

CMBI Credit Commentary

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

- The new AMMMK 30s widened 1bp from RO this morning. BABAs/TENCNTs/MEITUAs tightened 1-2bps. TOPTBs tightened 5bps. VNKRL 25-29s were up another 0.4-1.8pts.
- **Chinese properties:** Except CHIOLI, the contracted sales of all developers under our radar decreased yoy in 2024. See below.
- **China Economy:** In a moderate recovery. CMBI expects China's GDP growth to decelerate from 5% in 1H25 to 4.5% in 2H25 with the full-year growth at 4.7%. China might launch additional policy stimulus in 2H25. See below for comments from CMBI economic research.

❖ Trading desk comments 交易台市场观点

Last Friday, AMMMK priced a USD300mn 5-yr bond at CT5+78. The recent new HAAA 30s/35s widened 1-2bps. BOCAVI 28s tightened 2bps. KHFC 30s/EIBKOR 35s were unchanged to 1bp tighter. In Chinese IGs, HAOHUA 28-30s widened 2-3bps on offshore accounts selling. BABA/TENCNT 30-31s were 1-2bps wider while MEITUA 28-30s tightened 2-3bps. In financials, CFAMCI 25s/26s/27s/30s were unchanged to 0.1pt higher (5-13bps tighter). See our comments on CFAMCI's positive profit alert on [17 Jan'25](#). CCAMCL/ORIEAS 30s also tightened 1-2bps. Bank T2s were mixed. NANYAN 34s tightened 2bps on better buying from onshore accounts. BNKEA 27s/32s widened 1-3bps on AM selling. In EU AT1s, there were two-way interests among PBs/AMs. The recent new BBVASM 7.75/STANLN 7.625 Perps were up 0.1-0.2pt. BNP 8/LLOYDS 8 Perps were 0.2-0.5pt higher. Insurance hybrids were under better buying from some RM reloading risks. DAIL Perp/SUMILF Perp/MYLIFE 54s were unchanged to 0.1pt higher. In HK, NWDEVL Perps/27-31s dropped another 0.5-1.3pts, closed 2.7-8.9pts lower WoW. In Chinese properties, Moody's downgraded Vanke by two notches to B3 from B1. Media reported Vanke has prepared sufficient cash to repay the onshore bonds of RMB3bn due on 27 Jan'25. VNKRL 25-29s rebounded 1.3-4.3pts, closed 14.8-17.1pts lower YTD. LNGFOR 27-32s were up 0.2-0.8pt, closed 3.9-4.4pts lower WoW. COGO/DALWAN 26s were up 0.3pt. CHJMAO 26s/29s closed unchanged to 0.2pt higher amid mixed flows. Outside properties, EHICAR 26-27s increased 0.5-0.6pt, closed 2.9-3.4pts higher WoW. WESCHI 26s decreased 1.8pts, closed 2.5pts lower WoW. In India, UPLLIN Perp rose another 0.7pt.

In LGFVs, HRINT priced a USD290mn 3-yr bond at par to yield 6.28%. We saw tactical investors were gradually raising selling targets especially in USD papers amid the strong buying from RMs. HNYUZI/WUXIND 26s were 0.2pt higher. LIANYU 25s/SXUCI 26s were up 0.1pt. There were two-way interests on CNH names such as NNGHs/JNCDCHs/SDGAOCs. In SOE perps, CHSCOI 3.4/COFCHK 3.1 Perps were up 0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.15 05/12/25	64.2	4.3	WESCHI 4.95 07/08/26	75.9	-1.8
VNKRLE 3 1/2 11/12/29	33.0	1.6	NWDEVL 6.15 Perp	51.8	-1.3
VNKRLE 3.975 11/09/27	34.0	1.3	NWDEVL 4 1/2 05/19/30	55.0	-1.0
LNGFOR 3.95 09/16/29	67.6	0.8	NWDEVL 8 5/8 02/08/28	65.8	-0.8
UPLLIN 5 1/4 Perp	94.5	0.7	NWDEVL 4 1/8 07/18/29	56.0	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.00%), Dow (+0.78%) and Nasdaq (+1.51%) were strong on last Friday. The Dec'24 US Nonfarm Payroll was +256k, higher than the expectation of +164k. The Dec'24 unemployment rate was 4.1%, lower than the expectation of 4.2%. China's 1/5yr LPR are unchanged at 3.1%/3.6%. UST yield moved higher on last Friday, 2/5/10/30 yield reached 4.27%/4.42%/4.61%/4.84%.

