

CMBI Credit Commentary

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

- *Asian IG space was stable this morning. We saw two-way flows on short-term HRINTH/GRWALL. GLPSP/GLPCHI were unchanged to 0.1pt higher. VNKRL/LNGFOR were unchanged to 0.5pt lower.*
- **XINHUZ:** *To exchange XINHUZ 11 09/28/24 into a new 5-year 5% bonds. XINHUZ'25s down 6-15pts post announcement of exchange offer. See comments below.*
- **NWDEVL:** *Media reported that New World Development sold six ground-floor retail property units at Park Signature in HK for cHKD100mn. NWDEVLs were unchanged to down 0.2pt this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the recent new CATLIF 34/39 tightened 3-7bps on PB chasing, NSINTW 34s closed 2bps tighter. ASAMLI Perp/FUKOKU Perp/NIPLIF '53 were 0.1-0.2pt higher. HYUELE 29-31s were 1-3bps wider on small selling. In Chinese IGs, HAOHUA 29-30s and BIDU '30/BABA '31 were 1-2bps tighter. MEITUA 30s tightened 10bps post S&P's one notch upgrade with stable outlook. LENOVO 32s tightened 5bps. In financials, Chinese AMCs were mixed. HRINTH 26-29s were under small selling and closed 4-7bps wider. GRWALL 26/30 were under better buying and tightened 1-4bps. ANZ/MQGAU T2s were traded in mixed two-way flows and closed unchanged to 2bps tighter. EU AT1s were firm, the recent new BNP 7.375 Perp/HSBC 6.95 Perp/UBS 6.85 Perp/INTNED 7.25 Perp were 0.6-0.8pt higher. BNP 8 Perp/BACR 9.625 Perp/SOCGEN 8.5 Perp were 0.1-0.4pt higher. In HK, NWDEVL Perps/27-31s were 0.4-1.0pts lower. HYSANs/LIHHKs were up 0.3-0.4pt. In Chinese properties, XINHUZ launched an exchange offer for all of its o/s USD323.463mn XINHUZ 11 09/28/24 and the bond closed unchanged. See below for comments. VNKRL 25-29s were 2.1-2.9pts lower. CHJMAO '29/LNGFOR '32 were down 1.1-1.3pts. On the other hand, SHUION 25-26s and DALWAN '25 were up 0.5-0.7pt. Outside properties, EHICAR '26 was 0.8pt higher. FOSUNIs were up 0.2-0.3pt. In Macau gaming, MPELs/SANLTDs were up 0.1-0.3pt. Meanwhile media reported that Ares Management Corp is in advanced talks on an acquisition of GLP Capital Partners' operations outside China, and the deal may include a cUSD3.5bn upfront payment. GLPSP '25/Perps were 2.4-3.8pts higher, GLPCHI '26 was up 1.4pts. In India, UPLLINs were 0.3-0.4pt higher. In Indonesia, LMRTSP '26 closed 0.1pt lower. See our comments on [16 Sep '24](#).

In LGFVs, SDECDI '26/SDGOLD '26 and NJYZSO '27/SHPORT '29 were 0.2-0.3pt higher. GSHIAV '25/ZHANLO '26 were 0.1pt higher. On the other hand, GXCMIN 25s were 0.2pt lower despite Fitch affirmed Guangxi Communication Investment at BBB with outlook stable. LIANYU/HENANG

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25s were 0.1-0.2pt lower. SUNSHG/ZHONAN 26s were up 0.1-0.2pt. In SOE perps, CHSCOI 4 Perp/SPICPT 3.45 Perp were down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4 1/2 PERP	60.1	3.8	VNKRLE 3.975 11/09/27	46.3	-2.9
GLPSP 4.6 PERP	58.9	2.9	VNKRLE 3 1/2 11/12/29	42.3	-2.8
GLPSP 3 7/8 06/04/25	93.6	2.4	VNKRLE 3.15 05/12/25	77.4	-2.1
GLPCHI 2.95 03/29/26	83.5	1.4	CHJMAO 4 1/4 07/23/29	74.4	-1.3
RILIN 3 3/4 01/12/62	76.0	1.1	LNGFOR 3.85 01/13/32	60.6	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.13%), Dow (+0.55%) and Nasdaq (-0.52%) were mixed on Monday. Sep'24 NY Empire State Manufacturing Index was 11.5, compared with the expectation of -4.1. UST yield retreated yesterday, 2/5/10/30 yield reached 3.56%/3.41%/3.63%/3.94%.

❖ Desk analyst comments 分析员市场观点

➤ XINHUZ: To exchange XINHUZ 11 09/28/24 into a new 5-year 5% bond

Quzhou Xin'an Development (previously known as Xihu Zhongbao, XINHUZ) launched an exchange offer for XINHUZ 11 09/28/24 with an outstanding amount of USD323.5mn. The bond tendered will be exchanged into a new bond at par with a tenor of 5-year, and an interest rate of 5% p.a. which will not be payable prior to the maturity. No incentive fee will be given under the exchange offer. XINHUZ will accept any and all of the outstanding bonds tendered, and the exchange offer will expire on 23 Sep'24. The accrued and unpaid interest on XINHUZ 11 09/28/24, up to but not including the exchange settlement date on or about 26 Sep'24, will be settled in PIK through increasing the principal amount of the new bond to be issued.

XINHUZ has two other outstanding USD bonds maturing within a year, i.e. XINHUZ 10 06/06/25 of USD150mn and XINHUZ 10 09/12/25 of USD99mn. On the other hand, Quzhou Industrial Holdings, a SOE based in Quzhou, Zhejiang, became the controlling shareholder of XINHUZ in Aug'24 with 28.9% stake and renamed the company from Xihu Zhongbao. The shareholding change may somewhat help XINHUZ to obtain funding for ongoing business operations, in our view.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	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)
NBN Co Ltd	USD	-	3/5yr	-	-/-/-

➤ News and market color

- Onshore primary issuances suspended during the holidays onshore
- **[DEXICN]** Dexin China confirmed no progress on potential restructuring efforts
- **[FOSUNI]** Media reported that Fosun International is in advanced talks to sell minority stake in Club Med luxury
- **[FWDGRP]** FWD Group completed redemption of all outstanding USD 600m 6.375% capital securities
- **[GLPSP]** Media reported that Ares Management is in advanced negotiations to acquire GLP Capital Partners's operations outside of China
- **[KAISAG]** Kaisa Group announced that holders of 75.11% of Kaisa In-Scope Debt, 81.07% of Rui Jing In-Scope Debt accede to RSA
- **[NWDEVL]** Media reported that New World Development sold six ground-floor retail property units at Park Signature in HK for cHKD100mn
- **[REDSUN]** Redsun Properties winding-up petition hearing adjourned to Mar'25

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