

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

- *Markets were stable with two-way flows this morning. TMT benchmarks TENCNT/BABA and high-beta TMTs WB/LENOVO were unchanged. IG developers were weak post last week's rebound, VNKRLEs down 0.5 to 2.5pts, LNGFOR/FLTNHD/FUTLAN were unchanged to down 1.5pts.*
- *HPDLF: Repurchased and cancelled USD13mn of HPDLF 6.8 12/28/23. HPDLFs were unchanged this morning. See below.*
- *STCITY/STDCTY: Upsized tender cap of STCITY 6 07/15/25 to USD100mn. STCITYs/STDCTY were unchanged this morning. See below.*

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

Cyrena Ng, CPA 吳蔭瑩
(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

Last Friday, Asia ex JP IG continued to be traded in a constructive tone. On the new issue front, LUSOIB priced USD280mn 10NC5.5 T2 at par to yield 7.5%. On the secondary side, IG benchmark spreads were 1-5bps tighter. Chinese SOEs CNOOC '32/HAOHUA '30 tightened 1-3bps. Chinese TMTs TENCNT/BABA 29-31s tightened 3-5bps. We saw good buying interests in the front end of financial papers. Chinese leasing names BCLMHK 24/25 and BOCAVI 25/28 tightened 1-2bps. AMC space was better bid, HRINTHs were unchanged to 0.1pt higher (2-10bps tighter). CCAMCL/ORIEAS 24-30s tightened 3-9bps. Chinese/KR/SG bank T2s BCHINA '30/CINDBK '29/KEBHNB '28/OCBCSP '30 tightened 1-4bps. In JP credit, SUMIBK 26-33s were under better buying and closed 2-6bps tighter. SMBCAC 28/33 were traded in two-way flows and closed 1-4bps tighter. HK IGs AIA/HKLSP 33s tightened another 3bps. In HK Corp space, NWDEVL Perps declined 0.8-1.3pts. Chinese/HK properties were mixed amid light flows. SHUION 24-25s gained 0.8-1pt. HPDLF 23-24s were up 0.3-0.4pt. After close, HPDLF announced to buyback USD13mn out of USD237.5mn of HPDLF 6.8 12/28/23. See below for comments. GEMDAL '24 was up 2.5pts to close 17pts higher WoW. GRNCH '25/YUEXIU '31 were 1.5-1.7pts higher. FUTLAN/FTLNHD 24-26s were up 0.5-1.3pts to close 15pts higher WoW. AGILE 25s were up another 2.2-3pts. Media reported it had cured the missed Oct coupon on its USD314mn AGILE 5.5 04/21/25 within the 30-day grace period. AGILEs closed 8-12pts higher WoW across the curve. On the other hand, CHJMAO '29 lowered 1.2pts. DALWAN '24 was down 1.1pts while rest of DALWANs were stable in cash prices. ROADKG 24-25s declined 0.6-1pt. In industrials, HILOHO '24/ANTOIL '25/CHIOIL '26 were up 0.6-1.4pts. Macau gaming names were quiet. SANLTD 28-29s were up 0.3-0.5pt. STCITY upsized the tender offer to repurchase USD100mn from USD75mn of its USD500mn STCITY 6 07/15/25. See below for comments. In Indian space, AZUPOE '24 was up 0.9pt. Indonesian space was quiet.

In the LGFV/Perp space, sentiment continued to be firm with light flows. CPDEV 25/26/Perp were up 0.3-0.8pt to close 4-5pts higher WoW. The higher-yielding LGFVs continued to be better bid. In Chongqing names, CQLGST 24s gained 0.8-2pts and closed at high-90s. CQNANA 26s were up 0.2-0.3pt. Shandong names QDJZWD 24s/SHDOIS 24s/SHGUOH 25s were up 0.1pt. In SOE perps, CHSCOI 4 Perp/HUANEN 3.08 Perp were 0.1pt higher. FRESHK 25-26s lowered 0.2-0.4pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
AGILE 6.05 10/13/25	19.0	3.0	NWDEVL 5 1/4 PERP	68.5	-1.3
GEMDAL 4.95 08/12/24	50.8	2.5	CHJMAO 4 1/4 07/23/29	69.5	-1.2
AGILE 5 3/4 01/02/25	23.8	2.2	DALWAN 7 1/4 01/29/24	52.2	-1.1
CQLGST 5.3 08/20/24	97.7	2.0	ROADKG 5.9 03/05/25	63.9	-1.0
GRNCH 5.65 07/13/25	83.4	1.7	TAISEM 4 1/2 04/22/52	88.5	-0.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.06%), Dow (+0.33%) and Nasdaq (-0.11%) were mixed on last Friday. US Markit service PMI in Nov was 50.8, rose from 50.6 in Oct and was higher than the expectation of 50.4. US Markit manufacturing PMI in Nov was 49.4, down from 50.0 in Oct and was lower than the expectation of 49.8. The UST yield moved higher on last Friday, 2/5/10/30 yield reached 4.92%/4.49%/4.47%/4.60%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ HPDLF: Repurchased and cancelled USD13mn of HPDLF 6.8 12/28/23

