

## 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 2023”](#). Thank you for your time. Your support will mean a lot to us.

- *Hong Kong market was suspended due to typhoon.*
- *China properties: physical markets further cool down. See below.*
- *COGARD: Country Garden signed USD35mn three-year term loan facility agreement with Chong Hing Bank COGARs down 0.5 to 1pt this morning*

#### ❖ Trading desk comments 交易平台市场观点

The risk sentiment in Asia IG space remained firm on last Friday. The recent new issues across China/HK/Korea performed mixed. BOCAVI 33s tightened 2bps. Whilst NACF/KOEWPW 28s widened 1-2bps. In Chinese SOEs, HAOHUA curve grinded 3-5bps tighter. HAOHUA 30s tightened 5bps to close between T+172/+170. TMT benchmarks TENCNT 30s/BABA 31s closed unchanged to 2bps tighter. The high-beta TMTs XIAOMI/WB 30s were traded 3-5bps tighter. MEITUA 30s tightened 7bps to close at T+274 with active two-way flows. In financials, HRINTH curve was marked up 1-2pts. The front-end 23-24s bank T2/leasing papers were better bid with active two-way interests. Chinese AT1s such as ICBCAS/BCHINA Perps grinded around 0.15-0.25pt higher, while non-Chinese names such as STANLN AT1s were quoted 0.25-0.5pt higher. Chinese properties performed mixed. COGARs/FUTLANs/FTLNHDs were traded 1.5-4pts higher. LNGFORs gained 1.25-2.5pts. AGILEs were bid up 1-1.5pts. GRNLGR 24s/25s, in the other hand, dropped 1.25-3.25pts. In industrials, FOSUNs gained 1.5-3pts. In Indian space, VEDLNs were bid up 0.5pt. Renewables AZUPOE 26s/GRNKEN 28s were indicated 0.5-0.75pt higher. Elsewhere, LMRTSPs were up 0.25-0.5pt. GLPCHI 24s/26s gained 1-2pts.

The LGFV/Perp spaces had a hectic day in house amid very active two-way flows in LGFVs among onshore and offshore RM, across names yielding from mid-6% to double-digit. Despite selling flows slightly picked up after the recent Bloomberg piece/rumors regarding pension positioning, the demand for LGFVs from Chinese RMs remained robust. Meanwhile the new issue YZHINV 5.48 '26 was marked around 0.375pt lower from the 5.5% RO yield, amid muted secondary activities. The primary and secondary markets for LGFVs are once again decoupled during the summer time. There are recent

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3Y issues YZHINV/YWSOAO/HZCONI priced at mid-to-high-5% whereas other existing quality 26s were traded at least at low-to-mid-6%. Away from LGFVs, perps space was supported with better buying flows from onshore RMs/PBs in light of falling rates. There was also some limited amount of selling on the short-dated c23/24 papers at close to 6% from some prop desks/AMs. In HK Corp space, NWDEVL 5.25 Perp/PEAKRN 5.35 Perp were marked 0.75-1pt higher. Whilst NWDEVL '27 declined 1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
COGARD 5.4 05/27/25	32.1	4.0	GRNLGR 6 1/8 04/22/25	18.5	-3.2
FUTLAN 6 08/12/24	69.2	3.6	ROADKG 7.95 PERP	23.7	-2.3
COGARD 6.15 09/17/25	30.8	3.3	GRNLGR 6 3/4 06/25/24	26.7	-1.2
COGARD 6 1/2 04/08/24	47.2	3.3	CSCHCN 9 12/11/24	59.3	-1.1
COGARD 5 1/8 01/17/25	37.5	3.2	NWDEVL 5 7/8 06/16/27	96.3	-1.0

❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.10%), Dow (+0.33%) and Nasdaq (-0.18%) were mixed last Friday. US dollar index was down to 15-month low of 99.97. The Jul University of Michigan Consumer Sentiment index was 69.4, rose from 61.5 in Jun and was higher than expectation of 61.8. The US treasury yields rallied higher on last Friday, the 2/5/10/30 yield reached 4.74%/4.04%/3.83%/3.93%, respectively.

