

## CMBI Credit Commentary

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

- *Light flows this morning. BABA'27-31 tightened 1-3bps. Front-end CCAMCLs tightened c1bps. HRINTHs were unchanged to 0.1pt higher. IG developers VNKRLs/LNGFORs increased up to 0.3pt.*
- **CQLGST/LMRTSP:** *Tender offer continues. CQLGSTs were unchanged to down 0.3pt, LMRTSP'24 and '26 rose 7 and 4pts this morning. See below.*
- **DALWAN:** *Media reported that Dalian Wanda Group is in talks with Dajia Insurance, Sunshine Insurance on assets sale. DALWAN'26 up 4.5pts while DALWAN'24/25 were unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, overnight UST 10-yr yield widened 9bps to 4.23%. Asia IG space was firm. In Chinese SOE/TMT benchmarks, HAOHUA '29/BIDU '28/BABA '31 were 1-2bps tighter. The high beta TMTs MEITUA/XIAOMI papers were 3-4bps tighter. In financials, Chinese bank T2s/leasing papers ICBCAS/CMINLE/CDBFLC 28-30s were unchanged to 2bps tighter. ICBCIL/BOCAVI 25-26s tightened 4-5bps. AMCs were under better selling while CCAMCL/ORIEAS papers were unchanged to 1bp wider. In AT1s, CHOHIN Perps were up 0.2-0.3pt whilst BCHINA/ICBCAS AT1s were 0.1pt lower. In HK Corp space, NWDEVL Perps were down 0.5-0.8pt. Chinese properties were mixed. CSCHCNs closed 1.1-2.1pts higher. CSCHCN sweetened the terms of the consent solicitation for USD bonds due 2024 and extended the consent expiration date to 15 Dec'23. DALWAN '26/FUTLAN '24 were 1.5pts higher and GRNCH 25s were up 0.7pt. GRNLGR 29-30s were 0.7-2.7pts higher. On the other hand, LNGFOR 27-32s dropped 0.9-2pts. ROADKG '24/PINGRE '25 were down 0.6-0.7pt. In industrials, WESCHI '26/FOSUNI '25 increased 0.7-0.8pt. Macau gaming names MPEL/SANLTD 26-28s were up 0.5-0.7pt. In Indian space, VEDLN '26 was up 0.9pt whilst ADSEZs/ADTINs were down 0.3-0.4pt. Indonesian names were mixed. KIJAIJ '27 was 3.3pts higher, whilst BUMAIJ '26 lowered 1.4pts.

In LGFVs, CQLGST announced to tender at par for any-and-all of its USD315mn CQLGST 5.3 '24, and up to USD150mn of its USD500mn CQLGST 4.3 '24. CQLGST 24s were up 0.9-1.1pts and closed at high-90s. The bonds were traded stable at at low-6% following the headline. We saw profit taking emerged from AMs/PBs, and the buying interests at this yield level was muted beyond short covering. Otherwise, the flows were light, focused on raising cash from front end papers at low-6% in the LGFVs/SOE perps spaces and the bids remained supported by cash parking demands. The quality LGFVs GZINFU '26/JNHTE '24 were 0.2pt higher. Shandong names HKIQCL '25/SDGOLD '26 were down 0.1pt. The shorter-dated-to-call

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SOE perps CHSCOI 4 Perp/CHPWCN 4.25 Perp/CNBG 3.1 Perp were up 0.1-0.2pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
KIJAIJ 7 12/15/27	80.5	3.3	LNGFOR 3.85 01/13/32	40.9	-2.0
GRNLGR 7 3/4 09/26/29	8.8	2.7	LNGFOR 4 1/2 01/16/28	50.8	-1.7
GRNLGR 6.9 02/12/29	8.9	2.2	LNGFOR 3 3/8 04/13/27	57.6	-1.6
CSCHCN 9 10/09/24	20.1	2.1	BUMAIJ 7 3/4 02/10/26	93.8	-1.4
CSCHCN 9 07/20/24	22.0	2.0	ROADKG 7.95 PERP	19.1	-1.1

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.39%), Dow (+0.43%) and Nasdaq (+0.20%) moved higher on Monday and S&P recorded the highest level within 2023. Markets expect the Fed has finished this round interest rate hike and will begin to cut rates in 1H24. The UST yields were stable yesterday, 2/5/10/30 yield reached 4.71%/4.25%/4.23%/4.32%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ CQLGST/LMRTSP: Tender offer continues

##### CQLGST offer

Chongqing International Logistics Hub Park (CQLGST) announced tender offer for CQLGST 5.3 08/20/24 and CQLGST 4.3 09/26/24. The purchase price is at par for the two bonds. CQLGST intends to purchase any and all for the amount tendered for CQLGST 5.3 08/20/24, and the maximum purchase amount for CQLGST 4.3 09/26/24 is USD150mn. The expiration deadline will be on 22 Dec.

