

CMBI Credit Commentary

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

- *High quality developers LOGPH/CIFIHG/COGARD rebounded 3-6pt on more housing policy easing expectation. SUNAC/ROADKG/YLLGSP more muted recovery up 0.5-1pt. GZRFPR/REDSUN/SINOCE continued trending down -1-3pt. YUZHOU curve at mid-teens to low-20s before its EO deadline tomorrow, see below for more.*
- *42 developers FY21 contracted sales showed slight drop of 3.4% from FY20. Among these developers, we see leaders in sales growth include PWRLNG, DAFAPG, GRNCH and YUEXIU. Only a few distressed names recorded significant sales deterioration from FY20, including EVERRE, SINHLD and MOLAND. See below for more.*
- *Chinese onshore bond market remains open for HY corporates, Hongqiao and TCL Technology both successfully issued 2/3yr notes yesterday. Meanwhile, Fosun onshore subsidiary is also planning an onshore notes issue.*

❖ Trading desk comments 交易台市场观点

Yesterday, China HY property space continued negative sentiment. Names such as CENCHI/FTLNHD/FUTLAN/KWGPRO/ TPHL down 3-5pts, while CHINSC/PWRLNG/SHUION/YLLGSP fell 5-7pts for the day. HPDLF dropped 1-3pts after rating withdrawn. Property names like AGILE/SUNAC/GRNLGR also closed down 1-3pts. Though Logan Group announced the repurchase of 3mn shares and USD 20mn notes due '22, LOGPH slipped 12-14pts and sell-flow remained heavy after London came in. RONXIN outperformed yesterday and up around 10pts after REDD reported the Company has enough cash to repay Feb'22 notes. Other property names like CIFIHG/COGARD/ROADKG dropped 7-9pts, but COGARD rebounded around 1-2pt from intraday low in the late afternoon session. In industrial sector, WESCHI closed 1-3 pts down and FOSUNI fell 3-5pts. Macau gaming names like SJMHOL continued to see buying interests and advance 1-2pts.

IG market opened soft and inactive given U.S. holiday and lack of UST, benchmark spread widened 1-2bps for the day. In IG property sector, VNKRL down 1-3pts and LNGFOR fell 3-5pts. AMC sector names like HRINTH were also skewed to better selling and down 1-3pts.

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➤ **Yesterday's Top Movers**

Top Performers	Price	Change	Top Underperformers	Price	Change
CHIOLI 6 3/8 10/29/43	132.7	0.7	LOGPH 7 PERP	70.2	-16.8
CSCHCN 10 3/4 04/11/23	67.5	0.6	LOGPH 6.9 06/09/24	58.3	-15.4
CPDEV 5 3/4 PERP	91.7	0.6	LOGPH 4.85 12/14/26	54.3	-13.6
CHINA 2 3/4 12/03/39	102.3	0.5	ROADKG 7 3/4 PERP	76.2	-10.0
CSCHCN 11.95 02/09/23	68.4	0.5	ROADKG 5 1/8 07/26/26	75.1	-9.4

➤ **Macro News Recap 宏观新闻回顾**

Macro – U.S. markets were closed for a public holiday Monday and trading activity globally was light. Stocks around the world were mixed after China cut interest rates in a bid to support its slowing economy. The pan-continental Stoxx Europe 600 closed 0.7% higher. The Shanghai Composite Index climbed 0.6% and Japan's Nikkei 225 advanced 0.7%. Hong Kong's Hang Seng Index fell 0.7% and Korea's Kospi Index slid 1.1%.

➤ **Desk analyst comments 分析员市场观点**

➤ **YUZHOU: Exchange is the best available option**

In our opinion, for noteholders of YUZHOU 8.65%'22 (o/s USD242.069mn) and 6%'22 (o/s USD340mn) due 23 Jan'22 and 25 Jan'21, accepting exchange offer is the best available option as holders can get a total of 6pts upfront cash, and potentially another 10.53pt when the sales of its property management subsidiary completes by mid-2022 (RMB 1.06bn), and potential interest coupon of 3-4.3pt before end-of grace period.

