

CMBI Credit Commentary

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

- *Markets sentiment was firm this morning. Asian IG space tightened 2-4bps with buying flows on recent new issues, SOE and KR names. For LGFV/AT1/SOE Perp, we saw due/callable 23/24 bonds were switched out.*
- **SINOCL/EHOUSE/EVERRE:** *SINOCL received requisite consent for SINOCL 6 10/24/23 and EHOUSE further extends RSA expiration date to 30 May. EVERRE yet to update the progress after extended consent fee deadline expired on 18 May. See below.*
- **DALWAN:** *Dalian Wanda denied the rumor about c30% layoff. We understand that the company has yet to receive the feedback from CSRC on the IPO of Zuhai Wanda. There were also news flow and local chatters on its parent company's liquidity issue. DALWANs down 5-10pts this morning.*

❖ Trading desk comments 交易平台市场观点

Last Friday, Asia ex JP IG space closed on a relatively firmer tone after the front end UST widened 9-11bps overnight. In Chinese SOEs, HAOHUAs were traded another 2-3bps tighter post Thu's headline of Syngenta's possible main board IPO in Shanghai. SINOPE/CHGRID also tightened 2bps. TMT benchmark papers such as TENCNT/BABA grinded 1-2bps tighter and flows were more balanced. Alibaba Group's board approved a full spin-off of its cloud subsidiary and announced to explore potential IPOs for its logistics and supermarket business. There was small buying of HK lower beta papers in the likes of CKHH/AIA/HKAA which tightened 2-4bps. In financials, AMC space was better bid. Media reported that China might transfer the government ownership in CCAMCL/GRWALL/ORIEAS to Central Huijin, a unit of CIC. HRINTH closed unchanged to 1pt higher (0-20bps tighter) amid mixed flows. Among other AMC peers, we saw GRWALL had buyers across the curve. Elsewhere in Korea corp space, KOMRMR/HYUELE/KOBCOP were unchanged to 2bps tighter on the back of robust buying interests. Chinese properties were mixed. COGARDs/CHJMAOs gained 0.5-2pts, backed by FM short covering. On the other hand, LNGFORs moved 0.5-2pts lower. DALWANs dropped 1.25-4.75pts across the curve. CIFIHGs were traded down 0.5-1.5pts. In industrials, FOSUNIs/EHICARs were bid up 0.25-0.5pt. HILOHO '24 was traded 1.25pts higher. Macau gaming papers MGMCHIs/SANLTDs/ WYNMACs were marked around 0.5-1pt lower. Indian renewables such as GRNKENS/RPVINs were down 0.25-0.5pt. Indonesian names LPKRIJs/LMRTSPs lowered around 0.5pt. Elsewhere, GLPCHI '26 was traded 2.25pts higher.

The Perp/Asia AT1/LGFV spaces were largely stable, but sentiment softened a bit as market adjusted to a potentially higher rates outlook again following hawkish remarks from Fed officials. The front-end of papers across Chinese AT1s/SOE Perps had small sellers, but these loose bonds could be easily

