

CMBI Credit Commentary

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

- *Firm sentiment this morning. New CSILTD'27 widened 2bps, CSILTD'28 were unchanged. New KOLAHO'27 tightened 4bps. AMCs and LGFVs were under better buying. Bank T2s retreated under profit taking.*
- **Chinese properties:** *Weaker contracted sales in Sep'24. See below for comments.*
- **CHJMAO:** *China Jinmao's unit Jin Mao Group to purchase 69.95% limited partnership interest of Shanghai Congmao for RMB966mn; China Jinmao to auction off Jin Mao Sanya for USD261mn. CHJMAOs were unchanged to 0.2pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, KOLAHO priced a 3-yr bond of USD500mn at CT3+55. CSILTD priced a 3-yr floating-rate bond and a 3.5-yr fixed-rate bond (both of USD500mn) at SOFR+73, CT3+60, respectively. In Chinese IGs, HAOHUAs/TENCNTs were unchanged to 2bps tighter. In financials, HRINTH 24/26/27/29s closed 2-9bps tighter. CCAMCL/ORIEAS 26-30s were 1-3bps tighter. BNKEAs/NANYANs tightened 2-5bps. AIAs tightened 1-3bps tighter on PB buying. FRESHK 25/27s tightened 2-3bps. ANZNZ/ANZ 31-35s were unchanged to 2bps tighter. In EU AT1s, BACR 9.625 Perp/UBS 6.85 Perp/LLOYDS 6.75 Perp were 0.1-0.3pt higher. In JP insurance hybrids, NIPLIF '54/FUKOKU 6.8 Perp were up 0.2-0.3pt. In HK, NWDEVLs were up another 0.4-0.9pt on PB buying. In Chinese properties, CHIOIL 34-43s were 0.6-1.1pts higher under better buying from RMs. YUEXIU '31 rebounded 1.0pt. FUTLAN/FTLNHD 25-26s rose 0.6-0.9pt. LNGFOR 27-32s/VNKRLE 25-29s were 0.2-0.7pt higher. Outside properties, WESCHI '26 dropped another 1.1pts after the decline of 0.8pt on Mon. EHICAR '27 was down 0.8pt. In Macau gaming, MPELs/WYNMACs were up 0.1-0.6pt. In Indonesia, LPKRIJ '26/MDLNIJ '27 lowered 0.6-0.7pt. India space was quiet. Media reported Adani Green Energy had postponed its USD1.2bn bond issue. Elsewhere, SMCGL Perps were 0.1-0.5pt higher. GLPSP Perps were 0.4-0.6pt lower.

On LGFV, ZQGLIH priced a USD300mn 3-yr bond at par to yield 5.25%. The recent new YTGFIH '27 was unchanged at 100.1. The flows in LGFV space remained very bullish from both Chinese and non-Chinese institutions, and buying interests from PB clients reemerged as well. CPDEV 25/26 were 0.1-0.2pt higher. GZINFU/ CQNANA/ ZHHFGR/ SHGUOH 25-27s were unchanged to 0.3pt higher under RM buying. In SOE perps, CHPWCN 4.25 Perp/SPICPT 3.45 Perp was up 0.1pt, COFCHK 3.1 Perp/CHSCOI 4 Perp were down 0.1pt.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|-----------------------|-------|--------|-----------------------|-------|--------|
| HAOHUA 5 1/2 03/14/48 | 102.0 | 1.8 | WESCHI 4.95 07/08/26 | 75.7 | -1.1 |
| SINOCH 6.3 11/12/40 | 110.4 | 1.7 | EHICAR 12 09/26/27 | 71.1 | -0.8 |
| SINOPE 5 3/8 10/17/43 | 106.2 | 1.5 | MDLNIJ 5 04/30/27 | 33.9 | -0.7 |
| MUFG 4.286 07/26/38 | 95.3 | 1.5 | CWAHK 4.85 05/18/26 | 95.0 | -0.6 |
| SINOPE 4 7/8 05/17/42 | 100.1 | 1.4 | LPKRIJ 6 3/4 10/31/26 | 99.1 | -0.6 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.76%), Dow (-0.75%) and Nasdaq (-1.01%) retreated on Tuesday. UST yields moved lower yesterday, 2/5/10/30 yield reached 3.95%/3.86%/4.03%/4.32%.

