

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 2023"](#). Thank you for your time. Your support will mean a lot to us.

- *In Asian IG space, benchmarks were 2-5bps tighter. High-beta TMT LENOVO/MEITUA/XIAOMI were squeezed 5-20bps this morning. Besides, we saw selling flows on front end TMT/Leasing names. KR space was relatively quieter than previous days and 1bps tighter.*
- **DALWAN:** Settlement with Vanke for disputes, RMB1.98bn frozen stakes to be unfrozen. DALWANs rose 0.5-4.5pts by mid-day. See below.
- **CHINSC:** China SCE guided 3.5%-4.8% coupon for planned CBICL-guaranteed bonds and expected to commence bookbuilding on 2 Aug. CHINSCs were unchanged to down 0.5pt this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, FOMC hiked rates 25bps as expected, and raised the target range to 5.25-5.50%. Asia IG space was traded in a mixed tone. Korean recent new issues such as HATELE, SHINFN, NACF, KOEWPW, KOHNPW, HWQCUS 28s, KORELE and DAESCE 26s closed 1-3bps tighter, with active two-way flows. The new SMBCAC 33s tightened 4bps. The front end of Korean T2s were under better selling. SG bank T2s were also better-offered with profit taking flows. In HK credits, CKHH/HKLSP/AIA 28s/33s moved 1-4bps tighter. In Chinese SOEs, the long end of SINOPE/CHGRID were better bid, while HAOHUA curve were unchanged. TMT benchmarks TENCNT 25s-31s closed unchanged to 2bps wider, with mixed two-way flows. The high beta TMTs were under better buying. XIAOMI/WB/LENOVO 30s grinded 5bps tighter. In financials, Chinese bank T2s/leasing papers were skewed to better selling amid light flows. AMC space closed on a mixed tone. HRINTH curve was traded another 0.5-1pt higher. Whilst CCAMCL were better sold from clients. Chinese properties drifted higher. COGARDs/LNGFORs rallied 3-6pts. LNGFOR 27s/28s were marked back to 75, same level as last Friday close. FUTLANs/FTLNHDs were up 1.5-4pts. ROADKGs/DALWANs gained 1-2.5pts. SINOCEs were marked unchanged to 0.5pt lower at single-digits, post it launched consent solicitation to defer interest payments. Industrials FOSUNI/WESCHI 24-27s were traded 0.75-2pts higher. Macau gaming papers SANLTDs/WYNMACs grinded 0.75-1.75pts higher. In Indian space, VEDLN 24s/25s were up 0.5-1.25pts. Indonesian space was muted.

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The LGFV/Perp spaces had a softer session ahead of month end. We continued to see selling flows from RMs in LGFVs from selected weaker regions, whilst buying remained lackluster since Wed afternoon. The low-yielding 2-3y papers continued to drift towards >6% after another Fed hike. Whilst the bonds yielding >7% were also slow to move amid a lukewarm sentiment. Elsewhere, HK Perps remained weak led by HYSAN. NWDEVL 5.25 Perp/CKPH 3.8 Perp were marked down 0.3-0.5pt. HYSAN 4.85 Perp was marked 1pt lower at 75. Elsewhere, the bonds yielding 9%+ were better bid. Whilst those papers at 8%-handle remained sluggish. ZHHFGR 4.25 Perp were marked 0.125pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
COGARD 8 01/27/24	38.6	6.5	PINGRE 3.45 07/29/26	76.7	-2.8
LNGFOR 3 3/8 04/13/27	75.5	6.1	RILIN 4 7/8 02/10/45	89.2	-1.7
LNGFOR 4 1/2 01/16/28	75.1	5.9	TAISEM 4 1/2 04/22/52	93.3	-1.6
COGARD 5 1/8 01/17/25	25.8	4.4	ROADKG 7.95 PERP	21.3	-1.5
COGARD 6 1/2 04/08/24	29.9	4.3	HYSAN 4.85 PERP	75.4	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.64%), Dow (-0.67%) and Nasdaq (-0.55%) were down amid markets' worry about unlikely interest rate cut in short term due to strong GDP growth. US 2Q23 GDP rose 2.4% qoq, higher than expectation of +1.8% qoq. The latest initial jobless claim of US was +221k, lower than expectation of +235k. The US treasury yields rallied higher yesterday, the 2/5/10/30 yield reached at 4.91%/4.24%/4.01%/4.06%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ DALWAN: Settlement with Vanke for disputes, RMB1.98bn frozen stakes to be unfrozen

Media reported that Dalian Wanda Group had reached basic settlement with Vanke for the commercial disputes of Changchun International Movie Metropolis and its RMB1.98bn frozen stakes in Dalian Wanda Commercial Management (DALWAN) will be unfrozen soon. [On 5 Jun'23](#), Vanke applied to Shanghai Hongkou District People's Court to freeze these stakes, which account for 43.7% of DALWAN's outstanding capital, due to the disputes totaled RMB1.38bn. Post the reconciliation, DALWANs rose 0.5 to 4.5 pts this morning.

DALWAN has paid DALWAN 6.875 07/23/23 and proposed to pay 20DalianwandaMTN0042 on 29'Jul'23. Apart from RMB3.8bn 20Wanda01 puttable on 9 Sep'23, DALWAN has no other bonds payment obligation in 2023. We continue to expect that DALWAN can obtain the consent from pre-IPO investors for delay the exercise of put even if the Zhuhai Wanda IPO cannot be completed by FYE23.

➤ 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)
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No Offshore Asia New Issues Pipeline Today

➤ News and market color

- Regarding onshore primary issuances, there were 80 credit bonds issued yesterday with an amount of RMB51bn. As for Month-to-date, 1,562 credit bonds were issued with a total amount of RMB1,492bn raised, representing a 18.3% yoy increase
- **[ADEIN]** Media reported that Adani Group is in talks with Standard Chartered, Deutsche Bank, and Barclays for up to USD750mn loans to refinance Ambuja debt
- **[CHINSC]** China SCE guided 3.5%-4.8% coupon for planned CBICL-guaranteed bonds and expected to commence bookbuilding on 2 Aug
- **[COGARD]** Media reported that Country Garden put undeveloped section of Windermere estate up for sale for AUD250mn
- **[EVERRE]** Media reported that China Evergrande unit Hengda Real Estate has around RMB2.9bn of assets newly added to subject matter of enforcement recently
- **[GRNCH]** Greentown China unit scheduled redemption of RMB1.65bn 18Lvcheng07 bonds on 10 Aug
- **[LIANYU]** Lianyungang Port Group proposed to offer RMB600mn one-year bills to repay debts
- **[SHINFN]** Shinhan Financial Group will exercise its call option to redeem SHINFN 5.875 Perp on the optional redemption date on 13 Aug
- **[SINOCE]** Media reported that Sino-Ocean Group said to pay due-13/14 Jul coupons of USD offshore notes in this week

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