

CMBI Credit Commentary

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

- *In Asian IG space, we saw profit taking on yesterday's new issue BAYFIM'26, EXIMCH'26 and other names like MEITUA, HRINTH. KR names were better buying that HYUELEs tightened 5-10bps. There were also active profit taking on AT1/SOE Perp/LGFV and buying interests were mainly on front-end bonds.*
- *Hopson: Denied the news maturity extension of private notes. HPDLF'23 retreated 5pts post the news and further down 0.5pt this morning while HPDLF'24 slumped 7pts then rebounded 0.75pt by mid-day.*
- *China property: contracted sales continued to recover in Apr'23 and divergence of developers remains. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia ex JP IG space was largely stable amid quiet flows ahead of the US Apr CPI report. On the primary side, new EXIMCH 26s that priced at T2+35, was traded around RO for the whole day. New BAYFIM 26s tightened 3bps inside RO. Benchmark IGs remained small range-bound in spreads, despite flows were skewed to better selling into close. Chinese SOEs such as HAOHUA/SINOPE closed unchanged to 2bps tighter. TMT benchmark TENCNT/BIDU curves grinded 2-5bps tighter. In financials, AMC sector weakened a touch as HRINTH curve was traded 0.25-0.5pt lower. Other AMCs were unchanged to 2bps wider. China bank T2s such as BCHINA/ICBCAS widened 1-3bps amid two-way mixed flows. Elsewhere, Korea corps were firm as SKONKR/POHANG/KHFC/ LGCHM/HYUELE were under better buying. Chinese properties remained fragile. HPDLF 23s/24s were down 5-7pts. Hopson denied the news of one-year extension on its private notes. See below for more discussions. FTLNHDs/FUTLANs/CHINSCs notably slumped 1.5-6pts. ROADKGs/CSHCNs were traded down 1.5-3.5pts across the curve. COGARDs/SINOCEs moved 1-2pts lower. GRNLGR 5.6 '24 lowered 3.5pts, while GRNLGR/AGILE/CENCHI/PWRLNG 25s/26s were traded down 0.5-2.5pts. DALWANs were among the exception with its 23s/24s bounced 2-2.5pts from the lows, and the DALWAN 25s/26s gained around 1.5pts to close at high-40s. Industrials HILOHO 24s/WESCHI 26s edged 0.5pt lower. Macau gaming names such as SANLTDs/STCITYs were marked 0.25-0.75pt higher. In Indian space, renewables such as GRNKENS/RPVINs lowered 0.25-1pt. Whilst VEDLNs were traded 1-2pts higher. Indonesian names LPKRIJ/INDYIJ 25s were down 0.25pt.

In the LGFV/Perp/Asia AT1 spaces, the risk sentiment softened a bit amid the debt ceiling headlines and ahead of Wed night's CPI print. Flows were overall mixed, with the front end of LGFVs remained better bid. Whilst SOE

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

Perps and Chinese AT1s were under some selling at mid-5% out of AMs and structured products. LGFVs yielding low-6% or more continued to see RM buying, but in a slower pace in contrast to the 'just buy first' vibe earlier this week, as offers gradually came off from the squeeze levels. In Shandong/Chongqing names, HKIQCL/SHGUOH 25s were marked 0.5pt lower and CQNANA 26s moved 0.25 lower. Elsewhere, HK Perps and European AT1s were also under small better selling from RMs/PBs amid the weak macro tone. HSBC 8 Perp /STANLN 4.3 Perp were traded around 0.5pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 7 1/4 01/29/24	62.3	2.4	HPDLF 7 05/18/24	79.7	-6.8
GWFOOD 2.349 10/29/25	89.6	2.2	FTLNHD 4.8 12/15/24	67.1	-6.1
VEDLN 6 1/8 08/09/24	65.1	2.0	FTLNHD 4 1/2 05/02/26	49.6	-5.4
DALWAN 6 7/8 07/23/23	91.0	1.6	CHINSC 7 3/8 04/09/24	49.0	-5.4
DALWAN 11 02/13/26	48.3	1.6	HPDLF 6.8 12/28/23	87.9	-5.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.45%), Dow (-0.09%) and Nasdaq (+1.04%) rebounded due the lower than expectation CPI data, the Apr'23 CPI was +4.9% yoy and 0.1% lower than market expectation. China Apr'23 CPI was +0.1% yoy, lower than expectation of +0.4% yoy. Apr PPI was -3.6% yoy while market expectation was -3.3% yoy. The U.S. treasury retreated yesterday, yield curve bull steepened and the 2/5/10/30 yields reached 4.90%/3.37%/3.43%/3.80%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ Hopson: Denied the news maturity extension of private notes