❖ Desk Analyst Comments 分析员市场观点

➤ Chinese properties: Weaker contracted sales in Sep'24

In Sep'24, 32 developers under our radar reported contracted sales totaled RMB151.7bn, decreased 41.4% yoy from RMB258.9bn in Sep'23. The yoy decline in Sep'24 widened from the decline of 25.3% yoy in Aug'24 and 22.9% yoy in Jul'24. In 9M24, the cumulative contracted sales of these 32 developers dropped 37.3% yoy to RMB1,587.7bn from RMB2,531.7bn in 9M23.

All developers under our radar continued to post yoy decrease in cumulative contracted sales in 9M24. In 9M24, GRNCH (RMB187.2bn) was a better performer with a modest yoy contracted sales decline of 3%. The distressed developers continued to underperform. The contracted sales of COGARD (RMB36.4bn), LOGPH (RMB6.4bn) and China SCE (RMB8.1bn) dropped 77%, 69% and 67% yoy in 9M24, respectively.

The Chinese government has announced a series of new measures to stabilize the real estate market as expected. In Sep'24, the Chinese government [cut LPR, lowered down payment ratio](#) and canceled home purchase restrictions in [tier-1 cities](#). As of 15 Oct'24, the inventory months of four tier-1 cities, e.g. Beijing, Shanghai, Guangzhou and Shenzhen was 26, 10, 17 and 31, compared with inventory months of 29, 10, 23, 28 in the end of Sep'24 when the relaxation launched, respectively. The impact of relaxation on resolving house inventory will take time to materialize. On 12 Oct'24, MoF announced [monetary policies](#) to resolve hidden debts of local governments and lower house inventory. LGFVs and developers with larger landbank in high-tier cities will benefit most from these new supportive measures. On the other hand, we see a larger room for policy support from the Chinese government after the US rate cut. We expect the Chinese government to launch more supportive policies, e.g. another LPR cut and further cancellation of home purchase restrictions in high tier cities, to boost the property sector.

