

CMBI Credit Commentary

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

- *Asia IGs BABA/TENCNT/MEITUA 27-35s were 3-5bps tighter this morning. MYLIFE/NIPLIF 51-55s were up 0.2-0.3pt. YLLGSP 26 was 0.3pt higher following the announcement of bond buyback. See comments on Yanlord below.*
- **Seazen:** *Refinancing risk remains manageable. We maintain buy on FUTLAN/FTLNHDs. FUTLAN/FTLNHDs were unchanged this morning. See below.*
- **China Economy:** *China's credit recovery in Mar is facing the trade war shock, which could cool down China's foreign trade activity and undermine manufacturing investment. The PBOC may cut RRR and LPRs in 2Q25 by 50bps and 20bps, respectively. See below for comments from CMBI economic research.*

❖ Trading desk comments 交易台市场观点

Last Friday, the credit spreads of Asia IGs were unchanged to 10bps wider, and the flows were skewed to better selling. MTRC/HKAA 30-55s closed unchanged to 2bps tighter. In Chinese IGs, BABA/MEITUA/TENCNT 30-35s closed 1-6bps wider amid two way flows. LENOVO/WB 28-30s were better sold and closed 3-10bps wider. In financials, AU T2s such as ANZNZ/ASBBNK/MQGAU/WSTP 28-36s were unchanged to 4bps wider. In AT1s, HSBC/BNP Perps were 0.4-0.8pt lower. In JP, FUKOKU/SUMILF Perps and MYLIFE/NIPLIF 51-54s were 0.3-0.9pt lower. In Chinese properties, SHUIION 26s increased 1.3pts, closed 1.4pts lower WoW. VNKRL 27s/LNGFOR 27-32s/FTLNHD 26s/FUTLAN 25s were up 0.3-0.6pt, closed 1.1-2.9pts lower WoW. Outside properties, BTSD 27-28s were unchanged to 2.2pts lower on the concerns of disputes with ATO for back taxes and penalty of up to USD251.8mn. H&H believes outgoing fund regarding this is not probable. See our comments on H&H on [11 Apr '25](#). MPEL/SANLTD 28-30s were up 0.4-0.8pt, closed 3.3-3.9pts lower WoW. WESCHI/FOSUNI 26s were 0.5pt higher, but still closed 2.5-5.5pts lower WoW. In India, ADANEMs/ADSEZs/ADTINs rose 0.5-1.7pts, closed 0.5-3.2pts lower WoW. The long end of INDOIS/PERTIJ 44-51s were 2.3-2.7pts lower. In the Philippines, SMCGL Perps were unchanged to 0.3pt lower. SMCGL announced to early redeem its o/s USD113.282mn SMCGL 5.95 Perp at par on 12 May'25.

In LGFVs, the new CNSHAN 28 was 0.1pt lower from RO at par. There were two way interests on CNH names such as CDXJCD 28s/QHCTJS 28s/SDGAOC 27s/ZCHLIM 27s. In SOE perps, CHSCOI Perp was up 0.1pt, CHPWCN Perp was 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
ADSEZ 3.1 02/02/31	79.2	1.7	INDOIS 3.55 06/09/51	65.0	-2.7
ADSEZ 3.828 02/02/32	79.9	1.5	PLNIJ 6.15 05/21/48	91.1	-2.6
TATAIN 5.45 01/24/28	99.0	1.4	PLNIJ 5 1/4 05/15/47	80.4	-2.6
SHUION 5 1/2 06/29/26	96.0	1.3	PLNIJ 6 1/4 01/25/49	92.1	-2.5
ADSEZ 5 08/02/41	74.2	0.9	PERTIJ 6.45 05/30/44	95.7	-2.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (1.81%), Dow (1.56%) and Nasdaq (2.06%) were higher on Friday. China raised its tariff rates on US goods to 125% from 84% starting from 12 Apr'25, following US clarified that its levies on Chinese goods rose to 145%. China also announced it will disregard following tariff policies if the US further raises tariffs on Chinese exports. UST yields were higher on last Friday, 2/5/10/30 yield at 3.96%/3.98%/4.15%/4.48%.

❖ Desk Analyst Comments 分析员市场观点

➤ Yanlord: Buy back of YLLGSP 5 1/8 05/20/26

Yanlord announced that it had bought back USD32.99mn in principal amount of its only o/s USD bond YLLGSP 5 1/8 05/20/26. The o/s amt of YLLGSP 5 1/8 05/20/26 reduced to USD467.01mn. Despite the weaker FY24 results, Yanlord continued to generate positive free cash flow, supporting notable net debt reductions over the past few years. We take additional comfort with Yanlord's financial flexibility, offered by its IPs and manageable debt maturity profile. We maintain buy on YLLGSP 5 1/8 05/20/26 and believe that Yanlord is another candidate to early redeem its o/s USD bonds. See our comments on [28 Feb '25](#) for more detailed analysis.

➤ Seazen: Refinancing risk remains manageable

Maintain buy on FUTLAN/FTLNHDs

Table 1: Summary of Seazen's o/s bonds

Security name	O/S (USD mn)	Maturity	Coupon	Offer price	YTM (%)
FUTLAN 4.45 07/13/25	300.0	7/13/2025	4.45%	97.6	14%
FTLNHD 4 5/8 10/15/25	300.0	10/15/2025	4.625%	95.1	15%
FTLNHD 4 1/2 05/02/26	404.0	5/2/2026	4.5%	91.7	13%

Source: Bloomberg.

