

## 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 CHALUM'28 tightened 5bps this morning. Asian IG space was 5-8bps tighter. Belly TENCNT/BOCAVI were well bid. The front-end HYUELE/LGENSO were under better selling. LGFV/SOE Perps were stable with light flows.*
- *NWDEVL: Only USD154mn accepted for the tender offer. NWDEVLs were unchanged to down 2pts this morning. See comments below*
- *LPKRIJ: Media reported that Lippo Karawaci's subsidiary PT Megapratama Karya Persada has sold 19.7% stakes in Siloam Hospita. LPKRIJs were unchanged this morning*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the new CHALUM '28 closed 5bps wider from RO (CT5+98). In KR, HYUELE 27-31s tightened 1-3bps post S&P's one-notch upgrade to BBB with a stable outlook. In Chinese IG, HAOHUA/TENCNT 28s/29s were 1-3bps wider. In financials, HRINTH 24/25/27/29s were 0.2-0.3pt higher (15-20bps tighter) post the company's positive profit alert. See our comments on 8 Aug'24. ANZ/MQGAU/WSTP/NACF Float 27-29s closed unchanged to 1bp tighter. In AT1s, SOCGEN 8.5 Perp/SANTAN 8 Perp/RY 7.408 Perp were 0.1-0.2pt higher. In JP, SUMIBK 6.6 Perp/NIPLIF '51 were up 0.2-0.3pt. RAKUTN 11.25 '27/RAKUTN 9.75 '29 and RAKUTN Perps rose 0.8-1.2pts. Media reported that Rakuten Mobile will raise JPY150-300bn (USD1.02-2.04bn) from a consortium led by Macquarie Asset Management, via the sale and leaseback of a portion of its mobile network assets. In HK, CKINF 4.2 Perp was 1.3pts higher. NWDEVLs lowered 0.3-0.6pt under selling from PBs. NWDEVL announced the results of tender offer. See comments below and our daily on 1 Aug'24. In Chinese properties, FTLNHD 24-26s were 0.3pt higher. CHIOLI 29-43s were 0.3-1.0pt lower. Outside properties, HILOHO '24/WESCHI '26 were 0.4-0.6pt lower. SANLTD/WYNMAC 27-29s were up 0.2-0.3pt. In Indonesia, media reported that Lippo Karawaci's subsidiary PT Megapratama Karya Persada has sold 19.7% stakes in Siloam Hospital. Moody's has upgraded Lippo Malls Indonesia Retail Trust's corporate family rating to B3 from Caa3. LPKRIJ 25/26 and LMRTSP '26 closed unchanged. In India, UPLLIN 30/Perp were 0.3-0.9pt lower.

The flows were balanced two-way across LGFVs/high-beta IG spaces. In LGFVs, CPDEV 25/26/Perp were 0.1-0.2pt higher. WFURCD '24 was 0.3pt

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higher. CQNANA 26s were down 0.1-0.3pt. In SOE perps, SPICPT 3.45 Perp was up 0.1pt, CHSCOI 4 Perp was 0.1pt lower. In the high beta names, CWAHK '26/HUANEN '31/HNINTL '31 were 0.2-0.3pt lower. SUNSHG/GRPCIN 26s were up 0.1pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CKINF 4.2 PERP	72.5	1.3	EXIMCH 4 11/28/47	87.9	-1.2
RAKUTN 11 1/4 02/15/27	107.8	1.2	CHIOLI 5.35 11/15/42	90.2	-1.0
RAKUTN 9 3/4 04/15/29	105.9	1.1	CHIOLI 6 3/8 10/29/43	101.2	-0.9
RAKUTN 6 1/4 PERP	83.7	1.0	UPLIN 5 1/4 PERP	71.6	-0.9
RAKUTN 5 1/8 PERP	92.1	0.9	CHIOLI 6.45 06/11/34	105.0	-0.8

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+2.30%), Dow (+1.76%) and Nasdaq (+2.87%) rebounded on Thursday. The latest US initial jobless claim was +233k, lower than the expectation of +241k. China Jul'24 CPI/PPI was +0.5%/-0.8% yoy, compared with the expectation of +0.3%/-0.9% yoy. UST yield rallied higher yesterday, 2/5/10/30 yield reached 4.04%/3.83%/3.99%/4.28%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ NWDEVL: Only USD154mn accepted for the tender offer

Table 1: Details of the tender offer

Bond	NWDEVL 4.75 01/23/27	NWDEVL 6.15 PERP
Tendered amt	USD247.8mn	USD335.0mn
Purchase price	96.0	100.0
Accepted amt	USD45.9mn	USD108.6mn
Outstanding amt	USD458.4mn	USD345.3mn

Source: Company fillings.

