

## CMBI Credit Commentary

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

- *Quiet market with some demand on strong regions' LGFVs from offshore buyers while the sector was overall stable. China properties lost momentum after previous rally, both IG and HY names were slightly lower.*
- **Macau gaming:** *Conviction lower after a strong rebound. we prefer MPEL and STCITY most in sector at current level. See below.*
- **AGILE:** *Sell 48.6mn (3.42%) shares of its property management unit A-Living Smart City Services to raise HKD494.7mn (cUSD63mn). The proceeds will be used to enhance the company's short-term solvency. AGILEs up 0.25 to 1.5pts this morning.*

#### ❖ Trading desk comments 交易台市场观点

On Thursday, UST yield curves shifted up and rose 2-9bps, reversed the downward trend since Monday. Trading volume of Chinese IG continued to fade while the bond prices were stable. TMTs were mixed, MEITUA, HUAWEI widened 5bps and BABA, XIAOMI, TENCENT tightened 1-2bps. In financials space, AMCs tightened 1 to 5bps and CCAMCL'30 outperformed. AT1s slightly down 0.25pt. T2 names CCB 2.85'32, ICBCAS 4.875'25 lose steam to stay flat. IG properties lost the upward momentum after the strong rebounds since early-Nov. LNGFORs were down 1.5pts, VNKRLEs, YUEXIUs, SINOCEs fluctuated between -0.25 to 0.5pt. In HY properties, COGARDs and FUTLANs were down another 1 to 2.5pts. CIFIHGs, CHINSCs and ROADKGs were down 0.5 to 2pts. CENCHI'23, on the hand, were 8.4pts higher yesterday after the company cured the missed coupon of CENCHI 7.9%'23. In industrial space, CARINC fell 4.5pts and backed to the price level before new '10 measures' of COVID, while EHCARs were relatively stable. Elsewhere, ANTOIL'25 jumped 6.7pts on Thursday to continue the rally after the company timely repaid its USD300mn notes on 2 Dec'22. Outside China, Indian/Indonesian names were also quite stable. MEDCIJs, VEDLNs and GRNKENs fluctuated between -0.25 to 0.25pt.

In SOE space, CSSSHI'30 tightened 12bps while other names like CHALUMs, CHGRIDs and SINOPEs were stable. CNOOC 4.25'43 down 2.5pts and traded back to 84.5 after Wednesday's 3pts rise. LGFV sector was still less active than early this week. Strong region names BJSTAT, NJYZSO edged 0.25pt higher on reloading demand. Other regions' names were largely unchanged.

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

**Cyrena Ng, CPA** 吴倩莹  
 (852) 3900 0801  
 cyrenang@cmbi.com.hk

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

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CENCHI 7 1/4 04/24/23	37.1	8.4	CARINC 9 3/4 03/31/24	85.0	-4.5
ANTOIL 8 3/4 01/26/25	65.5	6.7	LNGFOR 3.85 01/13/32	66.5	-2.6
CSCHCN 9 10/09/24	56.1	4.9	CNOOC 4 1/4 05/09/43	84.5	-2.5
JD 4 1/8 01/14/50	78.1	4.3	FUTLAN 6 08/12/24	75.1	-2.5
NANFUN 5 PERP	73.5	4.1	COGARD 5 1/8 01/14/27	47.0	-2.4

## ❖ Macro News Recap 宏观新闻回顾

**Macro** – U.S. stock markets rebounded on Thursday, the S&P (+0.75%), Dow (+0.55%) and Nasdaq (+1.13%) ended poor performance in the week while the market sentiment was still weak. U.S. latest weekly jobless claims increased 4k to 230k and continuing claims rose 62k to 1.67mn. China Nov CPI is +1.6% yoy and -0.2% mom. The U.S. treasury yields overall up yesterday and 2/5/10/30 yields reached 4.31%/3.71%/3.48%/3.44%, respectively.

