

CMBI Credit Commentary

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

- *The new BZLNZ 10NC5 bond tightened 5bps from RO at par this morning. CCAMCLs/ORIEASs tightened 5bps. CFAMCLs were unchanged to 0.2pt higher. NWDEVLs down another 1-2pts.*
- ❖ **DALWAN:** *Redeemed 25% of DALWAN 11 01/12/26 of USD100mn. Maintain buy on DALWANs. DALWANs were unchanged to 0.2pt higher this morning. See below.*
- ❖ **VNKRLE:** *China Resources Land denies rumors of acquiring Vanke's stakes in Onewo Inc and GLP. VNKRLEs were unchanged to 1.6pt lower this morning.*
- ❖ **Trading desk comments 交易平台市场观点**

Yesterday, market spotlight was on properties. Media reported Guangdong provincial government has proposed to Beijing to turn Vanke into a state-owned company. VNKRLE 25s rose another 7.2pts, closed 4.1pts lower YTD. VNKRLE 27-29s jumped another 9.5-11.2pts, closed 0.2-3.0pts higher YTD. LNGFOR 27-32s also bounced 1.2-1.4pts, closed 4.5-6.1pts lower YTD. SHUION 25-26s/CHJMAO 29s were up 0.9-1.3pts. CHIOLIs/CRHZCHs were under better buying and closed 0.2pt higher. In HK, media reported NWD has offered properties valued at USD15bn as collaterals for loan refinancing. NWDEVL Perps/27-31s dropped another 0.8-3.6pts and closed 10.5-23.3pts lower YTD. NWSZF 28-29s declined 1.4-1.5pts and closed 5.4-5.9pts lower YTD. Meanwhile HK bank papers remained weak on NWDEVL's spillover. DAHSIN 33s widened 4bps on AM selling. BNKEA 27-34s widened 20-30bps. NANYAN 34s closed 2bps wider amid offshore RM selling vs onshore buying. BNKEA 5.825 Perp declined another 0.2pt to low-98 at YTC of low-8% (callable on 21 Oct'25). NANYAN 6.5/7.35 Perps decreased 0.2-0.3pt. In EU AT1s, BNP 7.375/BACR 8/INTNED 8 Perps were 0.3-0.5pt higher, amid UST yields tightened 2-5bps following Trump's policy announcements upon inauguration. In insurance hybrids, DAIL Perp/NIPLIF 54s were up 0.2-0.4pt under better buying from HFs/AMs. In Chinese AMCs, the front end of CCAMCLs/ORIEASs tightened 1-3bps. CFAMCI 26s/Perp were unchanged to 0.1pt lower under better selling. The recent new issues HKAA 30s/35s widened 1-2bps. Meanwhile the long end of TOPTBs widened 5-10bps on RM selling. In Chinese IGs, HAOHUAs/TENCNTs/BABAs were unchanged to 2bps wider amid mixed flows. In industrials, EHICAR 26s declined 0.7pt. In the Philippines, RCBPM priced the USD350mn 5-yr bond at CT5+115. VLLPM 27s/29s recovered 0.6pt after the decline of 1.9-2.9pts on Mon. In India, ADANEMs/ADSEZs/ADINCOs/ADGREGs were 0.4-0.6pt higher.

In LGFVs, the flows began to slow down from institutions ahead of CNY long holiday. USD LGFVs such as WUXIND/HNYUZI/SDECDI 26s were 0.1-0.2pt higher under better buying from RMs/PBs. CPDEVs/ZHHFGRs were up 0.1pt.

