

## CMBI Credit Commentary

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

- *New BOCAVI'28 tightened 4bps. CLFCAP'30 tightened 5bps. Fixed EIBKORs were unchanged to 5bps tighter while EIBKOR floater widened 3bps. HNRail'28 down 0.25pt. CNH HKAAAs were also weak.*
- **BOCAVI:** *Neutral on the new BOCAVI 4.75 01/14/28. Prefer FRESHKs in the Chinese leasing space. See comments below.*
- **GRNCH:** *Greentown plans small-sized USD bond issuance to fund the potential tender offer and refinancing of USD742mn bonds due in Apr, Jul'25. GRNCHs were unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, market focus was on Chinese TMTs following Tencent and CATL were included in CMC list of the US Department of Defense. TENCNT 29-31s closed 1-2bps tighter, while TENCNT 41-61s closed 5-10bps wider (0.8-1.8pts lower). BABA 31s widened 1bp. LENOVO 28-30s were 2-6bps wider. In Chinese financials, CFAMCI 25-27s (formerly HRINTH) and GRWALL 26-30s were 1-3bps wider under better selling from PBs. BNKEA/NANYAN 34s were unchanged to 3bps wider. SHNHANs/DAESECs were 1-3bps tighter. On new issues, the new NAB Float '30/NAB 4.901 '30 were 2-4bps tighter from ROs, while new NAB 5.902 '36 widened 5bps from RO. The new MUFU 31s/36s were unchanged to 3bps wider from ROs, and the new EXIMBK 35s widened 2bps. In AT1s, STANLN priced the USD1bn NC7 Perp at par to yield 7.625%. BACR 8/INTNED 7.25 Perps were 0.2-0.4pt lower. In JP, DAIL priced the USD2bn NC10 Perp at par to yield 6.2%. MYLIFE 54s/NIPLIF 54s/SUMILF Perp declined another 0.2-0.5pt after the decrease of 0.3-0.5pt on Mon. In HK, NWDEVL 27-30s/Perps were 0.1-0.5pt higher. In Chinese properties, FTLNHD/SHUION 26s were up 0.2-0.3pt, while VNKRL 25-29s were 1.0-2.6pts lower. Outside properties, the new HONGQI '28 closed 0.8pt higher from RO at par on top-up demand from RMs. FOSUNI 25-27s were 0.1-0.3pt higher following the tender offer on 25s and the concurrent tap on 28s at 100.75. In India, ADTINS/ADSEZs were 0.2-0.7pt higher. UPLLIN Perp was up 0.6pt. Elsewhere, GLPSP Perps were 0.4-0.6pt lower.

In LGFVs, HNRail priced the USD400mn 3-yr bond at par to yield 4.8%. YWSOAO announced new issue mandate of a 3-yr USD bond. The old YWSOAO 25-26s were up 0.1pt. The flows were active in the front-end of USD/CNH LGFVs. There were two-way interests on the CNH CSJZNC/HUNRUI/LCTIGP 27s. In SOE perps, CHPWCN 3.45/COFCHK 3.1 Perps were up 0.1pt.

**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
ADTIN 4 08/03/26	93.4	0.7	VNKRLE 3 1/2 11/12/29	46.2	-2.6
UPLLIN 5 1/4 PERP	90.6	0.6	VNKRLE 3.975 11/09/27	48.4	-2.3
NWDEVL 8 5/8 02/08/28	69.9	0.5	TENCNT 3.84 04/22/51	71.9	-1.8
NWDEVL 4 3/4 01/23/27	70.3	0.4	TENCNT 4.525 04/11/49	82.0	-1.4
NWDEVL 4.8 PERP	28.4	0.4	BABA 4.4 12/06/57	77.5	-1.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.11%), Dow (-0.42%) and Nasdaq (-1.89%) retreated on Tuesday. US Nov'24 JOLTS job opening was 8.1mn, higher than the expectation of 7.7mn. UST yield moved higher yesterday, 2/5/10/30 yield reached 4.30%/4.46%/4.67%/4.91%.

