

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 HYNMTR'26-31, GTJA'27 tightened c1-2bps. Asian IG space was stable with better selling flows.*
- **CONTLE:** *Tender offer for CONTLE 4.5 02/09/27 at par. See below.*
- **CHJMAO:** *S&P affirmed China Jinmao's BBB- ratings and placed stable outlook on the ratings for continuing supports from parent Sinochem Holdings. CHJMAOs were unchanged to 0.3pt lower this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, HYNCRD '29 tightened 1bp to T+120. HYNMTR announced new issue mandates of USD3.75bn in 5 parts. HYNMTR 26-28s closed unchanged to 1bp wider. KRKPSC 27s/29s closed unchanged to 2bps wider amid mixed two way flows. ANZ/CBAAU/WSTP 33s/34s were under better selling and widened 1-4bps. In Chinese IGs, TENCNTs/HAOHUAs were 1-2bps wider. In financials, BOC Hungarian and BOC Panama priced a USD500mn 3-yr and a USD300mn 2-yr floating-rated note at SOFR+55 and SOFR+52, respectively. GTJA priced a USD400mn 3-yr floating-rated note at SOFR+65. DAHSIN '33/NANYAN '29 widened 2bps. In HK, AIA/CKHH 34s widened 1-2bps under selling from PBs. In AT1s, BNP 8 Perp/ACAFP 6.5 Perp were up 0.2-0.4pt. UBS 9.25 Perp/HSBC 6 Perp were 0.3pt higher. Chinese properties performed mixed. LNGFOR 27-32s increased 2.3-3.1pts. FUTLAN/FTLNHD 24-26s were 1.1-1.8pts higher after falling 1.0-1.9pts on Mon. SHUION 24-26s were 0.5-0.8pt higher. CHJMAO '26 was 0.6pt higher. On the other hand, ROADKG Perps/24-26s dropped 0.5-1.7pts. In industrials, HILOHO '24 was 0.6pt lower. In Macau gaming, MGMCHI priced a USD500mn 7NC3 bond at par to yield 7.125%. MGMCHI 25-27s closed unchanged. WYNMAC '29/STCITY '29/SANLTD '30 were up 0.3pt. In India, Continuum Green Energy priced a USD650mn 9NC3 bond at par to yield 7.5% and launched a concurrent tender offer. See below for comments.

In LGFVs, WHREST 24/27 were unchanged to 0.1pt higher. CPDEV '26/ZHHFGR Perp were up 0.1pt. In Shandong names, JNHITE '24/QDJZWD '25 were 0.1-0.2pt higher. In the 5-6% LGFVs, HZCONI '26/CDCOMM '24 were up 0.2pt. In the high beta names, ZHONAN '26 was 0.1pt higher. TIANFS '26 was down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LNGFOR 3.85 01/13/32	63.7	3.1	ROADKG 5.9 03/05/25	39.1	-1.7
LNGFOR 4 1/2 01/16/28	76.5	2.5	ROADKG 6 09/04/25	33.1	-1.7
LNGFOR 3.95 09/16/29	69.5	2.5	ROADKG 7.95 PERP	15.3	-1.5
LNGFOR 3 3/8 04/13/27	77.8	2.3	ROADKG 6.7 09/30/24	53.6	-1.3
FUTLAN 4.45 07/13/25	73.9	1.8	ROADKG 5.2 01/12/26	28.7	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.25%), Dow (+0.15%) and Nasdaq (+0.03%) remained strong on Tuesday and Nasdaq reached historical high level. US May'24 retail sales increased 0.1% mom, lower than the expectation of +0.3% mom. UST yield retreated yesterday, 2/5/10/30 yield was 4.69%/4.24%/4.22%/4.36%.

❖ Desk analyst comments 分析员市场观点

➤ **CONTLE: Tender offer for CONTLE 4.5 02/09/27 at par**

Continuum Energy Levanter (CEL), a wind and wind solar hybrid power generator in India, announced a cash tender offer for CONTLE 4.5 02/09/27 for any and all of the outstanding amount of USD476.1mn. The redemption price of the notes will be at par, plus accrued and unpaid interests to, but not including, 18 Jul'24. The deadline is 27 Jun'24 and to be settled on or around 2 Jul'24. The tender offer is conditional upon the successful settlement of the proposed concurrent USD bonds offering which is co-issued by the issuers of the NCDs which CEL holds, and certain other subsidiaries of Continuum Green Energy (CGEL). CEL is a wholly owned subsidiary of CGEL, which subscribed the INR-denominated NCDs issued by its operating entities within a restricted group of companies (Continuum RG1).