❖ Desk Analyst Comments 分析员市场观点

➤ Chinese properties: Except CHIOLI, the contracted sales of all developers under our radar decreased yoy in 2024

In Dec'24, 32 developers under our radar reported contracted sales totaled RMB220.5bn, decreased 9.8% yoy from RMB244.5bn in Dec'23. 10 out of 32 developers reported yoy increase in contracted sales in Dec'24, compared to 9 developers with yoy increase in Nov'24.

The new home prices in 70 largest cities down 0.08% mom in Dec'24 from Nov'24, the smallest decline since Jun'23. Dec'24 is also the fourth straight month in which the decline in new home prices has narrowed compared with the previous month. On mom basis, the new home prices in Shanghai and Shenzhen rose 0.5% and 0.2%, respectively in Dec'24; while the new home prices in Beijing and Guangzhou both dropped 0.1%.

In 12M24, the cumulative contracted sales of 32 developers dropped 30.9% yoy to RMB2,251.0bn. Except CHIOLI with 0.3% yoy increase in cumulative contracted sales in 12M24, all the remaining 31 developers under our radar posted yoy decrease. GRNCH (RMB256.4bn) was also a better performer with a modest yoy contracted sales decline of 8%. The distressed developers continued to underperform. The contracted sales of COGARD (RMB47.2bn), AGILE (RMB15.5bn) and LOGPH (RMB8.4bn) dropped 73%, 66% and 63% yoy in 12M24, respectively.

During 2024, Chinese government attempted to stimulate the property market by relaxing the HPR, as well as reducing the mortgage rates and nationwide minimum down payment ratio. The CEWC in Dec'24 signaled more forceful measures to support the property market, including urban village's renovation and rehabilitation of dilapidated houses. Among the tier-1 cities, Guangzhou had cancelled all purchase restrictions for Guangzhou residents and non-Guangzhou families by Sep'24. We expect further relaxation of HPR in Beijing, Shanghai and Shenzhen as well as further LPR cut.

