

CMBI Credit Commentary

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

- *Flows were active this morning. New issue BOCAVI'30 tightened 2bps, CHEVBK'27 widened 2bps and HIGHWAY'27 tightened 4bps. Asian IG space was 0-2bps wider with better selling.*
- **Asia ex-JP USD bonds issuance:** 4M24 gross issuance increased 1.8% yoy to USD61.4bn. See below.
- **PCORPM:** Petron 1Q24 revenue increased 21% yoy to USD4bn and operating income rose 21% yoy to USD178mn. PCORPM 5.95 PERP rose 0.25pt this morning. We maintain on PCORPM 5.95 PERP.

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❖ Trading desk comments 交易台市场观点

Asia IG space was traded in mixed two-way flows yesterday. In KR, HIGHWAY priced a USD500mn 3-yr bond at T+60. CITNAT 27/29 were unchanged to 1bp tighter. In SEA, SIASP 26/34 were better bid and tightened 1-2bps. BBLTB 28/33 tightened 1-3bps. On the other hand, ANZ/WSTP 25-29s were 1-2bps wider under PB selling. Meanwhile in insurance hybrids, ASAMLI Perp/SUMILF Perp/NIPLIF '54 were sought-after by RMs/PBs and closed 0.3-0.5pt higher, whereas KYOBOL '52/DAIL Perp were unchanged to 0.2pt lower. In Chinese IGs, HAOHUA/TENCNT 29-30s were unchanged to 2bps wider on profit taking. In the high-beta TMTs, WB/LENOVO 30s edged 1-2bps wider. In financials, BOCAVIs widened 2-3bps amid its new USD500mn 5-yr bond pricing at T+87.5. In Chinese AMCs, HRINTH 24-25s were under better buying from AMs and closed 3-8bps tighter. EU AT1s such as STANLN 6 Perp/INTNED 3.375 Perp/HSBC 4.75 Perp/UBS 3.875 Perp rose another 0.3-0.5pt, on the back of dealers covering shorts and PBs chasing. In HK, AIA/CKHH 34s were 1-2bps tighter. BNKEA 27s widened 2bps on small selling. NWDEV/LHYSAN Perps were up 0.2-0.3pt. Chinese properties were mixed. FUTLAN/FTLNHD 24-26s increased 0.6-1.9pts after the decline of 0.7-1.0pt on Mon. COGO '26/CHIOLI '43/CHJMAO Perp were 0.4-0.5pt higher. On the other hand, LNGFOR '28/VNKRLE '27 declined 0.7-1.0pt. AGILEs/ ROADKGs were 0.9-1.3pts lower. In Macau gaming, SANLTDs/WYNMACs were up 0.2-0.5pt. In Indonesia, LPKRIJ 25/26 rose another 2.3-3.2pts and closed 2.9-4.0pts higher WTD, post the news of Siloam sale. LMRTSP 24/26 were up another 0.6-1.4pts and closed 1.6-1.8pts WTD. APLNIJ '24 was up another 0.9pt. In Indian space, ADSEZs/ADANEMs/ADTINs were another 0.3-0.7pt higher. VEDLNs were up 0.2-0.6pt.

In LGFVs/SOE perps/high-beta spaces, the post-FOMC/NFP rebound in risk sentiment persisted. On the new issues, JDSOAM priced a USD40mn 3-yr bond at par to yield 5.5%. Flow wise, we saw more cross-border buying from

RMs and the demand continued to focus on quality LGFVs (across both USD and CNH issues). HZCONI/GZDZCD 26s were up 0.1pt. In the higher-yielding LGFVs, ZHHFGR 25/Perp and CPDEV 25/26/Perp moved 0.2-0.4pt higher. The lower-yielding SOE perps were also under better buying, SPICPT/RLCONS Perps were up 0.1pt. In the high-yielding names, ZHONAN/GRPCIN 26s were also 0.1-0.2pt higher.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LPKRIJ 6 3/4 10/31/26	89.5	3.2	ROADKG 7.95 PERP	11.1	-1.3
LPKRIJ 8 1/8 01/22/25	96.6	2.3	AGILE 5 1/2 04/21/25	12.3	-1.1
FUTLAN 4.45 07/13/25	58.9	1.9	ROADKG 6.7 09/30/24	49.6	-1.0
LMRTSP 7 1/4 06/19/24	92.7	1.4	LNGFOR 4 1/2 01/16/28	69.4	-1.0
FTLNHD 4 1/2 05/02/26	45.6	1.4	ROADKG 7 3/4 PERP	14.9	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.13%), Dow (+0.08%) and Nasdaq (-0.10%) were mixed on Tuesday. UST yields remained stable yesterday, 2/5/10/30 yield were 4.82%/4.48%/4.47%/4.61%.