The concurrent USD bonds offering is USD650mn 7.5% 9NC3 green bond due in 2033, expected to be rated at Ba2/BB+ by Moody's/Fitch. The issuers of the new notes are eight operating units of CGEL with seven projects with a total capacity of 990.8MW (Continuum RG2), compared with Continuum RG1 with five projects with a total capacity of 722.9MW. Continuum RG2 includes Continuum RG1 and two new operational projects commissioned in 2022-23.

The new notes will be due in 9 years, compared with CONTLE 4.5 02/09/27 with remaining maturity of c2.6years. The amortization/ mandatory cash sweep of the new notes is 4.5%/43.1% of the principal amount over the bond life, while it is 7.875%/38.875% for CONTLE 4.5 02/09/27. The mandatory cash sweep is subject to distribution covenants. We view the higher coupon of the news notes is to compensate for the longer tenor and lower amortization per year compared with CONTLE 4.5 02/09/27.

Bond	CONTLE 4.5 02/09/27
Outstanding amt	USD476.149mn
Tender Cap	Any and all
Tender price	At par
Expiration deadline	27 Jun'24
Settlement date	On or around 2 Jul'24
Price (ask)	98.69
YTM (ask, %)	5.04
Ratings (M/S/F)	Ba2/-/BB+

Source: Bloomberg, Company filing.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
BOC Hungarian Branch	500	3yr	5.916%	SOFR+55	A1/-/A
BOC Panama Branch	300	2yr	5.886%	SOFR+52	A1/-/A
Continuum Green Energy	700	9NC3	7.5%	7.5%	Ba1/-/BB+
Guotai Junan Holdings	400	3yr	6.016%	SOFR+65	Baa1/-/-
Hyundai Capital America	750/750/750/750	2/3/5/7yr	5.45%/5.275%/5.3%/5.4%	T+78/90/110/120	A3/BBB+/A-
Hyundai Capital America	750	3yr	6.406%	SOFR+104	A3/BBB+/A-
MGM China	500	7NC3	7.125%	7.125%	B1/B+/BB-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
BOC Johannesburg	USD	-	3yr	SOFR+105	A1/-/A
Bank of East Asia	USD	-	10NC5	-	Baa2/BBB-/-
Changchun Urban Development	USD	-	3yr	7.2%	-/-/BBB

➤ News and market color

- Regarding onshore primary issuances, there were 126 credit bonds issued yesterday with an amount of RMB117bn. As for month-to-date, 1,005 credit bonds were issued with a total amount of RMB1,000bn raised, representing a 4.6% yoy decrease
- **[AVOL]** Bohai Leasing unit Avolon raised USD750mn via unsecured syndicated loan
- **[CHJMAO]** S&P affirmed China Jinmao BBB- ratings and placed stable outlook
- **[CITLTD]** CITIC Limited announced USD9bn MTN programme effective on or about 19 Jun'24
- **[FOSUNI]** Media reported that Fosun International is in talks to reduce its stake in India's Gland Pharma through block deals. Fosun acquired 74% stake in Gland Pharma for cUSD1.1bn in 2017
- **[GZRFPR]** Media reported that Guangzhou R&F got bondholder consent for grace period until 16 Mar'25 for coupon/amort due-2024 on restructured RMB1.7bn bonds
- **[ROADKG]** Media reported that Road King is in talks with lenders for about USD 167m-equivalent one-year, extendable unsecured amortising loan to refinance outstanding due-September facility
- **[SMCPM]** San Miguel to offer up to PHP20bn (cUSD340mn) bonds on 18-24 Jun'24
- **[VEYONG/XINAOG]** Fitch upgraded ENN Natural Gas to BBB; Fitch affirmed ENN Energy BBB+ rating while revised the rating outlook to stable from positive

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