

**CMBI Credit Commentary****Fixed Income Daily Market Update 固定收益部市场日报**

- *Markets were quiet except AMC sector this morning. HRINTH curve opened 1-3pts higher post the repurchase announcement then retraced to 1-1.5pts higher by noon with active two way flows. GRWALLs moved -0.2 to +0.5pt and CCAMCLs/ORIEAS were unchanged.*
- **Chinese AMCs:** *Huarong's large buy-back demonstrated the confidence on its liquidity. See below.*
- **China TMTs:** *Maintain buy XIAOMI'30-31s, XIAOMI 0'27 (CB), MEITUA'27-28s (CB), initiate buy on WB 3 3/8'30. See below and [our full report published yesterday](#).*

**❖ Trading desk comments 交易平台市场观点**

Yesterday, 10yr UST yield widened 6bps to 4.365%, the highest level since 2007. On the new issue front, LGENSO priced a USD400mn 3yr bond at CT2+67.5 (CT3+100), and a USD600mn 5yr bond at CT5+130. The new LGENSO 28s edged 2bps wider while its 26s widened 5bps. The recent new BBLTB 28s/33s closed 2bps wider. Chinese SOE/TMT benchmark names such as HAOHUA/TENCNT 30s edged 1-2bps wider amid mixed two-way flows. The high-beta TMTs such as LENOVO 28s/30s tightened 3-5bps. In financials, HRINTH curve retraced 0.25-1pt from Monday high and flows were better selling from RMs/PBs. HRINTH announced last night that it had repurchased and cancelled a total of cUSD288mn equivalent of its senior bonds. See below for comments. CCAMCLs widened 2-3bps. The front end of Chinese bank T2s remained well-bid with active two-way flows and closed unchanged to 1bp tighter. HK IGs HKAA/HKLSP 33s tightened 6bps. HK Corp space was weaker. NWDEVL 27/Perp lowered 2pts. HK/Chinese properties drifted lower. YLLGSP 26s/SHUION 24s dropped 1.5pts. FUTLANs/FTLNHDs declined 1pt. ROADKG 24s/25s were quoted down 1-2pts. CHJMAO/LNGFOR/VNKRLE 28-29s lowered 1.25-1.75pts. COGARDs were down 0.5pt. Media reported the holders of COGARD's USD500mn 6.15% due-2025 bonds have yet to receive the coupon. The 30-day grace period to cure the missed coupon will end on 18 Oct'23. In industrials, EHICARs were up 0.25-0.5pt. Macau gaming papers such as SANLTD/WYNMAC 27-29s grinded 0.5pt higher. In Indian space, VEDLN 24s/26s were traded 0.5-1pt higher. Indonesian coal name BUMAIJ '26 was traded 3pts higher. Elsewhere, GLPCHI 24s/26s were quoted 1.25-1.75pts lower.

The LGFV space held firm with light volume ahead of FOMC. The front-end of LGFVs such as QDHTCO 24s/GXFING 23s were sought-after by RMs. The 6% papers such as YWSOAO 25s/HZCONI 26s were marked 0.1pt higher. Elsewhere, HNYUZI 24s/ZHANLO 25s were also better bid amid active balanced two-way flows. The higher-yielding names remained under better buying. Chongqing/Shandong names such as CQNANA 4.56

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

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

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

'26/SHGUOH 3.15 '25 were marked 0.1pt higher. SOE perps such as CHMETL 2.95 Perp/CHALUM 4.1 Perp were traded 0.125pt higher. FRESHK 24s/ZHONAN 25s were marked 0.1pt lower.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
BUMAIJ 7 3/4 02/10/26	87.0	3.1	PINGRE 3 1/4 06/23/25	68.5	-2.7
SSW 5 1/2 08/01/29	81.6	1.3	GEMDAL 4.95 08/12/24	50.6	-2.4
RISSUN 9 1/2 09/17/24	7.8	1.0	SHUION 5 1/2 06/29/26	49.1	-2.2
GRNLGR 6 3/4 09/26/25	9.0	1.0	NWDEVL 4 3/4 01/23/27	76.8	-2.1
VEDLN 9 1/4 04/23/26	64.0	0.9	NWDEVL 6 1/4 PERP	50.3	-2.1

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.22%), Dow (-0.31%) and Nasdaq (-0.23%) were weak before the FOMC. PBOC hold 1/5yr LPR unchanged at 3.45%/4.2% as expected in Sep's LPR quotation. Euro-zone Aug CPI was 5.2% yoy, lower than the expectation of 5.3% yoy. The US treasury yields rallied higher on Tuesday, 2/5/10/30 yield reached at 5.08%/4.51%/4.37%/4.43%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ Chinese AMCs: Huarong's large buy-back demonstrates confidence on its liquidity