2024 YTD Sales (in RMB mn)																			
Company	CN Name	BBG Ticker	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Trend	Dec24 MoM Growth	Dec24 YoY Growth	Dec24 YTD Sales	Dec24 YTD Sales Growth
China Overseas	中国海外发展	CHOLD	10,504	8,491	41,211	21,795	19,700	46,677	13,192	18,460	18,819	41,589	30,028	40,226		134%	22%	310,692	0%
Greentown	绿城	GRNCH	12,000	12,900	28,300	22,300	23,300	27,700	21,000	18,100	21,600	27,800	31,800	30,000		-8%	-32%	276,800	-9%
China Resources Land*	中国资源地产*	CRHLZCH	11,420	9,190	30,110	21,280	20,700	32,000	15,500	15,200	16,900	31,000	25,800	32,000		24%	2%	261,100	-10%
Yueku Property	越秀地产	YUEKJ	6,545	3,815	11,341	8,312	10,078	15,308	5,028	10,002	7,210	13,361	10,021	13,511		15%	22%	114,532	-16%
Shimao	世茂房地产	SHIMAO	2,110	2,240	3,900	2,610	2,920	3,310	2,720	2,600	2,640	3,110	2,720	2,830		4%	1%	34,010	-21%
Poly Real Estate	保利地产	POLYRE	20,323	15,624	27,036	33,024	35,314	42,014	25,318	22,115	20,916	42,337	24,001	15,005		-37%	1%	323,027	-23%
Sino-Ocean*	远洋集团*	SINOCE	1,200	820	2,300	2,800	2,440	8,770	1,790	2,640	1,960	2,730	3,700	4,960		23%	2%	35,710	-20%
China Jinmao	中国金茂	CHUMAO	6,400	4,150	6,970	6,500	7,220	13,300	5,960	6,196	7,008	11,597	7,999	15,255		115%	8%	98,255	-20%
Times Property	时代中国控股	TPHL	532	641	685	1,055	1,005	705	855	550	555	1,305	855	1,005		18%	3%	8,948	-21%
Central China Real Estate	建业地产	CENCH	710	680	440	750	950	960	620	800	720	960	960	1,550		11%	2%	10,100	-21%
Yanlord*	仁信置业*	YLGSP	1,480	2,060	990	1,870	2,950	1,850	1,470	1,220	860	2,930	1,590	2,900		10%	1%	22,170	-21%
China Vanke	万科企业	VNKPL	19,450	14,000	24,510	20,890	23,330	25,130	19,220	17,240	17,420	21,360	20,130	23,340		16%	1%	246,000	-21%
Longbr (Attributable)	龙湖集团	LNFOR	4,660	3,680	7,440	6,230	5,980	6,790	5,260	4,630	5,140	7,340	5,710	5,400		-5%	-20%	68,240	-21%
Greenland Holdings*	绿地控股集团*	GRNLDR	4,500	4,000	5,500	3,800	6,130	7,940	5,770	5,000	6,000	4,800	5,320	6,040		14%	2%	64,800	-21%
Sunac China	融创中国	SUNAC	3,760	2,730	3,510	12,450	2,270	1,960	1,410	7,350	1,410	7,330	1,810	1,750		9%	28%	47,140	-24%
Jingru Holdings	景瑞控股	JINGRU	206	112	170	167	131	130	287	133	130	290	194	167		-14%	6%	2,077	-23%
Future Land	新城控股	FUTLAN/FLNHD	3,692	4,020	4,236	3,704	4,102	3,801	3,487	2,501	2,291	2,616	2,514	3,207		28%	1%	40,171	-21%
Dongliang	中梁控股	ZHLGD	2,010	1,730	1,500	1,370	1,450	1,600	1,360	1,300	1,250	1,600	1,270	1,490		17%	1%	17,930	-21%
Hopson	合生创展	HPOLF	1,286	630	1,978	1,510	1,665	1,781	1,488	1,389	1,164	1,649	1,126	963		-14%	40%	16,629	-21%
Radianc*	金地控股*	JNHLG/RDNGDL	1,450	610	1,840	870	1,430	2,160	1,290	290	460	1,030	860	640		-26%	28%	12,930	-21%
CIFI Holdings	城建集团	CFHG	3,720	2,240	4,180	3,980	3,340	2,850	1,960	1,940	2,020	2,870	2,270	2,400		6%	15%	33,670	-21%
Ronshine China	融创中国	RONSH	448	543	742	542	544	543	602	1,078	446	659	789	771		-2%	11%	7,702	-21%
Powerrong	宝龙地产	PKRPLG	1,121	1,177	1,548	1,134	1,208	1,142	1,056	634	614	1,109	967	1,054		1%	1%	12,794	-21%
Gemdale	金地集团	GEMDAL	5,510	5,100	6,130	6,240	6,510	6,630	6,100	5,400	5,200	5,610	4,810	5,270		10%	2%	68,510	-21%
Yuzhou Properties	禹洲地产	YUZHOU	803	503	902	802	703	632	465	431	473	752	781	703		-10%	17%	7,950	-21%
Zhenro Properties	震旦集团	ZHENRO	619	471	554	591	596	594	468	430	570	558	539	738		37%	1%	6,728	-21%
China SCE*	中国海外控股*	CHNSCE	850	820	1,010	630	1,110	350	1,350	1,480	520	1,020	830	1,210		30%	1%	11,280	-21%
KWG Property	合景泰富集团	KWGRP	830	620	1,070	970	1,180	990	760	710	603	847	650	970		8%	17%	10,200	-21%
Redsun	弘阳地产	REDSUN/HONGSL	982	862	831	702	723	711	680	581	601	723	621	802		20%	1%	8,819	-21%
Logan Property*	宝龙地产*	LOGPH	800	760	400	520	790	1,270	1,030	360	500	750	650	600		-8%	20%	8,430	-21%
Agile	碧桂园	AGILE	2,390	1,530	1,430	1,190	1,650	800	810	540	1,820	1,390	1,200	790		-8%	1%	15,500	-21%
Country Garden (Attributable)	碧桂园	CGSARD	5,490	3,720	4,300	3,850	4,290	4,300	3,410	3,430	3,620	4,330	3,010	3,420		14%	11%	47,170	-21%

Note: * represents the data collected from CRIC.

Source: Company filings, CRIC.

