

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *Markets were quiet this morning. AMC sector was that Moody's reviewed GRWALL for downgrade. GRWALL/HRINTH retreated up to 0.75pt and CCAMCLs were c2bps wider. Front-end LGFVs were continued to be under better buying.*
- **SHUION:** *Repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23. SHUIONs rose 0.25-0.75pt this morning. See below.*
- **GRWALL:** *Moody's placed Great Wall AMC's Baa1 long-term and P-2 short-term issuer ratings, as well as its b1 Baseline Credit Assessment on review for downgrade. GRWALL were unchanged to down 0.75pt this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, Asia ex-JP IG space was largely stable. Overnight UST yield widened 6-8bps. On the primary front, DBSSP priced a USD750mn 2Y FRN at SOFR+61, and a USD750mn 2Y bond at T+53. DBSSPs closed 7-8bps tighter. HKMTGC priced a USD650mn 5Y bond at T+58. Chinese TMT/SOE benchmarks were unchanged to 2bps wider. The high-beta TMTs such as MEITUA/WB 30s tightened 5-7bps. In financials, HRINTHs were unchanged to 0.25pt higher with mixed two-way flows. After close, Moody's placed Great Wall AMC's ratings on review for downgrade. Chinese/European AT1s were under better selling. In HK IGs, HKAA 28s/33s were under better buying. HK Corp perp space moved higher. NWDEVL Perps were up 1.25pts, and FWDGHD Perps up 0.25pt. HK/Chinese properties were stronger. SHUIONs gained 2.25-3.25pts, while HPDLFs/YLLGSPs were up 0.5pt. DALWANs jumped 5-7.5pts, on the reports on redemption of onshore bonds of RMB3.8bn and progresses of Zhuhai Wanda's HK IPO. LNGFORs/FUTLAN/FTLNHDs were up 2-3.5pts. In industrials, FOSUNI/ANTOIL 25s were indicated 0.5pt higher. In Indian space, VEDLNs grinded 1.5-2pts higher. Indonesian SOEs PERTIJs/PLNIJs lowered 0.5-1pt. Elsewhere, GLPCHI '26 was marked 1pt lower.

We saw active two-way flows in LGFVs since Sep, mainly driven by the compression in onshore yield. The sentiment was also boosted by the recent optimism towards LGFV space, amid China's more supportive policies. We see a robust demand from investors who also had RMB access/exposure for higher-yielding LGFV papers. Those high-beta papers yielding >9% such as GSHIAV/CCUDIH/KMRLGP names were sought after. The front-end of CQLGST/SHUGRP papers were better bid. That said, more profit taking flows emerged from time to time this week, mostly in papers that used to yield 9%-10% and had compressed to 8%-handle. We also see strong demand this week from onshore/QDII mandates with RMB funding/liability side in the quality 26/27s LGFVs. HEFIND/TZCONS/ZHEBAR/ CDCOMM/GZGETH/ NJYZSO were sought after at =<6%. The high-coupon papers were still firmer than low coupon seasoned papers. CPDEV 25/26/Perp were quoted 0.25-

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0.5pt higher. SOE perps were quiet. CHPWCN/CHCOMU Perps were up 0.125pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 7 1/4 01/29/24	70.6	7.5	MDLNIJ 3 06/30/25	31.7	-1.3
DALWAN 11 02/13/26	45.9	5.1	HUAHK 5 04/28/25	93.5	-1.0
GEMDAL 4.95 08/12/24	47.7	4.4	GLPCHI 2.95 03/29/26	57.3	-1.0
FTLNHD 4 5/8 10/15/25	39.7	3.3	PERTIJ 4.15 02/25/60	70.0	-0.9
SHUION 5 1/2 06/29/26	51.2	3.2	CSCHCN 9 12/11/24	44.8	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.70%), Dow (-0.57%) and Nasdaq (-1.06%) were down amid worries about possible interest rate hike in Nov'23 as US Aug PMI was beyond than the market expectation. The latest US ISM service PMI was 54.5, compared to the expectation of 52.5. China Aug export/import (USD denominated) were -8.8%/-7.3% yoy, better than the expectation of -9.8%/-8.8% yoy. US treasury yields rallied higher on Wednesday, 2/5/10/30 yield reached at 5.01%/4.44%/4.30%/4.37%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ SHUION: Repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23

	O/S (USD mn)	Maturity	Ask price	YTM (Ask,%)
SHUION 5.75 11/12/23	474.49	11/12/2023	93.71	43.05
SHUION 6.15 08/24/24	500.00	08/24/2024	73.64	42.15
SHUION 5.5 03/03/25	489.91	03/03/2025	62.77	41.44
SHUION 5.5 06/29/26	400.00	06/29/2026	53.15	31.95

Source: Bloomberg.

Shui On Land (SOL) repurchased and cancelled USD25.51mn SHUION 5.75 11/12/23. During investors' call on 1H23 results, SOL mentioned that it bought back USD bonds of USD20-21mn in Jul'23. Assuming all these repurchased bonds are SHUION'23, Shui On Land bought back another USD4-5mn of SHUION'23 after result announcement. We expect more buyback on SHUION'23.

SOL posted stronger 1H23 results as its operations and project deliveries 'normalized' from the lock-down in Shanghai and other major cities. Its credit profile remains largely stable. We consider its liquidity profile adequate, supported by the unencumbered value of its high quality IPs. Assuming a LTV of 50%, SOL will have a headroom of additional financing of cRMB17bn from its IPs. [See more detailed comments on SOL in the daily on 23 Aug'23.](#)

We have buy recommendations on SHUIONS which rebounded 5.5 to 12.5pts post the 1H23 results and were 0.25-0.75pt higher this morning.

➤ 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)
BOC London Branch	USD	-	3yr	SOFR+105	A1/A/A
Wuhan Jiangxia Agriculture Group (SBLC by Evergrowing Bank Wuhan Branch)	USD	-	3yr	7.2%	-/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 68 credit bonds issued yesterday with an amount of RMB73bn. As for Month-to-date, 300 credit bonds were issued with a total amount of RMB250bn raised, representing a 17.4% yoy decrease
- [ANTSPL]** ANTA Sports-backed Amer Sports made a confidential IPO application in the US aiming to raise over USD1bn
- [CIFIHG]** Media reported that CIFI plans to improve repayment plan for RMB1.875bn domestic notes puttable on 14 Sep while pushing for support of proposed grace period
- [CQLGST]** Chongqing International Logistics Hub Park Construction proposes to offer up to RMB257mn three-year corporate bonds to repay debts
- [DALWAN]** Dalian Wanda had cRMB79.03mn of assets newly added to subject matter of enforcement by Dongying's court
- [GRNCH]** Greentown unit schedules put option exercise for RMB950mn 20Lvcheng07 bonds on 8-12 Sep
- [GRWALL]** Moody's placed Great Wall AMC's Baa1 long-term and P-2 short-term issuer ratings, as well as its b1 Baseline Credit Assessment on review for downgrade
- [HPDLF]** Hopson planned to distribute a 1H23 bonus issue of shares on the basis of one bonus share per ten existing shares
- [MONMIN]** Mongolian Mining Corp priced new USD4.287mn 12.5% senior notes due 2026 and intended to issue cUSD180mn 12.50% senior notes due 2026
- [SHIMAO]** Shimao chairman's Mason Group further delayed scheme document on HKD0.0338 per share privatization offer to 8 Sep

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