**Table 1: Huarong's buy-back lists**

Ticker	Currency	Issue size (mn)	O/S (mn)	Buy-back amt (mn)	% of issue size	Offer price	YTM
HRINTH 4 1/2 05/29/29	USD	700	601.348	98.652	14.09%	81.181	8.8%
HRINTH 3 7/8 11/13/29	USD	500	447.525	52.475	10.50%	79.34	8.2%
HRINTH 3 5/8 09/30/30	USD	350	309	41	11.71%	79.359	7.5%
HRINTH 4.95 11/07/47	USD	700	627.735	72.265	10.32%	72.428	7.4%
HRINTH 3.8 11/07/25	SGD	400	368	32	8.00%	84.641	12.2%

Source: Bloomberg, Company fillings.

Huarong bought back and cancelled a total of cUSD288mn equivalent of its bonds. We believe that the repurchases have been conducted over the past few months, especially over the past 2 months after HRINTHs corrected 3-11pts resulting from the collateral damage of the potential default of Country Garden and the failure of Great Wall to file its FY22 annual report. While Huarong bought back SGD32mn of HRINTH 3.8 11/07/25, the focuses of repurchases are on longer-dated and low cash price bonds. The repurchases of longer-dated bonds demonstrated Huarong's strong confidence on its liquidity ahead of the maturity of HRINTH 2.125 09/30/23 (o/s USD600mn) on 30 Sep'23. We would not be surprised if other Chinese AMCs have also taken or will take advantage of the price corrections since late Jul'23 for bond buy-back. The repurchases continue to support the near-term performance of the sector. Subsequent to Huarong's announcement, HRINTHs moved 1-1.5pts higher, GRWALLs moved -0.2 to +0.5pt and CCAMCLs/ORIEAS were unchanged this morning.

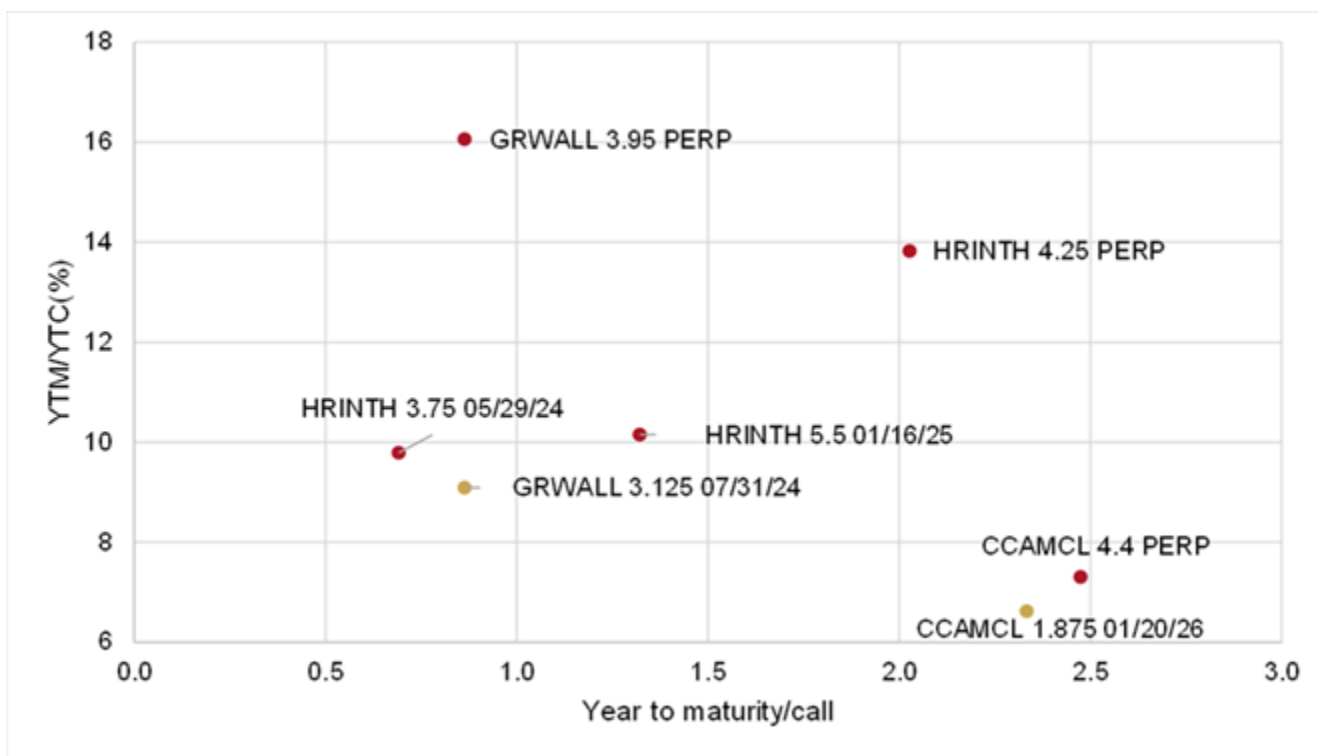
As we discussed in [our comments China AMCs: Repayment matters more than reporting published on 8 Sep'23](#), we expect strong government support to the sector continues. The Chinese government has demonstrated strong support for Huarong in times of distress. **HRINTHs** have been our top picks of the sector. We also like **GRWALL 3.95 Perp (callable 07/31/24)** after the recent price correction and **CCAMCL 4.4 Perp (callable 03/11/26)** as a low beta play.

