

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *Strong market with active flows this morning. New AIA'54 tightened 10bps, AIA'35, ANZ'35 and BCHINA'27 tightened 2bps. CCAMCL/ORIEAS were 3-5bps tighter and HRINTH/GRWALL were unchanged to 0.4pt higher. WBs tightened 3-5bps.*
- **MEITUA:** *FV of new 3.5/5y USD bonds to be CT3+105-115/CT5+110-120. We maintain buy on MEITUA CBs.*
- **China properties:** *PBOC announced to cut mortgage rate for existing home loans and lower the minimum down payment ratio for purchasing second home to 15% from 25%. LNGFOR/NWDEVL/VNKRLE were unchanged to 0.4pt higher this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, BCHINA priced a 3-yr floating rate bonds at SOFR+59. AIA priced 10.5/30-yr bonds at CT10+125 and CT30+135, respectively. ANZ priced 3-yr floating rate bond at SOFR+65, 3-yr fixed-rate bond at CT3+45, and 11NC10 fixed-rate bond at CT10+147. INDKOR priced a 3-yr floating rate bond at SOFR+62, and a 5-yr fixed-rate bond at CT5+57. HYNMTR priced 3-yr floating-rate bond at SOFR+103, and 3/5/7-yr fixed-rate bonds at CT3+85, CT5+105, CT7+115, respectively. RECLIN priced a 5-yr bond at CT5+127.5. Away from new issues, in JP insurance hybrids, MYLIFE/NIPLIF 53-54s were 0.2-0.3pt lower. In financials, HRINTH 25-27s were unchanged to 5bps wider. DFHOLD '26 widened 2bps following Moody's changed its rating outlook to negative from stable. In AT1s, the recent new BNP 7.375 Perp/HSBC 6.95 Perp/HSBC 6.875 Perp/UBS 6.85 Perp were 0.2-0.5pt lower on some profit taking. BACR 8 Perp/SOCGEN 8.5 Perp were also down 0.2pt. BOCOHK/BOCOM Perps were sought-after by RMs and closed 0.1pt higher. In Chinese TMTs, BIDU '30/TENCNT '28 were 2bps tighter. In Chinese properties, DALWAN 24-26s were 0.2-0.7pt higher. On the other hand, VNKRLE 25-29s were 0.2-0.9pt lower. In HK, NWDEVLs were 0.1-0.8pt lower. Outside properties, HILOHO '24/EHICAR '26 rose 0.7-0.9pt. In Macau gaming, MEPLs/SANLTDs were up 0.1-0.5pt. In Indonesia, KRKPSC 27/29 widened 10-12bp following S&P revised its outlook to negative from stable. MEDCIJs were unchanged to 0.1pt higher post the tender offer. See our comments on [23 Sep '24](#). In India, VEDLNs were 0.2-0.3pt lower. Elsewhere, GLPSP '25/GLPCHI '26 were 0.3-0.5pt lower.

In LGFVs, ZHTWIV priced a CNH400mn 3-yr bond at par to yield 5.2%. SZIIIC priced a USD150mn 3-yr bond at par to yield 5.8%. CPDEV 25/26/Perp were 0.1-0.4pt higher, following media report on its plan of new issuance to refinance CPDEV 5.75 Perp. GXCMIN/QZSOAT 25s and GZINFU/HZCONI 26s were up 0.1pt. On the other hand, ZHEBAR/HNFARM 27s was down 0.1pt. HRINT '25/LIANYU '25/GZDZCD '26 were 0.2pt lower.

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In SOE perps, CTIH/CMHI Perps were up 0.2pt. CHCOMU/COFCHK Perps were 0.1pt higher. CHSCOI Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
HILHOH 9 3/4 11/18/24	55.9	0.9	VNKRLE 3.975 11/09/27	48.4	-0.9
CCAMCL 5 02/08/48	89.5	0.8	NWDEVL 6 1/4 PERP	51.9	-0.8
EHICAR 7 09/21/26	70.3	0.7	VNKRLE 3 1/2 11/12/29	44.8	-0.7
DALWAN 11 01/20/25	96.6	0.7	GWFOOD 3.258 10/29/30	79.3	-0.6
MUFG 5.475 02/22/31	105.6	0.6	NWDEVL 8 5/8 02/08/28	89.3	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.25%), Dow (+0.20%) and Nasdaq (+0.56%) moved higher on Tuesday. The US Sep'24 Conference Board consumer index dropped to 98.7 from 105.6 in Aug'24 and was lower than the expectation of 103.9. UST yields retreated yesterday, 2/5/10/30 yield reached 3.49%/3.47%/3.74%/4.09%.