| 2024 YTD Sales (in RMB mn) | | | | | | | | | | | | | | | | |
|-------------------------------|---------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------------------|-------------------|------------------|-------------------------|
| Company | CN Name | BBG Ticker | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Trend | Sep'24 MoM Growth | Sep'24 YoY Growth | Sep'24 YTD Sales | Sep'24 YTD Sales Growth |
| Greentown | 绿城 | GRNCH | 12,000 | 12,900 | 28,300 | 22,300 | 23,300 | 27,700 | 21,000 | 18,100 | 21,600 | | 19% | 1% | 187,200 | -3% |
| China Overseas | 中国海外发展 | CHIOI | 10,504 | 8,491 | 41,211 | 21,795 | 19,700 | 46,677 | 13,192 | 18,460 | 18,819 | | 2% | 3% | 198,849 | -17% |
| China Resources Land | 华润置地 | CRHZCH | 11,420 | 9,190 | 30,110 | 21,280 | 20,700 | 32,000 | 15,500 | 15,200 | 16,900 | | 11% | 3% | 172,300 | -26% |
| Poly Real Estate | 保利地产 | POLYRE | 20,323 | 15,624 | 27,036 | 33,024 | 35,314 | 42,014 | 25,318 | 22,115 | 20,916 | | -5% | 2% | 241,684 | -28% |
| Shimao | 世茂房地产 | SHIMAO | 2,110 | 2,240 | 3,900 | 2,610 | 2,920 | 3,310 | 2,720 | 2,600 | 2,940 | | 13% | 3% | 25,350 | -28% |
| Yuexiu Property | 越秀地产 | YUEXIU | 6,545 | 3,815 | 11,341 | 8,312 | 10,078 | 15,308 | 5,028 | 10,002 | 7,210 | | -28% | 3% | 77,639 | -31% |
| China Vanke | 万科企业 | VNKRL | 19,450 | 14,000 | 24,510 | 20,890 | 23,330 | 25,130 | 19,220 | 17,240 | 17,420 | | 1% | 3% | 181,190 | -35% |
| Sino-Ocean | 远洋集团 | SINOCE | 1,200 | 820 | 2,300 | 2,800 | 2,440 | 8,770 | 1,790 | 2,640 | 1,960 | | -26% | 4% | 24,720 | -42% |
| China Jinmao | 中国金茂 | CHJMAO | 6,400 | 4,150 | 6,970 | 6,500 | 7,220 | 13,300 | 5,660 | 6,196 | 7,008 | | 13% | 2% | 63,404 | -42% |
| Greenland Holding* | 绿地控股集团* | GRNLGR | 4,500 | 4,000 | 5,500 | 3,800 | 6,130 | 7,940 | 5,770 | 5,000 | 6,000 | | 20% | 1% | 48,640 | -42% |
| Yanlord* | 仁恒置地* | YLLGSP | 1,480 | 2,060 | 990 | 1,870 | 2,950 | 1,850 | 1,470 | 1,220 | 860 | | -30% | 5% | 14,750 | -43% |
| Times Property | 时代中国控股 | TPHL | 532 | 841 | 685 | 1,055 | 1,005 | 705 | 855 | 550 | 555 | | 1% | 5% | 6,783 | -44% |
| Central China Real Estate | 建业地产 | CENCHI | 710 | 680 | 440 | 750 | 950 | 960 | 620 | 800 | 720 | | -10% | 0% | 6,630 | -44% |
| Longfor (Attributable) | 龙湖集团 | LNGFOR | 4,660 | 3,680 | 7,440 | 6,230 | 5,980 | 6,780 | 5,250 | 4,630 | 5,140 | | 11% | 4% | 49,790 | -45% |
| Radianse* | 金辉控股* | JNHUIG/RDHCGL | 1,450 | 610 | 1,840 | 870 | 1,430 | 2,160 | 1,290 | 290 | 460 | | 59% | 7% | 10,400 | -47% |
| Future Land | 新城控股 | FUTLAN/FTLNHD | 3,692 | 4,020 | 4,236 | 3,704 | 4,102 | 3,801 | 3,487 | 2,501 | 2,291 | | -8% | 0% | 31,834 | -47% |
| Sunac China | 融创中国 | SUNAC | 3,760 | 2,730 | 3,510 | 12,450 | 2,270 | 1,560 | 1,410 | 7,350 | 1,410 | | -81% | 5% | 36,450 | -49% |
| Hopson | 合生创展 | HPDLF | 1,286 | 630 | 1,978 | 1,510 | 1,665 | 1,781 | 1,488 | 1,389 | 1,164 | | -16% | 3% | 12,891 | -49% |
| Zhongliang | 中梁控股 | ZHLGHD | 2,010 | 1,730 | 1,500 | 1,370 | 1,450 | 1,600 | 1,360 | 1,300 | 1,250 | | -4% | 7% | 13,570 | -51% |
| Jingrui Holdings | 景瑞控股 | JINGRU | 206 | 112 | 170 | 167 | 131 | 130 | 287 | 133 | 130 | | -2% | 7% | 1,466 | -53% |
| CIFI Holdings | 旭辉集团 | CIFIHG | 3,720 | 2,240 | 4,180 | 3,980 | 3,340 | 2,850 | 1,860 | 1,940 | 2,020 | | 4% | 2% | 26,130 | -54% |
| Gemdale | 金地集团 | GEMDAL | 5,510 | 5,100 | 6,130 | 6,240 | 6,510 | 6,630 | 6,100 | 5,400 | 5,200 | | -4% | 0% | 52,820 | -57% |
| Ronshine China | 融信中国 | RONXIN | 448 | 543 | 742 | 542 | 544 | 543 | 602 | 1,076 | 446 | | -59% | 2% | 5,484 | -57% |
| Powerlong | 宝龙地产 | PWRLNG | 1,121 | 1,177 | 1,548 | 1,134 | 1,208 | 1,142 | 1,056 | 634 | 614 | | -3% | 8% | 9,634 | -59% |
| Zhenro Properties | 正荣地产 | ZHPRHK | 619 | 471 | 554 | 591 | 596 | 594 | 468 | 430 | 570 | | 33% | 8% | 4,893 | -62% |
| Yuzhou Properties | 禹洲地产 | YUZHOU | 803 | 503 | 902 | 802 | 703 | 632 | 465 | 431 | 473 | | 10% | 1% | 5,714 | -63% |
| Redsun | 弘阳地产 | REDSUN/HONGSL | 982 | 862 | 831 | 702 | 723 | 711 | 680 | 581 | 601 | | 3% | 0% | 6,673 | -65% |
| KWG Property | 合景泰富集团 | KWGPPO | 830 | 620 | 1,070 | 970 | 1,180 | 990 | 760 | 710 | 603 | | -15% | 7% | 7,733 | -65% |
| Agile | 雅居乐 | AGILE | 2,390 | 1,530 | 1,430 | 1,190 | 1,650 | 800 | 810 | 540 | 1,820 | | 237% | 3% | 12,160 | -66% |
| China SCE* | 中骏集团控股* | CHJNSC | 850 | 820 | 1,010 | 630 | 1,110 | 350 | 1,350 | 1,480 | 520 | | -65% | 3% | 8,120 | -67% |
| Logan Property* | 龙光地产* | LOGPH | 800 | 760 | 400 | 520 | 790 | 1,270 | 1,030 | 360 | 500 | | 39% | 4% | 6,430 | -69% |
| Country Garden (Attributable) | 碧桂园 | COGARD | 5,490 | 3,720 | 4,300 | 3,850 | 4,290 | 4,300 | 3,410 | 3,430 | 3,620 | | 6% | 1% | 36,410 | -77% |

