

## CMBI Credit Commentary

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

- *Asian IG space tightened 1-2bps with mixed flows. The recent new issues such as KNBZMK, SKONKR were skewed to selling. AMC sector was better buying. SOE Perp/LGFV recovered a bit compared to previous days.*
- **AGILE:** *cured the missed 21 Apr'23 coupon. AGILEs moved -1 to +1pt this morning. See below.*
- **GLPCHI:** *GLP China announced HKD20bn (cUSD2.55bn) MTN programme. GLPCHIs were unchanged to +2.5pts this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, Asia ex JP IG space had a very quiet session as the UK and the US were out for holiday, and there was no live UST for the whole day. The positive news of the tentative US debt ceiling deal prompted IG spreads to edge 1-3bps tighter in general. The recent new issues BOCAVI/AIA/CCB were still under better buying. The new CKHH/KNBZMK 28s/33s edged 2-3bps tighter. In Chinese SOEs, HAOHUA 30s closed 3-4bps tighter at T+190/+185. TMT benchmarks BABA/BIDU tightened 2-3bps. Whilst the high beta TMTs were under better selling, MEITUA 30s widened 5bps with mixed two-way flows. Chinese properties were mixed. DALWAN 23s jumped 9pts, and its 24-26s bounced 4-5pts. COGARDs were traded 1.25-3.25pts higher across the curve. On the other hand, FTLNHD 25s/26s dropped 3.75-4.25pts. SINOCE/ROADKG 25s/26s were traded down 0.75-1.75pts. CENCHIs/AGILEs were marked 0.5-1pt lower. Industrials HILOHO/WESCHI 24s was indicated 0.25-0.5pt higher. Macau gaming was largely stable. SJMHOL/SANLTD 28-31s were marked down around 0.25pt. In Indian space, VEDLNs were traded around 0.5pt higher. Indonesian space was rather muted. Elsewhere, GLPCHI 24s/GLPSP 25s were bid up another 2pts.

The LGFV/Perp/Asia AT1 spaces closed on a weak tone. There were heavy selling flows from Chinese RM on SOE Perps and Chinese AT1s, as the rates outlook was skewed towards higher again. In terms of names/issues, selling pressure was strongest in RLCONS/CHPWCN/ICBCAS/BOCOM Perps. CTIH 6.4 Perp was down 0.125pt. SOE Perps and Chinese AT1s were repriced around 0.25pt lower amid the rates movement, whilst bids were more resilient in AT1s, thanks to short positioning. Elsewhere, the flows in LGFVs were skewed to better selling, in light of a soft sentiment in LGFV space weighed by the recent negative headlines in Kunming. Nonetheless, some of the Shandong names that were dragged down last week began to see PB buyers step in. SHGUOH 25s/SHUGRP 24s were still traded 0.25-0.5pt lower. HK Corp perps such as HYSAN/LIFUNG/NANFUN Perps were marked down 0.75-1pt.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 6 7/8 07/23/23	86.1	8.7	FTLNHD 4 1/2 05/02/26	40.3	-4.3
DALWAN 7 1/4 01/29/24	49.2	5.1	FTLNHD 4 5/8 10/15/25	45.4	-3.7
DALWAN 11 02/13/26	38.9	3.8	KNMIDI 5 1/2 10/09/23	91.0	-2.5
COGARD 5 5/8 12/15/26	31.6	3.3	SINOCE 6 07/30/24	30.5	-1.7
COGARD 2.7 07/12/26	31.6	2.8	ROADKG 5 1/8 07/26/26	41.1	-1.6

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – U.S. stock market closed yesterday. Few hard-right Republican lawmakers said on Monday that they would oppose the deal reached by President and House Speaker to raise US debt ceiling. US dollar index increased to 104.29 with the market expectation that there is no interest rate cut within the year. The US treasury unchanged due to public holiday.

## ❖ Desk analyst comments 分析员市场观点

➤ **AGILE: cured the missed 21 Apr'23 coupon**

Agile cured the USD coupon it missed in Apr near the end of the grace period and remains current on its offshore bonds. The coupon was payable on 21 Apr on the AGILE 5.5 04/21/25 of cUSD8.6mn. We discussed in [our daily on 23 May](#), Agile has been “making use” of the 30-day grace period of the USD bond coupon payment since Nov'22. After curing the missed Apr'23 coupon, it is now facing coupon payments of USD12.4mn on AGILE 5.5 05/17/26 due already (grace period will end in 2 weeks), USD14.4mn in Jul and USD35.6mn in total in Oct-Nov. Agile has no USD bonds due before 2025.

Last week, the company has rolled over cUSD720mn equivalent syndicated bank loan to refinance in full for the bank loan obtained in 2021. The new loan will be in six amortizations that it has to pay 2.5%/3%/4.57%/18%/22%/49.93% at the end of the 3th/6th/9th/12th/15th/19th month. Agile has to repay the amortizations of cUSD18mn and USD21.6mn in Aug and Nov'23, respectively. The amortizations will concentrate in 2024. Agile could require additional financing to meet the USD bond coupons (USD50mn payable in 2H23) and amortizations over the coming months if there is no significant recovery in their contracted sales in the remaining of 2023. As per Agile, it targets to achieve contracted sales of cRMB65-70bn in FY23. In 4M23, it recorded contracted sales of RMB20.5bn, c31% of FY23 target. Besides, the company plans cRMB5-6bn asset or equity disposals facing debt repayments of cRMB24bn in 2023.

➤ **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)
Huzhou City Investment	USD	-	3yr	6%	-/-/BBB

Kexim

USD

-

10yr

T+120

Aa2/AA/AA-

### ➤ News and market color

- Regarding onshore primary issuances, there were 53 credit bonds issued yesterday with an amount of RMB47bn. As for Month-to-date, 976 credit bonds were issued with a total amount of RMB1,106bn raised, representing a 32.3% yoy increase
- **[ADANIT]** Adani Transmission FY23 revenue increased 19% yoy to cUSD1.47bn and EBITDA rose 11% yoy to cUSD740mn
- **[ADEIN]** Adani group companies get additional infusion of up to USD530mn from GQG Partners
- **[AGILE]** Media reported that Agile's USD719mn new refi loan includes quarterly installments starting with 2.5% principal in Aug; it cured missed 21 April coupon at the end of grace period
- **[AZUPOE]** Moody's downgraded Azure Power Energy to B1 and Azure Power Solar Energy to Ba3; on review for further downgrade
- **[DALWAN]** Dalian Wanda Commercial Management schedules redemption of RMB2bn 20Dalianwanda MTN002 notes on 3 June; Media reported that it plans to sell Shanghai Wandareign hotel to Fosun
- **[FOSUNI]** S&P affirmed Fosun International BB- rating and revised outlook to stable
- **[GLPCHI]** GLP announced HKD20bn (cUSD2.55bn) MTN programme
- **[NWSZF]** NWS Holdings issued RMB1.5bn 3.90% MTNs for bank loan repayment
- **[SDEXPR]** Shandong Hi-Speed Group issued RMB2bn extendable MTNs to repay debts and boost working capital
- **[SOFTBK]** SoftBank Group announced to redeem all of its outstanding USD2bn SOFTBK 6 PERP on 19 Jul'23

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