❖ Desk analyst comments 分析员市场观点

➤ MEITUA: FV of new 3.5/5y USD bonds to be CT3+105-115/CT5+110-120

Meituan mandated to issue senior unsecured 3.5y and 5y USD bonds (Baa2/BBB+/BBB) to refinance existing offshore debts and other general corporate purposes. We consider the FV of the new 3.5y MEITUA'28 to be CT3+105-115 (YTM of 4.52-4.62%) vs IPG of CT3+145, taking cues from LENOVO'28's YTM of 4.58%. We consider the FV of the new 5y MEITUA'29 to be CT5+110-120 (YTM of 4.61-4.71%) vs. IPG of CT5+160, in view of c1-year shorter tenor than MEITUA 3.05 10/28/30 and c0.5-year shorter than XIAOMI 3.375 04/29/30.

Table 1: Peer comparison

	MEITUA 3.05 10/28/30	LENOVO 5.831 01/27/28	XIAOMI 3.375 04/29/30
YTM (%)	4.70	4.58	4.75
Mod duration	5.4	2.93	4.9
T-Spread (bps)	119	115	124
Z-Spread (bps)	146	139	151
Maturity	28 Oct'30	27 Jan'28	29 Apr'30
Rating (M/S/F)	Baa2/BBB+/BBB	Baa2/BBB/BBB	Baa2/BBB-/BBB

Source: Bloomberg.

MEITUA 0 04/27/27 of USD1,480mn will be first puttable in Apr'25, followed by the maturity of MEITUA 2.125 10/28/25 of USD750mn in Oct'25. Meituan has ample liquidity to cover its short-term debts of RMB13.9bn as at Jun'24 and capex, and to redeem or repay its offshore maturities in the medium term. As of Jun'24, Meituan's unrestricted cash and cash equivalent increased to RMB54.7bn from RMB50.8bn at Mar'24. Together with the short-term treasury investment of RMB78.6bn, Meituan's net cash position (unrestricted cash and short term investments minus total debts) further increased to RMB90.2bn at Jun'24. Over the past 5 years, its net cash position averaged RMB60bn. We maintain buy on MEITUA CBs.

Table 2: Meituan's outstanding bonds

	Px (ask)	YTM/YTP (%)	Next put date	Put px	Amt o/s (USDmn)
MEITUA 0 04/27/27	97.2	5.48	04/27/25	100.37	1,480
MEITUA 0 04/27/28	93.5	5.13	04/27/26	101.28	1,500
MEITUA 2.125 10/28/25	97.2	4.80	-	-	750

MEITUA 3.05 10/28/30	91.4	4.69	-	-	1,250
Total					4,980

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
AIA	500/750	10.5/30yr	4.95%/5.4%	T+125/135	A2/A-/A
ANZ Banking Group	750/500	3yr	3.919%/5.51%	T+45/SOFR+65	Aa2/AA-/AA-
ANZ Banking Group	1250	11NC10	5.204%	T+147	A3/A-/A-
Hyundai Capital America	500	3yr	5.89%	SOFR+103	A3/A-/A-
Hyundai Capital America	900/850/500	3/5/7yr	4.3%/4.55%/4.75%	T+85/105/115	A3/A-/A-
Industrial Bank of Korea	300/500	3/5yr	5.48%/4.0%	SOFR+62/T+57	Aa2/-/AA-
Muangthai Capital	335	4yr	6.875%	6.875%	-/BB-/BB
REC Ltd	500	5yr	4.75%	T+127.5	Baa3/-/BBB-
Suzhou Industry Investment Holding Group	150	3yr	5.8%	5.8%	-/-/-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Biocon Biologics Global	USD	-	5yr	-	-/BB/BB
Korea National Oil Corporation	USD	-	3yr	SOFR Equiv	Aa2/AA/-
Korea National Oil Corporation	USD	-	3/5yr	T+105/120	Aa2/AA/-
Kyushu Electric Power Company	USD	-	5yr	-	A3/-/-
Meituan	USD	-	3.5/5yr	T+145/160	Baa2/BBB+/BBB
NBN Co Ltd	USD	-	3/5yr	T+90/105	Aa3/-/AA+
Shriram Finance Limited	USD	-	3.5yr	6.5%	-/BB/BB

➤ News and market color

- Regarding onshore primary issuances, there were 111 credit bonds issued yesterday with an amount of RMB98bn. As for month-to-date, 1,273 credit bonds were issued with a total amount of RMB1,135bn raised, representing a 17% yoy decrease
- NFRA announced to increase core tier-1 capitals for six commercial banks
- PBOC announced to cut bank's RRR by 50bps, to cut mortgage loan for existing home loans
- **[FWDGRP]** FWD Group announced USD5bn global MTN, capital securities programme
- **[SKONKR]** Media reported that SK On and its partners will receive USD150mn from the US government for a project in South Carolina
- **[YIDCHL]** Yida China's winding-up petition hearing further adjourned to 18 Nov'24

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