On the contrary, noteholders opting to holdout will keep the bonds due Jan'22 with no changes in key terms such as maturity. The only change will be the default of these bonds no longer triggering the cross default of rest of YUZHOU's curve. The removal of cross default clauses through a concurrent consent solicitation somewhat showed that Yuzhou would not pay the holdout on maturity dates of these 2 bonds. The hold-out can sue the company for default but the process could be lengthy and costly, especially the outstanding amount will be much smaller if >90% exchanged.

For key terms of exchange offer, please refer to our previous note.

<https://www.cmbi.com/article/6261.html?lang=en>

FY21 Contracted Sales Update

2021 YTD Sales (in mn RMB)																		Target			
CN Name	BBG Ticker	Stock Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Trend	Dec'21 MoM Growth	Dec'21 YoY Growth	Dec'21 YTD Sales	Dec'21 YTD Sales Growth	Target Contract Sales	Target Filled
IG Rated																					
中国金茂	CHJMAO	09817.HK	20,100	20,200	22,500	24,000	23,200	20,000	17,500	14,300	13,800	20,100	17,719	21,985		24%	-39%	235,603	2%	250,000	94%
中国海外发展	CHOLI	00688.HK	27,018	23,561	38,832	31,726	34,277	51,792	22,699	25,023	20,373	27,182	27,242	39,769		46%	0%	369,494	2%	-	-
华润置地	CRHZH	01109.HK	24,210	17,530	26,050	33,200	25,100	38,700	23,000	20,230	22,100	20,090	20,360	45,150		122%	16%	315,720	11%	315,000	100%
万科企业	VNKRLE	02202.HK	71,470	45,160	62,840	49,770	57,560	67,630	51,540	37,030	38,110	41,950	43,150	63,560		47%	-37%	627,770	11%	790,000	79%
碧桂园	CGADR	02007.HK	40,320	46,550	62,690	52,820	57,380	53,330	54,280	45,210	45,650	45,830	41,350	22,280		-45%	-7%	558,000	2%	624,000	89%
龙湖集团	LNCFOR	00960.HK	19,510	15,770	24,940	22,110	29,500	30,800	29,000	20,080	20,200	25,900	24,370	39,690		63%	13%	291,800	8%	310,000	94%
保利地产	POLYRE	60048.SH	43,073	32,004	49,205	51,202	59,414	50,287	42,155	46,873	38,018	49,973	38,017	36,707		-3%	-5%	534,928	6%	-	-
远洋集团	SINOCE	03377.HK	5,500	4,520	11,020	9,500	10,290	11,540	10,030	10,850	9,760	11,830	11,060	15,530		3%	-32%	136,260	4%	150,000	91%
越秀地产	YUEXU	00123.HK	8,940	4,607	11,414	7,791	8,091	6,540	5,133	12,669	6,006	10,528	13,349	20,083		50%	-13%	115,151	20%	112,200	103%
BB Rated																					
雅居乐	AGLE	03383.HK	11,030	14,500	13,000	11,310	10,070	14,420	8,200	8,530	10,130	10,960	12,010	13,860		15%	-38%	139,020	1%	150,000	93%
旭辉集团	CFHG	00884.HK	16,220	14,480	26,000	26,460	26,900	26,090	20,880	20,020	16,000	16,200	16,500	21,500		30%	-31%	247,250	7%	265,000	93%
新城控股	FUTLAN.FLN.HD	01030.HK	16,639	12,463	20,554	20,771	24,221	23,025	16,888	17,739	18,517	22,102	20,056	20,809		4%	-33%	233,774	7%	260,000	90%
金地集团	GEMDAL	600383.SH	24,270	17,350	27,030	31,670	28,480	34,030	25,640	19,030	21,200	16,520	17,430	24,070		38%	-36%	286,720	19%	291,192	98%
绿城	GRNCH	03900.HK	16,600	18,800	21,400	23,800	23,900	31,300	14,600	28,700	21,200	20,900	25,100	19,500		-22%	-56%	265,800	22%	310,000	86%
龙光地产	LOGPH	03380.HK	16,010	12,090	12,890	11,000	11,600	10,030	10,100	10,850	9,760	11,830	11,060	13,050		18%	9%	140,180	11%	144,700	97%
融创中国	SUNAC	01918.HK	35,170	33,250	47,860	54,730	70,810	78,940	49,350	45,060	46,650	50,980	36,740	47,820		30%	-13%	597,360	4%	640,000	93%
B Rated or lower																					