Note: * represents the data was collected from CRIC.

Source: Company filings, CRIC.

➤ Offshore Asia New Issues (Priced)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|--------------------------------------|---------------|---------|----------------|--------------|----------------------|
| China Power Construction | 300 | PNC5 | 4.65% | 4.65% | -/-/BBB |
| Citic Securities | 500/500 | 3/3.5yr | SOFR+73/4.375% | SOFR+73/T+60 | -/BBB+/- |
| Korea Land & Housing Corp | 500 | 3yr | 4.25% | T+55 | Aa2/AA/- |
| Zhaoqing Guolian Investment Holdings | 300 | 3yr | 5.25% | 5.25% | -/-/BBB- |

➤ Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|--------------------------|----------|---------------|--------|-----------|----------------------|
| Muthoot Finance Ltd | USD | - | 4.5yr | 6.7% | -/BB/BB |
| Philippine National Bank | USD | - | 5yr | T+130 | Baa3/-/- |
| Sekisui House | USD | - | 5/10yr | T+125/150 | -/BBB+/- |

➤ News and market color

- Regarding onshore primary issuances, there were 95 credit bonds issued yesterday with an amount of RMB101bn. As for month-to-date, 347 credit bonds were issued with a total amount of RMB337bn raised, representing a 3.4% yoy increase
- Tianjing cancelled restrictions on purchasing homes

- **[ADANIG]** Media reported that Adani Green Energy has called off its USD1.2bn bond issue
- **[CHJMAO]** China Jinmao's unit Jin Mao Group to purchase 69.95% of limited partnership interest in Shanghai Congmao for RMB966mn; China Jinmao to auction off Jin Mao Sanya for USD261mn
- **[JINGRU]** Jingrui Holdings faces winding-up petition filed by China CITIC Financial AMC International; Hearing scheduled for 18 December
- **[VEDLN]** Vedanta Resources entered USD125mn facility agreement

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