

CMBI Credit Commentary

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

- *Asian IG space was weak and overall widened 2-5bps. HRINTHs were one-way selling and down 0.5-1pt. Despite the weak property sector, LGFVs were active and short-term bonds with HYs were better buying.*
- *Yanlord: Continue to navigating through the storm well. Maintain buy on YLLGSP'24 and '24. YLLGSP'24 up 0.15pt and YLLGSP'26 rose 1.5pts post the results. See below.*
- *DALWAN: Paid coupon on DALWAN 11 02/13/26 on time. DALWANs rose 0.25 to 0.75pt this morning. See below.*

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Trading desk comments 交易台市场观点

Asia ex-JP IG space had another risk-off session yesterday, despite PBOC's surprising cut of 1yr MLF rate to 2.5% from 2.65%. The recent new issues such as HKLSP/CICCHK papers edged 2-5bps wider. Chinese SOEs such as CHGRID/SINOCH papers were unchanged to 1bp wider. Benchmark TMTs such as BABA/BIDU 31s widened 2-3bps. The high beta TMTs such as MEITUA/WB 30s were traded 10-15bps wider. XIAOMI 30s widened 5bps. In financials, Chinese bank T2s were subdued. Chinese bank AT1s such as ICBCAS/BOCOM AT1s were marked down 0.25-0.5pt. In AMC space, HRINTH curve was under one way selling to close 1-2.5pts lower. CCAMCL 27s-31s were also traded heavily and CCAMCL 27s widened 7bps to T+168. Elsewhere in Korea space, KOEWPW/KOHNPW 28s and KORELE 26s were under better buying. Chinese properties performed mixed. FTLNHD 24s/25s were bid up 0.5-2.25pts. DALWANs were indicated 1.5-2pts higher across the curve. SHUION '24/YLLGSP '26 gained 1-1.5pts. On the other hand, AGILE 25s fell 5.25pts. LNGFORs dropped 4-4.5pts to close between high-40s to mid-50s. CHJMAOs/ VNKRLs edged 2.5pts lower. In industrials, FOSUNI 25-27s were marked down another 1-1.5pts. EHICAR 24s/26s declined 1pt. Macau gaming paper such as MPEL/WYNMAC 26-28s moved 1-2pts lower. STCITY 28-29s were down 2-2.5pts. In Indian space, ADSEZs/ADANEMs lowered another 0.5-1pt. GRNKEN/RPVIN 26-28s were down 1pt. Indonesian SOEs PLNIs/PERTIs were indicated 0.75-1.25pts lower.

The LGFV/Perp spaces were relatively stable. There were active two-way flows in the 23s/24s LGFVs and c23s/24s SOE perps. In LGFVs, Shandong/Chongqing names remained active. QDHTCO/QDJZWD/CQNANA 24-26s were marked 0.1-0.15pt higher. JNHTE 23s/24s were better bid with active two-way flows. However, property related LGFVs such as CPDEV 25-26s were traded 1-2pts lower. In SOE perps, CHSCOI 4 Perp/CHPWCN 309 Perp were marked 0.125pt lower. HK Corp perps performed mixed. CKPH 3.5 Perp/CKPH 3.8 Perp were bid

PLEASE READ THE AUTHOR CERTIFICATION AND IMPORTANT DISCLOSURES ON LAST PAGE

up 0.5pt. Whilst NWDEVL 4.8 Perp/NWDEVL 6.25 Perp were traded another 2.75-3.25pts lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 4.8 12/15/24	27.8	2.3	AGILE 6.05 10/13/25	12.5	-5.3
DALWAN 7 1/4 01/29/24	41.3	1.9	AGILE 5 1/2 04/21/25	21.2	-5.3
YLLGSP 5 1/8 05/20/26	56.2	1.6	LNGFOR 3.85 01/13/32	45.8	-4.5
DALWAN 11 02/13/26	28.4	1.5	LNGFOR 4 1/2 01/16/28	55.5	-4.3
SHUIION 6.15 08/24/24	63.7	1.0	LNGFOR 3 3/8 04/13/27	56.2	-4.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.16%), Dow (-1.02%) and Nasdaq (-1.14%) were dragged by Energy and Financial sector on Tuesday. US Jul retail sale rose 0.7% mom, increased from +0.3% mom in Jul'23 and higher than expectation of -0.4% mom. China Jul price index of 70 major cities down 0.1% yoy. US treasury yields were mixed yesterday that long-term yields rallied higher, 2/5/10/30 yield reached at 4.92%/4.36%/4.21%/4.32%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ Yanlord: Continue to navigating through the storm well