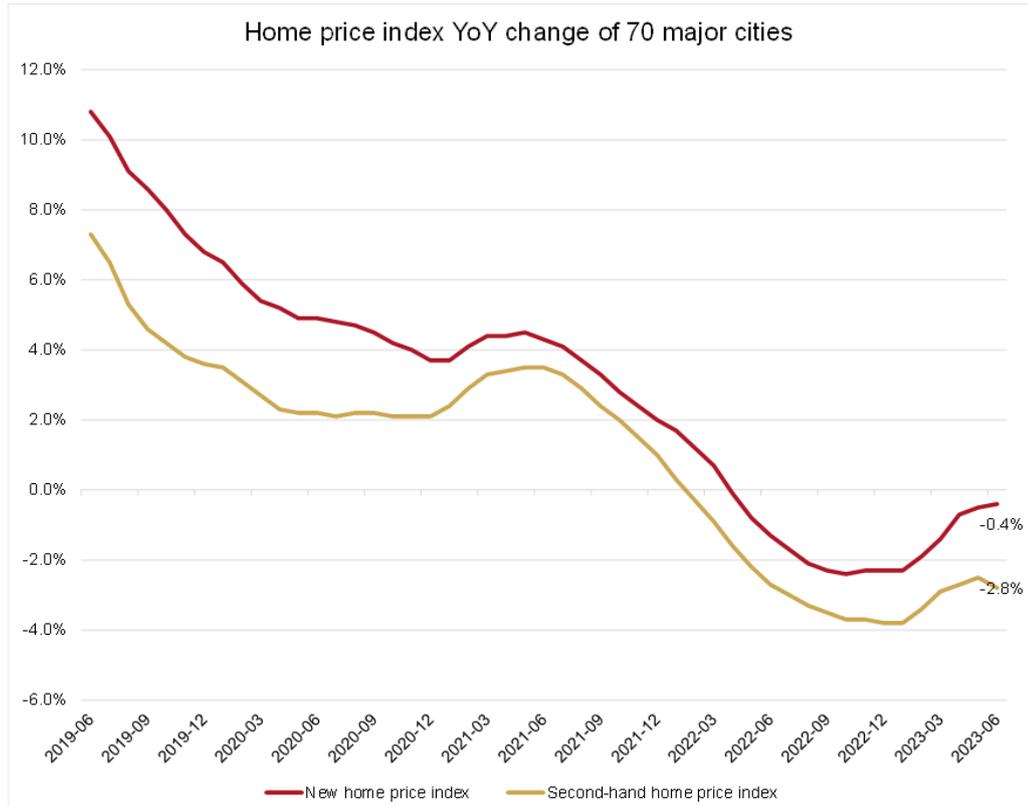
❖ Desk analyst comments 分析员市场观点

➤ • China properties: physical markets further cool down

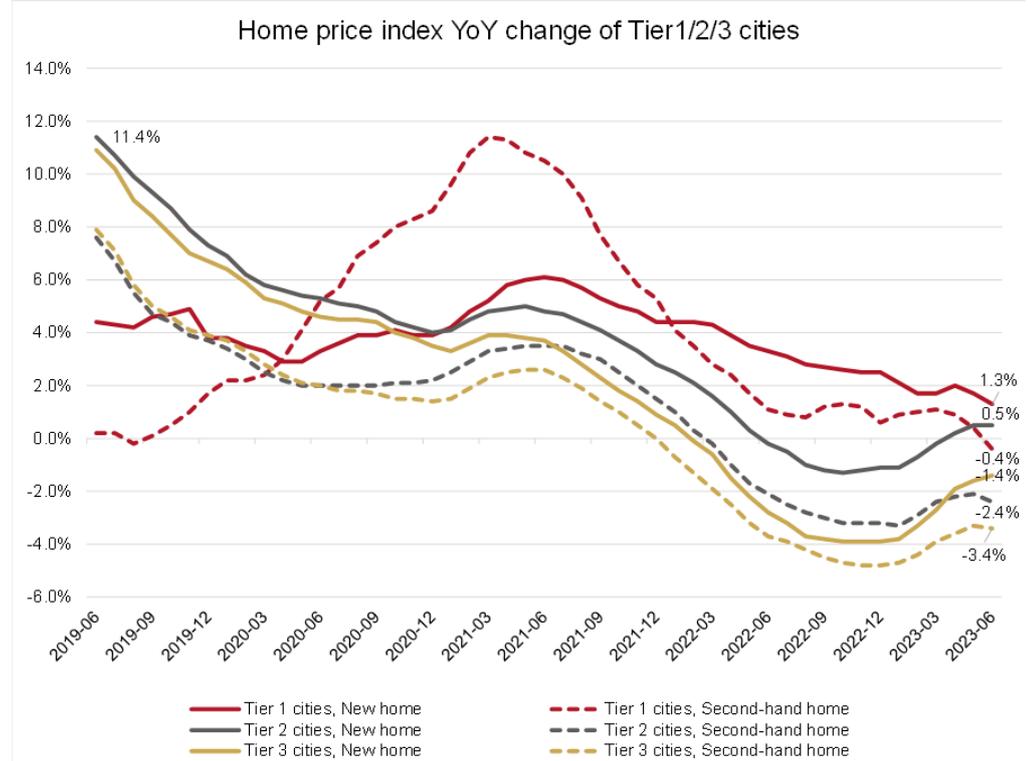
The NBS published Jun'23 home price index of 70 major cities on 15 Jul, the new home prices of 70 major cities overall down 0.4% yoy and second-home prices down 2.8% yoy. Only 31 cities and 7 cities reported new home price and secondary home price rises on yoy basis, respectively. These are the smallest numbers of cities with yoy home price increases YTD. The new home prices of tier 1/2/3 cities changed +1.3%/+0.5%/-1.4% yoy and secondary home prices of tier 1/2/3 cities dropped 0.4%/2.4%/3.4% yoy. Additionally, the home sales in Jun was also weak. [As discussed in our previous daily](#), the 35 developers under our radar all reported yoy decline in contracted sales in Jun. The total contracted sales is RMB306.5bn, dropped 39.6% yoy.

