

CMBI Credit Commentary

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

- *New issues LGENSOs were traded at re-offer level with two way flows, HYNMTRs widened 3-5bps this morning. HRINTH curve retreated 0.5-1pt post yesterday's rally. TMT benchmarks BABA/TENCNT were 0-2bps tighter.*
- **SUNAC:** *Proposed offshore debt restructuring scheme was approved by requisite majorities of scheme creditors. Court sanction hearing will be on 5 Oct'23. The cap of MCB was further increased to USD2.75bn from USD2.2bn. SUNACs were unchanged to down 0.5pt this morning. See below.*
- **GEMDAL:** *Gemdale is in discussions with shareholder Shenzhen Futian Investment over credit enhancement for securities offering. GEMDAL'24 rose c0.5pt this morning.*

❖ Trading desk comments 交易台市场观点

Asia IG space was stable yesterday. The recent new BBLTB 5/10y papers opened 2-3bps wider but closed unchanged in spread. In Chinese SOEs, HAOHUAs were unchanged to 2bps tighter amid balanced two-way flows. TMT benchmarks such as BABA 31s/BIDU 30s grinded 1-3bps tighter. TENCNT 28-30s tightened 3-5bps. The high beta TMTs such as WB/MEITUA 30s were unchanged to 5bps tighter. In financials, HRINTH curve was traded up 1.5-3pts, while other AMC peers were quiet. Chinese bank T2s were still better bid and closed 1-2bps tighter. HK IGs such as CKHH/HKLSP 33s widened 5-6bps. HK Corp perps such as NWDEVL/CKPH Perps lowered 0.75pt. HK/Chinese properties were subdued. SHUION 24-26s were traded down 1-1.5pts. LNGFORs/VNKRLEs declined 0.5-1pt. CHJMAO 26s/GRNLGR 25s were down 2.5-3.5pts. ROADKG 25s/26s were 0.5-1.5pts lower. Last Friday, Moody's lowered the rating of ROADKG one notch to B2 and revised the rating outlook to negative. In industrials, EHICAR/WESCHI 26s were bid up 0.5-1pt. Macau gaming papers such as MPEL/SANLTD 29-30s were quoted 0.5pt higher. Indian space was muted. VEDLN 24s/25s were up 0.25-0.5pt. Indonesian names MEDCIJs were up 0.5pt. MEDCIJ secured a IDR5.25tn loan from Bank Mandiri to refinance bonds. Elsewhere, GLPCHI 24s/26s were marked down 1-3pts.

The LGFV space was firm and flows were light ahead of FOMC this week. The sentiment remained upbeat. Shandong/Chongqing remained well bid. SHDOIS '23/CQLGST '24 were bid up 0.1pt. The high-6% papers such as HKIQCL '25/JNHTE '24 were marked 0.125pt higher. Elsewhere, those used-to-be double-digit-yielding names continued to edge towards 9%. GXFING 23s/GSHIAV 24s were quoted 0.1-0.2pt higher. KMRLGP '24 was marked 0.25pt higher. ZHHFGR 4.25 Perp was up 0.2pt. SOE perps such as CHMETL/CHALUM/CHSCOI Perps were better bid. FRESHK/ZHONAN 25s/26s were marked another 0.75pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
HRINTH 3 3/8 02/24/30	77.4	2.9	GLPCHI 2.95 03/29/26	63.7	-3.1
HRINTH 3 5/8 09/30/30	77.4	2.9	CHJMAO 3.2 04/09/26	82.6	-2.4
HRINTH 5 1/2 04/27/47	70.7	2.7	GLPCHI 4.974 02/26/24	90.9	-1.8
HRINTH 4 3/4 04/27/27	83.2	2.3	ROADKG 5 1/8 07/26/26	40.5	-1.5
HRINTH 4 1/2 05/29/29	79.8	2.2	SHUION 6.15 08/24/24	71.3	-1.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.07%), Dow (+0.02%) and Nasdaq (+0.01%) closed with little movement on Monday before FOMC meeting, markets expect Fed will hold the 5.25-5.50% interest rate unchanged in the meeting. Markets also expect that PBOC will keep 1/5yr LPR at 3.45%/4.2% unchanged in Sep's LPR quotation. The US treasury yields rallied higher yesterday, 2/5/10/30 yield reached at 5.05%/4.46%/4.32%/4.40%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ **SUNAC: Proposed offshore debt restructuring scheme was approved by requisite majorities of scheme creditors**

Sunac's proposed offshore debt restructuring scheme was approved at the scheme meeting held on 18 Sep. Creditors holding 97.3% of the total value of outstanding claims attended and voted at the meeting, and 98.3% of the creditors voted in the meeting voting in favour of the scheme, i.e. creditors representing 95.6% of the scheme claims agreed with the scheme. The scheme with total claims of USD10.2bn was then approved with requisite majorities. Sunac will proceed to seek the approval and sanction of the court in respect of the scheme, and the petition seeking sanction will be heard on 5 Oct.

Recalled that the restructuring consideration involves issuance of new notes, CB, MCB and shares of Sunac Services. Sunac further increased the cap of the MCB to USD2.75bn from USD2.2bn approved in EGM (original cap of USD1.75bn in RSA). The MCB carries no interest, and will be mandatorily converted into ordinary shares of Sunac in full at a maturity of 5 years. Increasing the amount of MCB issuance will reduce the amount of new notes to be issued by the company, and also the debt level.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hyundai Capital America	700/800/500	3/5/7yr	5.95/6.1/6.2%	T+125/165/183	Baa1/BBB+/-
LG Energy	400/600	3/5yr	5.625/5.75%	T+100/130	Baa1/BBB+/-

➤ **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 93 credit bonds issued yesterday with an amount of RMB89bn. As for Month-to-date, 909 credit bonds were issued with a total amount of RMB831bn raised, representing a 19.2% yoy increase
- **[BEIENT]** Beijing Enterprises accepted up to RMB7bn three-year term loan facility letter for refinancing
- **[CGSHCO]** Moody's withdrawn Country Garden Services ratings for business reasons
- **[CIFIHG]** CIFI Holdings announced to sell equity interests in Zengcheng project in Guangzhou to Henderson Land Development for RMB240.3mn; the company will approve the FY22 and 1H23 results at the board meeting to be held on 28 Sep
- **[COGARD]** Country Garden said Thailand subsidiary Risland provided land, real estate as collateral for two local bonds to replace parent as bond guarantor
- **[FWDGRP]** FWD Group has decided not to proceed the proposed USD 10yr bonds and the company said that it looks forward to re-engaging with investors in the future
- **[GEMDAL]** Gemdale announced that it is in discussions with shareholder Shenzhen Futian Investment over credit enhancement for securities offering
- **[GRNKEN]** Greenko to get cUSD731mn loan from state-owned REC limited to set up a pumped-storage project
- **[LMRTSP]** LMIRT trustee announced not to pay September distribution for SGD140mn and SGD120mn perps
- **[LOGPH]** Logan Group: winding-up petition hearing further adjourned to 30 Oct
- **[MEDCIJ]** Medco Energi signed cUSD340mn due 2028 loan from Bank Mandiri to refinance bonds
- **[MONMIN]** Moody's affirmed Mongolian Mining Corporation's B3 ratings and placed stable outlook
- **[NIO]** NIO announced to offer up to USD1.15bn convertible senior notes for debt repurchase
- **[POLYRE]** Poly Property Group proposed to offer up to RMB10bn corporate bonds to repay debts and boost working capital
- **[SINOCE]** Media reported that Sino-Ocean Group has paid initial 10% principle installment on restructured originally RMB2bn 4% notes on 18 Sep

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