

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!

- *New issue NBQZUC'27 down c0.3pt, WOORIB PERP rose c0.25pt this morning. Asian IG space widened 2-5bps with better selling flows. CCAMCL/ORIEAS/HYUELE were heavy.*
- **SOFTBK:** *USD9.6bn bond issuance plan for refinancing and to fund investment. See comments below.*
- **VNKRL:** *Media reported that China Vanke got NDRC offshore-debt quota to help roll over HKD5.24bn Tai Po loan for 2.5 years. VNKRLs were unchanged to 0.25pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new CCAMCL 5.375 '27 widened 5bps from RO (CT2+93/CT3+115), the new CCAMCL 5.5 '30 widened 4bps from RO (CT5+143). HRINTH 24-27s closed 5-11bps tighter (unchanged to 0.1pt higher) amid mixed two-way flows. BCLMHK/CISIFG Float 27s were unchanged to 2bps tighter. In regional financials, ANZ '30/WSTP '30/MQGAU '33 were unchanged to 2bps tighter. NIPLIF '53/FUKOKU 5 Perp/SUMLIF 5.875 Perp were 0.1-0.4pt higher under buying from RMs/PBs. NOMURA/MQGAU/ANZ Float 27s widened 1-3bps. In AT1s, KBANK 4 Perp/ICBCAS 3.2 Perp were up 0.1pt. BNP 8 Perp/BACR 4.375 Perp/INTNED 3.875 Perp were 0.2-0.4pt lower. In Korea, LGENSO 27/29/34 were 2-3bps wider. KOROILs/HYUELEs/HYNMTRs widened 1-2bps. In HK, AIA 34s widened 3bps while CKHH 34s tightened 2bps. NANFUN Perp was 1.4pts higher. NWDEVL Perps gained 0.5-1.3pts. CKINF Perps were up 0.4-0.5pt. LIHHK '26/CSIPRO '25 were 0.3-0.5pt higher. Chinese properties were mixed. SHUION 25/26 were 0.5-0.9pt higher. FUTLAN/FTLNHD 24-26s and DALWAN 25/26 were 0.4-0.7pt higher. ROADKG 28-30s dropped 2.6-7.9pts, ROADKG Perps rose 0.4-0.6pt following the settlement of the tender offers and consent solicitations. Outside properties, EHICAR 26/27 declined 0.6-1.5pts and closed 2.1-2.3pts lower WTD given the delay in closing onshore syndicated loans. HILOHO '24/AACTEC '26 were down 0.3-0.5pt. In Indonesia, MDLNIJ 25/27 lowered another 0.6-1.6pts and closed 2.4-3.5pts lower WTD. In India, VEDLN 26-28s were up 0.1-0.3pt. AZUPOE 24/26 closed 0.2-0.4pt higher. Elsewhere, GLPSP Perps were up 0.3-0.5pt.

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The LGFVs/SOE perps/high beta spaces were stable with mixed flows. The quality LGFVs were under better buying from RMs, GZGETH '27/SXUCI '26/CHDUIN '26 were up 0.1pt. Among the high yielding LGFVs, HACOMM/HUAHK 25s were 0.5-0.6pt higher. CPDEV 25/26 and BCDHGR '26 were 0.2pt higher. Meanwhile GSHIAV '25/JNUCGC '24 were down 0.1-0.2pt. In SOE perps, CTIH 6.4 Perp was down 0.3pt. CHPWCN 4.25 Perp was 0.2pt lower. In the high beta names, ZHOSHK '26 was 0.3pt higher. TIANFS 26s were another 0.2pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NANFUN 5 PERP	70.7	1.4	ROADKG 6.7 03/30/28	52.8	-7.9
NWDEVL 4 1/8 PERP	65.5	1.3	ROADKG 5.9 09/05/28	43.0	-4.0
NWDEVL 6 1/4 PERP	56.6	1.1	ROADKG 5 1/8 01/26/30	34.8	-3.1
SHUION 5 1/2 06/29/26	74.8	0.9	ROADKG 6 03/04/29	38.6	-3.1
NWDEVL 5 1/4 PERP	84.5	0.8	ROADKG 5.2 07/12/29	36.4	-2.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.39%), Dow (+0.60%) and Nasdaq (-2.77%) were mixed on Wednesday. Euro-zone Jun'24 CPI was +2.5% yoy, in line with the expectation. UST yields retreated yesterday, 2/5/10/30 yield reached 4.42%/4.07%/4.16%/4.37%.

