

## CMBI Credit Commentary

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

- *Light flows this morning. IG floaters were well bid. We saw active two-way flows on LGFVs. Chinese developers stabilized and CHIOLI/COGO/VNKRLE moved -0.1pt to +0.1pt.*
- **GLPSP:** *Termination of USD bond issue and concurrent tender offer for GLPSP 3.875 06/04/25. GLPSPs/GLPCHI retreated 0.3-3pts post the news. See below for comments.*
- **SINOCE:** *Sino-Ocean's creditor group holding c25% of its offshore bonds urged offshore bondholders to vote against debt revamp plan in a call on 28 Oct'24.*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, HYNMTR announced the new issue mandate of a fixed rate and a floating rate bond (both of 3-yr). LGENSO 27/33s were 1-2bps wider following its 3Q24 results. SUMITR Float '26/NOMURA Float '30 were 1-2bps wider. HAOHUA/TENCNT 28-30s tightened 1-3bps. In financials, CCAMCLs/ORIEASs tightened 2-4bps. DAHSIN/BNKEA 30-33s were 1-4bps tighter. NSINTW '34/CATLIF '39 tightened 3-6bps. In Insurance hybrids, FUKOKU 6.8 Perp/SUMILF 5.875 Perp/NIPLIF '54/MYLIFE '54 were 0.1-0.4pt lower amid higher UST rates. In EU AT1s, HSBC 6.875 Perp/UBS 6.85 Perp were 0.1-0.2pt lower. BNP 7.375 Perp/SOCGEN 8.5 Perp were down 0.2-0.3pt. Moody's changed France's rating outlook to negative from stable, affirmed her Aa2 rating. In HK, AIA/CKHH 33-34s were 1-3bps tighter. CKINF/NANFUN/HYSAN FFL Perps were 0.3-0.5pt lower. In Chinese properties, FTLNHD 25-26s rose 0.5-0.9pt. LNGFOR 27-32s were 0.2-0.6pt higher. DALWAN 25-26s, on the other hand, declined 0.3-0.6pt. Outside properties, EHICAR '27 increased 0.7pt. In Macau gaming, SANLTD/STCITY 29-30s were down 0.1-0.3pt. GLPSP Perps dropped 2.7-3.8pts, GLPSP/GLPCHI 25-26s were unchanged to 0.3pt lower. Media reported GLP decided not to proceed the issuance of 3-yr USD bond and the concurrent tender offer. See comments below. In India, ADANEMs/ADTINs were 0.1-0.4pt lower. See our comments on [28 Oct '24](#).

In LGFVs, FQSTAT priced a CNH2bn 3-yr bond at par to yield 3%. The CNH GXDVIN/HMRHGC 27s were 0.1-0.2pt higher on RM buying. On USD LGFVs, CHDXCH '26/SDECDI '26/HKIQCL '25 rose 0.2-0.3pt. WUXIND/HZCONI 26s were up 0.1pt. HNFARM '27/ZHEBAR '27/ZHANLO '26 were also 0.1pt higher. CDCOMM/NJYZSO 27s, on the other hand, were down 0.2pt. In SOE perps, COFCHK Perp was up 0.1pt. CHPWCN Perp was down 0.1pt.

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 4 5/8 10/15/25	86.5	0.9	GLPSP 4 1/2 PERP	58.2	-3.8
EHICAR 12 09/26/27	70.7	0.7	GLPSP 4.6 PERP	58.2	-2.7
FTLNHD 4 1/2 05/02/26	79.0	0.6	INDON 5.45 09/20/52	100.5	-1.0
LNGFOR 3.85 01/13/32	70.5	0.6	INDON 5.1 02/10/54	96.2	-1.0
LNGFOR 3.95 09/16/29	76.5	0.5	INDON 4.3 03/31/52	85.5	-1.0

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.27%), Dow (+0.65%) and Nasdaq (+0.26%) rallied higher on Monday. UST yield edged higher yesterday, 2/5/10/30 yield reached 4.12%/4.11%/4.28%/4.53%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ GLPSP: Termination of USD bond issue and concurrent tender offer for GLPSP 3.875 06/04/25

GLP decided not to proceed with the USD bonds issuance and the concurrent tender offer for GLPSP 3.875 06/04/25. In our view, the termination somehow reflects that GLP is not in rush to price a new bond at a double-digit yield and its confidence on the completion of the sales of GCP non-China operations. Recalled that the proposed issue was announced on 21 Oct'24. Last Friday, GLP extended the deadline for the tender offer to 1 Nov'24 and sounded out an IPT of 10.375% for the new 3-yr bond. The termination may have taken away the near-term catalyst for outperformance of GLPSP and GLPCHI. That said, we continue to like GLPSP and GLPCHI as carry plays given the high visibility of full repayment of GLPSP 3.875 06/04/25 with the [sales of GCP non-China operations](#) to be completed in 1H25 and ongoing asset monetization. We expect GLP to continue to look for a better window to price a new bond and concurrent tender offer, as well as to explore the sales of China operations. Meanwhile, we do not expect the 2 GLPSP perps (first callable in May'26 and Jun'27) to be called on the first call dates given the lack of high coupon step-up feature and consider the non-call risk is fairly priced.

Table 1: Bond profile of GLPSP/GLPCHI

Security name	ISIN	O/s amt (USDmn)	Px	YTM/YTC (%)	Rating (M/S/F)	First call date
GLPSP 3.875 06/04/25	XS1242348164	1000	97.7	7.97	-/-/BB	-
GLPCHI 2.95 03/29/26	XS2314779427	700	90.2	10.63	-/-/-	-
GLPSP 4.5 Perp	XS2340147813	850	57.1	46.22	-/-/B+	17 May'26
GLPSP 4.6 Perp	XS2357239057	300	59.9	26.54	-/-/B+	29 Jun'27

Source: Bloomberg.

## ➤ 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)
Chengdu Communications Investment Group Corporation Limited	USD	-	3yr	-	-/-/BBB+

Hyundai Capital America	USD	-	3yr	T+100/SOFR Equiv	A3/A-/A-
State Power Investment Corp	USD	-	PNC3	5.3%	-/-A-
Export-Import Bank of China	USD	-	3yr	SOFR+80	-/A+/-

### ➤ News and market color

- Regarding onshore primary issuances, there were 92 credit bonds issued yesterday with an amount of RMB107bn. As for month-to-date, 1,348 credit bonds were issued with a total amount of RMB1,260bn raised, representing a 9.1% yoy decrease
- **[LMRTSP]** Fitch withdrew LMIRT's CCC+ ratings
- **[SINOCE]** Sino-Ocean's creditor group holding c25% of its offshore bonds urged offshore bondholders to vote against debt revamp plan in a call on 28 Oct'24
- **[SINOPC]** Sinopec 9M24 operating revenue down 4.2% yoy to RMB2.4tn and operating profit down 19.8% yoy to RMB63.6bn

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