

CMBI Credit Commentary

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

- *Markets were stable with light flows this morning. Asian IG space moved +/- 2bps and KR names were more active. AT1/SOE Perp were unchanged. YUEXIU/CHIOLI were unchanged to 0.2pt lower. LNGFOR/VNKRLE moved -0.9 to +0.4pt.*
- **DALWAN:** *Another Wanda Plaza disposal post PAG-led investment. See below.*
- **LMRTSP:** *Lippo Malls Indonesia Retail Trust announced it is in discussions with lenders to explore liability management alternatives for USD138mn LMRTSP 7.25 06/19/24. LMRTSPs were unchanged to 0.4pt higher this morning.*

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❖ Trading desk comments 交易平台市场观点

Last Friday, UST yield tightened 10-15bps post the concerns on further escalation of Israel-Iran geopolitical conflicts. Asia IG spreads widened 5-15bps in the AM session amid the headlines, but closed only unchanged to 5bps wider. The new LGELEC 27s and 29s closed 8bps wider and unchanged from the RO levels, respectively. DAESEC/HYNCRD 29s were 2-3bps wider. In Chinese IGs, HAOHUA 29-30s widened 2-4bps. BIDU/TENCNT 30s were 1-3bps wider. The high beta TMTs such as LENOVO/MEITUA 30-32s edged 2-3bps wider. In Chinese AMCs/leasing, CCAMCL/BOCAVI 28s were 2-4bps wider. In EU AT1s, HSBC 8 Perp/BACR 9.625 Perp/BNP 8 Perp lowered 0.1pt. In JP, SUMILF Perp/FUKOKU Perp/NIPLIF '54 were around 0.3-0.4pt lower. In HK, PCPDC '26 was up 1.0pt. NWDEVL Perps were down 0.7-1.0pt and closed 3-5pts lower WoW. Chinese properties performed mixed. VNKRLE '25 was up 1.5pts. LNGFOR 28-29s were 0.4-0.6pt higher. COGO/YXREIT 26s were up 0.3pt amid two-way mixed flows among RMs/PBs. The loose bonds were well-digested. On the other hand, ROADKG 24-26s/Perps were down 0.4-1.2pts and closed 5-15pts lower WoW. In Macau gaming, MPEL/SANLTD 28-31s were 0.3-0.6pt lower. In Indian space, VEDLN 27-28s were up 0.3-0.4pt post media report on IHC Unit's offer of USD1bn-plus for Vedanta Resources' 51% stakes in Konkola Copper Mines. GRNKENS/RPVINS declined 0.3-0.8pt. Indonesian name MDLNIJ '27 dropped another 1.5pts and closed 3pts lower WoW. After Fri close, Lippo Mall announced its discussions with lenders to explore liability management alternatives for its USD138.4mn LMRTSP 7.25 06/19/24.

In LGFVs/SOE perps/high-beta spaces, the flows were better selling from Asia AMs amid some risk off reaction on the back of macro volatility, while the loose bonds were absorbed by mainly PB clients. There were decent two-

way flows across the quality LGFVs on their USD and CNH issues. GZGETH/CDCOMM/SYSTIO 27s were up 0.1pt, whilst BJSTAT '25 was 0.1pt lower. Shandong names JMUDIV/QDJZWD 25s were down 0.1pt. There were also some active flows on the higher-yielding LGFVs among structured desks and PBs. CPDEV 26/Perp and BCDHGR '26 were up 0.3-0.4pt. In SOE perps, HUADIA 3.375 Perp/CHPWCN 3.08 Perp were up 0.1pt, whereas COFCHK 3.1 Perp/CHPWCN 3.45 Perp were down 0.1-0.2pt. In the high beta names, CWAHK '26/HUANEN '31 was 0.2-0.5pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.15 05/12/25	64.6	1.5	MDLNIJ 5 04/30/27	30.7	-1.5
PCPDC 5 1/8 06/18/26	84.9	1.0	ROADKG 7.95 PERP	9.2	-1.2
TAISEM 1 3/4 04/23/28	88.5	0.9	ROADKG 5.9 03/05/25	33.0	-1.2
TAISEM 2 1/4 04/23/31	83.8	0.8	ROADKG 6 09/04/25	26.8	-1.0
YANTZE 3.2 10/16/49	70.1	0.8	NWDEVL 4 1/8 PERP	48.6	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.88%), Dow (+0.56%) and Nasdaq (-2.05%) remained weak on last Friday and the tech sector was underperformed. PBOC maintained 1/5yr LPR unchanged at 3.45%/3.95% as expected. UST yield down c2bps on last Friday, 2/5/10/30 yield reached 4.97%/4.66%/4.62%/4.72%.