Hopson denied the media report on the extension of a private notes of USD100mn. As per Hopson, it does not have any offshore private notes outstanding. Recent refinancing exercises have been smooth. Its total offshore syndicated loans are cUSD220mn (HKD1.482bn+USD30mn). The repayment/amortization for 1H23 and 2H23 will be cUSD44mn and cUSD65mn, respectively. HPDLF'23 retreated 5pts post the news and further down 0.5pt this morning while HPDLF'24 slumped 7pts then rebounded 0.75pt by mid-day.

One of the keys to support our more sanguine view on Hopson is its large portfolio of financial investments. We estimate that the value of its financial investments and listed investments in Ping An Healthcare to be cHKD8bn (cUSD1bn). Even after deducting for margin loans of HKD1bn, these offshore investments represent a significant offshore liquidity source. As per Hopson, it had the cash on hand of RMB6.1-7.4bn (cUSD900-1.1bn) which is not restricted nor in the escrow account as at Dec'22. It also had IPs of cRMB75bn, and loans against these IPs were, equivalent to LTV of c32%. Hence, there is a headroom of RMB20bn of additional loans against its IPs if Hopson raises the LTV to the industry norm of 60-70%. We believe that Hopson's near-term debt maturities are manageable. See [our comments on Hopson on 31 Mar'23](#) for more detailed discussions.

➤ China property: contracted sales continued to recover in Apr'23 and divergence of developers remains

In Apr'23, 35 developers under our radar (DAFAPG and JIAYUA with no updated data) reported contracted sales of RMB340.4bn in total, representing +17.5% yoy. 15 out of 35 developers reported contracted sales growth in Apr'23. The outperformers in 4M23 are YUEXIU (RMB57.2bn, +117% yoy), CRHZCH (RMB112.0bn, +84% yoy) and CHIOLI (RMB117.6bn, +71% yoy). Underperformers are RONXIN (RMB5.9bn, -76% yoy),

TPHL (RMB6.9bn, -61% yoy) and ZHPRHK (RMB6.4bn, -61% yoy). In 4M23, the 35 developers' contracted sales were RMB1,293.6bn in total, 0.3% yoy higher than those in 4M22.

The diverging trend remains clear that SOEs and non-distressed developers are outperformed, like YUEXIU, CRHZCH and LNGFOR, HPDLF. While distressed developers such as RONXIN, TPHL are underperformed. According to NBS, the commercial housing sales amount recorded the first positive yoy change as +6% yoy in Mar'23 since Jul'21. The developers may benefit from the gradually improving real estate market and we expect more notable yoy pick-up in contracted sales by 3Q23.

