

CMBI Credit Commentary

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

The Asset Asian G3 Bond Benchmark Review 2023

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "[The Asset Asian G3 Bond Benchmark Review 2024](#)". Thank you for your support!

- *Active flows on LGFV as RMB/USD appreciated this morning. High quality names such as ZHHFGR/GZINFU were well bid. Asian financials were stable post rally in last week.*
- *CCAMCL: Further sale of up to 1% stake in Founder Securities. CCAMCLs were unchanged this morning. See comments below.*
- *CHJMAO: China Jinmao expects its profit attributable to owners will increase c130% yoy to cUSD140mn in 1H24 due to significant decrease in SG&A and financing expenses. CHJMAOs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, Asia IG space was firm. The new NWSZF '28 was actively traded and closed 18bps tighter from RO (CT5+290), despite cash price is only 0.4pt higher as CT5 widened 10bps. Other HK corps such as NWDEVLs were 0.3-0.9pt higher while CPREIT '30 was down 0.5pt. In Chinese IGs, HAOHUA '28/TENCNT '29 tightened 2-3bps. MEITUA/WB 30s tightened 3bps. In financials, Chinese AMCs were firm. HRINTH '27/GRWALL '28/CCAMCL '26 were 3-4bps tighter. ANZ/MQGAU T2s were 1-3bps tighter. In AT1s, KBANK 5.275 Perp/KTBTB 4.4 Perp were 0.1-0.2pt higher. BNP 8 Perp/UBS 7.75 Perp/HSBC 6.5 Perp were 0.3-0.4pt higher. CMZB 7 Perp was 0.3pt higher. In JP, RAKUTNs were up another 0.2-0.4pt and closed 0.7-1.5pts higher WoW. In KR, HYUELE '29/SHNHAN '34 were 1-3bps tighter. KRKPSC 27/29 tightened 2-4bps. In Chinese properties, SHUION 24-26s were 0.3-0.5pt higher. YLLGSP '26 was up 0.2pt. See our comments on [16 Aug'24](#). On the other hand, VNKRLs were down 0.2-0.5pt. ROADKs were 0.1-0.4pt lower. Road King redeemed another USD30mn of its five extended USD bonds at par as scheduled in the tender offer completed in Jul'24. See our comments on [16 Aug'24](#). In industrials, HILOHO '24 was 0.3pt lower. In Macau gaming, WYNMAC '29/SANLTD '30 were down 0.3-0.4pt. In India, VEDLN 26-28s were 0.7-1.2pts higher. In Indonesia, MDLNIJ '27/TBIGIJ '26 declined 0.6-0.8pt.

In LGFVs, the new HENINV '27 closed 0.4pt higher from par. CPDEV 25/26/Perp were up 0.1-0.2pt. ZHHFGR '25 was down 0.2pt. BJCONS '26/NJYZSO '27 were 0.2-0.3pt lower. In the high beta names, CWAHK '26 was 0.5pt higher. ZHONAN/SUNSHG 26s were down 0.1pt. SOE perps were

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mixed. SPICPT 3.45 Perp/CHPWCN 3.08 Perp were 0.1pt higher. HUADIA 3.375 Perp/CHSCOI 4 Perp were 0.1pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VEDLN 9 1/4 04/23/26	99.7	1.2	TBIGIJ 2 3/4 01/20/26	96.1	-0.8
XIAOMI 4.1 07/14/51	76.3	1.2	MDLNIJ 5 04/30/27	32.7	-0.6
JD 4 1/8 01/14/50	81.2	1.0	ROADKG 7.95 PERP	22.6	-0.6
HAOHUA 4 3/4 06/19/49	92.2	1.0	VNKRLE 3.15 05/12/25	85.8	-0.5
NWDEVL 5 1/4 PERP	85.4	0.9	CPREIT 2.95 06/15/30	85.3	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.20%), Dow (+0.24%) and Nasdaq (+0.21%) rallied higher on last Friday. US Aug'24 University of Michigan consumer sentiment was 67.8, higher than the expectation of 66.7. UST yields retreated on Friday, 2/5/10/30 yield reached 4.06%/3.77%/3.89%/4.15%.

