

CMBI Credit Commentary

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

- *This morning, the new DBSSP Float '30 widened 2bps from RO (SOFR+65). HPHTSP/CKHH 30-34s widened 2-5bps following a Chinese official media's negative comments on CKHs' sales of ports to BlackRock-TiL Consortium. NWDEVL Perps/27-31s were unchanged to 1.2pts lower. The new ZZCITY 5.3 '28 rose 0.1pts from RO at par.*
- **CPDEV:** *Initiate buy on the new CPDEV 7.15 03/21/28 and maintain buy on CPDEV 4.65 01/19/26. The new CPDEV 28 was up 0.9pts from RO at par this morning, CPDEV 26 was up 0.1pts while CPDEV 25 was down 0.1pts. See below.*
- **ADGREG:** *India local court asked by Government of India to deliver SEC's summons to Gautam Adani. ADGREG 6.7 03/12/42 was down 1.3pts this morning while other bonds of Adani complex were down 0.2-0.8pts.*

❖ Trading desk comments 交易台市场观点

Yesterday, Chinese IGs were under better buying. BABA 31s/TENCNT 30s tightened 1-2bps. MEITUA 30s/XIAOMI 31s tightened 3-4bps. CKHH 30-34s tightened 2-3bps. The long end of TENCNT/BABA 47-61s were 0.6-0.8pt higher. KR space was mixed. KHFC Float 26-30s widened 2bps while HYUELE 27-31s tightened 3-4bps. In financials, BZLNZ/CBAU/WSTP 27-35s were 1-5bps wider on some selling flows. EU AT1s and JP insurance hybrids were soft amid mixed flows with better selling flows from Prop desks vs better buying flows from RMs. BNP 8/SOCGEN 8.5/UBS 7.25 Perps were down 0.1-0.2pt. NWG 7.3/DB 6 Perps were 0.3-0.4pt lower. In Chinese properties, VNKRLE 27-29s declined 0.9-1.4pts. LNGFOR 27-32s were down 0.4-0.5pt. On the other hand, GRNCH/CHJMAO/YXREIT 26-30s were sought after and closed 0.1-0.3pt higher. In HK corps, NWDEVL Perps/27-31s retreated 0.7-1.9pts, closed unchanged to 6.6pts higher WTD. FAEACO Perp was 0.1pt lower. See our comments on 13 Mar '25. On the other hand, the recent new HYSAN 7.2 Perp rose 0.5pt. PCPDC 26s increased 1.7pt. In India, ADTINS/ADINCOs/ADGREGs were up 0.1-0.3pt following Fitch revised their outlooks to stable from negative.

In LGFVs, CPDEV priced a USD450mn 3-yr bond at par to yield 7.15% and launched a concurrent tender offer for CPDEV 3.85 07/14/25 of USD450mn at par. CPDEV 25s rose 0.1pt. See comments below. The flows in LGFVs was constructive on the back of cross-border RM buying. There were two way interests on CNH names such as JDZUDG 28s/DYOLIN 27s. In SOE perps, SPICPD/HUADIA Perp were down 0.1pt.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳倩瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PCPDC 5 1/8 06/18/26	95.9	1.7	NWDEVL 6.15 PERP	77.6	-1.9
TENCNT 3.94 04/22/61	74.5	0.8	NWDEVL 4 1/8 PERP	46.0	-1.7
BABA 5 5/8 11/26/54	100.3	0.8	NWDEVL 4.8 PERP	34.1	-1.5
TENCNT 3.925 01/19/38	88.1	0.7	VNKRLE 3.975 11/09/27	74.8	-1.4
TENCNT 4.525 04/11/49	86.3	0.7	NWDEVL 6 1/4 PERP	40.8	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.39%), Dow (-1.30%) and Nasdaq (-1.96%) were lower on Thursday. The latest initial jobless claims was +220k, lower than the market expectation of +226k. US Feb'25 PPI was +0.0% mom, lower than the market expectation of +0.3%. The EU responded to blanket US tariffs on steel and aluminum by imposing a 50% tax on American whiskey exports. UST yield retreated on Thursday, 2/5/10/30 yield at 3.94%/4.02%/4.27%/4.59%.