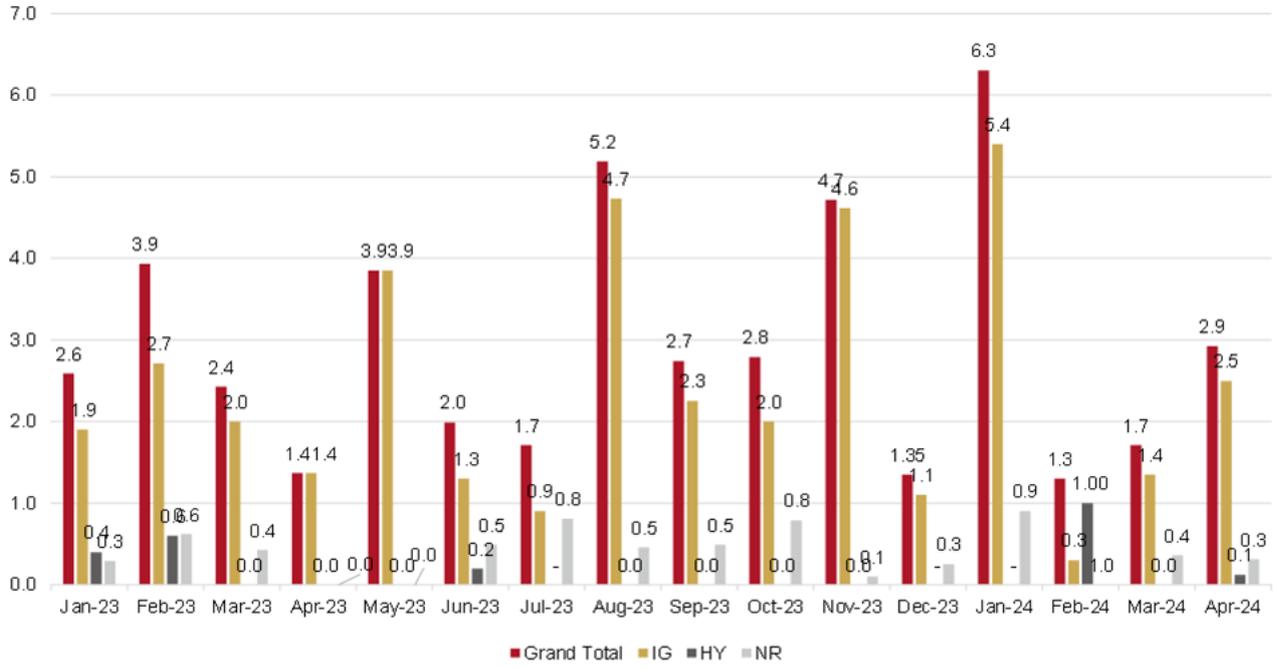
❖ Desk analyst comments 分析员市场观点

➤ Asia ex-JP USD bonds issuance: 4M24 gross issuance increased 1.8% yoy to USD61.4bn

In Apr'24, Asia ex-JP USD bond issuance dropped 6.5% yoy to USD10.7bn from USD11.5bn in Apr'23. South Korea (USD3.6bn), China (USD2.9bn) and Hong Kong (USD2.0bn) are among the largest issuers. IG issuances accounted for 76.4% of the gross issuance in the month. By sector, financial was the largest issuer, accounting for 40.4% of total gross issuance of the month. In 4M24, gross issuance of Asia ex-JP USD bonds increased 1.8% yoy to USD61.4bn and South Korea (USD21.5bn), China (USD12.2bn) and Hong Kong (USD3.7bn) were issuers with most gross issuances. During 4M24, financial institutions issued USD41.8bn bonds, accounting for 68.0% of gross issuance.