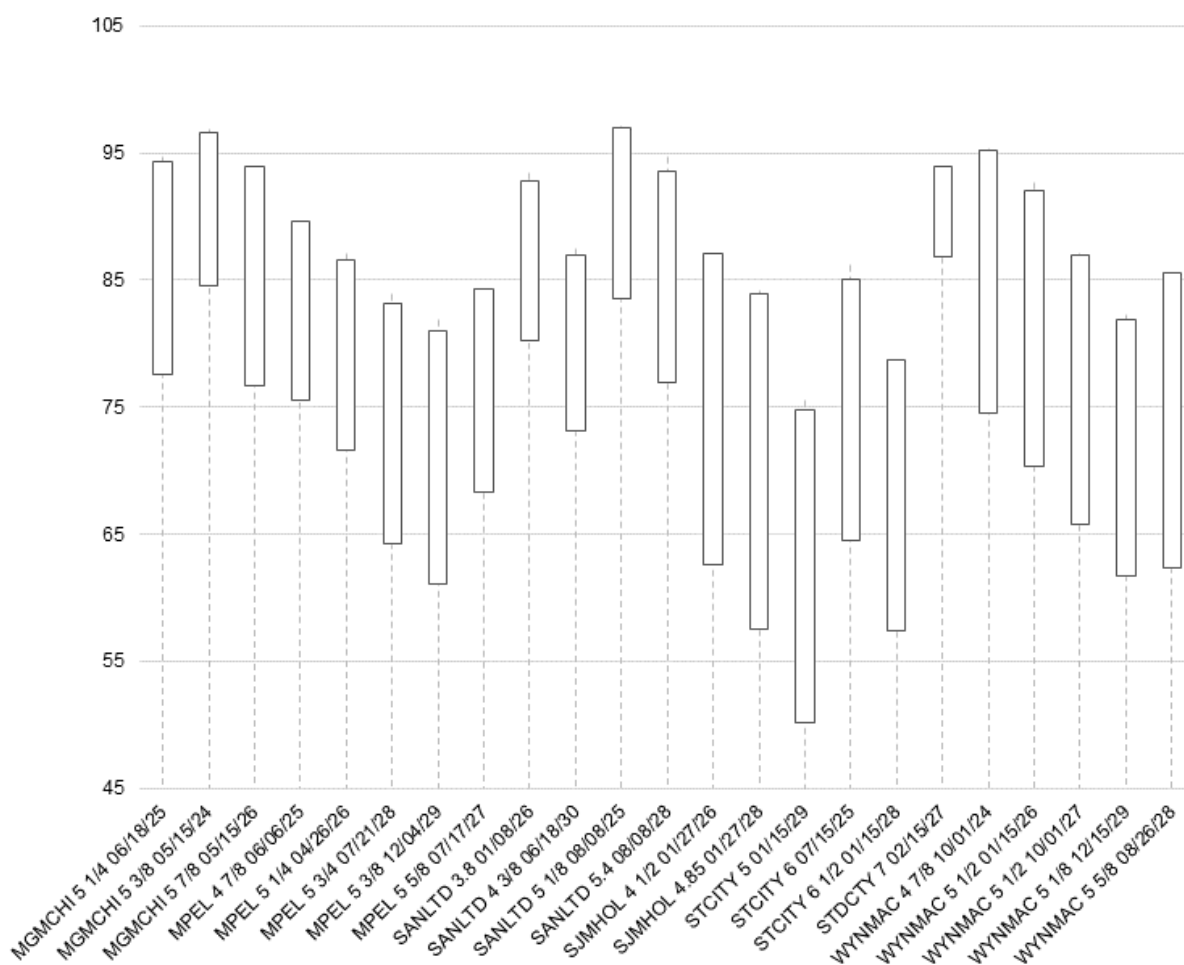
## ❖ Desk analyst comments 分析员市场观点

## ➤ China Policy – A shift from Covid control to boosting growth

Macau gaming sector is a notable outperformer lately since granting the new 10-year concession to the 6 incumbents on 26 Nov'22. The outperformers in the outperforming sector are SJMHOLs and STCITYs, both curves were traded 12-14bps higher, followed by WYNMACs and MPELs which moved 8-11 pts higher since the gaming concessions renewed. The outperformance is in line with our order of preference for the sector: SJMHOL>STCITY>WYNMAC>MPEL. Please see our [comments on 28 Nov'22](#). Subsequent to the sharp rebound, we see a lower conviction in the sector although the sector, in our view, continues to offer good carry, and the bond performance will be supported by improving liquidity and operating performance of operators with the relaxation of the dynamic zero COVID policy. At current levels, we prefer **MPELs** and **STCITYs** most in the Macau gaming sector.

Recalled that the 6 incumbents: MGM, Galaxy, Sands China (i.e. Venetian Macau), Melco, Wynn and SJM were granted casino concessions on a provisional basis while Genting was missed out from the selection. The final terms and conditions of the gaming concession contracts will be subject to further discussions with the Macao government. The near-term focuses will be on the 6 provisional concessionaires' negotiations with the Macao government, especially on the capex commitment, the arrangement of satellite casinos and any potential JV with Genting.

Price movement of Macau gaming names between Jul'22 and Dec'22



## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
Qiantang Jiantou Limited	USD150	364d	6.5%	6.5%	-/-/-

## ➤ 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

## ➤ News and market color

- Regarding onshore primary issuances, there were 90 credit bonds issued yesterday with an amount of RMB105bn. As for Month-to-date, 407 credit bonds were issued with a total amount of RMB414bn raised, representing a 39.3% yoy decrease

- Bank of Communications signs strategic collaboration agreements with eight developers including Greentown, Yuxiu, Zhuhai Huafa, Longfor, Gemdale, etc
- Media reported that China explores establishment of REITs for long-term rental housing, commercial real estate projects
- **[AGILE]** Agile Group to sell 48.6mn shares, accounts for 3.42% of its unit A-Living Smart City Services to raise HKD494.7mn via block trade
- **[CCAMCL]** China Cinda Asset Management completes issue of RMB10bn financial bonds
- **[CHFOTN]** China Fortune Land Development units agree to sell assets to Dachang Hui Autonomous County Guohong Operation Management for RMB693mn
- **[COGARD]** Country Garden proposes to offer up to RMB1bn two-year corporate bonds to repay debts
- **[EVERRE]** Media reported that China Evergrande plans discussion on 9 Dec with USD-bondholders for long-awaited debt restructuring proposal
- **[FUTLAN]** Seazen Holdings announced that it proposes to offer up to RMB2bn three-year MTNs guaranteed by CBICL
- **[GALCLD]** Bohai Leasing unit secured USD1.37bn revolving loan
- **[HRINTH]** Huarong International Financial to sell offshore non-performing assets for USD17.2mn
- **[INDYIJ]** Indika Energy repurchased USD30.94mn INDYIJ 8.25 10/22/25 and USD10.5mn of INDYIJ 5.875 11/09/24
- **[JGSPM]** JG Summit repurchases USD139mn of JGSPM 4.375 01/23/23 on open market, USD611mn remains outstanding
- **[PUKOU]** Moody's affirmed Ba2 rating on Nanjing Pukou Economic Development and changed outlook to positive

CMB International Global Markets Limited

*Fixed Income Department*

Tel: 852 3761 8867/ 852 3657 6291

[fis@cmbi.com.hk](mailto: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.