

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. Short-end names remained heavy while we saw more buying flows from onshore banks on LGFV/SOE Perps than previous days.*
- **RSMACA:** *Consent obtained for RSMACA'25 as expected. RSMACA'25 rose c3.5pts higher since 12 Jun'23 and was unchanged this morning. See below.*
- **GRNLGR:** *Media reported that Greenland got approval from authorities to wire funds offshore for late coupon payment. GRNLGRs were unchanged to 0.5pt lower this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia ex JP IG space was quiet with the US on holiday. In Chinese SOEs, HAOHUA curve was traded another 5-15bps tighter (0.25-1pt higher) post Syngenta obtained the greenlight for IPO in Shanghai. SINOPEs/CHGRIDs/CHIOLs were also better bid. In TMTs, BIDU/BABA 27-31s grinded 2bps tighter. The high-beta TMTs such as LENOVO/WB 30s tightened 2-5bps. In financials, leasing papers remained sought-after. In AMCs, HRINTHs were traded 0.5pt lower (10-25bps wider). Chinese bank AT1s were better-offered, BOCHKL AT1 was down 0.1pt. However, HSBC/STANLN AT1s were traded up 0.3pt. Chinese properties drifted lower. LNGFORs/SINOCEs declined 1-2pts. FUTLANs/FTLNHDs moved 0.5-2.5pts lower. COGARDs dropped 1.25-3.25pts. CHINSCs/ROADKGs were down 0.5-1.5pts. Away from properties, EHOUSE/HAIDIL 23-26s were quoted 0.5pt higher. Industrials FOSUNI 23s edged 0.25-0.5pt higher. Macau gaming names were muted, except that SJMHOLs were marked 0.75pt lower. In Indian space, ADSEZs were indicated 0.5pt lower. VEDLNs moved 0.5-1.25pts lower. Indonesian names performed mixed. MEDCIJs were traded 0.25-0.5pt higher. LPKRIJs, however, were quoted 0.25-1.25pt lower.

The LGFV/SOE Perp spaces had an uneventful session amid a lackluster macro sentiment. The upward momentum from last week faded away, with no further stimulus measure from China was announced. SOE Perps and the front-end of LGFV papers remained better-sold by Chinese AMs, as the theme of cash raising persisted. CHPWCN/HUADIA Perps were quoted 0.1pt lower. That said, bids for the 23s/24s LGFV/SOE Perps largely stabilized at close to 6% in light of some cash parking interests. The rest of the flows were fairly sporadic from PBs. In HK perps, PEAKRN/CKINF/HYSAN/NANFUN perps were marked 0.75-1pt lower.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CPDEV 3.85 07/14/25	85.2	1.7	COGARD 4.2 02/06/26	42.5	-3.3
CWAHK 4.85 05/18/26	88.2	1.7	COGARD 2.7 07/12/26	40.5	-2.9
APLNIJ 5.95 06/02/24	47.5	1.4	COGARD 4.8 08/06/30	38.2	-2.8
VEYONG 3 3/8 05/12/26	92.1	1.3	GRNLGR 5.6 11/13/24	30.5	-2.8
CHJMAO 4 1/4 07/23/29	79.5	1.3	COGARD 3 1/8 10/22/25	43.1	-2.8

❖ Marco News Recap 宏观新闻回顾

Macro – US stock market closed on Monday. Markets await for further direction about rates from the Capitol Hill testimony by Fed chairman Powell due this week. China cut 1/5yr LPR by 10bps to 3.55%/4.2% as expected to boost economic. The US treasury yields were unchanged due to US holiday, the 2/5/10/30 yield stayed at 4.70%/3.99%/3.77%/3.86%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ RSMACA: Consent for RSMACA'25 obtained as expected

Red Star Macalline announced that it has received the consent from more than 90% holders of RSMACA 5.2'25 (o/s amt of USD249.7mn) to include Xiamen C&D (600153.SH) and Xiamen SASAC as a controlling persons and bring the threshold of COC to 29% from 30%. RSMACA'25 rose c3.5pts since the consent solicitation announced on 12 Jun'23 and is currently traded at a YTM of 5.1%, we consider RSMACA 5.2'25 a low-beta carry play. In addition to the ownership of Xiamen government, the repayment of RSMACA 5.2'25 will also be enhanced by the SBLC from Bank of Shanghai, Beijing Branch.

Recalled that in Jan'23, Xiamen C&D and its subsidiary Lianfa Group, as well as RSM's controlling shareholder CHE Jianxing entered into a framework to sell 23.95% and 6% of RSM stakes to Xiamen C&D and Lianfa Group, respectively. On 16 Jun'23, Xiamen C&D obtained shareholders' approval to acquire totaled 29.95% RSM stakes for RMB6.28bn. After the acquisition, Xiamen C&D will be RSM's controlling shareholder and Xiamen SASAC will become RSM's ultimate controlling shareholder.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	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)
SK Broadband Co Ltd	USD	-	5yr	T+150	A3/A-/-
Yiwu State-owned Capital	USD	-	3yr	6.1%	Baa3/-/BBB

➤ **News and market color**

- Regarding onshore primary issuances, there were 139 credit bonds issued yesterday with an amount of RMB137bn. As for Month-to-date, 1,248 credit bonds were issued with a total amount of RMB1,185bn raised, representing a 17.4% yoy increase
- **[ADEIN]** Media reported that Adani Group is in talks with banks in Taiwan, Malaysia as part of plans to refinance USD3.8bn loans
- **[ADTIN]** Adani Transmission got shareholder's approval to raise USD1bn via securities offering
- **[EHOUSE]** E-House (China) Enterprise received support from 66.3% of scheme creditors; it plans to raise cHKD483mn via rights issue to fund restructuring consideration
- **[EVERRE]** Media reported that China Evergrande principal subsidiary Hengda Real Estate has over RMB39.3bn assets subject to enforcement; Evergrande failed to sell 50% stake in Yunnan OCT Real Estate in auction with starting price of RMB536.3mn
- **[GRNLGR]** Media reported that Greenland got approval from authorities to wire funds offshore for late coupon payment
- **[JD]** Media reported that JD.com aims to create seven listed companies in the future
- **[LPKRIJ]** Lippo Karawaci got shareholder's approval not to pay dividends for FY22
- **[VEDLN]** Vedanta expected to commit USD1.7bn in FY24 towards growth projects
- **[YUNINV]** Yunnan Provincial Investment offered RMB990mn 120-day bills to repay debts

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