**Table 2: Summary of our picks**

	Ask Price	Ask YTM/YTC	Year to maturity/call	First call date	Coupon reset	Step-up (bps)	Amt o/s (USDmn)
CCAMCL 4.4 Perp	92.2	7.3%	2.5	03/11/26	5yr UST+3.232%	N/A	1,700
GRWALL 3.95 Perp	91.6	16.1%	0.9	07/31/24	5yr UST+7.145%	500	400
HRINTH 4.25 Perp	83.6	13.8%	2.0	09/30/25	5yr UST+6.979%	300	250
HRINTH 3.75 05/29/24	96.1	9.8%	0.7	N/A	N/A	N/A	900
HRINTH 5.5 01/16/25	94.4	10.1%	1.3	N/A	N/A	N/A	1,400

Source: Bloomberg.

**Chart 1: YTM/YTC of our picks**



Source: Bloomberg.

- China TMT: Maintain buy XIAOMI'30-31s, XIAOMI 0'27 (CB), MEITUA'27-28s (CB), initiate buy on WB 3 3/8'30

**Executive Summary**

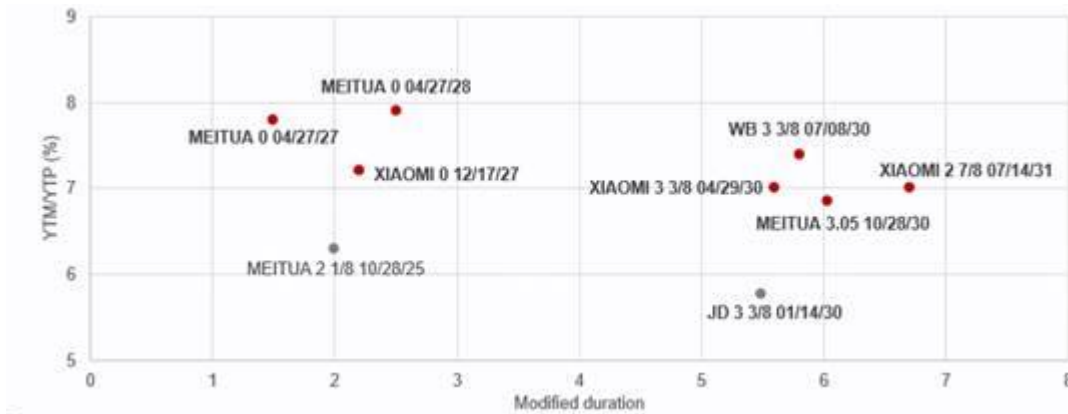
- **Credit stories remain sound:** Chinese TMT issuers are generally cash-rich with solid liquidity profiles. Most of them are in net cash positions and have strong coverage ratios at their rating levels. See Table 6 on p.7.
- **Shorter-dated XIAOMIs remain our top picks:** We like Xiaomi for its solid credit story. The sizeable net cash position and operating cash inflow offset the impact of higher R&D expenses, especially those on EV. XIAOMI 3 3/8 04/29/30 (Baa2/BBB-/BBB) and XIAOMI 2 7/8 07/14/31 (Baa2/BBB-/BBB) offer 121bps yield pick-up over JD 3 3/8'30 (Baa1/A-/-) and 12bps over MEITUA 3.05'30 (Baa3/BBB-/BBB-). Additionally, XIAOMI 0 12/17/27 (CB, Baa2/-/-), puttable in Dec'25 with a YTP of 7.1%, is a good short-dated play within the XIAOMI curve. We prefer shorter-dated XIAOMIs as well as other Chinese TMT papers because of our view of "higher for longer" UST.
- **Prefer CBs within the MEITUA curve:** At 88.8, MEITUA 0 04/27/27 (CB, Baa3/-/-, put on 27 Apr'25) offers a YTP of 7.8% and a yield pick-up of c159bps over MEITUA 2.125 10/28/25. The cash price of the CB is c3pts lower and the tenor is effectively 6 months shorter. We also like MEITUA 0 04/27/28 (CB, Baa3/-/-, put on 27 Apr'26) which offers largely the same YTP but 6pts lower in cash price and a year longer in tenor. The CB redemptions should be comfortably managed with Meituan's sizeable net cash position.
- **Initiate Buy recommendation on WB 3 3/8'30:** At 78.6, WB 3 3/8 07/08/30 (Baa2/BBB/-) is trading at a YTM of 7.4%, 58bps pick-up over MEITUA 3.05'30 which is rated 1 notch lower. The current valuation of WB 3 3/8'30 has more than priced in the concerns on Moody's negative outlook, in our view. We are neutral on WB 3½ 07/05/24 in view of better alternatives for short-dated plays with higher yield and lower cash prices.
- **Turned neutral on PDD 0'25 (CB):** PDD 0 12/01/25, puttable at 100 on 1 Dec'23, has up 3pts since our recommendation in May'23. At 98.4, the CB is trading at a YTP of 8.1% with 2.5 months to the put date. While we still like the credit story of PDD, we turn neutral to the CB as the near-term upside for the CB appears to be limited unless CB holders are very confident on its near-term equity story. The stock price of PDD was 44.6% higher since May'23 and the US tariff issue which, in our view, will be an overhang of its equity story in the near-term.