❖ Desk analyst comments 分析员市场观点

➤ SOFTBK: USD9.6bn bond issuance plan for refinancing and to fund investment

Bond	o/s amt (USDmn)	Ask px	YTM/YTC (ask, %)	First call date	Coupon reset	Coupon step-up	Issue rating (M/S/F)
RAKUTN 5.125 Perp	750	91.93	10.85	22 Apr'26	5yrUST+4.328%	25bps	-/B/-
RAKUTN 11.25 02/15/27	1,800	108.48	7.55	-	-	-	-/BB/-
SOFTBK 6.875 Perp	1,750	99.29	7.31	19 Jul'27	5yUST+4.604%	25bps	B2/B+/-

Source: Bloomberg.

SoftBank Group filed a shelf registration to raise JPY1.5tn (cUSD9.6bn) via bond issuance. The registration will be valid for two years from 25 Jul'24. The proceeds from bond issuance will be used to redeem existing bonds, repayment of borrowings, investments and working capital purposes. SoftBank has 11 outstanding USD bonds and perps totaled USD9bn. SoftBank does not have USD bonds due in 2024 after the call of SOFTBK 4.75 09/19/24 of remaining of cUSD767mn in Jul'24. The call was financed by issuances of SOFTBK 6.75 07/08/29 and SOFTBK 7 07/08/31 totaled USD900mn in Jun'24. Over 2025-26, USD bonds totaled cUSD2bn will mature. As of Mar'24, SoftBank had cash and short-term investment totaled JPY3,934bn (cUSD25bn) and undrawn commitment lines of JPY750bn (cUSD5bn), compared to short-term debts of JPY2,382bn (cUSD15bn). Besides, SoftBank's LTV (net debts/equity value of holdings) decreased to 8.4% in Mar'24 from 11.0% in Mar'23, lower than its target of below 25%. The debt maturity profile is manageable taking cues from its cash on hand and good access to various funding channels.

Among JP corps, we prefer RAKUTN 5.125 Perp for the better risk-return profile. At 91.9, RAKUTN 5.125 Perp is trading at a YTC of 10.9%. It offers a yield pick-up of 330bps over RAKUTN 11.25 02/15/27, and 354bps over SOFTBK 6.875 Perp. The coupon of RAKUTN 5.125 Perp will be reset and step-up to c8.6%, based on the current UST, if the perp is not called on the first call date. We see a good chance that Rakuten to call the perp on the first call date.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hong Kong SAR	1000	3yr	4.25%	T+12	-/AA+/AA-
Ningbo Yincheng Group	200	3yr	5.38%	5.38%	Baa3/-/BBB
Woori Bank	550	PNC5	6.375%	6.375%	-/BBB/-
Mitsubishi HC	500	5.25yr	5.15%	T+110	A3/A/-
SM Investments Corp	500	5yr	5.375%	T+135	-/-

➤ 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 94 credit bonds issued yesterday with an amount of RMB70bn. As for month-to-date, 1,096 credit bonds were issued with a total amount of RMB1,130bn raised, representing a 51% yoy increase
- **[APLNIJ]** Fitch withdrew Agung Podomoro Land CCC- rating
- **[SKINNV]** SK Innovation announced merger with SK E&S in share swap
- **[SOFTBK]** SoftBank Group filed shelf registration to raise JPY1.5tn (cUSD9.6bn) via bond issue
- **[VEDLN]** Vedanta Limited increased the qualified institutional placement size to USD1bn and plans to use the proceeds to repay debt
- **[VNKRLE]** Media reported that China Vanke got NDRC offshore-debt quota to help roll over HKD5.24bn Tai Po loan for 2.5 years

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