

CMBI Credit Commentary

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

The Asset Asian G3 Bond Benchmark Review 2023

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "[The Asset Asian G3 Bond Benchmark Review 2024](#)". Thank you for your support!

- *Asian IG space was 0-2bps wider. CCAMCL curve and HYUELEs were heavy. LGFVs, Chinese big-4 bank AT1s and recent issued HUANEN 5.3 PERP were well bid.*
- *GRNCH: Another USD150mn bonds repurchase. GRNCH 4.7 04/29/25 and GRNCH 5.65 07/13/25 are good short-dated carry plays. GRNCHs were unchanged this morning.*
- *DALWAN: Dalian Wanda Commercial Management exited Yantai Zhifu Wanda Plaza and Dongguan Houjie Wanda Plaza. DALWANs were unchanged to down 0.2pt this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, LGENSO 27/29/34 were traded in mixed two way flows and closed 3-5bps tighter. HYUELE 29/31 tightened 2-3bps. DAESECs/DFHOLDs were unchanged to 2bps tighter. KRKPSC 27/29 were 4-5bps tighter. OCBCSP 34s tightened 5bps. ANZ/CBAU/WSTP/MQGAU T2s tightened 1-2bps. RECLIN 25/26 widened 1-3bps. In Chinese IGs, BABA '31/TENCNT '30 were unchanged to 1bps tighter. HAOHUA 28-30s were 1bp tighter. SINOPE '49/CITLTD '31 were 1.1-1.2pts higher. CHMEDA '30 was 7bps tighter (1.4pts higher). XINAOG '30 was 5bps tighter (0.8pt higher). In financials, BCLMHK/CMINLE/MQGAU Floater 27s were 1-3bps tighter on buying among AMs/PBs. Chinese AMCs were traded in mixed two way flows. HRINTH 25-27s were unchanged to 0.1pt higher (unchanged to 3bps tighter), HRINTH 29-30s were unchanged to 0.2pt lower (2-6bps wider). GRWALL 28/Perp were 0.1-0.2pt higher (unchanged to 30bps tighter). In AT1s, ICBCAS 3.2 Perp/BCHINA 3.6 Perp/BOCOM 3.8 Perp/CINDBK 3.25 Perp were 0.1pt higher. In EU AT1s, STANLN 6 Perp/BNP 8 Perp/SOCGEN 8.5 Perp were 0.2-0.5pt higher. HSBC 6 Perp/HSBC 6.5 Perp were 0.2-0.3pt lower. In HK, BNKEA 27/30/34 tightened 3-5bps. LASUDE/LIHHK 25-26s were 0.4-0.9pt higher. FAEACO Perp was up 0.7pt. Chinese properties performed mixed. GEMDAL '24 was up 0.8pt. CHIOLI 28-43s were 0.5-0.7pt higher. SHUION 24/25/26, on the other hand, were 0.9-1.7pts lower. LNGFOR '28/FUTLAN '25 declined 0.8-1.0pts. In Macau gaming, WYNMACs/SANLTDs/STCITYs/MPLEs were 0.3-0.6pt higher. In Indonesia, MDLNIJ 25/27 dropped 1.5-1.6pts. In India, RILIN 40/45 were up 1.0-1.3pts. Elsewhere, GLPSP Perps were 1.5pts higher.

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In LGFVs, the sentiment remained upbeat. CPDEV '25/26 and BCDHGR '26 were 0.1-0.2pt higher. GZINFU '26/GZDZCD '26 and CDCOMM 24/27 were up 0.1pt. WFURCD 24/25 were 0.2-0.4pt lower. SOE perps were under better buying despite trading at tight yields inside 6%. CHPWCN 3.45 Perp/COFCHK 3.1 Perp were 0.1-0.2pt higher. In the high beta names, CWAHK '26 was 0.7pt higher. GRPCIN '26 was down 0.1pt. TIANFS '26 was down 0.3pt. HUANEN '29 was 1.3pts lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4 1/2 PERP	64.0	1.5	SHUION 6.15 08/24/24	94.5	-1.7
GLPSP 4.6 PERP	63.8	1.5	MDLNIJ 5 04/30/27	39.3	-1.6
CHMEDA 2 1/2 06/17/30	87.6	1.4	MDLNIJ 5 06/30/25	51.0	-1.5
RILIN 4 7/8 02/10/45	90.3	1.3	HUANEN 3 12/10/29	90.4	-1.3
CITLTD 3.98 09/07/31	93.8	1.2	SHUION 5 1/2 06/29/26	71.2	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.54%), Dow (+0.17%) and Nasdaq (+0.90%) were strong on last Friday. US Jun'24 NFP was +206k, down from +218k in May'24 and higher than the expectation of +191k. US Jun'24 unemployment rate was 4.1%, higher than the expectation of 4.0%. UST yield retreated on Friday, 2/5/10/30 yield reached 4.60%/4.22%/4.28%/4.47%.

