

## CMBI Credit Commentary

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

- *Markets were quiet before Mar'24 CPI data. New issues FRESHK'27 rose c0.2pt and JNHTE'27 was unchanged. Asian IG benchmarks were stable with two-way flows. Front-end LGFVs continued to be better selling.*
- *Active tender offer and repurchase from Asian ex-JP corps in 1Q24. See below.*
- *FUTLAN: Moody's downgraded Seazen Group's ratings to Caa1 and maintained negative outlook. Media reported that Seazen's unit plans to raise up to RMB400mn CBICL guaranteed notes. FUTLAN/FTLNHDs were unchanged to down 0.2pt this morning.*

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

**Cyrena Ng, CPA** 吳靄瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

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

#### ❖ Trading desk comments 交易台市场观点

Yesterday, on the new issues, FRESHK priced a USD500mn 3-yr bond at 99.799 to yield 6.7% (T+215). In JP, NIPLIF priced a USD1.32bn 30NC10 subordinated bond at par to yield 5.95%. The new MUF3 30s/35s widened 3-5bps from their ROs (T+82 and T+100, respectively). In KR, the new SHNHAN '34 was priced at T+140, closed 3bps wider at T+143. KOMRMRs/KOROILs were unchanged to 2bps wider. In AU/NZ, ANZ/MQGAU/CBAAU/NAB T2s were 1-3bps tighter. In Chinese IGs, HAOHUA '30 tightened 1bp. TENCNT 28-30s tightened 1-2bps. In Chinese leasing/T2 spaces, the front end of BOCAVIs/CMINLEs/CCBs/ICBCASs were unchanged to 2bps wider. In EU AT1s, INTNED 3.875 Perp/UBS 7.75 Perp/HSBC 6.375 Perp were up 0.1-0.3pt under short covering. In HK, LASUDE '26 rose another 4.9pts after gaining 1.4pts on Mon after the entering into S&P agreement to sell its stakes in AIA Central. HYSAN 4.1 Perp was up 0.2pt. In Chinese properties, ROADKD '24 gained 6.6pts, and the rest of ROADKGs were 0.9-1.7pts higher. Media reported Road King Infrastructure and CVC Capital Partners, owners of Road King Expressway International Holdings, were mulling over options for their stakes in Indonesia toll-road assets. FUTLAN/FTLNHD 24-26s moved 1.0-2.3pts higher after the decline of 0.3-1.3pts on Mon. VNKRLs and SHUIONS were up 0.7-1.2pts. On the other hand, GRNLGRs/GRNLHKs were 0.8-2.4pts lower. In industrials, HILOHO '24 moved up 4.1pts. CHIOIL '26 was another 0.8pt higher. Macau gaming names were firm, amid the STCITY 6 07/15/25 's partial tender offer at 100 and the new MPEL 8NC3 bond pricing at par to yield 7.625%. See our comments on [9 Apr'24](#). STCITY/SANLTD 28-30s were up 0.6-1.0pt. In Indian space, VEDLN 26-28s were down 0.4-0.5pt. Indonesian names were quiet.

In LGFVs, JNHTE priced a USD180mn 3-yr bond at par to yield 6.1%. The new PUTSTA 7.4 '27 rose 0.1pt from the RO at par. The flows were skewed to better selling in the front-end of LGFVs. We saw clients switched for higher-yield new issues. CDECST '24/YZCOAL '24/JMUDIV '25 were down 0.1-0.2pt. The high-yielding LGFVs such as CPDEV 25/26/Perp and ZHHFGR '25 were 0.2-0.3pt higher. The high-beta names yielding mid-6% or above were under better buying from Chinese RMs. GRPCIN/SUNSHG 26s were up 0.1-0.2pt. In SOE perps, HUADIA 3.375 Perp/RLCONS 3.97 Perp were up 0.1pt whilst CHCOMU 3.65 Perp was down 0.2pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ROADKG 6.7 09/30/24	65.7	6.6	GRNLGR 7 3/4 09/26/29	11.6	-2.4
LASUDE 5 07/28/26	65.8	4.9	GRNLGR 7 1/8 04/22/29	12.1	-1.7
HILHOH 9 3/4 11/18/24	66.2	4.1	GRNLHK 10.21 PERP	15.4	-1.3
FUTLAN 4.45 07/13/25	44.8	2.3	GRNLGR 6.9 02/12/29	12.2	-0.9
FTLNHD 4 5/8 10/15/25	44.0	2.1	GRNLGR 6.6 11/13/28	12.8	-0.9