❖ Desk analyst comments 分析员市场观点

➤ CCAMCL: Further sale of up to 1% stake in Founder Securities

China Cinda plans to sell up to 1% stake or 82mn shares in Founder Securities in the open market from 9 Sep'24-8 Dec'24. The proposed sale could realize up to RMB589mn for China Cinda based on the share price of Founder Securities at RMB7.15 per share this morning. Currently, China Cinda owns 7.47% stake or 615mn shares in Founder Securities.

According to the announcements made by Founder Securities on SSE, China Cinda sold a total of 95mn shares in Founder Securities during Aug'23-Feb'24 and Apr'24-Jul'24 for RMB900mn. In Sep'21, China Cinda seized 8.62% stake or 710mn shares in Founder Securities from Beijing Zengquan Holdings via a Court Order. Per our estimation, China Cinda's current 7.47% shareholdings in Founder Securities valued at RMB4.4bn, and this only accounted for a tiny portion of China Cinda's financial assets of RMB809bn at Dec'23. The financial impact on China Cinda regarding the sale of up to 1% stake in Founder Securities is therefore muted.

We like CCAMCL 4.4 Perp as a low beta play in Chinese AMC space and a yield pick-up play within the CCAMCL curve. Nonetheless, in the Chinese AMC space, our top pick are HRINTHs in view of their better risk-return profiles. We still like HRINTH 4.25 PERP as a shorter-dated and yield pick-up play. For dated HRINTH bonds, we prefer HRINTH 3.875 11/13/29, HRINTH 3.375 02/24/30 and HRINTH 3.625 09/30/30 more and believe they are the more likely candidates for any repurchases in view of the potential monetization of Huarong's investments.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Avic International Leasing	USD	-	3yr	SOFR+125/T+105	A3/-/A
Bocom Financial Leasing	USD	-	3yr	SOFR+125/T+105	A3/-/A

➤ News and market color

- Regarding onshore primary issuances, there were 92 credit bonds issued on last Friday with an amount of RMB73bn. As for month-to-date, 1,075 credit bonds were issued with a total amount of RMB1,082bn raised, representing a 29.8% yoy increase
- **[ADEIN]** Adani Enterprises withdrew draft prospectus for NCD issue of up to INR6bn and filed fresh one for up to INR8bn (cUSD95mn) NCD issue
- **[CENCHI]** Central China Real Estate expects to record cRMB2.5-3.5bn loss in 1H24, widened from RMB1.2bn loss in 1H23
- **[CHJMAO]** China Jinmao expects its profit attributable to owners will increase c130% yoy to cUSD140mn in 1H24 due to significant decrease in SG&A and financing expenses
- **[HONGQI]** China Hongqiao Group 1H24 revenue rose 12% yoy to RMB73.6bn and pretax profit increased 260% yoy to RMB13.87bn
- **[MINMET]** Minmetals Land expects to turn to loss of cHKD1bn for 1H24 due to weak market
- **[MPEL]** Melco Resorts bought back USD44.5mn of shares since 2 Jul'24
- **[SANLTD]** Sand China 1H24 revenue rose 22.7% yoy to USD3.6bn and adj. property EBITDA rose 24.7% yoy to USD1.2bn
- **[SINOCE]** Sino-Ocean Group expects to record loss of up to RMB6bn for 1H24
- **[VNRLE]** China Vanke's unit Vanke Overseas Investment Holding expects a loss attributable to shareholders of HKD29mn in 1H24, compared with a profit of HKD3mn in 1H23
- **[YCGXIV]** Fitch affirmed Yichang High-Tech Investment BB+ rating with stable rating outlook
- **[ZHLGHD]** Zhongliang Holdings expects to turn to loss of cRMB1.5-2bn for 1H24 due to impairments on property projects

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