Assuming the maximum tender caps of totaled USD465mn are reached, it will reduce CQLGST's outstanding bonds to USD387.5mn from USD852.5mn, representing a drop of 54.5%. It will lessen the liquidity pressure CQLGST will be facing in Aug-Sep'24. Apart from these two bonds, CQLGST only has USD37.5mn outstanding in 2025. We expect bondholders to take the chance to cash out from the tender offer at the price of USD100, so as to rebalance their exposures from the higher risk LGFV sector. Recalled that another LGFV in Chongqing, CQNANA, completed tender offer in Nov'23 for two of its bonds due in 2024 at USD100 and redeemed USD300.6mn in total.

**Table 1: Bond profile of CQLGST**

	o/s (USDmn)	amt	Tender (USDmn)	cap	Tender px (USD)	Ask px	YTM (ask, %)
CQLGST 5.3 08/20/24	315		315		100	98.50	7.57
CQLGST 4.3 09/26/24	500		150		100	97.56	7.54
Bonds under tender offer	815		465				
CQLGST 5.3 01/14/25	37.5		-		-	96.86	8.37
Total outstanding bonds	852.5						

Source: Bloomberg, Company filing.

### LMRTSP offer

Lippo Mall Indonesia Retail Trust (LMIRT) announced tender offer and concurrent consent solicitation for LMRTSP 7.25 06/19/24 and LMRTSP 7.5 02/09/26, with consent fee of 0.5pts. The purchase price of LMRTSP 7.25 06/19/24 is USD76.5 and LMRTSP 7.5 02/09/26 is USD66.5. Holders may choose to deliver consent to the proposed amendment without tendering their notes, and they will still receive the 0.5pts consent fee. The amendments are mainly to allow the notes to be refinanced with secured Indebtedness and to permit such debts to be guaranteed by certain of the restricted subsidiaries that do not guarantee the notes.

These are to be funded with the secured amortizing term loan facility up to IDR2.5tn (cUSD159.8mn) with an average tenor of 6 years. The drawdown of the loan is conditional upon obtaining requisite consents from the bondholders of above two notes. And the maximum purchase amount of the two notes are subject to the net proceeds of the term loan. The expiration deadline will be on 20 Dec.

The tender prices of the two bonds represented a premium over the last close of 5-6pts. As LMIRT does not have a concrete refinancing plan regarding the due-24 and due-26 notes so far, we expect the bondholders to submit tender at the current purchase price with 0.5pts consent fee. Meanwhile, the distributions on its SGD perps perpetual securities will continue to be skipped. There are dividend stopper provisions under the terms of perpetual securities. Besides, Lippo Karawaci owned 47.29% of LMIRT and classified as an associate. And there is no cross default trigger to Lippo Karawaci.

**Table 2: Bond profile of LMRTSP**

	o/s amt	Consent fee (USD)	Tender px (USD)	Ask px	YTM/YTC (ask, %)
LMRTSP 7.25 06/19/24	USD231.8mn	0.5	76.5	69.16	95.51
LMRTSP 7.5 02/09/26	USD181.7mn	0.5	66.5	61.25	34.34
Bonds under tender offer					
LMRTSP 6.475 Perp	SGD140mn	-	-	17.83	1509.40
LMRTSP 8.096 Perp	SGD120mn	-	-	16.17	992.74
Total outstanding bonds	cUSD607.1mn				

Source: Bloomberg, Company filing.

### ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

### ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 74 credit bonds issued yesterday with an amount of RMB53bn. As for Month-to-date, 515 credit bonds were issued with a total amount of RMB458bn raised, representing a 4.5% yoy decrease
- **[CARINC]** Moody's withdraw CAR Inc.'s B3 ratings for business reasons
- **[CIFIHG]** CIFI Holdings announced to pay HKD225.8mn to acquire remaining 50% equity interest in Hongqiao Project Company from Henderson China
- **[CSCHCN]** China South City said the latest extension proposal is the final version and there is no other improvements
- **[DALWAN]** Media reported that Dalian Wanda Group is in talks with Dajia Insurance, Sunshine Insurance on assets sale
- **[EHOUSE]** E-House (China) Enterprise expects to record RMB6.3bn gain from disposal of controlling equity interest in TM Home as part of restructuring
- **[MONMIN]** Media reported that Mongolian Mining denied that it swap additional USD40mn of 12.5% due-2026s for company's perps
- **[YUNINV]** Yunnan Provincial Investment proposes up to RMB2bn MTNs to repay debts
- **[ZHLGHD]** Zhongliang Holdings to hold EGM on 28 Dec to consider offshore debts holistic solution

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