❖ Desk analyst comments 分析员市场观点

➤ DALWAN: Another Wanda Plaza disposal post PAG-led investment

On 9 Apr'24, Dalian Wanda Commercial Management (DWCM) sold Beijing Wanda Plaza to New China Life Insurance for an undisclosed amount. It was the 14th Wanda Plaza sold by Wanda since it started to dispose assets in May'23. Previously, DWCM had sold thirteen Wanda Plazas located in high-tier cities including Shanghai, Guangzhou and Xiamen, etc. We estimate DWCM received cUSD1.9bn in total from the disposals of fourteen Wanda Plazas. We understand that the proceeds from Beijing Wanda Plaza sold would be used for debt reduction including scheduled 20% redemption (USD120mn) of DALWAN 7.25'24 on 29 May'24. We expect DWCM to conduct further asset disposals in 2024 for its debt maturities.

As of end-Mar'24, there were 496 Wanda Plazas operated by Zhuhai Wanda Commercial Management (ZWCM) nationwide and DWCM currently owns 40% stakes in ZWCM through Newland Commercial Management post the PAG-led investment. On 30 Mar'24, PAG announced that PAG-led consortium invested USD8.3bn (cRMB60bn) for 60% stakes in Newland Commercial Management which is the holding company of ZWCM. We understand that the incremental investments is cUSD3.9n. DWCM owns the remaining 40% stakes of Newland Commercial Management. Compared with ZWCM's pre-IPO investment in 2021, the valuation of ZWCM decreased from RMB180bn to RMB100bn and DWCM's shareholding diluted from 78.8% to 40%. That said, the incremental investments, proceeds from asset disposals and waiver of the pre-IPO put have considerably relieved DWCM's liquidity pressure. We maintain buy recommendation on DALWANs. DALWANs rose 1-3pts post the PAG-led investment.

Security Name	ISIN	o/s amount (USD mn)	Ask Price	YTM (Ask)	Rating (M/S/F)
DALWAN 7 ¼ 12/29/24	XS1023280271	540	88.4	26.9	Ca-/CC
DALWAN 11 01/20/25	XS2577258713	400	84.2	37.2	Ca-/CC
DALWAN 11 02/13/26	XS2586129574	400	74.8	30.1	Ca-/CC

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Nanning Communications Investment Group Co., Ltd	USD	-	-	-	-/-/BBB-

➤ News and market color

- Regarding onshore primary issuances, there were 117 credit bonds issued yesterday with an amount of RMB94bn. As for month-to-date, 1,194 credit bonds were issued with a total amount of RMB1,117bn raised, representing a 13.1% yoy decrease
- **[DALWAN]** Fitch affirmed Dalian Wanda Commercial Management at CC with a recovery rating of RR4
- **[EVERRE]** Accounting and Financial Reporting Council of Hong Kong will initiate investigation into alleged deficiencies in PwC's quality of audits of China Evergrande Group
- **[FTHDGR]** Fantasia further extended long stop date of RSA to 24 April
- **[GLPSP]** Media reported that GLP is in advanced talks to sell four logistics warehouses in Spain to EQT Exeter for cEUR100mn
- **[LIFUNG]** S&P downgraded Li & Fung to BB from BB+ and placed stable outlook
- **[LMRTSP]** Lippo Malls Indonesia Retail Trust announced it is in discussions with lenders to explore liability management alternatives for USD138mn LMRTSP 7.25 06/19/24
- **[LSEAGN]** Landsea Green Management missed payment on LSEAGN 10.75 10/20/24; The company is considering holistic liability management solutions

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