Hopson had repurchased and cancelled USD13mn of HPDLF 6.8 12/28/23, representing 5.5% of the aggregate principal amount. After the cancellation, USD224.5mn will be due in a month and it also has USD300mn on May'24. We view the recent round of high-profile discussions and potential support policies positively. However, we are concerned on the implementation and timetable of these supportive policies. As we discussed in [our daily on 24 Nov](#), we believe the major beneficiaries will be SOEs while smaller developers such as Hopson and Yanlord who remains current on its debts, could also benefit from the potential support policies, including financing from banks regarding the unsecured short-term loan discussion. As per our discussions with Hopson, it plans to repay HPDLF 6.8 12/28/23 with internal resources, including cash proceeds from contract sales. We like Hopson and consider Hopson a survivor of the sector. HPDLFs were unchanged this morning.

	o/s amt (USDmn)	Ask px	YTM (ask, %)
HPDLF 6.8 12/28/23	224.5	98.46	25.0
HPDLF 7 05/18/24	300	87.85	37.2
Total outstanding bonds	524.5		

Source: Bloomberg

➤ STCITY/STDCTY: Upsized tender cap of STCITY 6 07/15/25 to USD100mn

Studio City upsized the tender offer cap to USD100mn from USD75mn. Recalled that the early tender price is USD97.5 and the early deadline was 22 Nov. Upon the early deadline, valid tender had been received with respect to USD317.5mn aggregate principal. Studio City will accept USD100mn for the purchases and bonds will be accepted subject to a proration factor of c30.3%. We expect that Studio City will continue to explore

opportunities to buy back or tender offer for its bonds to further reduce debts gradually, riding on [the growth momentum of GGR](#). STCITYs/STDCTY rose 1-4pts post the tender offer and were unchanged this morning.

	o/s amt (USDmn)	Amt to accept for purchase (USDmn)	Ask px	YTM (ask, %)
STCITY 6 07/15/25	500	100	97.13	7.9
STDCTY 7 02/15/27	350	-	95.42	8.7
STCITY 6.5 01/15/28	500	-	88.36	10.0
STCITY 5 01/15/29	1,100	-	78.38	10.6
Total outstanding bonds	2,450			

Source: Bloomberg, Company filing.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Luso International Banking	280	10.5NC5.5	7.5%	7.5%	-/-/-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
SND International (BVI) Co., Ltd.	USD	-	3yr	6.35%	-/-/BBB+

➤ News and market color

- Regarding onshore primary issuances, there were 91 credit bonds issued last Friday with an amount of RMB87bn. As for Month-to-date, 1,379 credit bonds were issued with a total amount of RMB1,470bn raised, representing a 20.5% yoy increase
- **[AGILE]** Media reported that Agile cured missed October coupon on USD314mn 5.5% due-2025 bonds within grace period
- **[CHJMAO]** China Jinmao plans to make RMB1.88bn capital contribution to Xinmao Real Estate for development of Suzhou residential land parcel
- **[CIFIHG]** CIFI Group received a warning from CSRC due to violations against measures for the administration of issuance and trading of corporate bonds
- **[COGARD]** Media reported that Country Garden is in talks with holders of three offshore loans totaled cUSD3.7bn to defer interest payment by three months
- **[CSCHCN]** China South City announced a profit warning that it expects to get HKD600mn loss in 1H24, down from HKD242mn net profit in 1H23
- **[FRESHK]** Far East Horizon plans to distribute a special dividend to its shareholders
- **[HKIQCL]** Qingdao City Construction Investment issued RMB1.5bn three-year corporate bonds at 3.24% coupon rate to repay debts
- **[NIO]** NIO aims to cut 30% of workforce by 2027 and use robots instead

- **[SHIMAO]** Media reported that Shimao revised restructuring proposal for its cUSD12bn offshore debt calls for a haircut of more than 50%, less than the 70%-80% it had been seeking in a previous plan
- **[VNKRLR]** Moody's downgraded China Vanke's issuer ratings two notch to Baa3 from Baa1 and placed negative outlook
- **[XINAOG]** ENN Energy raised tender offer cap of USD750mn XINAOG 2.625 09/17/30 to USD200mn from USD150mn

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

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

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:

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months

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.