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There were two-way interests on CNH names such as SCTGIT/NGNGH 27s. In SOE perps, CHCOMU 3.65/CHPWCN 3.08 Perps were up 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	50.6	11.2	NWDEVL 4.8 Perp	19.9	-3.6
VNKRLE 3.975 11/09/27	50.8	9.5	NWDEVL 4 1/8 07/18/29	45.4	-2.8
VNKRLE 3.15 05/12/25	77.2	7.2	NWDEVL 5 1/4 Perp	26.4	-2.3
LNGFOR 3.95 09/16/29	69.5	1.4	NWDEVL 4 1/2 05/19/30	45.4	-2.1
LNGFOR 3 3/8 04/13/27	79.5	1.4	NWDEVL 8 5/8 02/08/28	49.3	-2.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.88%), Dow (+1.24%) and Nasdaq (+0.64%) were strong on Tuesday. Investors remain cautious about tariffs and the potential for a global trade war pushing inflation higher. UST yield slightly retreated on Tuesday, 2/5/10/30 yield reached 4.29%/4.40%/4.57%/4.80%.

❖ Desk Analyst Comments 分析员市场观点

➤ DALWAN: Redeemed 25% of DALWAN 11 01/12/26 of USD100mn. Maintain buy on DALWANs

Dalian Wanda Commercial Management (DWCM) announced it has redeemed 25% of the aggregate principal amount of DALWAN 11 01/12/26 of USD100mn. After the mandatory redemption of USD100mn, the remaining 75% of the aggregate principal or USD300mn will be due on 12 Jan'26, as per consent solicitation completed in Dec'24. Recalled that the DWCM has a par call option in whole or in part at any time upon the receipt of payments from strategic investors of Zhuhai Wanda Commercial Management.

As discussed before, the liquidity of DWCM had improved notably in view of significant decrease in ST debts as at Sep'24. We believe the decrease was attributable to the settlement of pre-IPO investments in Zhuhai Wanda (ZWCM) by end of 3Q24. At Sep'24, the ST debts (incl. pre-IPO redemption) of DWCM dropped 39.7% to RMB44bn, from RMB73bn in Jun'24. Indeed, we understand that majority of the redemption obligations had been resolved by Oct'24.

Furthermore, we view the IPs of DWCM potential sources of liquidity for offshore bonds refinancing. DWCM could raise additional RMB30-40bn (USD4.1-5.5bn) from its IPs by increasing the LTV against IPs to 30% from the current level of c20%, as per our estimate. We continue to believe DWCM to be a survivor of the sector and maintain buy on DALWANs.

Table 1: DWCM's o/s USD bonds

Security name	ISIN	Amt o/s (USDmn)	Px	YTM (%)
DALWAN 11 01/12/26	XS2577258713	300	94.4	17.5
DALWAN 11 02/13/26	XS2586129574	400	85.6	27.7

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bank of New Zealand	500	10NC5	5.698%	T+130	A3/A/-
Phoenix Charm International Investment/ Danyang Investment	50	3yr	4.78%	4.78%	Unrated

Rizal Commercial Banking Corp.	350	5yr	5.375%	5.542%	Baa3/-/
Weifang Guokong Development Group	20.5	3yr	6.95%	6.95%	Unrated

➤ 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 132 credit bonds issued yesterday with an amount of RMB137bn. As for month-to-date, 1,667 credit bonds were issued with a total amount of RMB1,377bn raised, representing a 49.1% yoy increase
- [CHNAAR]** China Aircraft Leasing agreed to acquire two Boeing 737-800 airplanes from Cinda Financing Leasing
- [FOSUNI]** Fosun International completed the tender offer for FOSUNI 5.95 10/19/25, USD213.9mn remain outstanding
- [GTJA]** Guotai Junan Securities and Haitong Securities will provide A-stock dissident shareholders with appraisal right as part of their proposed merger
- [NWDEVL]** Media reported NWD has proposed using properties valued at USD15bn as collateral for refinancing loans, including K11 Artus, the K11 Atelier King's Road office building and the New World Tower
- [SOFTBK]** SoftBank Group joined forces with OpenAI and Oracle to invest up to USD500bn in US AI projects over the next four years
- [UPLLIN]** UPL plans to invest INR65bn (cUSD752mn) in green energy projects in the western Indian state of Maharashtra.
- [VNKRLE]** China Resources Land denies rumors of acquiring Vanke's stakes in Onewo Inc and GLP

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