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.14%), Dow (-0.02%) and Nasdaq (+0.32%) were mixed on Tuesday. US National Federation of Independent Business (NFIB) reported its Small Business Optimism Index fell 0.9 to 88.5 in Mar'24, the lowest level since Dec'12. UST yields retreated yesterday, 2/5/10/30 yield reached 4.74%/4.37%/4.36%/4.50%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ Active tender offers and repurchase from Asian ex-JP corps in 1Q24

The early redemption remained active in 1Q24. Asian ex-JP corps repurchased cUSD1.49bn bonds (excl. convertible bond) via tender offer and open market repurchases, and announced cUSD1.92bn early call in 1Q24, compared with cUSD1.45bn early redemption and USD180mn early call announcement in 1Q23. Recalled that the total amount of tender offer and open market repurchase during 2021-2023 maintained above USD11bn in each year.

Issuers with improved fundamentals, e.g. BUMA and Bharat Petroleum conducted the largest early redemption by principal amount through tender offers. Additionally, HK corps including Nan Fung, New World Development and Sun Hung Kai & Co. repurchased cUSD65mn bonds from open market in 1Q24. This week, Hysan Development, another HK corp, and Studio City, a Macau gaming operator, also launched tender offers for their USD issues, both with maximum tender caps of USD100mn. The early redemptions also include pre-agreed redemptions in previous liability management exercises such as Vedanta's repurchases of USD722mn and China Fortune Land's repurchases of USD155mn in 1Q24.

We expect the early redemptions to remain active given issuers' ability to access lower-cost onshore or other alternative funding channels. For issuers with notably improvement in operating performance, we believe that their access to USD bond market will gradually resume. The exchange and concurrent new issues will be an alternative for early redemptions. Recalled that eHi Car completed an exchange and concurrent new issue in mid Mar'24 to effectively resolve the refinancing of EHICAR 7.75 11/14/24. [See our comment on 20 Mar'24.](#)

Table 1: Asian ex-JP YTD tender offers (USD mn)

Announced date	Company name	Region	Industry	Deadline	Bond	Bond O/S	Proposed price	Original proposed amount	Accepted amount
8-Apr-24	Hysan Development	HK	Financials	16-Apr-24	HYSAN 4.1 PERP	850	92.25	100	-
8-Apr-24	Studio City	MO	Macau Gaming	19-Apr-24(early) 6-May-24(expiration)	STCITY 6 07/15/25	400	100/97	100	-
6-Mar-24	Bukit Makmur Mandiri	ID	Metals and Mining	18-3-2024(early) 2-4-2024(expiration)	BUMAIJ 7.75 02/10/26	365.7	100/97	365.74	153.5
16-Feb-24	Azure Power	IN	Power Generation	1-3-2024(early) 18-3-2024(expiration)	AZUPOE 5.65 12/24/24 AZUPOE 3.575 08/19/26	350.1 343.2	100 100	40 14.47	40 12
16-Jan-24	Bharat Petroleum	SG	Oil&Gas	25-Jan-24	BPCLIN 4.375 01/18/27	600	98.2	120	102.0
16-Jan-24	Lippo Mall Indonesia Retail Trust	ID	Retail	24-Jan-24	LMRTSP 7.25 06/19/24 LMRTSP 7.5 02/09/26	188.3 143.2	90-95 80	90	49.8 28.4
8-Jan-24	ENN Energy	CN	Natural Gas	6-Feb-24	VEYONG 3.375 05/12/26	675.1	94-94.8	120	83.1
Total									468.8

Source: Bloomberg, Company filings.