中国奥园	CAPO	03983.HK	10,100	7,930	11,980	11,550	15,010	9,620	10,360	10,950	10,130	7,150	5,240	5,240		-27%	-73%	121,030	4%	150,000	81%
建发地产	CENHI	00822.HK	1,411	926	8,425	3,207	7,567	9,517	2,323	5,255	5,376	2,998	2,737	10,365		239%	-2%	60,106	12%	80,000	75%
中国集团控股	CHNSC	01966.HK	8,117	7,081	10,834	10,117	10,460	12,442	8,030	8,055	7,594	7,602	7,537	104,531		-10%	-40%	104,531	3%	120,000	87%
大发地产	DAFAPG	06111.HK	3,603	3,409	3,790	5,403	4,604	5,000	3,000	2,492	2,203	1,997	1,001	1,061		6%	-74%	37,963	26%	36,000	104%
德信中国	DEIXN	02019.HK	4,530	4,000	10,500	6,900	7,880	9,320	4,380	5,810	3,890	5,170	5,940	5,870		1%	-30%	73,990	1%	80,000	92%
花样年控股	FTHDR	01777.HK	2,294	3,521	4,509	5,604	5,978	6,211	5,117	4,033	3,602	2,108	1,809	1,809		0%	-70%	46,494	-5%	60,000	78%
富力地产	GZFRF	02777.HK	11,360	9,060	10,130	9,700	12,210	12,610	8,260	9,600	10,110	10,670	8,300	8,030		-3%	-63%	120,190	13%	150,000	80%
景源国际	JAYUA	02768.HK	2,595	2,337	2,900	1,726	3,118	6,451	2,505	2,561	3,012	2,979	3,426	2,442		-29%	-30%	36,063	1%	40,500	89%
景瑞国际	JINGRU	01982.HK	2,822	1,056	4,508	4,007	2,903	3,439	2,507	1,281	1,805	831	806	1,046		30%	-70%	27,011	6%	31,000	87%
金科股份	JINKE	000656.SZ	14,200	15,300	19,600	16,200	19,600	17,200	16,600	12,400	15,200	15,400	12,600	13,460		7%	-52%	197,760	-16%	250,000	75%
佳兆业集团	KASAG	01638.HK	8,254	9,215	13,375	11,335	11,800	9,875	7,898	5,701	8,195	1,006	860	860		-16%	-56%	97,600	-9%	130,000	75%
合景泰富集团	KWGFRO	01813.HK	6,780	4,560	10,306	12,925	11,301	10,304	8,130	7,190	5,260	9,361	7,588	10,131		34%	-21%	103,836	-5%	124,000	84%
当代置业	MOLAND	01107.HK	2,435	3,208	3,605	3,634	4,149	4,531	4,207	4,212	3,563	1,021	680	805		18%	-85%	36,050	-15%	47,000	77%
宝龙地产	PWLNCR	01238.HK	6,760	8,341	9,513	8,505	9,383	10,537	9,446	8,496	6,602	7,227	8,315	8,102		-3%	-16%	101,227	16%	105,000	96%
金辉控股	JNHJGRDHGL	09993.HK	7,810	8,200	9,120	8,990	10,660	10,990	8,400	6,160	3,020	7,020	6,750	7,600		13%	-39%	94,720	3%	100,000	95%
力高集团	REDPRO	01622.HK	2,600	2,933	3,831	3,514	4,944	5,688	2,914	2,895	2,749	4,746	3,747	6,450		72%	-	47,011	1%	-	-
弘高地产	REDSUNHONGSL	01996.HK	6,310	5,209	7,991	7,178	12,923	9,544	6,863	6,018	4,899	7,111	5,047	8,130		61%	-34%	87,223	1%	99,500	88%
荣盛地产	RISSUN	002146.SZ	5,791	6,694	13,019	9,288	11,391	13,739	9,643	11,623	11,129	11,323	12,801	18,117		42%	-27%	134,558	6%	130,000	104%
融创中国	ROOON	03301.HK	12,296	11,902	15,536	14,443	13,945	14,843	11,023	12,523	13,167	9,742	10,245	11,223		3%	-52%	155,550	0%	160,000	97%
世茂房地产	SHIMAO	08119.HK	20,020	17,800	30,500	25,220	29,950	31,000	22,980	24,940	22,380	20,340	16,050	11,220		-30%	-70%	289,100	-30%	330,000	86%
新力控股	SINHL	02103.HK	8,140	7,760	11,390	7,600	11,850	12,020	10,090	8,160	2,200	820	870	558		-8%	-69%	81,488	39%	125,000	65%
祥生中国控股	TPHL	01223.HK	8,280	3,610	8,380	8,015	8,999	8,095	7,895	6,750	6,890	8,892	10,686	9,098		-15%	-46%	95,500	-5%	110,000	87%
南都地产	YUZHOU	01628.HK	7,786	5,751	8,561	9,223	10,373	11,018	11,031	9,011	9,032	9,662	7,518	7,431		-1%	17%	106,397	1%	110,000	97%
正宏地产	ZHENRO	06158.HK	11,197	13,407	15,383	14,710	14,503	13,089	12,040	11,470	10,102	9,795	9,926	10,011		1%	-41%	145,643	3%	150,000	97%
中梁控股	ZHGH	02772.HK	13,800	17,000	17,200	14,100	13,700	19,200	12,000	12,000	12,100	12,200	12,200	16,300		34%	-19%	171,800	2%	180,000	95%

