

## 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 2024](#)". Thank you for your support!

- *New issue NOMURA'27/34 tightened c5bps, NOMURA floater tightened c15bps. KORGAS'29 tightened c5bps. Recent issued CATLIF'34 and BBLTB'34 were 2-3bps wider. Front-end IG names were active this morning.*
- *LMRTSP: Tender offer and consent solicitation for LMRTSP 7.5 02/09/26 with upsized 8-year IDR4.5tn amortizing term loan facility. LMRTSP'26 rose 5pts post the tender offer announcement. See below for comments.*
- *BTSDf: H&H International signed 3-yr CNH term loan facility of up to equivalent USD150mn for refinancing. BTSDf'26 was unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, SOFTBK priced the USD400mn 5-yr, USD500mn 7-yr bonds at par to yield 6.75%, 7% respectively. MIZUHO priced the USD800mn 6NC5, USD700mn 11NC10 bonds at T+108, T+130 respectively. MITCO priced a USD500mn 5-yr bond at T+75. KORGAS priced a USD500mn 5-yr bond at T+77. The new issues MQGAU 5.272 '27 tightened 2bps from RO (T+75) and MQGAU Float 07/02/27 tightened 6bps from RO (SOFR+92). The new BBLTB 34s tightened 10bps from RO (T+140) on RM/PB chasing. CATLIF 34s opened 5bps wider from RO (T+170) but closed 8bps tighter to T+162 under PB buying. SWIRE 29s tightened 5bps from RO (T+95). On the secondary front, LGENSOs tightened 2-4bps. BNKEA 34s tightened 3bps. In Chinese IGs, HAOHUA/TENCNT/WB 30s were 1-3bps tighter. In financials, BCHINA/CMINLE 24-27s were unchanged to 2bps tighter. The new GRWALL '28 was 0.1pt lower while the new GRWALL 7.15 Perp closed unchanged. ORIEAS '29/CCAMCL '26 tightened 1-2bps. In AT1s, KBANK/KTBTB Perps were 0.1-0.2pt lower. BNP/SOCGEN Perps closed unchanged to 0.1pt higher with mixed two-way flows. In HK, NWDEVL Perps/27-31s were 0.4-1.5pts higher following NWD's S&P to sell its 30% stakes in Qianhai commercial complex to CTF. See our comments on [27 Jun'24](#). Chinese properties were firm. VNKRL 25/29 were up 0.4-0.5pt. CSCHCNs were up 0.3-0.6pt. In Macau gaming, MPEL '29/SANLTD '30 were 0.4-0.6pt higher, STCITY '28 was 0.3pt lower. In Indonesia, LMRTSP '26 rose 4.9pts following LMRTSP's another tender offer and consent solicitation for its o/s USD148.55mn LMRTSP 7.5 '26. See comments below. LPKRIJ '26 was 1.1pts higher. MDLNIJ 25/27 gained 1.7-4.8pts. ICBPIJs/BRAUIJs were

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

**Cyrena Ng, CPA 吳倩瑩**  
 (852) 3900 0801  
[cyrenang@cmbi.com.hk](mailto:cyrenang@cmbi.com.hk)

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

0.4-0.8pt lower. The long-end of INDONs were down 0.2-0.5pt. In India, ADGREGs/GRNKENS were down 0.3-0.5pt.

In SOE perps, the new HUANEN Perp closed unchanged to 0.1pt higher. COFCHK 3.1 Perp was up 0.2pt, CHSCOI 3.4 Perp was down 0.1pt. In high-beta IG names and LGFVs, the flows were driven by rebalancing ahead of half-end from AMs, whilst RMs/ HFs were inclined to deploy cash across the quality and the high-yielding names. GRPCIN '26/ZHONAN '25 were 0.1pt higher. CHMEDA '30 increased 0.4pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LMRTSP 8.096 PERP	53.6	8.9	BRAUIJ 2 10/15/28	27.2	-0.8
LMRTSP 7 1/2 02/09/26	98.3	4.9	ADGREG 6.7 03/12/42	93.5	-0.5
MDLNIJ 5 06/30/25	48.7	4.8	INDON 5 1/4 01/08/47	98.3	-0.5
MDLNIJ 5 04/30/27	34.2	1.7	ICBPIJ 4.745 06/09/51	82.7	-0.5
NWDEVL 4 1/8 PERP	60.6	1.5	INDON 5.45 09/20/52	99.5	-0.5

