

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 2023”](#). Thank you for your time. Your support will mean a lot to us.

- *New issues DAESEC'26 tightened 18bps this morning. There were profit takings on SOE Perp/AT1s. LGFVs were mixed that high quality names were better buying and we saw selling flows on real estate related names. DALWANs rebounded 4.25 to 19pts due to short coverings and SHUIONs bounced 4.5 to 5.5pts up by mid-day.*
- *SWIPRO: Swire Properties issued RMB green bond in two tranches totaled RMB3.2bn, a two-year tranche of RMB2.5bn at 3.3% coupon and a 5-year tranche of RMB700mn at 3.55% coupon. SWIPROs were unchanged this morning.*
- *GRNLGR: Greenland defaulted on GRNLGR 6.75 06/25/24 principal amortization of USD22.5mn. GRNLGRs were unchanged to down 3pts this morning.*

❖ Trading desk comments 交易平台市场观点

Asia ex-JP IG space was traded on a weaker tone yesterday. The new SMBCAC '33, priced at T3+195, closed 8bps wider with one way selling. The new SHINFN '28 widened 4bps at T+114. In secondary space, HYNMTR/HYUELE papers were sought after and financial names such as KEBHNB/WOORIB were under better selling. In Chinese SOEs, CHIOLIs/CWAHKs/CITLTDs were better bid. The high beta TMT such as XIAOMI/MEITUA/WB 30s widened around 5bps. In financials, the AMC space remained under better selling. HRINTH curve drifted 0.5pt lower. On the other hand, Chinese AT1s closed 0.1-0.2pt higher. Chinese properties remained battered. Media reported DALWAN would miss the USD22mn semi-annual coupon (on 20 July) on the USD400mn bond due-2025. There will be a 10-day grace period for the coupon payment. As reported, the company would prioritize for the principal repayment of the USD400mn DALWAN 6.875'23 due 23 Jul '23. DALWAN 23 closed 5pts lower at low-60s. DALWAN 24s plunged 13.5pts to close at low-30s, while rest of DALWANs dropped 5-7pts across the curve. SHUION 24s/25s fell another 9.25-11.25pts after dropping 10-13pts on Tue, following the surprised bondholder identification. COGARDs declined 1pt. FOSUNIs moved 2.75-4.25pts lower. Macau gaming names such as MGMCHIs/SANLTDs/STCITYs were marked

0.5pt lower. In Indian space, VEDLNs lowered 0.75pt. ADSEZs/ARENRJJs

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were bid up 0.25-0.5pt. Indonesian names LMRTSPs were marked 0.5pt lower.

The LGFV/perp spaces were subdued with limited flows. The further weakening in property space continued to spill over to the few LGFV names that are usually prone to property space sentiment. CPDEV/BCDHGR/ZHHFGR were under better selling from PBs/AMs. CPDEVs dropped 2-3pts. Away from property-related LGFV papers, flows were skewed to better buying by Chinese RMs across papers yielding <6% to 9%. SOE perps had a firm session with active flows. The selling from non-Chinese accounts was met with better buying from Chinese RMs, and prices closed largely unchanged. Elsewhere, HK perps performed softly in light of the property weakness. NWDEVL/LEEMAN Perps were quoted 0.125-0.3pt lower with some PB selling.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ZHLGHD 9 3/4 12/31/23	12.2	2.8	DALWAN 7 1/4 01/29/24	30.3	-13.7
RILIN 4 7/8 02/10/45	91.1	1.1	SHUIION 5 1/2 03/03/25	56.9	-11.3
TAISEM 2.7 09/22/60	63.1	1.0	SHUIION 6.15 08/24/24	64.1	-9.2
CWAHK 4.85 05/18/26	87.3	1.0	DALWAN 11 02/13/26	24.9	-7.2
CHIOLI 5.35 11/15/42	93.2	1.0	FUTLAN 6 08/12/24	62.0	-7.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.24%), Dow (+0.31%) and Nasdaq (+0.03%) rallied higher on Wednesday. . The US construction of new homes in Jun fell 8% mom, lower than market expectation of +7.2% mom. Euro-zone Jun CPI was +5.5% yoy and same with the market expectation. The long-term US treasury yields dropped while short-term yields were mostly unchanged yesterday, the 2/5/10/30 yield reached at 4.74%/3.98%/3.75%/3.84%, respectively.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Mirae Asset Securities	400	3yr	6.875%	T+275	Baa2/BBB/-
Resorts World Las Vegas	400	7yr	8.45%	8.75%	-/BB+/BBB-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Hanwha Q Cells Americas Holdings Group	USD	-	5yr	T+140	Aa2/AA/-

➤ News and market color

- Regarding onshore primary issuances, there were 110 credit bonds issued yesterday with an amount of RMB77bn. As for Month-to-date, 979 credit bonds were issued with a total amount of RMB932bn raised, representing a 12.6% yoy increase
- **[BEIPRO]** Beijing Properties (Holdings) signed HKD800mn six-month loan documents

- **[CENCHI]** Media reported that CCRE mandated Linklaters as legal advisor to help negotiate restructuring of offshore debt
- **[CHFOTN]** Media reported China Fortune Land plans to distribute another 1.64% principal cash to domestic bondholders covered by a holistic restructuring plan
- **[GRNLGR]** Greenland defaulted on GRNLGR 6.75 06/25/24 principal amortization of USD22.5mn
- **[JINJII]** S&P affirmed Jinjiang International at BBB- rating and revised the outlook to stable
- **[SWIPRO]** Swire Properties issued RMB green bond in two tranches totaled RMB3.2bn, two-year tranche of RMB2.5bn at 3.3% coupon and 5-year tranche of RMB700mn at 3.55% coupon
- **[VEDLN]** Media reported that Vedanta Resources aims to raise a USD400-500mn loan by Jul-end to meet the deadline set by S&P for rating review

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