## ❖ Desk Analyst Comments 分析员市场观点

➤ **BOCAVI: Neutral on the new BOCAVI 4.75 01/14/28. Prefer FRESHKs in the Chinese leasing space**

BOC Aviation (BOCAVI) issues USD500mn 3-year USD bonds BOCAVI 4.75 01/14/28 (S&P/Fitch: A-). The bonds are issued by BOC Aviation USA Corp and guaranteed by BOC Aviation Limited. The proceeds from the new issuance will be used to fund new capex and refinancing. BOCAVI 4.75 01/14/28 moved +0.2pts this morning. The bonds were reoffer at 99.548. At 99.7, BOCAVI 4.75 01/14/28 is trading at Z+72bps/YTM of 4.87%, 7bps lower than the BOCAVI 5.75 11/09/28 (Z+79bps/YTM of 4.94%) with c10-month shorter in tenor. We view the current valuation is fair and therefore we are neutral on BOCAVI 4.75 01/14/28.

In Chinese commercial leasing space, we prefer Far East Horizon (FEH) for more diversified operations and better profitability. We view FRESHKs offer more attractive risk-return profiles than BOCAVIs. At 97.0-101.0, FRESHK'25-28s are trading at Z+159-221bps/YTM of 5.97-6.34%.

As at Jun'24, BOCAVI has 680 aircrafts including 32 managed aircrafts and 219 aircrafts on order. It has a committed capex of USD10bn, i.e. USD1.4bn in 2025 and USD8.6bn in 2026 and beyond. We take comfort from BOCAVI's good access to different funding channels including bond issuances and bank loans, as well as positive operating cash flow and proceeds from asset sales. Besides, BOCAVI has ample available liquidity of USD5.5bn (USD532mn cash and cash equivalent and USD4.9bn undrawn committed credit facilities) as of Jun'24. After the redemption of BOCAVI 2.625 01/17/25 of USD400mn next week, the upcoming USD bonds maturities of BOCAVI in 2025 will be BOCAVI 3.25 04/29/25 of USD1bn and BOCAVI 6.6877 05/21/25 of USD350mn. We are not concerned of the refinancing requirements of BOCAVI and expect the company to continue to tap the USD bond market.

➤ **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
BOC Aviation	500	3yr	4.75%	T+60	-/A-/A-

Chugoku Electric Power	500	10yr	5.742	T+110	-/BBB+/-
Clifford Capital	500	5yr	4.781%	T+35	-/AAA/-
Henan Railway Construction & Investment Group	400	3yr	4.8%	4.8%	-/-/A
Export-Import Bank of Korea	850/1250/500	3/5/10yr	4.625%/4.875%/5.25%	T+30/48/63	Aa2/AA/AA-
Export-Import Bank of Korea	400	3yr	4.762%	SOFR+47	Aa2/AA/AA-
Standard Chartered	1000	PNC7	7.625%	7.625%	Ba1/BB-/BBB-
Sumitomo Mitsui Financial Group Inc	800	5.25yr	5.343%	SOFR+105	A1/A-/A-
Sumitomo Mitsui Financial Group Inc	800/600/1000	5.25/7/10yr	5.24%/5.454%/5.632%	T+78/88/95	A1/A-/A-

### ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Airport Authority Hong Kong	USD	-	3.5/5.5/10yr	T+75/85/105	-/AA+/-
Chouzhou International Investment	USD	-	3yr	5.3%	Baa3/-/-
Huaibei City Construction Investment	USD	-	3yr	5.5%	-/-/BBB-
Yiwu State-Owned Capital Operation	USD	-	3yr	5.3%	Baa3/-/-

### ➤ News and market color

- Regarding onshore primary issuances, there were 111 credit bonds issued yesterday with an amount of RMB68bn. As for month-to-date, 396 credit bonds were issued with a total amount of RMB271bn raised, representing a 39.4% yoy increase
- **[GEMDAL]** Gemdale Dec'24 contracted sales down 49.4% yoy to RMB5.27bn
- **[GRNCH]** Greentown plans small-sized USD bond issuance to fund the potential tender offer and refinancing of USD742mn bonds due in Apr, Jul'25
- **[LASUDE]** Media reported that Lai Sun Development plans to sell Fairmont St Andrews in Scotland for GBP75mn
- **[LENOVO]** Lenovo Group completed issuance USD2bn convertible bonds

#### Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

### Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

### Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value

of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

**Disclaimer:**

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.