

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

- *Market sentiment recovered post rates down. New issues HYUELE'27 was unchanged and HYUELE'29 was c5bps tighter. Asian IG space tightened 1-3bps while front end bonds remained heavy on sell.*
- **ADANIG:** *To redeem ADANIG 4 ¾ 09/08/24 in cash. ADANIG'24 was unchanged this morning. See below.*
- **DALWAN:** *Redeemed and canceled 10% installment of DALWAN'24. DALWANs moved -0.5 to +0.1pt this morning. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, IG spreads were unchanged to 2bps wider with better selling especially on the 24-26s papers across China/HK/KR space. In Chinese SOEs, HAOHUA curve widened 1-2bps. Chinese TMTs remained soft. The long end of BABAs/TENCNTs closed 2-4bps wider. The high beta TMTs MEITUA/XIAOMI 30-31s widened 3-6bps. In financials, HRINTHs were 0.1-0.3pt lower (10-15bps wider) while GRWALL 26-30s were 2-5bps wider. HK Corp papers were mixed. LASUDE '26 were up 0.5-0.7pt. On the other hand, SHUION 24/26 were down 0.5-1pt. Chinese properties were also mixed. CSCHCNs were up another 1.6-2.5pts. DALWAN/ YLLGSP 26s were up 1.2pts. DALWAN redeemed 10% of effective principal amount of USD600mn DALWAN 7.25 12/29/2024, leaving the remaining o/s principal amount to be USD540mn. See comments below. However, GEMDAL '24 was 4.3pts lower. LNGFOR '27 lowered 0.5pt. In industrials, ANTOIL '25/EHICAR '26 were down 0.5-0.6pt. Macau gaming names were quiet. STCITYs were down 0.3-0.5pt. In Indian space, ADANIG '24 was up 1pt, following Adani Green Energy announced the redemption plan for USD750mn ADANIG 4.375 09/08/2024. See below for comments. Indonesian name LMRTSP '24 was 3.8pts higher to close at high-80s. LMRTSP '26 was up 0.9pt.

The LGFV/Perp spaces were stable against the backdrop of rates correction. The flows were light ahead of the CPI print this week. The higher-yielding LGFV/Chinese IG papers were still better bid, supported by the deployment demand from onshore RMs. CPDEV/GSHIAV 25s were 0.2pt higher. Shandong names SHGUOH/QDJZWD 25s were also up 0.1-0.2pt. However, KMRLGP '24 was 2pts lower. Meanwhile, there were some lower-yielding SOE perps being switched out from offshore AMs at below 6%. RLCONS/HUADIA Perp were unchanged to 0.1pt lower. In the high-yielding IG papers, SUNSHG '26 was up 1.1pts whilst ZHONAN '26 was down 0.5pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LMRTSP 7 1/4 06/19/24	89.4	3.8	GEMDAL 4.95 08/12/24	63.0	-4.3
TSINGH 6 1/2 01/31/28	45.7	3.0	KMRLGP 3.9 12/12/24	91.2	-2.0
CSCHCN 4 1/2 08/19/27	28.3	2.5	PEAKRN 5.35 PERP	85.2	-1.8
CSCHCN 9 10/09/24	29.5	2.1	SHUION 6.15 08/24/24	86.0	-1.0
CSCHCN 9 12/11/24	29.5	1.7	PLNIJ 4 06/30/50	72.5	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.41%), Dow (+0.58%) and Nasdaq (+2.20%) continued to rise on Monday. US Dec consumer's projection of inflation from New York Fed fell to lowest level in 3 years that inflation in 1/3yr is 3%/2.6%. UST yields slightly retreated yesterday, 2/5/10/30 yield reached 4.36%/3.97%/4.01%/4.17%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ **ADANIG: To redeem ADANIG 4 ¾ 09/08/24 in cash**

Adani Green updated the redemption plan for ADANIG 4 ¾ 09/08/24 issued by the Holdco. The outstanding amount of USD750mn will be fully secured with cash eight months prior to its maturity date in Sep'24. Sources of repayment are from (i) internal cash of USD169mn; (ii) TotalEnergies to create a JV with 1,050MW of renewable energy capacity of USD300mn (transaction closed on 26 Dec'23); and (iii) proceeds from the first tranche of preference shares issuance to the promoter of USD281mn (expected to be ready by the end of Jan'24).

Recalled that we have a buy recommendation on ADANIG 4 ¾ 09/08/24 as a short-dated and yield pick-up play in the Adani Green complex. Our other buy recommendation in Indian renewable space is INCLN 4 ½ 04/18/27. Please see our detailed comments in [2024 Asia Credit Outlook](#). At 88.5, INCLN 4 ½ 04/18/27 is trading at a YTM of 8.6%. The bond offers yield pick-up of 101-327bps over other bonds within the ReNew Power complex. ADANIG 4 ¾ 09/08/24 was up 0.5pt and INCLN 4 ½ 04/18/27 was up 0.1pt YTD.