❖ Desk Analyst Comments 分析员市场观点

➤ CPDEV: Initiate buy on the new CPDEV 7.15 03/21/28 and maintain buy on CPDEV 4.65 01/19/26

Yesterday, Central Plaza Development (CPDEV) launched tender offer for CPDEV 3.85 07/14/25 at par, and concurrent new issue of 3yr USD bond with an IPT of 7.75%. CPDEV 28 was priced at 7.15%, tightened 60bps from the IPT. The issue size is USD450mn on an order book of over USD4.8bn. CPDEV is a wholly-owned subsidiary of Beijing Capital Group (BCG). The new CPDEV 28 (unrated) is guaranteed by BCG Chinastar International Investment (Fitch: BB+) which is an offshore wholly-owned subsidiary of BCG, and BCG (S&P/Fitch: BBB-) is the keepwell provider.

Taking cues from the peer ZHHFGR 2.8 11/04/25 which was traded at YTM of 5.8%, we see the FV of CPDEV 28 at high 6% after adding tenor premium, as well as factoring in Beijing SASAC's ownership in CPDEV and its strategic importance to the government in city development. We initiate buy on CPDEV 28 and maintain buy on CPDEV 4.65 01/19/26.

We understand that there is no liquidity support deed or a deed of equity interest purchase undertaking by BCG for CPDEV 28, which were available for CPDEV 25 and CPDEV 26. We take comfort with Beijing SASAC's ownership in BCG, CPDEV's strategic importance to the government in city development as well as CPDEV's good access to onshore funding channels. YTD, CPDEV issued totaled RMB10bn onshore bonds at weighted average coupon rate of 2.09%, down from 2.53% in 2024. It has also called its three previous USD perps on their first call dates, i.e. in Apr'18, Dec'19 and Nov'24, respectively.

Regarding the tender offer, the tender price is 100 and the offer will expire on 20 Mar'25. The aggregate maximum acceptance amount for bonds will be the size of new issuance, i.e. USD450mn, which is the same as the outstanding amount of CPDEV 3.85 07/14/25. Holders subscribed into the new issue will be given the priority of acceptance. CPDEV also has the option to redeem the bonds in whole on giving not less than 30 nor more than 60 days' notice if at least 80% in nominal amount of the bonds originally issued has already been redeemed, as per the OC.

Table 1: Bond profiles of CPDEV

Security Name	ISIN	Amt o/s (USD mn)	Coupon	Maturity	Ask price	YTM
CPDEV 3.85 07/14/25	XS2098096568	450	3.85%	07/14/25	99.9	4.0%
CPDEV 4.65 01/19/26	XS2279594282	500	4.65%	01/19/26	99.2	5.6%
CPDEV 7.15 03/21/28	XS2867168226	450	7.15%	03/21/28	101.1	6.7%

Source: Bloomberg.

Table 2: Summary of the tender offer

Security Name	CPDEV 3.85 07/14/25
Tender price	100
Amt o/s (USD mn)	450
Aggregate max amt of acceptance (USD mn)	450 (Up to the size of the concurrent new issuance)
Expiration date	20 Mar'25

Source: Company filling.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Central Plaza Development/ Beijing Capital Group	450	3yr	7.15%	7.15%	Unrated
DBS Group Holdings	500/1000/500	3yr/3yr/5yr	4.403%/ SOFR+60/ SOFR+65	T+42/ SOFR+60/ SOFR+65	Aa2/-/AA-
Linqu Economic Development Investment Group	67.6	3yr	6.9%	6.9%	Unrated
Lintou Overseas Co	64.1	3yr	6.5%	6.5%	Unrated
Qihe Urban Investment Construction	25.4	3yr	7%	7%	Unrated
Zaozhuang Infrastructure Investment	120	3yr	6.9%	6.9%	Unrated
Zhuzhou City Construction Development Group Co	250	3yr	5.3%	5.3%	-/-/BBB-

➤ Offshore Asia New Issues (Pipeline)

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

➤ News and market color

- Regarding onshore primary issuances, there were 134 credit bonds issued yesterday with an amount of RMB119bn. As for month-to-date, 836 credit bonds were issued with a total amount of RMB670bn raised, representing a 22.9% yoy decrease
- [ADGREG]** India local court asked by Government of India to deliver SEC's summons to Gautam Adani, the founder of Adani Group
- [NWDEVL]** NWD paid the distribution on NWDEVL 6.25 Perp as scheduled
- [SHIMAO]** Shimao Group offshore debt restructuring plan approved by Hong Kong court; Shimao's 27/F of HK's The Center office building up for sale at HKD559mn (cUSD72mn)
- [WB]** Weibo adjusted EBITDA fell 3.9% yoy to USD606mn in FY24

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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