➤ Chinese Economy: In a moderate recovery

China's GDP met the 2024 growth target of 5% thanks to the latest policy stimulus and record-breaking trade surplus. Housing sales continued to recover especially in higher-tier cities. Retail sales rebounded driven by durable goods eligible for the trade-in subsidy policy like home appliance and furniture. Fixed asset investments moderated dragged by contraction of property investments, as recovery in property sales has yet to translate into developers' investment willingness restrained by their debt overhang and confidence weakness. Industrial output beat market expectation thanks to recovering durable consumption and robust exports. Despite the solid real GDP growth, Chinese stocks remained weak as investors were concerned about the recovery sustainability of housing market and durable consumption, continued deflation pressure as well as the trade war risk in Trump 2.0 era. We believe China's economy will maintain the recovery momentum in 1H25 as the recovery of housing sales should indicate a gradual improvement of consumer demand and Trump's most important agendas in the first 100 days should be lowering inflation and deporting illegal immigrants instead of raising tariffs. But the situation may change in 2H25 as the policy stimulus gradually diminish and Trump might escalate trade tensions after the US inflation further declines. We expect China's GDP growth to decelerate from 5% in 1H25 to 4.5% in 2H25 with the full-year growth at 4.7%. China might launch additional policy stimulus in 2H25.

GDP met the 2024 growth target while GDP deflator was still negative. China's GDP growth in YoY terms (all on a YoY basis unless otherwise specified) rose from 4.6% in 3Q24 to 5.4% in 4Q24, beating the 5% market expectations. Meanwhile, the seasonally adjusted QoQ growth of GDP moderately rebounded from 1.3% to 1.6% in 3Q24. GDP met the annual growth target of 5% while the deflation pressure persisted as GDP deflator stayed negative for the second year at -0.73% in 2024.

China may maintain the 5% growth target in 2025. The 2025 GDP growth target is likely to remain at around 5% as the policymakers try to show their pro-growth attitude and commitment to meet the 14th Five-Year Economic Plan. Another scenario of significant pressure to meet the GDP growth target, triggered by external shocks like tariffs or a notable domestic economic slowdown, could lead to a new round of policy stimulus, similar to what have occurred in last September.

Housing market continued to recover, but trends varied across cities. New housing market continued to recover following the latest policy stimulus, with gross floor area (GFA) sold for buildings respectively rebounded to -12.9% in 12M24 after dropping 14.3% in 11M24 while housing start remained flat at -23%. The recovery rate of new housing sales in 30 major cities compared to 2018 & 2019 dropped to 53.7% in first half of Jan from 68.2% in Dec, with tier-1 cities markedly remained robust from 101.4% to 121%, while 2&3- tier cities remained subdued. Meanwhile, the recovery rate of second-hand housing sales in 11 selective cities continued to strengthen on a high base from 142.1% to 152% in early Jan. Housing price extended the rebound in tier-1 cities while tier 2&3 cities continued to see price drop in new and existing houses. If the recovery in tier-1 cities sustains, the durable goods sales and sentiment in overall housing market may continue to rebound. However, as the existing potential demand releases, the recovery sustainability may gradually face challenges from cyclical weaknesses like sluggish business confidence, employment & household income as well as structural problems like aging population and weak social safety net.

Retail sales rebounded thanks to the trade-in subsidy. Retail sales growth bounced up to 3.7% in Dec from 3% in Nov, beating market consensus at 3.5%. Durables qualified for trade-in scheme were the major drivers as home appliance and furniture respectively surged to 39.3% and 8.8% thanks to the rebound in housing sales, while auto slowed down to 0.5% in Dec from 6.6%. Telecom equipment notably rebounded from -7.7% in Nov partly due to the “double-11” distortions to 14% in Dec. We might see the continuous uptick in cell phone as it was included in trade-in scheme in 2025. Staples like food and daily used good remained robust. Discretionary items were lethargic as clothing, cosmetics and gold, silver & jewellery saw another decline. Looking forward, retail sales may rise from 3.5% in 2024 to 4.7% in 2025, with possible strong recovery in 1H25 driven by the expanding trade-in schemes, but this could come at the expense of future demand, as we may see a slowdown in 2H25.

