

CMBI Credit Commentary

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

- *Markets were quiet this morning. Asian IG trading was less active than previous days, HYUELE continued to widen 5-10bps after being placed with negative outlook. LGFV/SOE Perp/AT1 were also quiet with little fluctuation.*
- **SHUGRP:** *Media reported Shuifa Group seeks lenders' responses by 10 Mar for USD200mn sustainability-linked loan. SHUGRPs were unchanged this morning.*
- **LVGEM:** *Media reported LVGEM China obtained RMB1bn facility while remains short of funding for the redemption of USD470mn LVGEM 12 03/10/23, and it continues to prepare for a possible exchange offer. LVGEMs moved -0.25 to +0.5pt this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, Asia IG space performed roughly stable to a touch weaker. On recent new issue front, low beta papers HKAA/EIBKOR had a firmer session to edge 1-2bps tighter. In Chinese financials, we saw clients looking for leasing papers and T2s amid rates sell off given the cushion of higher credit spread. In leasing names, recent outperformers BOCAVIs tightened another 5bps and beta leasing papers ICBCIL/CMINLE/CDBLFD were also well-bid. Benchmark T2s BNKEA 32s were marked 0.5pt higher at 94.5 level. AMCs traded slightly weaker with better selling on CCAMCL/HRINTH curves, while spread levels remained largely unchanged. In SOEs, HAOHUA 10y was slightly weaker, though we saw better buying on front end HAOHUA which tightened 1-3bps. TMT benchmarks were unchanged to 1-2bps wider in general. BIDU tightened 1-2bps with active two-way trading. BBB names MEITUA/JD were 2-5bps tighter. In IG properties, VNKRLEs/YUEXIUS widened 10-15bps. Chinese HY property space went sideways with benchmark names broadly down 1pt under selling pressure again. New DALWAN '26 reoffered at 96.639 overnight to yield 12.375%, closed nearly 1pt lower at 95.6/95.8 level. COGARDs met profit-taking flows and dropped another 1-2pts across the curve, after having lost 2-3pts yesterday. AGILE/ROADKG 25-26s were marked down 2.5-3pts. SINOCEs/FUTLANs/FTLNHDs lowered 1-1.5pts, due mainly to profit taking. Elsewhere, GWFOOD '30/HAIDIL '26 were both up 0.5pt. Industrials were unchanged. Macau gaming names slightly retrieved some of Monday's losses, with MPELs/SANLTDs were traded 0.5-1pt higher. In Indian HYs, Adani complex bonds were largely stable at current levels, and all names stood unchanged with ADANIG 24s/ADTIN 26s were quoted 1pt higher. VEDLN 24-26s recovered 1-2pts after falling 3-5pts yesterday. Indonesian HYs were quiet. KIJAIJs/MEDCIJs were down another 0.5-1pt.

In the LGFV space, liquidity thinned again despite two-way interests, which were largely in 23s/24s carry papers around funding cost/hurdle yield levels and were skewed to better selling overall. SHUGRP '24 was bid up 1pt amid

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media reported that Shuifa Group was seeking lenders' responses for USD200mn sustainability-linked term loan (SLL), which is credit positive. As overnight rates edged another 3-5bps higher across the curve, AT1s and Non-SOE Perps were marked 0.1-0.25pts lower, but support on the bid side remained robust thanks to short covering demand. Meanwhile SOE Perps were relatively more resilient with some onshore accounts picking up all-in-yield at current levels. HAOHUA/HUADIA perps were unchanged skewed to better buying.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VEDLN 13 7/8 01/21/24	88.5	1.9	ROADKG 5 1/8 07/26/26	79.7	-2.7
SHUGRP 4 03/24/24	92.2	1.3	AGILE 6.05 10/13/25	60.7	-2.7
CWAHK 4.85 05/18/26	90.8	1.2	AGILE 5 1/2 04/21/25	63.4	-2.4
CHDUIN 2.6 04/12/26	89.4	1.1	AGILE 5 1/2 05/17/26	56.9	-2.3
VEDLN 8.95 03/11/25	75.7	1.1	AGILE 5 3/4 01/02/25	67.4	-2.3

❖ Marco News Recap 宏观新闻回顾

Macro – U.S. stock markets rebounded yesterday, S&P (+1.29%), Dow (+0.78%) and Nasdaq (+1.90%) increased with almost all sectors rallied after previous drops. Fed Chairman said that benchmark interest rate may be eventually higher than former expectation due to strong employment data. U.S. trade deficit widened 10.5% mom to USD67.4bn in Dec'22. The U.S. treasury continued to rise on Tuesday, 2/5/10/30 yields reached 4.47%/3.85%/3.67%/3.72%, respectively.

➤ 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)
Korea Development Bank	USD	-	5/10yr	T+105/120	Aa2/AA/AA-

➤ News and market color

- Regarding onshore primary issuances, there were 23 credit bonds issued yesterday with an amount of RMB30bn. As for Month-to-date, 116 credit bonds were issued with a total amount of RMB132bn raised
- **[ADANIG]** Adani Ports is considering to repay cINR50bn (cUSD604.6mn) debt by Mar'24 to bring its net debt/EBITDA ratio closer to 2.5x
- **[BABA]** Alibaba cut 11% of its workforce in Pakistan due to e-commerce slump
- **[GEELY]** Geely Automobile reported 29% yoy drop in Jan'23 total sales volume due to lower demand for Geely-branded vehicles

- **[GRNKEN]** Greenko signed pact with Uiper, a German energy company, to supply 250k tons per annum of green ammonia
- **[GZRFPR]** Guangzhou R&F fails to settle over RMB10mn outstanding taxes
- **[LVGEM]** LVGEM China obtained RMB1bn facility backed by its Shenzhen NEO building to fund project level debts. It remains short of sufficient funding for the redemption of its LVGEM 12 03/10/23, and it continues to prepare for a possible exchange offer
- **[PERTIJ]** Pertamina is targeting oil and gas lifting of around 900k barrels of oil equivalent per day this year, representing 5% increase compared with 2022
- **[SHUGRP]** Media reported that Shuifa Group seeks lenders' responses by 10 Mar for USD200mn sustainability-linked loan
- **[SOFTBK]** SoftBank 9M22-23 net sales rise 6.4% yoy to cUSD37.2bn; pre-tax income turns to loss of cUSD2.2bn
- **[SUNAC]** Sunac China shareholders approved general mandate to issue new shares not exceeding 20% of the issued shares
- **[VEDLN]** Hindustan Zinc clarified to BSE on its plans to buy the zinc assets of Vedanta, stating that the deal is an attractive opportunity for Hindustan Zinc and already approved by the board last month

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