

CMBI Credit Commentary

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

- *Markets were quiet with caution this morning. For Asian IG, markets focused on KOROIL and it tightened 10-15bps. AT1/SOE Perps/LGFV were less active, CTIH 6.4 were traded up to 102pts.*
- **CENCHI:** *Media reported that Central China is seeking maturity extensions for three USD bonds (USD897mn) due 2023. CENCHIs down 0.5-3pts this morning after 1-2pts drop yesterday.*
- **KWGPRO:** *Media reported KWG said it is able to repay on time RMB480.5mn domestic notes registered for 28 Mar's put. KWGPROs down 0.25-0.75pt this morning.*

❖ Trading desk comments 交易平台市场观点

Asia IG space had a cautious opening as client flows remained better selling. On primary front, KOROIL priced the two tranches 3Y/5Y at T+120/T+135, respectively. Another Korea quasi-sovereign KOMRMR announced mandate as well. China TMT/SOE benchmark names edged 2-4bps wider and front-end papers were under heavy selling. In financials, T2 sector were 3-5bps wider. AMC space widened around 5bps and HRINTHs lowered another 1pt under RMs selling. We also saw multiple sellers on GRWALL/CCAMCL across the curve. China property space remained fragile. LNGFORs 28-32s were marked 4.5-5.5pts lower (100bps wider). DALWANs lowered 1.5-4pts. SINOCEs plunged another 7-9pts. COGARDs/FUTLANs/FTLNHDs dropped 2.5-4.5pts. CENCHIs were traded at low-20s. Media reported CCRE's potential maturity extensions for its three due-2023s. Industrial names FOSUNIs moved 0.5-3pts lower. Macau gaming names MPELs/SANLTDs/WYNMACs lowered another 1-2pts. In Indian space, ADSEZs/ADANEMs were unchanged to 1pt higher. AZUPOEs were down 1-2pts after media reported Azure's new possible further delay in FY22 results. Indonesian names LPKRIJs/MEDCIJs were marked down 0.75-1.5pts.

In the Asia AT1/Perp/LGFV spaces, sentiment remained cautious ahead of quarter end as market was still reassessing weekend headline about the sudden jump of DB's CDS. In AT1s, there was some short covering in HSBC 8 Perp in the morning. The HSBC AT1 was bid up 0.75pt to 94.125, around the same with Asia hour level on Friday. Flows were dominated by two-way cash management needs in front-end LGFVs and Chinese AT1s. Overnight UST yields gradually edged 10-15bps higher, and we saw the current long-short technicals were more driven by prevailing funding costs rather than sentiment. Elsewhere, perps in property sector had some jitters. CHJMAO perps were subject to selling from RM while we saw some buying at the dip on the short-dated CHJMAO 4.875 Perp. SINOCE perp moved 2.5pts lower to mid-20s.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
TIANFS 4 03/15/24	96.4	1.0	SINOCE 2.7 01/13/25	46.1	-9.1
YNPOWE 4 1/2 PERP	96.6	1.0	SINOCE 3 1/4 05/05/26	44.1	-8.7
GRNLGR 6 3/4 06/25/24	52.3	0.9	SINOCE 4 3/4 08/05/29	34.1	-8.3
PCGIHD 4 1/2 08/23/26	90.8	0.9	SINOCE 5.95 02/04/27	42.4	-7.9
ZHHFGR 4 1/4 PERP	92.3	0.8	SINOCE 4 3/4 01/14/30	34.5	-7.3

❖ Marco News Recap 宏观新闻回顾

Macro – U.S. stock markets were weak yesterday that S&P (+0.16%), Dow (+0.60%) and Nasdaq (-0.47%) were divergent. Financial sector rebounded as media reported that Frist Citizens Banc plans to acquire SVB. The U.S. treasury yields overall rallied higher yesterday, the yield curves bear flattened and 2/5/10/30 yields reached 3.94%/3.59%/3.53%/3.77%, respectively.

➤ 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)
Hyundai Capital America	USD	-	3/5/7yr	T+210/230/255	Baa1/BBB+/-
Hyundai Capital America	USD	-	3yr	SOFR	Baa1/BBB+/-
Bank Mandiri Persero Tbk PT	USD	-	3yr	T+225	Baa2/BBB-/BBB-

➤ News and market color

- Regarding onshore primary issuances, there were 103 credit bonds issued yesterday with an amount of RMB104bn. As for Month-to-date, 2,106 credit bonds were issued with a total amount of RMB1,986bn raised, representing a 27.2% yoy increase
- **[AZUPOE]** Media reported that Azure Power has asked banks for an extension until 30 Apr to release its FY22 results
- **[BABA]** Media reported that Alibaba seeks unanimous lender consent to extend USD4bn bullet loan's maturity by five years to 2029
- **[CENCHI]** Media reported that Central China is seeking maturity extensions for three USD bonds (USD897mn) due 2023

- **[CHIWAN]** Concord New Energy intends to redeem all outstanding USD90mn CHIWIN 10.75 09/24/23 on 26 Apr
- **[COGARD]** Country Garden unit's 20Bidi01 bondholders exercise RMB3.4bn put option
- **[GEELY]** Geely issued RMB1.5bn (cUSD0.22bn) 179-day bills to repay debts, boost working capital
- **[KWGPRO]** Media reported that KWG said it is able to repay on time RMB480.5mn domestic notes registered for 28 Mar's put
- **[SHIMAO]** Media reported that Shimao Group puts Four Points by Sheraton Hong Kong up for sale for HKD6.5bn
- **[SKYFAM]** Skyfame Realty expects to turn to loss of RMB3.3-3.8bn for FY22
- **[YLLGSP]** S&P affirmed Yanlord BB- rating and placed stable outlook

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