Despite the recent correction resulting from the US tariff, FUTLAN/FTLNHDs were still 1-4pts higher YTD. At current valuations, FUTLAN/FTLNHDs, in our view, continue to offer good risk-return profile given its manageable debt maturity profile. We estimate that the headroom for additional secured financing from its IPs of cUSD1.8-2bn, compared with its total o/s USD bonds of cUSD1bn. This should offer a good financial flexibility for Seazen's refinancing requirements over the coming 1-2 years. Hence, we maintain buy on FUTLAN/FTLNHDs.

Click [here](#) for the full report.

➤ China Economy - Credit recovery faces tariff shock

Credit growth continued to show tentative signs of stabilization in Mar as RMB loans to real economy picked up as an additional driver of social financing growth, alongside government bond issuance. Loans to households improved as housing sales and mortgage demand moderately recovered. Loans to corporates picked up as ST loans to corporates surged. However, the credit recovery is facing the trade war shock, which could cool down China's foreign trade activity and undermine manufacturing investment. China has to further loosen its policies to defy the trade war shock. The PBOC may cut RRR and LPRs in 2Q25 by 50bps and 20bps respectively. Outstanding social financing and loans may pick up 8.2% and 7.7% at end-2025 after rising 8% and 7.6% at end-2024. China might launch additional fiscal stimulus measures especially those targeting consumption, including expanding consumer trade-in scheme, providing child-birth subsidy and strengthening social benefit net.

- Social financing flow climbed up driven by government bonds, and RMB loans picked up for the first time in 18 months. The growth of outstanding social financing (SF) edged up to 8.4% in Mar (all in YoY terms unless otherwise specified) from 8.2% in Feb, as the SF flow expanded from 16.6% growth in 2M25 to 21.8 % to RMB5.9trn, coming above market expectation at RMB4.7trn. Government bond extended its rapid growth to 220.5% in Mar at RMB1.5trn, thanks to fiscal expansion. RMB loans to the real economy under SF grew 16.3% to RMB2.8trn in March, the first notable YoY growth since October 2023, indicating a bottoming out of private credit demand. Corporate bond issuance, on the other hand, registered a net decline of RMB90.5bn in Mar, as LGFV saw -RMB59.6bn net bond financing in Mar. The M1 supply, which once majorly reflected corporate business vitality and now better captures overall liquidity of money under new calibre, inched up to 1.6% in Mar from 0.1%. M2 remained flat at 7% in Mar, as non-financial corporate deposits rebounded.
- New RMB loans notably surged driven by ST corporate loans. Growth of outstanding RMB loans inched up to 7.4% in Mar from 7.3%, while the new RMB loans notably picked up 17.8% to RM3.6trn in Mar compared to -3.6% in 2M25, beating market expectations at RMB2.9trn. Household loan flows rebounded from -86% in 2M25 to 4.8% in Mar, with short-term loans moderately dropping 1.4%, indicating subdued consumer demand. New M&L-term loans expanded by 11.8% to RMB50bn in Mar, the largest flow since Jan 2024, as housing market sales strengthened in 1Q25. However, the new housing market has shown notable slowdown in early Apr across the tiers of cities. New loans to the corporate sector notably accelerated to 21.4% in Mar compared to 7.2% in 2M25, driven by 46.9% growth in short-term loans. However, M&L-term loans continued to decline by 1.3% in Mar, possibly due to the impact of the LGFV debt swap.
- China might further loosen credit supply to defy the trade war shock. The trade war shock would lower China's GDP growth and add deflationary pressure by reducing overseas demand, curbing business capex and undermining consumer confidence. Compared to the US, China retains more policy space on both fiscal and monetary fronts. Maintaining robust domestic demand and a resilient financial market would enhance China's bargaining power in negotiations with the US and create a leverage for China to strengthen trade and investment ties with non-US economies. The PBOC may cut RRR and LPRs in 2Q25 by 50bps and 20bps respectively. Outstanding social financing and loans may pick up 8.2% and 7.7% at end-2025 after rising 8% and 7.6% at end-2024. China might launch additional fiscal stimulus measures especially those targeting consumption, including expanding consumer trade-in scheme, providing child-birth subsidy and strengthening social benefit net.

Click [here](#) for the full report.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Liangshan Development (Holdings) Group	58.5	3yr	6.5%	6.5%	-/-/-

➤ 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 123 credit bonds issued yesterday with an amount of RMB88bn. As for month-to-date, 535 credit bonds were issued with a total amount of RMB533bn raised, representing a 6.8% yoy decrease
- **[BEIENT]** Fitch has downgraded Beijing Enterprise Holding Ltd one notch to A-, following sovereign downgrade
- **[CSCHCN]** Hong Kong High Court adjourned a winding-up petition against China South City to 19 May '25
- **[SHCONS]** Fitch has downgraded Shanghai Construction Group Co., Ltd one notch to BBB, following sovereign downgrade
- **[TPHL]** Hong Kong High Court adjourned a convening hearing on Times China's offshore debt restructuring scheme to 27 May '25

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies,

and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law.

Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.