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.09%), Dow (+0.09%) and Nasdaq (+0.30%) rallied higher on Thursday. US 1Q24 GDP rose 1.4% qoq, higher than the expectation of +1.3% qoq. The latest US initial jobless claim was +233k, lower than the expectation of +236k. UST yield retreated yesterday, 2/5/10/30 yield reached 4.70%/4.29%/4.29%/4.43%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ LMRTSP: Tender offer and consent solicitation for LMRTSP 7.5 02/09/26

Lippo Mall (LMIRT) commenced a tender offer and concurrent consent solicitation for LMRTSP 7.5 02/09/26 with an outstanding amount of USD148.6mn. The tender offer will be conducted via an unmodified Dutch auction. The minimum purchase price is USD93.5, similar to the price at close of 93.38 at 26 Jun. Additional consent fee of USD0.5 will be provided to bondholders tendered their bonds as they are deemed to deliver the consent. Bondholders can also choose to deliver consent and receive the consent fee of USD0.5, without tendering their bonds.

Concurrently, LMIRT is soliciting consents from the holders of LMRTSP 7.5 02/09/26 to remove quite a few of restrictive covenants such as the limitation on indebtedness and preferred stock, restricted payments, asset sales, and some of the events of default clauses. The deadline of the tender offer and consent will be 11 Jul'24.

The tender offer, including the consent fee and accrued interests, are to be financed with the 8-year secured amortizing term loan facility up to IDR4.5tn (cUSD274mn). This facility, granted on 28 May'24, was upsized from IDR2.5tn. LMIRT had utilized IDR2.315tn (cUSD141mn) to repay its existing SGD denominated secured bank loans. Therefore, IDR2.185tn (cUSD133mn) is available for the settlement of the tender offer and consent. LMIRT can purchase up to USD135mn in principal amount of LMRTSP 7.5 02/09/26 at the minimum purchase price of USD94 including the consent fee and the accrued interests, as per our estimate.

The upsize of credit facility shows LMIRT is still able to refinance its debt obligations from banks. LMIRT said the aggregate leverage ratio was 45.0-45.2% on 25 Jun which is marginally exceeds the limit mainly due to the 3.5% depreciation of the IDR against SGD. According to MAS, this is not considered as a breach of the limit as currency depreciation is beyond of the control of LMIRT. However, LMIRT should not incur additional borrowing as per MAS. As a result, there is no room for LMIRT to obtain incremental financing.

We are neutral on LMRTSP 7.5 02/09/26 and recommended investors to take profit from the bond given the less appealing valuation after the price rally and thin trading liquidity. LMIRT has two perps denominated in SGD outstanding, the cumulative distribution of them amounted to cUSD15.2mn has been skipped since Mar'23. There are dividend stopper provisions under the terms of perpetual securities. LMIRT, 47.45% stakes owned by Lippo Karawaci, does not have cross default trigger to the latter.

Table 1: Details of the tender offer

Bond	LMRTSP 7.5 02/09/26
o/s amt	USD148.6mn
Min. purchase px incl. consent fee (USD)	94
Consent fee (USD)	0.5
Minimum participation	80% of the outstanding aggregate principal amount
Deadline	11 Jul'24