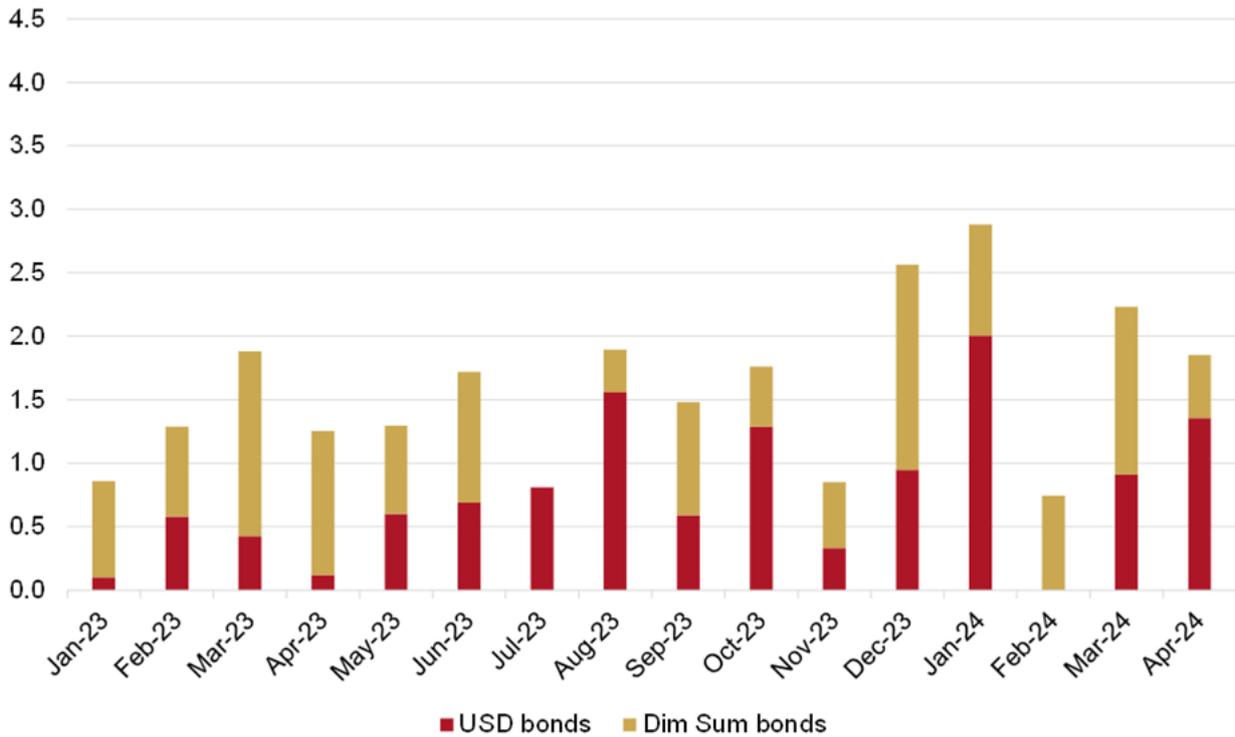
In 4M24, Chinese issuers issued USD bond totaled USD12.2bn, rose 18.7% yoy from USD10.3bn in 4M23. LGFV USD bond issuance increased 248.5% to USD4.3bn from USD1.2bn in 4M23. On the other hand, Dim Sum LGFV bonds issuance decreased 15.1% yoy to USD3.4bn in 4M24. During Jun'24 to Jul'24, the maturing LGFV USD bonds totaled cUSD6.6bn. Given the lower funding cost, we expect LGFVs to remain active in issuing Dim Sum bonds to refinance maturing USD bonds. Indeed, the amount of Dim Sum bond issuance has been record-breaking over past few years. The gross issuance amount in Asia ex-JP was USD37.7bn and USD69.4bn in 2022 and 2023, respectively. In 4M24, the gross issuance amount of Dim Sum bond increased 28.4% yoy to USD24.6bn and LGFVs accounted for 14.0% of the gross issuance.

Chinese USD bonds new issuance amount (USD bn)



Source: Dealogic.

LGFV Dim Sum bonds issuance (USD bn)



Source: Dealogic.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
BOC Aviation	500	5yr	5.25%	T+87.5	-/A-/A-
China Everbright Bank	550	3yr	5.865%	SOFR+52	-/-/-
Korea Expressway	500	3yr	5.0%	T+60	Aa2/AA/-
Muthoot Finance	650	3.75yr	7.125%	7.125%	-/BB/BB
Republic of the Philippines	1000/1000	10/25yr	5.25%/5.6%	T+80/5.6%	Baa2/BBB+/BBB

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Ping An Insurance	USD	-	10yr	T+210	Baa2/-/-
Export Import Bank of Thailand	USD	-	5yr	T+120	Baa1/-/BBB+
Manappuram Finance	USD	-	4yr	7.75%	-/BB-/BB-
Security Bank	USD	-	5yr	T+140	Baa2/-/-
Westpac Banking Corp	USD	-	2/5yr	T+60/85	Aa2/AA/-/-
Westpac Banking Corp	USD	-	2/5yr	SOFR Equiv	Aa2/AA/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 47 credit bonds issued yesterday with an amount of RMB29bn. As for month-to-date, 108 credit bonds were issued with a total amount of RMB83bn raised, representing a 30% yoy increase
- **[GLPSP]** Media reported that GLP is looking to extend the life of a USD7bn China-focused logistics infrastructure fund by two years to Jul'26
- **[INDYIJ]** Indika Energy declared USD30mn total dividend for FY23
- **[LOGPH]** Media reported that Logan Group seeks 10-month grace period for repayment of onshore debt and may propose new debt solution
- **[PCORPM]** Petron 1Q24 revenue increased 21% yoy to USD4bn and operating profit also rose 21% yoy to USD180mn
- **[VNKRLE]** Media reported that China Vanke lenders is considering refi of HKD5.24bn one-year due-Aug'24 loan

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