Table 2: Asian ex-JP YTD open market repurchases (USD mn)

Date	Company name	Region	Industry	Bond	Repurchase amount
28-Mar-24	LEE & MAN PAPER MFG LTD	CN	Packaging&Containers	LEEMAN 5 1/2 PERP	0.3
15-Mar-24	CHANG DEVELOPMENT INT	CN	Engineering&Construction	CCUDIH 4.3 04/27/24	62.3
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 01/21/27	530
7-Feb-24	VEDANTA RESOURCES	IN	Mining	VEDLN 13 7/8 12/09/28	192
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	3.48
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	80.7
26-Jan-24	CFLD CAYMAN INVESTMENT	CN	Real Estate	CHFOTN 2 1/2 01/31/31	70.7
24-Jan-24	NAN FUNG TREASURY LTD	HK	Real Estate	NANFUN 5 09/05/28	28.8
23-Jan-24	INDONESIA INFRASTRUCTU	ID	Financials	IIFPTN 1 1/2 01/27/26	1.8
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 09/07/26	1.4
19-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	2.1
8-Jan-24	SUN HUNG KAI & CO BVI	HK	Consumer Finance	SUNHKC 5 3/4 11/15/24	12.5
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 11/15/27	6.8
5-Jan-24	ICBCIL FINANCE CO LTD	CN	Financials	ICBCIL 3 5/8 05/19/26	8.9
3-Jan-24	NWD FINANCE (BVI) LTD	HK	Real Estate	NWDEVL 5 1/4 PERP	1
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/2 05/19/30	9.2
3-Jan-24	NWD MTN LTD	HK	Real Estate	NWDEVL 4 1/8 07/18/29	10.2
Total					1,022.0

Source: Bloomberg.

Table 3: Asian ex-JP YTD early call announcement (USD mn)

Announced date	Company name	Region	Industry	Bond	Call effective date	Call amount
5-Apr-24	MEDCO PLATINUM ROAD PTE	ID	Oil&Gas	MEDCIJ 6 3/4 01/30/25	6-May-24	33.3
2-Apr-24	INDIKA ENERGY III PTE	ID	Coal	INDYIJ 5 7/8 11/09/24	3-May-24	293.6
18-Mar-24	ROYAL CAPITAL BV	PH	Commercial Services	ICTPM 4 7/8 PERP	5-May-24	289.8
11-Mar-24	SMC GLOBAL POWER HLDGS	PH	Electric	SMCGL 6 1/2 PERP	25-Apr-24	783.2
1-Mar-24	MCC HOLDING HK CORP LTD	CN	Metal Fabricate/Hardware	CHMETL 2.95 PERP	20-Apr-24	500.0
29-Feb-24	MONGOLIAN MINING CORP	MN	Coal	MONMIN Float PERP	1-Apr-24	20.0
Total						1,919.8

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Development Bank	500	3yr	5.675%	SOFR+33	-/A+/-
Far East Horizon	500	3yr	6.625%	T+215	-/BBB/-
Jinan Hi-tech International Investment	180	3yr	6.1%	6.1%	-/BBB
Melco Resorts Finance Limited	750	8NC3	7.625%	7.625%	Ba3/BB/-
Nippon Life Insurance	1320	30NC10	5.95%	5.95%	A3/A/-

➤ **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 112 credit bonds issued yesterday with an amount of RMB127bn. As for month-to-date, 342 credit bonds were issued with a total amount of RMB401bn raised, representing a 24.6% yoy increase
- **[ADANIG]** Media reported that Adani Green Energy is in discussions to raise offshore loan of cUSD400mn with 7-10 tenor
- **[ADROIJ]** Adaro Energy plans share repurchase of up to cUSD252mn
- **[CHNAAR]** China Aircraft Leasing is going to sell two Boeing planes for undisclosed amount
- **[FUTLAN]** Moody's downgraded Seazen Group's ratings to Caa1 and maintained negative outlook. Media reported that Seazen's unit plans to raise up to RMB400mn CBICL guaranteed notes
- **[GZRFPR]** Guangzhou R&F announced cUSD727mn of existing notes validly tendered in exchange of tranche C perpetual bonds

*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**

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

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.