Last week, PBOC and NFRA extended two measures of 16-point measures to relieve developers' tight liquidity. During the PBOC conference held on 14 Jul, the head of monetary policy department said that the supply and demand relationship in the real estate market has profoundly changed, there is room for optimization of policies which were introduced in previous overheating phase of property market.

We will not be surprised to see further policies to stimulate the property market and prevent the default of developers to trigger systemic risk in the financial sector. That said, we are skeptical on any drastic measures to divert resources in stimulating the property sector under the policy objective of "home is not living, not speculation". We also believe that the current measures will help limited impact in accelerating sales recovery given the current weak economy and expectation of decline in home prices



Source: Wind.



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➤ 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)
No Offshore Asia New Issues Pipeline Today					

#### ➤ News and market color

- Regarding onshore primary issuances, there were 61 credit bonds issued last Friday with an amount of RMB84bn. As for Month-to-date, 675 credit bonds were issued with a total amount of RMB659bn raised, representing a 1.1% yoy decrease
- **[APLNIJ]** Fitch downgraded Agung Podomoro to CCC- and placed ratings on negative watch
- **[AZUPOE]** NYSE commenced delisting proceedings of Azure Power Global; Moody's downgraded Azure Power Energy to B2, Azure Power Solar Energy to B1 and it will withdraw both ratings due to lack of information
- **[CHFOTN]** China Fortune Land forecasts up to RMB1.5bn losses in 1H23
- **[COGARD]** Country Garden signed USD35mn three-year term loan facility agreement with Chong Hing Bank
- **[HRINTH]** Fitch affirmed Huarong at BBB+ and placed stable outlook
- **[JINKE]** Jinke Property forecasts RMB1.5-2.2bn net loss for 1H23, compared with RMB1.4bn net loss in 1H22
- **[LEEMAN]** Lee & Man Paper expects c58% yoy drop in profit for 1H23
- **[RISSUN]** RiseSun forecasts RMB100-130mn net profit for 1H23, compared with RMB2.3bn net loss in 1H22
- **[SHIMAO]** Shanghai Shimao forecasts RMB170-240mn net loss for 1H23, compared with RMB348mn net loss in 1H22
- **[SINOCE]** Media reported that Sino-Ocean said it is trying to pay missed USD7.02mn coupon within grace period
- **[XINHUZ]** Xinhua Zhongbao issued RMB700mn CBICL guaranteed three-year MTNs
- **[YANGOG]** Yango Group forecasts RMB1.5bn-CNY 2.1bn net loss for 1H23, decline from RMB3.6bn net loss in 1H22
- **[ZHLGHD]** Zhongliang Holdings signed restructuring support agreement for holistic solution in relation to offshore debts

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