+110	A1/A/A
Korea Electric Power Corporation	USD	-	3/5yr	-	Aa2/AA/-
Mirae Asset Securities Co.	USD	-	3/5yr	-	Baa2/BBB/-
Woori Bank	USD	-	3/5yr	T+110/120	A1/A+/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 97 credit bonds issued yesterday with an amount of RMB95bn. As for Month-to-date, 830 credit bonds were issued with a total amount of RMB702bn raised, representing a 8.7% yoy decrease
- **[COGARD]** Country Garden engages KPMG Advisory (China) as principal financial advisor in respect of offshore liability restructuring; the company defaulted on interest payment of USD350mn COGARD 5.625'26
- **[GRNCH]** Greentown repurchased and canceled RMB2.5bn put 21Lvcheng01 onshore bonds
- **[YLLGSP]** S&P withdrew Yanlord Land Group's B+ ratings at company's request

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