New World Development (NWD) announced [the results of its 1 Aug'24 tender offer](#) that NWD repurchased USD45.9mn of NWDEVL 4.75'27 and USD108.6mn of NWDEVL 6.15 PERP. The aggregate repurchase amount was lower than the issue size of the concurrent new issue NWDEVL 8.625'28 of USD400mn. All accepted bonds/perps are those with preferred instructions, i.e. bondholders participated into the new NWDEVL 8.625'28.

From our discussions with clients this morning, we can tell that some clients were disappointed with the “lower than expected” tender offers and questions about the uses of remaining proceeds. Nonetheless, we believe that the new issue has already strengthened NWD's financial flexibility for refinancing. We see a good chance for NWD to early redeem its bonds and perps, especially those with lower cash prices, with the remaining proceeds from the new issue, as well as the proceeds from NCD. We expect the sales of 30% stakes in Qianhai commercial complex to CTF for cUSD200mn to be completed by Sep'24. Subsequent to the recent price movements, NWDEVL 5.25 PERP is our top pick within the NWDEVL complex for its better risk-return profile.

Table 2: NWDEVL's USD bonds

Security Name	ISIN	Amt Out (USD mn)	Ask Price	YTM/YTC (Ask)	Next Call Date	Coupon reset	Coupon Step-up
NWDEVL 6.15 PERP	XS2435611327	345	98.2	9.4	3/16/2025	3yrUST+6.201%	300bps
NWDEVL 5 ¼ PERP	XS2132986741	999	85.6	15.8	3/22/2026	5yrUST+7.889%	300bps
NWDEVL 4 ¼ PERP	XS2348062899	1140	65.3	17.6	3/10/2028	5yrUST+5.858%	300bps
NWDEVL 6 ¼ PERP	XS1960476387	1300	55.6	11.2	9/7/2024	-	-

NWDEVL 4.8 PERP	XS2268392599	700	44.5	10.8	08/29/2024	-	-
NWDEVL 4 ¾ 01/23/27	XS1549621586	458	93.4	7.8	--	-	-
NWDEVL 5 ¾ 06/16/27	XS2488074662	172	94.3	8.2	03/16/2027	-	-
NWDEVL 8 ¾ 02/08/28	XS2873948702	400	97.5	9.5			
NWDEVL 4 ¼ 07/18/29	XS2028401086	718	79.5	9.4	--	-	-
NWDEVL 4 ½ 05/19/30	XS2175969125	443	77.5	9.7	--	-	-
NWDEVL 3 ¾ 01/14/31	XS2282055081	76	72.9	9.5	--	-	-

Source: Bloomberg.

6,752

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

## ➤ 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 99 credit bonds issued yesterday with an amount of RMB125bn. As for month-to-date, 522 credit bonds were issued with a total amount of RMB553bn raised, representing a 68.6% yoy increase
- [APLNIJ]** Moody's upgraded Agung Podomoro Land to Caa1 and revised the rating outlook to stable from negative
- [LMRTSP]** Moody's upgraded Lippo Malls Indonesia Retail Trust to B3 and placed stable rating outlook
- [LPKRIJ]** Media reported that Lippo Karawaci's subsidiary PT Megapratama Karya Persada has sold 19.7% stake in Siloam Hospita.
- [LZHDIC]** Media reported that Liuzhou city LGFVs are in talks with China Development Bank for more credit facilities following a RMB5bn credit line extended to Liuzhou's LGFVs
- [MGMCHI]** MGM China 1H24 operating revenue increased 52.3% yoy to cUSD2.1bn and adj. EBITDA increased 56.6% yoy to cUSD635mn
- [PTTGC]** PTT Global Chemical 1H24 revenue rose 9.6% yoy to cUSD9.1bn and adj. EBITDA rose 29.7% yoy to cUSD582mn
- [RAKUTN]** Rakuten Group's unit Rakuten Mobile will raise cUSD1-2bn via the sale and lease back of mobile network assets
- [SHIMAO]** Shimao Group's winding-up petition hearing adjourned to 16 Dec'24
- [SMCPM]** Media reported that San Miguel allocated cUSD24.3bn capex over the next five years

- **[VEDLN]** Media reported that Vedanta Limited has put the steel operations sale plans on hold following a USD1bn share sale
- **[ZHPRHK]** Zhenro further defers RSA's long-stop date to 11 Aug'24

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