

## CMBI Credit Commentary

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

- *Markets were overall two way balanced this morning. For Asian IG, leasing names were well bid and BOCAVI tightened 5bps. TMT widened 1-2bps, AMCs were traded slightly weak with selling on CCAMCL and HRINTH. SOE Perp/AT1 were relatively weak for these two days compared to last week.*
- **DALWAN:** *New issue USD300mn DALWAN 11 02/13/26 priced at 12.375%. Media reported that Dalian Wanda plans to redeem USD350mn due-March bonds early and expects to complete Zhuhai IPO in 2Q23. DALWANs slightly down 0.25pt this morning.*
- **COGARD:** *Poly Developments plans to raise USD339mn via stake sales in JVs with Country Garden. COGARDs dropped 1.5-2.5pts this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, tone in Asia IG space turned slightly softer post stronger-than-expected US job data on last Friday. On recent new issue front, we continued to see better selling on HYUELE, closed 5bps wider. The selling pressure was mostly on HYUELE 5 & 10y papers while the 3y one remained well bid. EIBKOR/HKAA outperformed, tightened 1-2bps. Financials space performed mixed. Bank T2s especially CINDBK/BCHINA/WOORIB had active two-way flows and we saw better buyer on WOORIB 24s and 28s Sub. In AMCs, HRINTH curve met with a small profit taking, especially on 25s/30s, and HRINTH curve was overall quoted unchanged to 0.5pt lower. In leasing sector, BOCAVI '24 showed active two-way flows at T+100 level. TMT sector closed 2-6bps wider as TENCNT 30s widened 6bps to T+145 level. BBB-names LENOVO '32/XIAOMI '30 tightened 2bps to close at T+244/T+230 level, respectively. In SOEs, HAOHUA 10y papers widened 5bps into T+160 level whilst shorter SOE papers stood largely firm. CNOOC curve tightened 2-5bps. In IG properties, LNGFOR 27s/YUEXIU 26s were 5-10bps tighter. Chinese HY property space started to see some selling pressure. DALWAN properties priced USD300mn 3Y Reg S bonds at 12.375%. DALWAN's most actively traded paper, USD400mn 11% due-2025s were indicated 0.75pt lower to 99/99.75 on the back of new issue. COGARDs were marked down 1.5-3pts across the curve. We saw mixed flows on COGARD post news on that its joint-venture partner China Poly Group has put nine JV projects with COAGRD up for sale. AGILEs/CHINSCs/KWGPROs were broadly traded down 1-2.5pts. Elsewhere, HK corps still outperformed with CPDEVs jumped 2.5-4pts across the curve to be quoted at low-90s. NWDEVL/PRUFIN perps were bid up 1pt. Industrials were mixed, as FOSUNIs were unchanged to 0.5pt higher whilst HONGQIs were stable skewed to better selling. GEELY perp was traded up ~2pts. Macau gaming names like MPELs/STCITYs lowered 1-1.5pts, and MGMCHIs/SANLTDs were unchanged to 0.5pt lower.

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Away from China, Indian HYs also went sideways as Adani complex slightly recovered whilst renewables underperformed. The battered ADANIGs/ADANEMs were marked 0.5-1.5pts after having gained 3-4pts last Friday. On the other hand, VEDLNs notably slumped 2.5-5pts. Indian government was reported to have raised objections to Vendata's proposed sale of international zinc assets to HZL. Indian renewables such as GRNKENS/RPVINs were down 0.5-1pt. Indonesian HYs MEDCIJ/KIJAIJs were unchanged to 0.5pt lower.

The LGFV/ Perp/ Asia AT1 space was lackluster as market took a pause from last week's risk-on mode. The stronger-than-expected NFP print last Friday hinted that rates could stay "higher for longer". Treasury yields climbed 10-14bps higher on Monday. Perps (both SOE and Non-SOE) and AT1s showed overall better selling flows and weakened by 0.25-0.5pt, led by RM/prop desks selling several senior c24 SOE perps. Benchmark ICBCAS 3.2 Perp/BCHINA 3.6 Perp lowered 0.5-0.75pt. LGFV buying tractions cooled down as well. We saw quality LGFVs remained in demand by RM particularly on the 24s/25s, but high-beta names were difficult to move. HZCONI/SHGUOH 23-25s were quoted unchanged to 0.5pt higher.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CPDEV 5 3/4 PERP	90.4	4.1	VEDLN 6 1/8 08/09/24	73.1	-4.8
CPDEV 4.65 01/19/26	90.9	3.5	VEDLN 8.95 03/11/25	74.6	-4.8
SIDEVE 2.8 08/18/26	91.3	2.6	VEDLN 9 1/4 04/23/26	72.9	-4.5
ZHLGHD 9 3/4 12/31/23	17.8	1.8	VEDLN 13 7/8 01/21/24	86.6	-3.8
GEELY 4 PERP	96.5	1.8	COGARD 5 1/8 01/14/27	66.1	-2.8

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – U.S. stock markets continued to down on Monday, S&P (-0.61%), Dow (-0.10%) and Nasdaq (-1.00%) were dragged by better than expectation economic data which incurs worry about further interest rate hike. Fed of Atlanta president said that Fed would consider raising the rate by 50bps and push the benchmark rate to 5%-5.25%. The U.S. treasury yields overall rose yesterday, 2/5/10/30 yields reached 4.44%/3.81%/3.63%/3.67%, respectively

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
Wanda Properties Global Co. Ltd	300	3yr	11.0%	12.375%	Ba3/-/BB

#### ➤ 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 33 credit bonds issued yesterday with an amount of RMB30.3bn. There is no yoy comparison as there was no onshore bonds issuance in same period of 2022 due to Chinese New Year vacation.
- New home sales by China's 100 biggest developers dropped 32.5% yoy in Jan'23 according to CRIC. Land purchases by 30 developers monitored by CRIC were largely flat at RMB7.7bn (cUSD1.14bn) with only Greentown, China Resources and C&D Real Estate buying land parcels; Wuhan lets families to buy an additional home in areas with purchasing limits in a bid to boost real estate market
- **[ADANIG]** Adani principal shareholders prepay USD1.11bn ahead of Sep'24 maturity to reduce leverage backed by Adani listed company shares
- **[BABA]** Alibaba teamed up with DHL to build a network of parcel lockers in Poland
- **[COGARD]** Poly Developments plans to raise USD339mn via stake sales in JVs with Country Garden
- **[DALWAN]** Media reported that Dalian Wanda plans to redeem USD350mn due-March bonds early and expects to complete Zhuhai IPO in 2Q23; Moody's assigned Wanda Commercial's proposed USD bond Ba3 rating; Fitch assigned BB rating to the bond
- **[JIAYUA]** Jiayuan extends the exchange offer expiration deadline for six USD notes for the tenth time to 6 Mar'23
- **[LPKRIJ]** Lippo Karawaci announced FY22 marketing sales of IDR4.76tn, 92% of the FY22 target and set target of IDR4.9tn for 2023; Moody's confirmed Lippo Karawaci's B3 ratings following results of tender offer
- **[SKYFAM]** Skyfame Realty's winding-up petition hearing is adjourned to 28 Apr by the Bermuda court
- **[VEDLN]** Vedanta's JV with Foxconn is close to add STMicroelectronics, an European chipmaker, as technology partner for the proposed semiconductor chip manufacturing unit in India. The Indian government is against Hindustan Zinc's acquisition over Vedanta's international zinc business
- **[YUZHOU]** Yuzhou bondholder group refuses the company's proposal of long term-out or a short extension with debt-to-equity swap

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