FAI moderated in Dec dragged by the still contracting property investments. Total FAI growth edged down to 3.2% in 12M24 from 3.3%, slightly lower than market expectations of 3.4%. Its monthly YoY growth dropped to 2.2% in Dec from 2.4%. By sector, property development investment contracted deeper from -11.5% in Nov to -13.5%. The recovery in property sales has yet to translate into developers' investment willingness, as their financial conditions remain challenging. Major developers are still under market scrutiny on their ability to repay upcoming bond maturities. Infrastructure FAI remained relatively robust but moderated from 9.7% to 7.4% in Dec, given the much higher base last year. Infrastructure FAI may see stronger growth in next two quarters in 1H24 as the latest fiscal stimulus centres on granting local government's greater scope to support economic growth. Manufacturing FAI moderated from 9.3% to 8.3% in Dec. Looking forward, FAI growth might mildly accelerate from 3.2% in 2024 to 3.7% in 2025 thanks to the narrower declines of property development investments. The drag of property development investments on GDP growth is likely to decline from 2.3ppts to 2.1ppts. Manufacturing, while infrastructure investment growth is likely to fall from 9.2% and 9.2% in 2024 to 8.5% and 8.7% in 2025.

Industrial output beat market expectation thanks to strong manufacturing activities. VAIIO growth increased to 6.2% in Dec from 5.4% in Nov, notably above market consensus of 5.5%. Mining and public utility dropped to 2.4% and 1.1% in Dec from 4.2% and 1.6%, while manufacturing rallied to 7.4% from 6%, which has remained strong and resilient throughout the year driven by robust export. Auto and electrical equip sharply accelerated from 12% and 5.2% in Nov to 17.7% and 9.2% in Dec. Production in plastic & rubber, ferrous & non-ferrous metals, and general & special equip continued to grow thanks to the equipment upgrade subsidy while medicine, textile and computer & electronics moderated. The YoY growth of service output index increased to 6.1% from 6.5%, extending the upward trajectory since Sep. Looking forward, industrial output may decelerate as headwinds from trade intensify.

Steady GDP growth alongside subdued CPI may persist, but market may not like it. The latest policy stimulus and the record-breaking trade surplus have contributed another year of solid real GDP growth. However, Chinese stocks remained weak as investors were still concerned about the recovery sustainability of housing market and durable consumption, continued deflation pressure as well as the trade war risk in Trump

2.0 era. China's economy will maintain the recovery momentum in 1H25 as the recovery of housing sales should indicate a gradual improvement of consumer demand and Trump's most important agendas in the first 100 days should be lowering inflation and deporting illegal immigrants instead of raising tariffs. But the scenario may change in 2H25 as the policy stimulus gradually diminish and Trump might escalate trade tensions after the US inflation further declines. We expect China's GDP growth to decelerate from 5% in 1H25 to 4.5% in 2H25 with the full-year growth at 4.7%. China may maintain accommodative policy in 1H25 and launch additional policy stimulus in 2H25.

Click [here](#) for the full report.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bapco Energies Sukuk Limited	1,000	10yr	6.25%	6.25%	-/-/B+
Emeishan Modern Agricultural Development Group/ Chengdu-Chongqing Bond Issuance	66.7	3yr	7%	7%	Unrated
Hanrui Overseas Investment/Jiangsu Hanrui Investment Holdings	290	3yr	6.28%	6.28%	Unrated
Shengzhou City Construction Investment and Development Group	143	3yr	5.6%	5.6%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Rizal Commercial Banking Corp.	USD	-	5yr	-	Baa3/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 117 credit bonds issued last Friday with an amount of RMB102bn. As for month-to-date, 1,458 credit bonds were issued with a total amount of RMB1,172bn raised, representing a 47.9% yoy increase
- **[ADANEM]** Adani Electricity Mumbai will acquire 100% stake in Superheights Infraspace from Adani Properties for INR4.8bn (cUSD55mn). Superheights Infraspace holds development rights of land in Mumbai's Bandra Kurla Complex where Adani Electricity Mumbai is developing a 220kv extra high-voltage substation
- **[GTJA]** Guotai Junan Securities' proposed merger with Haitong Securities approved by CSRC
- **[MDLNIJ]** Modernland scheme to restructure due-2025 and due-2027 bonds sanctioned by Singapore Court
- **[SINOCH]** Sinochem Hong Kong (Group) announces USD15bn MTN and perpetual securities program
- **[VEDLN]** Creditors and shareholders of Vedanta Limited will meet on 18 Feb'25 to consider for approval the proposed demerger as ordered by the National Company Law Tribunal
- **[VNKRLE]** Moody's downgraded China Vanke to B3/Caa1, outlook negative

- **[WOORIB]** Media reported Woori Financial Group is seeking approval from South Korean authorities to acquire Tongyang Life Insurance

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