Table 1: Bond profiles of Adani Green Energy and ReNew Power

	Amt o/s (USD mn)	Ask price	YTM (ask, %)	Issuer
ADANIG 4 ¾ 09/08/2024	750	97.3	8.69	Adani Green Energy (Holdco)
ADGREG 6 ¼ 12/10/2024	500	99.2	7.11	Adani Green Energy RG1
ARENRJ 4.625 10/15/2039	317.6	79.2	6.79	Adani Green Energy RG2
RPVIN 5 ¾ 03/05/27	270	96.3	7.22	ReNew Pvt (Holdco)
INGREN 5 ¾ 04/29/24	325	99.7	5.32	India Green Energy RG3
INGPHL 4 02/22/27	460	92.1	6.87	India Green Power RG1
RPVIN 4 ½ 07/14/28	585	89.9	7.15	ReNew Wind Energy RG4
INCLN 4 ½ 04/18/27	400	88.5	8.59	India Clean Energy (Holdco)
RNW 7.95 07/28/26	400	100.8	7.58	Diamond II (Holdco)

Source: Bloomberg, Company filings.

➤ **DALWAN: Redeemed and canceled 10% installment of DALWAN'24**

Dalian Wanda Commercial Management (DWCM) redeemed and canceled 10% principal amount (USD60mn) of DALWAN 7.25 01/29/24 on Jan'24 as scheduled. In Nov'23, DWCM launched a [consent solicitation to extend the maturity](#) of DALWAN'24 for 11 months and scheduled four installments to fully redeem the bond in 2024. The next installment will be USD120mn (20% of issue size) on 29 May'24 according to the redemption schedule.

In 2023, DWCM conducted a succession of asset disposals to raise liquidity. DWCM sold nine Wanda Plazas including those located in Shanghai, Guangzhou and Suzhou and Shanghai Ruihua Hotel since May'23 with undisclosed proceeds. We believe that the sales proceeds would be applied for the amortization of the bonds. In Dec'23, DWCM signed [new investment agreement](#) with PAG and other pre-IPO investors to reinvest the proceeds from the redemption of cRMB46bn pre-IPO investments. The IPO application of Zhuhai Wanda Commercial Management (ZWCM) was lapsed on 28 Dec'23 and it has yet to re-file the application. As DWCM is no longer under the pressure to proceed with the IPO of ZWCM, we expect the IPO of ZWCM to be further delayed until the market sentiment of HK stock market and valuation of ZWCM notably improve. We maintain buy on DALWANs.

Table 1: Bond profile of DALWAN

Security Name	O/S Amount (USD mn)	Ask Price	YTM (Ask, %)	Rating (M/S/F)
DALWAN 7.25 01/29/24	540	85.02	25.6	Ca-/CC
DALWAN 11 01/20/25	400	64.82	36.4	Ca-/CC
DALWAN 11 02/13/26	400	74.73	44.1	Ca-/CC
DALWANs' maturity profile (USD mn)				
5 Jan'24	60			
29 May'24	120			
29 Sep'24	180			
29 Dec'24	240			
20 Jan'25	400			
13 Feb'26	400			

Source: Bloomberg

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
ANZ Banking Group	1200/800	3yr	4.75%/6.155%	T+63/ SOFR+81	Aa3/AA-/A+
SK Hynix	500/1000	3/5yr	5.5%/5.5%	T+145/167	Baa2/BBB-/BBB
Zhejiang Xinchang Investment Development	300	3yr	6.0%	6.0%	-/-/-

➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
BOC Aviation (USA) Corporation	USD	-	5yr	T+150	-/A-/A-
Hanwha TotalEnergies Petrochemical	USD	-	5.5yr	T+185	Baa1/BBB/-
Ji'An Chengtong Holding Group	USD	-	3yr	5.9%	-/-/-
Sumitomo Life Insurance	USD	-	PerpNC10	-	-/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 62 credit bonds issued yesterday with an amount of RMB48bn. As for Month-to-date, 295 credit bonds were issued with a total amount of RMB242bn raised, representing a 16.4% yoy increase
- **[BCDHGR]** Beijing Capital Development proposes to offer RMB2bn five-year MTNs to repay debts
- **[CHIGRA]** Media reported that China Grand Automotive Services is considering various options for repayment of 9.125% notes due 30 Jan'24
- **[DALWAN]** Media reported that Dalian Wanda Commercial Management Group exited from Foshan Shunde Wanda Plaza's management. The Plaza was previously 100% owned by Midea Real Estate and managed by Dalian Wanda Commercial Management, the cooperation agreement end on 31 Dec'23
- **[SHUION]** Shui On Land's contracted sales in 2023 was down 58% yoy to RMB11.4bn
- **[SUNHKC]** Sun Hung Kai & Co repurchased USD19.87mn of SUNHKC 5.75 11/15/24 in open market
- **[YLLGSP]** Yanlord Land expects to record net loss in 2H23 and FY23 due to the weak real estate market
- **[YUNINV]** Yunnan Provincial Energy Investment issued RMB2bn three-year MTNs at 3.9% coupon to repay debts

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