

## CMBI Credit Commentary

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

- *Asian IG space was quiet with two-way flows this morning, TENCNT/BABA tightened 1-2bps and we saw buying interests on Bank T2 and recent new issues like CKHH, SBIIN. LGFV/SOE Perp/AT1 were more active and buyers deployed on long-end names.*
- **BTSDF:** *Tender offer for BTSDF 5.625 10/24/24 and proposed issuance of new USD 3NC2 bonds, BTSDF 5.625 10/24/24 rose 0.75pt this morning. See below.*
- **DALWAN:** *Moody's downgraded Dalian Wanda Commercial Management and Wanda HK's ratings to Ba2 from Ba1 and the ratings are on review for further downgrade. DALWANs down 0.75-1pt post the news.*

#### ❖ Trading desk comments 交易台市场观点

Last Friday, Asia ex JP IG space had another quiet session but tone remained constructive ahead of NFP. In Chinese SOEs, HAOHUA edged 3-5bps tighter. TMT benchmark papers such as TENCNT/BABA grinded 1-3bps tighter. In financials, T2 space were under small selling. Chinese banks like BCHINA/CCB/ICBCAS widened 3-5bps. In AMCs HRINTHs closed unchanged to 10bps tighter. CCAMCL/GRWALL were largely stable while their perps were traded 0.125pt higher. Flow-wise, we saw some duration buyers on names such as HKAA/HKE/CCAMCL. Chinese properties continued to be traded weaker. COGARDs dropped 1.5-3.5pts. SINOCEs/CHINSCs were down 0.5-1.5pts. AGILEs/GRNLGRs moved 0.25-3.75pts lower. ROADKGs performed mixed with ROADKG 6.7 '24/ROADKG 5.125 '26 gained 1.5-2.5pts, whilst the rest of the curve were down 1-2.5pts. In industrials, FOSUNs lowered 0.5pt. WESCHI 26s were traded down 1.25pts. Macau gaming names such as STCITYs/WYNMACs drifted 0.5pt lower. In Indian space, Adani complex bonds ADSEZs/ADANIGs were traded 0.25-0.75pt higher in cash prices. VEDLNs were traded 0.5-1pt higher. Elsewhere, GLPCHIs were marked 1.5-4.5pts lower.

In the Asia AT1/Perp/LGFV spaces, there were strong buying flows in low-beta Chinese AT1s/SOE Perps, driven by onshore RM returned from long holiday. ICBCAS/BCHINA/BOCOM Perps were traded up around 0.25-0.5pt. BOCOHK/CINDBK AT1s rallied 0.5-0.75pts. CTIH 6.4 Perp gained 0.75pt to close at around 104 with offers emerged at high. Though looking from a credit spread perspective, the CTIH bond is only traded back to around RO spread, highlighting the duration-driven nature of the QTD strength in the spaces. Elsewhere, LGFVs were traded more active in high-beta names, where investors continued to set their sights following the drain of liquidity and almost prohibitively rich yield levels in low-beta names. Shandong names SHGUOH 25/QDJZWD 24 were marked 0.25pt higher.

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

**Cyrena Ng, CPA** 吳蓓瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ROADKG 5.9 03/05/25	72.4	2.5	GLPCHI 2.95 03/29/26	60.4	-4.6
ROADKG 5.2 01/12/26	57.2	1.4	GRNLGR 5.6 11/13/24	37.2	-3.7
DALWAN 6 7/8 07/23/23	92.9	0.8	COGARD 5 5/8 01/14/30	39.4	-3.7
ADANIG 4 3/8 09/08/24	91.7	0.8	COGARD 7 1/4 04/08/26	46.4	-3.4
VEDLN 9 1/4 04/23/26	66.2	0.8	COGARD 2.7 07/12/26	40.7	-3.3

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+1.85%), Dow (+1.65%) and Nasdaq (+2.25%) bounced, driven mainly by the rebound of financial and TMT sectors. U.S. April NFP was +253k and higher than market expectation of +180k, the strong employment data weakened the probability of interest rate cut within the year. The U.S. treasury edged up last Friday, the yield curve bear flattened and 2/5/10/30 yields reached 3.92%/3.41%/3.44%/3.76%, respectively.

## ❖ Desk analyst comments 分析员市场观点

## ➤ BTSDF: Tender offer and proposed issuance of new USD 3NC2 bonds

Health and Happiness International (H&H) announced a concurrent tender offer for its sole outstanding USD bond BTSDF 5.625 10/24/24. The purchase price is USD101.40625, same as the second call price on and after 24 Oct'22. At the same time, the company proposes to issue new USD 3NC2 bonds to fund the tender offer, and the remaining proceeds will be used to repay other outstanding debts. The completion of the tender offer is conditional upon the finalization of the new bonds issuance. H&H is yet to announce the maximum acceptance amount for the tender offer which will expire on 17 May'23.

Apart from BTSDF 5.625'24 of cUSD270mn, H&H is facing secured bank loans of cUSD140.2mn due in 2023 and cUSD970.4mn in 2024-25. Noted that these bank loans will become due in full if BTSDF 5.625'24 is not repaid on or prior to 3 months before the maturity date of Oct'24. The tender offer and new issue, if successfully goes ahead, will help lengthen H&H's maturity profile and remove the overhang of negative rating actions if no concrete refinancing plan will be in place over the coming months. BTSDF 5.625'24 was traded 0.75pt higher at 85 (YTM of 17.7%) this morning.

## Summary of the tender offer:

Bond	BTSDF 5.625 10/24/24
Outstanding amount	USD269.656mn
Purchase price	101.406
Maximum acceptance amount	To be determined
Expiration deadline	17 May
Settlement date	22 May
Current price	85
YTM	17.7%

Source: Bloomberg, Company's filing.

## ➤ 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)
Export-Import Bank of China	USD	-	3yr	-	-/A+/

## ➤ News and market color

- Regarding onshore primary issuances, there were 12 credit bonds issued last working day on Saturday with an amount of RMB7bn. As for Month-to-date, 94 credit bonds were issued with a total amount of RMB60bn raised, representing a 44.2% yoy decrease
- **[DAFAPG]** DaFa Properties CEO and joint company secretary resigned
- **[DALWAN]** Moody's downgraded Dalian Wanda Commercial Management and Wanda HK's ratings to Ba2 from Ba1 and the ratings are on review for further downgrade
- **[FOSUNI]** Fosun increased stake in China health insurer to 28.4% with cUSD36.1mn to expand business
- **[FTHDGR]** Fantasia Holdings announced that holders representing 76.44% of existing debt instruments acceded to RSA
- **[GLPSP]** GLPSP's FY22 revenue up 17% yoy to USD1.9bn and net profit down 68.3% yoy to USD534mn
- **[GRNCH]** S&P revised Greentown China's outlook to positive from stable
- **[JD]** JD plans to spend USD868mn to provide subsidized housing to staff
- **[JIAYUA]** Jiayuan International ordered to be wound up by HK High Court
- **[VEDLN]** Media reported that Vedanta Resources repaid USD800mn debt owed to Standard Chartered Bank
- **[YUEXIU]** Yuexiu Property issued cRMB1.4bn 3.8% domestic 3-year notes
- **[ZHPRHK]** Zhenro Properties does not expect to pay outstanding principal USD300mn, accrued and unpaid interest of ZHPRHK 9.15 05/06/23

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