**Table 1: Summary of our picks**

Bond	Ask Px	Ask YTM/YTP	Outstanding (USD mn)	Maturity/put date	Modified duration
MEITUA 0 04/27/27	88.8	7.8%	1,480	04/27/25	1.5
MEITUA 0 04/27/28	82.9	7.9%	1,500	04/27/26	2.5
WB 3 3/8 07/08/30	78.6	7.4%	750	07/08/30	5.8
XIAOMI 0 12/17/27	85.5	7.1%	855	12/17/25	2.2
XIAOMI 3 3/8 04/29/30	81.2	7.0%	600	04/29/30	5.6
XIAOMI 2 7/8 07/14/31	75.6	7.0%	800	07/14/31	6.7

Source: Bloomberg.

**Chart 1: YTM/YTP of our picks**



Source: Bloomberg.

Click [here](#) for full report

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Zhengjin Financial International (Bvi) Co., Limited	60	364d	7.5%	7.5%	-/-/-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Jinshine International Co., Ltd (Guaranteed by XZETDZ )	USD	-	3yr	6.5%	-/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 122 credit bonds issued yesterday with an amount of RMB138bn. As for Month-to-date, 1,031 credit bonds were issued with a total amount of RMB963bn raised, representing a 26.6% yoy increase
- **[BABA]** Alibaba movie arm bought Chinese concert producer Damai in USD167mn in an all-stock deal
- **[COGARD]** Media reported that bondholders of USD500mn COGARD 6.15 09/17/25 have not receive 17 Sep coupon yet
- **[GSHIAV]** Gansu Provincial Highway Aviation Tourism Investment Group circulated 4.1%-area IPG for three-year SBLC-backed CNH green bonds
- **[NIO]** NIO priced USD500mn/500mn of convertible senior notes due 2029/2030 at 3.875%/4.625%, initial purchasers will have the option to buy another up to USD75mn for each note
- **[REDSUN]** Redsun Properties announced that it did not expect to pay USD200mn REDSUN 9.5 09/20/23 on due date

- **[SOFTBK]** Media reported that SoftBank Group is leading a USD280mn funding round of a US location mapping startup
- **[SUNAC]** Media reported that Sunac China filed for Chapter 15 bankruptcy protection in US
- **[VEYONG]** S&P affirmed ENN Natural Gas's BBB- rating and changed outlook to positive
- **[YNPOWE]** Yunnan Provincial Energy Investment issued RMB1bn 2yr corporate bonds with 4.0% coupon to repay debts
- **[ZHFFGR]** Zhuhai Huafa Properties issued RMB1.1bn 3yr MTN with 3.62% coupon and RMB0.9bn 5yr MTN with 4.15% coupon to repay debts
- **[ZZCITY]** Zhuzhou City Construction Development proposed to offer RMB3bn corporate 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.