❖ Desk analyst comments 分析员市场观点

➤ GRNCH: Another USD150mn bonds repurchase. GRNCHs are good short-dated carry plays.

Bond	O/s amt (USD mn)	Px (ask)	YTM (% ask)
GRNCH 2.3 01/27/25	100	97.58	6.85
GRNCH 4.7 04/29/25	446.5	95.67	10.43
GRNCH 5.65 07/13/25	294.5	95.49	10.47
Total	841		

Source: Bloomberg.

Greentown China (GRNCH) had repurchased all of the outstanding USD150mn of GRNCH 5.95 12/22/24 on 5 Jul'24, about 5months earlier than the original maturity in Dec'24. The further early redemptions have demonstrated GRNCH's adequate liquidity and good access its funding channels. GRNCH is one of the few property developers remains to have a very good access to onshore bond market. YTD, it raised unsecured onshore bonds totaled RMB4bn with coupon rates at low 4%, including RMB1bn at 4.13% in late Jun'24. In 2023, it issued RMB13.9bn onshore bonds at average coupon rate of 3.93%. We consider GRNCH one of the survivors and GRNCH 4.7 04/29/25 and GRNCH 5.65 07/13/25 good short-dated carry plays.

Recalled that In Jun'24, GRNCH announced two rounds of repurchase totaled USD300mn of GRNCH 2.3 01/27/25 in the open market, representing 75% of the issue size. YTD, GRNCH early redeemed offshore bonds totaled USD450mn. The o/s amount of offshore bonds reduced to USD841mn, maturing throughout 2025.

Meanwhile, GRNCH has been actively managing its onshore bonds maturities. On 3 Jul'24, it launched a cash tender offer for its outstanding RMB25mn 22LvchengdichanMTN004 at RMB100.47, after majority of the holders exercised the put options in May'24. The issue size was RMB1.5bn with an original maturity in May'26. Similar move was performed in Apr'24, it repurchased the outstanding RMB13mn 23Lvcheng01 after majority of the holders exercised put options in Feb'24. The issue size was RMB1bn which originally maturing in Mar'25.

In 6M24, GRNCH recorded contracted sales of RMB126.5bn with 6% yoy decline. GRNCH ranked the first among the 35 property developers under our radar in terms of contracted sales in 5M24. GRNCH has a more resilience business profile than most of its peers, thanks partly to its focus in higher tier cities.

➤ **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)
ANZ Banking Group	USD	-	3yr	T+75	Aa2/AA-/AA-
China Merchants Bank New York Branch	USD	-	3yr	SOFR+105	A2/-/-
Kraton Corp	USD	-	3yr	T+110	Aa2/-/AA-

➤ **News and market color**

- Regarding onshore primary issuances, there were 48 credit bonds issued yesterday with an amount of RMB34bn. As for Month-to-date, 306 credit bonds were issued with a total amount of RMB339bn raised, representing a 163.5% yoy increase
- [CHJMAO]** China Jinmao announced ABS scheme to raise funds for operations, business development
- [CMINLE]** CMB Financial Leasing announced USD20bn MTN programme
- [DALWAN]** Dalian Wanda Commercial Management exits Yantai Zhifu Wanda Plaza and Dongguan Houjie Wanda Plaza
- [FUTLAN/FTLNHD]** Seazen Holdings completed payment of RMB1.97bn for public bonds in 2Q24
- [TIANFS]** Fitch affirmed Tianfeng Securities at BBB- with stable outlook
- [VEDLN]** Vedanta Resources arranged payment of USD250mn to settle KCM dues
- [YUEXIU]** Yuexiu Property announced to issue RMB1.69bn 4.1% green note due 2027 for refinancing certain offshore medium to long-term debts

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