YLLGSPs offer good risk and return profile

YLLGSPs were 3-15pts lower over the past 2 weeks, due mainly to the collateral damage of sharp price movements of COGARDs. We continue to view Yanlord as a “survivor” in view of its resilient operating performance and manageable debt maturities. We believe that YLLGSPs offer good risk and return profile and maintain Buy on YLLGSP'24 and '26.

	O/S (USD mn)	Maturity	Coupon	Offer price	YTM (%)
YLLGSP 6.8 02/27/24	376	2/27/2024	6.8%	92.478	22.7%
YLLGSP 5 1/8 05/20/26	500	5/20/2026	5.125%	56.988	28.7%

Source: Bloomberg.

Click [here](#) for full report.

➤ DALWAN: Paid coupon on DALWAN 11 02/13/26 on time

Dalian Wanda has paid the coupon on DALWAN 11 02/13/26 on time on 14 Aug. In Jul, it has redeemed USD400mn DALWAN 6.875 07/23/23 and paid the coupon on DALWAN 7.25 01/29/24. It does not have offshore

maturity or coupon due in the remaining of 2023. The next offshore maturity will be DALWAN 7.25 01/29/24 of USD600mn in Jan'24.

On the other hand, apart from the RMB3.8bn onshore bond puttable in Sep'23, there is no other onshore bond due this year. And onshore coupons totaled cRMB411mn will be payable before the end of 2023. Zhuhai Wanda's IPO is now the key to watch for Wanda's upcoming liquidity. DALWANs rose 0.25 to 0.75pt this morning.

Table 1: Dalian Wanda's offshore outstanding bonds

	Amt o/s (USDmn)	Price (ask)	YTM (ask, %)
DALWAN 7.25 01/29/24	600	39.96	348.83
DALWAN 11 01/20/25	400	30.52	128.94
DALWAN 11 02/13/26	300	27.14	86.88
Total	1,300		

Source: Bloomberg.

Table 2: Dalian Wanda's bond maturities

	Onshore (RMBmn)	Offshore (USDmn)
1H24	760	600
2H24	1,118	-
1H25	-	400
2H25	6,800	-
After 2025	1,500	300
Total	10,178	1,300

Source: Wind.

➤ **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)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 100 credit bonds issued yesterday with an amount of RMB94bn. As for Month-to-date, 888 credit bonds were issued with a total amount of RMB706bn raised, representing a 9% yoy decrease
- **[AGILE]** Agile raised HKD387mn (cUSD50mn) from share placement

- **[DALWAN]** Media reported that Dalian Wanda Commercial Management paid USD33mn coupon of USD300mn DALWAN 11 02/13/26
- **[HRINTH]** Huarong Asset Management's unit renewed USD80mn facility
- **[KWGPRO]** KWG Group announced to sell 50% of Hangzhou Zhiyan, 50% of Suzhou Jinyu and 51% of Suzhou Zhuoyuto to Greentown China for cRMB2.1bn
- **[MONMIN]** Mongolian Mining's revenue increased 385% yoy to USD517mn in 1H23, gross profit turned to positive in 1H23 as USD225.1mn
- **[SINOCE]** Sino-Ocean unit announced it schedules interest payment of RMB1.5bn (cUSD206.5mn) 15Yuanyang03 bonds on 21 Aug
- **[ZHAPIE]** Fitch affirmed Zhangzhou Jiulongjiang's long term issuer rating at BBB- with stable outlook

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the

analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.