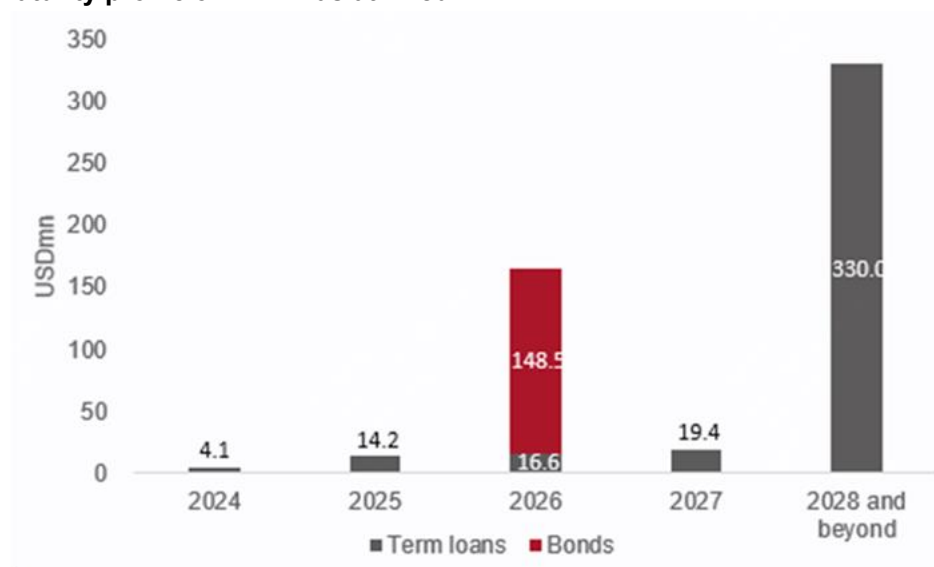
Source: Bloomberg.

Table 2: LMIRT's outstanding bonds

	ISIN	o/s amt	Ask px	YTM/YTC (ask, %)
LMRTSP 7.5 02/09/26	XS2295115997	USD148.55mn	98.9	8.24
LMRTSP 6.475 Perp	SG74H800008	SGD102.96mn	43.2	522.56
LMRTSP 8.096 Perp	XS1632471352	SGD86.56mn	55.6	184.31
Total		cUSD288.17mn		

Source: Bloomberg.

Chart 1: Debt maturity profile of LMIRT as at 27 Jun'24



Source: Company filling.

### ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Korea Gas Corp	500	5yr	5.0%	T+77	Aa2/AA/AA-
Mizuho Financial Group	800/700	6NC5/ 11NC10	5.382%/5.594%	T+108/130	A1/A/-
Nomura Holdings	500/1000	3/10yr	5.594%/5.783%	T+110/150	Baa1/BBB+/-

Nomura Holdings	500	3yr	6.59%	SOFR+125	Baa1/BBB+/-
SoftBank Group	400/500	5/7yr	6.75%/7.0%	6.75%/7.0%	-/BB+/-
Takeda Pharmaceutical Co	1100/800/600 /500	10/20/30 /40yr	5.3%/5.65%/5.65%/5.8%	T+105/115/125 /140	Baa1/BBB+/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Woori Bank	USD	-	PNC5	-	-/BBB-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 98 credit bonds issued yesterday with an amount of RMB47bn. As for month-to-date, 1,815 credit bonds were issued with a total amount of RMB1,669bn raised, representing a 9.7% yoy increase
- [AZUPOE]** Azure Power Global 1H24 revenue increased 8% yoy to USD134mn
- [BTSDf]** H&H International signed 3-yr CNH term loan facility of up to equivalent USD150mn for refinancing
- [COGARD]** Country Garden received share trading resumption guidance from HKEx
- [GRNKEN]** Media reported that Greenko Group is in talks with REC to borrow up to USD287mn for green project
- [LNGFOR]** Longfor unit schedules put option exercise for RMB2bn 21Longhu05 bonds on 2-4 Jul'24
- [MOLAND]** Modern Land (China) received share trading resumption guidance from HKEx
- [SINOCE]** Sino-Ocean Group faces winding-up petition in HK, the next hearing is scheduled on Sep'24; The company said it had made significant progress on potential offshore debt restructuring
- [SKYFAM]** Skyfame Realty extended long stop date of proposed restructuring to 31 Mar'25

*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.