42 developers FY21 contracted sales showed slight drop of 3.4% from FY20. Among these developers, we see leaders in sales growth include PWRLNG (RMB101.2bn, +24% YoY), DAFAPG (RMB37.6bn, +24% YoY), GRNCH (RMB265.8bn, +22% YoY) and YUEXIU (RMB115.2bn, +20% YoY). Only a few distressed names recorded significant sales deterioration from FY20, including EVERRE (RMB426.7bn, -41% YoY), SINHL (RMB81.5bn, -28% YoY) and MOLAND (RMB36.1bn, -15% YoY). Over the past few months, we understand from developers that the cash collection cycle and restricted cash level have been normalizing.

In FY21, the averaged target completion rate is 88% with only 4 developers reached 100% target, including CRHZH, YUEXIU, DAFAPG and RISSUN. We expect developers will guide conservative sales target in FY22 given the industry headwind.

<https://www.cmbi.com/article/6276.html?lang=en>

Offshore Asia New Issues (Priced)

Issuer	Size (mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

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

Issuer	Currency	Size (mn)	Tenor	IPG	Issue Rating (M/S/F)
Health and Happiness (H&H) International Holdings Ltd	USD	400	-	-	Ba3/BB/-
Henan Railway Construction & Investment Group	USD	-	-	-	A2/-/-

➤ **Onshore China conditions and color**

- Regarding onshore primary issuances, there were 95 credit bonds issued yesterday with an amount of RMB136bn. As for Month-to-date, 961 credit bonds were issued with a total amount of RMB1030bn raised, representing a 28.9% yoy increase
- **[BUMIJ]** completes IDR 1.65tn rights issue
- **[COGARD]** repurchases USD 10mn of 4.75%, 7.25% senior notes from open market
- **[FOSUNI]** onshore subsidiary Shanghai Fosun High Tech plans to raise up to RMB 2bn bonds (1+1yr, 6.2%)
- **[HONGQI]** raised RMB 1bn onshore bonds (2yr, 4.5%)
- **[HPDLF]** B2 CFR withdrawn by Moody's
- **[SHAGAN]** forecasts net profit of RMB 900mn-RMB 1.215bn for FY21, up 38.56%-87.06% yoy
- **[SHIMAO]** gets requisite noteholder consents to amend and extend RMB 450mn 5.8% ABS
- **[SHIMAO]** puts two office floors at THE CENTER up for sale at around HKD 1.5bn
- **[SHNSUN]** to sell 51% of Hangzhou Bintuo Enterprise Management for RMB 487mn
- **[SHNSUN]** to acquire 7.3258% of interest in a partnership which owns Zhejiang residential land plot for RMB 559mn
- **[TPHL]** downgraded to B+ by S&P

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