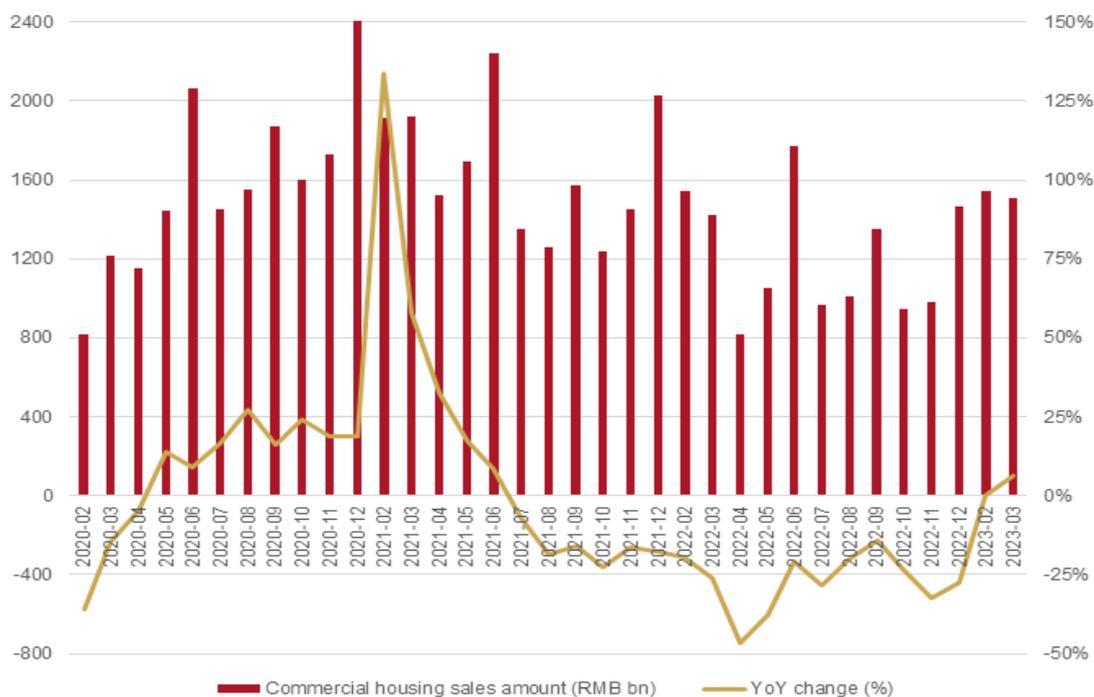
Chart 1: Contracted sales of developers under our radar