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digested at a repriced level of around 5.7%-5.8%. BCHINA 3.6 Perp/BOCOM 3.8 Perp were better offered. Elsewhere, European AT1s such as HSBC/STANLN perps was marked 0.125-0.375pt higher. In HK Perps, NWDEVL 5.25 Perp/NWDEVL 6.15 Perp were traded 1-1.5pts higher with PB demand. CKINF/NWSZF perps edged around 0.5pt higher. LGFVs performed a touch weaker, as selective Shandong/Chongqing active names were under small better selling from AMs. CQNANA/CNSHAN 24-26s edged 0.125-0.25pt lower. New SDEXPR '26 was still traded stable at around 0.125pt higher from RO level. GSHIAV 23s/25s were down 0.25pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHJMAO 4 1/4 07/23/29	78.5	2.2	DALWAN 6 7/8 07/23/23	77.3	-4.8
GLPCHI 2.95 03/29/26	54.4	2.1	DALWAN 11 02/13/26	37.1	-2.1
GRNLGR 6 3/4 03/03/26	22.4	1.9	LNGFOR 3.95 09/16/29	66.5	-2.0
COGARD 6.15 09/17/25	36.7	1.8	DALWAN 7 1/4 01/29/24	49.9	-1.3
NWDEVL 5 1/4 PERP	82.5	1.5	CIFIHG 5 1/4 05/13/26	11.3	-1.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.14%), Dow (-0.33%) and Nasdaq (-0.24%) were weak due to stuck debt ceiling talks, the US president said republican's offer is unacceptable and may have another talk on Monday. China kept 1/5yr LPR unchanged at 3.65%/4.30% as expected. The US treasury edged higher on last Friday, the 2/5/10/30 yields reached 4.28%/3.76%/3.70%/3.95%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ SINOCL: received requisite consent for SINOCL 6 10/24/23

Sino-Ocean Capital has received consent from more than 75% of the aggregate principal amount of the SINOCL 6 10/24/23, to postpone the accrued interest payment date for c3 months to 31 Jul from 24 Apr according to the second consent solicitation dated 8 May. The company was seeking consent to postpone the accrued interest payment date for c3 months to 31 Jul from 24 Apr in the second consent solicitation dated 8 May. In its original consent dated 2 May, it was seeking an extension of c6 months. Besides, Sino-Ocean Capital has another outstanding USD bonds SINOCL 6.25 06/22/23 which will be due next month, media reported that it is exploring repayment options including an exchange offer. Considering the tight liquidity condition, we expect its parent company Sino-Ocean to prioritize the debt repayment at the parent company level. SINOCLs were unchanged this morning. See our [more detailed comments on Sino-Ocean Group on 15 May'23](#).

	Px (ask)	YTM (% ask)	Amt o/s (USDmn)
SINOCL 6.25 06/22/23	26.35	3074.3	497
SINOCL 6 10/24/23	20.16	946.6	282.3
Total			779.3

Source: Bloomberg

➤ **EHOUSE: further extends RSA expiration deadline to 30 May**

EHOUSE further extended its RSA of USD bonds and HKD CBs totaled cUSD730mn to 30 May'23. It is the second extension from the originally proposed expiration date of 28 Apr'23. The RSA has signed by Alibaba, who was the holder of cUSD131.5mn HKD CBs. Alibaba also continues the cooperation between Tmall Haofang and TM Home (controlled by EHOUSE). See [our former comments of RSA details](#).

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	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)
Kubota Credit Corporation	USD	-	3yr	-	-/A/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 50 credit bonds issued on last Friday with an amount of RMB45bn. As for Month-to-date, 503 credit bonds were issued with a total amount of RMB596bn raised, representing a 31.9% yoy increase
- **[COGARD]** Media reported that Country Garden seeks to roll its USD1.18bn unsecured due-23 July amortizing term loan into a refinancing facility
- **[DALWAN]** Dalian Wanda Group denies market report about 30% layoffs
- **[FOSUNI]** Fosun International to sell 80% of IGI Belgium, IGI Netherlands, IGI India to Blackstone for USD455.38mn
- **[GCLNE]** GCL New Energy to sell Gaotang GCL Jinghui Photovoltaic Power and Inner Mongolia Xiangdao New Energy for RMB1.43bn
- **[INDYIJ]** Fitch affirmed Indika Energy at BB- and placed stable outlook
- **[VEDLN]** Meida reported that Vedanta will obtain USD900mn loan from Oaktree, JPMorgan, StanC at SOFR+ 800bps
- **[YXREIT]** Moody's downgraded Yuexiu REIT's senior unsecured rating to Ba1 from Baa3, assigned Ba1 CFR, withdrawn Baa3 issuer rating and placed stable outlook
- **[ZHHFGR]** Zhuhai Huafa Properties raises RMB1bn via offering of five-year MTNs to repay debts

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