2023 YTD Sales (in RMB mn)												
Company	CN Name	BBG Ticker	Jan	Feb	Mar	Apr	Trend	Apr'23 MoM Growth	Apr'23 YoY Growth	Apr'23 YTD Sales	Apr'23 YTD Sales Growth	
Agile	雅居乐	AGILE	6,440	6,120	4,250	3,680		-13%	-7%	20,490	-18%	
Central China Real Estate	建业地产	CENCHI	2,871	2,120	1,237	1,013		-18%	-61%	7,241	-19%	
China Jinmao	中国金茂	CHJMAO	10,000	14,130	20,100	14,402		-28%	41%	58,632	40%	
China Overseas	中国海外发展	CHIOLI	13,188	27,424	42,987	34,033		-21%	67%	117,632	71%	
China Resources Land	华润置地	CRHZCH	16,020	24,200	38,800	33,010		-15%	119%	112,030	84%	
China SCE*	中骏集团控股	CHINSC	3,051	3,809	4,608	2,512		-45%	-44%	13,980	-36%	
China Vanke	万科企业	VNKRL	28,630	30,120	42,630	33,470		-21%	9%	134,850	-2%	
CIFI Holdings	旭辉集团	CIFIHG	5,020	7,810	8,300	8,300		0%	-18%	29,430	-24%	
Country Garden (Attributable)	碧桂园	COGARD	22,010	24,850	25,010	22,690		-9%	0%	94,560	-22%	
Dexin China	德信中国	DEXICN	2,340	3,200	2,630	1,390		-47%	-54%	9,560	-23%	
Future Land	新城控股	FUTLAN/FTLNHD	5,776	7,809	7,920	7,162		-10%	-21%	28,667	-28%	
Gemdale	金地集团	GEMDAL	9,210	14,800	20,110	15,000		-25%	20%	59,120	2%	
Greenland Holding*	绿地控股集团	GRNLGR	9,790	7,710	11,290	6,860		-39%	-14%	35,650	-8%	
Greentown	绿城	GRNCH	13,500	17,900	29,900	27,100		-9%	75%	88,400	39%	
Guangzhou R&F*	富力地产	GZRFPR	1,350	2,110	3,910	2,110		-46%	-50.6%	9,480	-47%	
Hopson*	合生创展	HPDLF	1,327	2,193	6,547	6,560		0%	156.0%	16,627	57%	
Jingrui Holdings	景瑞控股	JINGRU	342	454	442	370		-16%	-59%	1,608	-49%	
KWG Property*	合景泰富集团	KWGPRO	3,561	4,320	3,850	6,590		7%	51%	18,321	5%	
Logan Property* (Attributable)	龙光地产	LOGPH	1,070	2,190	3,110	3,200		3%	0%	9,570	-53%	
Longfor (Attributable)	龙湖集团	LNGFOR	7,220	11,140	15,240	11,260		-26%	53%	44,860	43%	
Poly Real Estate	保利地产	POLYRE	29,545	34,284	50,301	41,695		-17%	37%	155,825	29%	
Powerlong	宝龙地产	PWRLNG	2,040	3,319	3,478	3,123		-10%	1%	11,960	-21%	
Radiance*	金辉控股	JNHUIG/RDHGCL	1,920	1,750	1,530	3,050		99%	-17%	8,250	-42%	
Redco Properties*	力高集团	REDPRO	1,323	1,516	1,390	1,351		-3%	-10%	5,580	-21%	
Redsun	弘阳地产	REDSUN/HONGS	1,109	2,770	3,434	2,189		-36%	-15%	9,502	-23%	
Ronshine China	融信中国	RONXIN	995	1,334	1,537	2,086		36%	-52%	5,951	-76%	
Shimao*	世茂房地产	SHIMAO	4,510	4,110	6,220	5,010		-19%	-17%	19,850	-29%	
Sino-Ocean	远洋集团	SINOCE	3,290	5,070	8,200	7,030		-14%	3%	23,590	8%	
Sunac China	融创中国	SUNAC	7,230	10,860	11,180	8,060		-28%	-41%	37,330	-57%	
Times Property	时代中国控股	TPHL	852	1,961	2,638	1,494		-43%	-58%	6,945	-61%	
Yanlord	仁恒置地	YLLGSP	905	3,667	3,557	4,220		19%	187%	12,349	-30%	
Yuexiu Property	越秀地产	YUEXIU	8,884	13,712	21,237	13,331		-37%	6%	57,164	117%	
Yuzhou Properties	禹洲地产	YUZHOU	1,505	1,750	2,150	2,063		-4%	-21%	7,468	-47%	
Zhenro Properties	正荣地产	ZHPRHK	1,356	1,620	1,811	1,654		-9%	-28%	6,441	-61%	
Zhongliang	中梁控股	ZHLGHD	3,660	4,020	3,750	3,300		-12%	-20%	14,730	-43%	

Note: Company name with * means that the Apr'23 data was collected from CRIC.

Source: Company filings, CRIC.

Chart 2: China monthly commercial housing sales amount and YoY change



Source: NBS.

➤ 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)
No Offshore Asia New Issues Pipeline Today					

➤ News and market color

- Regarding onshore primary issuances, there were 37 credit bonds issued yesterday with an amount of RMB39bn. As for Month-to-date, 192 credit bonds were issued with a total amount of RMB166bn raised, representing a 4.2% yoy increase
- **[ADANIG]** Adani Green Energy convenes board meeting on 13 May to consider fundraising proposal
- **[LNGFOR]** Longfor Group acquires eight new land plots for RMB9.63bn in April

- **[LOGPH]** Media reported Logan domestic bondholders get up to RMB50,000 second instalment payment due today under holistic onshore term-out
- **[MPEL]** Melco 1Q23 revenue increases 51% yoy to USD716.5mn and adjusted EBITDA jumps 240.5% yoy to USD190.8mn
- **[SAKAEI]** Moody's affirmed Saka Energi Indonesia's B2 ratings and placed stable outlook
- **[VEDLN]** Media reported that Vedanta told investors that it has enough funds to meet May maturities
- **[ZHHFGR]** Zhuhai Huafa Properties proposes to offer up to RMB7.82bn corporate bonds to repay debts

CMB International Global Markets Limited

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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