

CMBI Credit Commentary

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

- *Trading flow remained light this morning given China market will only resume trading next Monday. This morning we saw buying on Korean IG names. SOE perps/AT1/LGFV were relatively quiet.*
- **ADANIG:** *Adani Group said the research report by the US-based short seller Hindenburg Research is “maliciously mischievous” and suggest the possibility of a lawsuit. ADANIG’24/ADANEM 30-31s/ADSEZs down 7-10pts yesterday.*
- **COGARD:** *Country Garden obtained RMB equivalent of USD50mn 3-year term loan from China Minsheng Bank to refinance outstanding debt. COGARs largely unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, we saw a quiet but relatively firm day on the first trading day of the Year of Rabbit. Recent new issues from Korea encountered some profit taking flows, and POHANG/ EIBKOR/ WOORIB widened 2bps. China IGs were largely unchanged and we saw balanced two-way flows on leasing/TMT/POE sector. Financials space were roughly stable. AMC’s got small selling on HRINTH 24s-26s and CCAMCL curve were marked a touch wider. T2 benchmarks CCB/BNKEA 28-30s closed 2-6bps further tighter. TMTs broadly narrowed a bit. BIDU/JD tightened 2-3bps. BBB rated names MEITUA/LENOVO notably marched 5-10bps tighter. TAISEMs were still under better buying, with spread grinding 2-3bps tighter. In IG properties, LNGFORs/YUEXIUs widened 8-20bps. China HY was quiet. COGARs/CSCHCNs were unchanged to 0.5pt higher. SINOCEs were quoted 0.5-1.5pts higher under some RM interests. CIFIHGs/ROADKGs also closed 0.5-1pt higher. Elsewhere, AGILEs/GRNLGRs were bid up 0.5-1.5pts. HK corp names still outperformed. NWDEVL perps were up another 1.5-4.5pts while AIA/FWDGRP were traded 1-2pts higher. Industrials were unchanged to 0.5pt higher. In Macau gaming space, MGMCHIs/SANLTDs popped up 1-2pts. Away from China, market eyed Adani Group’s international bonds first plunged 10-15pts in the AM session on the back of a Hindenburg Research short-seller report, and retraced 4-5pts to close at broadly 7-10pts lower than Wednesday. Among these bonds, its subsidiary power distributor Adani Electricity bonds ADANEM 30-31s plummeted 8-10pts and were indicated at 69/71 level at EOD. ADANIGs/ADSEZs were also marked 7-10pts lower than Wednesday close. VEDLNs lowered 1.5-3.5pts from the previous rally. VEDLN 23-24s were roughly stable at high-90s, and its 25-26s fluctuated between high-70s to low-80s level. In Indonesian space, LPKRIJs/LMRTSPs were unchanged to 0.5pt lower amid its unit Theta Capital announced early results of tender offer of due-2025/due-2026s notes.

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In the LGFV/ SOE Perp/ AT1 space, market was overall unchanged. In LGFVs, front end papers were under small better buying. Beta names CQLGST/GSHIA 23-25s were marked 0.5pt higher to close between high-80s and low-90s. SOE names performed a bit mixed, HAOHUA/SINOPE were another 1-4bps tighter but HUADIA notably widened 10-15bps. In AT1s, big-5 names were unchanged to 2bps tighter and stayed at current expensive levels. BCHINA/ICBCAS tightened 1-3bps.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CITLTD 4 7/8 02/04/41	95.6	2.2	ADANIG 4 3/8 09/08/24	85.3	-10.0
AIA 4.47 05/23/47	85.1	2.0	ADANEM 3.867 07/22/31	69.3	-9.5
CITLTD 4.85 04/25/46	95.2	1.9	ADANEM 3.949 02/12/30	73.2	-8.8
FLY 7 10/15/24	86.8	1.8	ADSEZ 4 3/8 07/03/29	79.2	-8.6
CITLTD 4.485 09/07/46	90.4	1.7	ADSEZ 5 08/02/41	67.0	-8.5

❖ Macro News Recap 宏观新闻回顾

Macro – U.S. stock markets rebounded yesterday, S&P (+1.10%), Dow (+0.61%) and Nasdaq (+1.76%) rose amid the 2022Q4 GDP grew at 2.9% qoq, higher than the expected 2.6%. The labor market remains tight; the initial jobless claim at 186k was below expectation of 205k. The U.S. treasury yields curve movement was divergent yesterday that 2/5/10 yr yield curves edged up while 30 yr was unchanged at 4.17%/3.58%/3.49%/3.62%, respectively.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	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 0 credit bonds issued yesterday. As for Month-to-date, 1,059 credit bonds were issued with a total amount of RMB909bn raised, representing a 43.5% yoy decrease
- **[ADANIG]** Adani Group raised INR59.9bn (cUSD733.8mn) from anchor investors ahead of FPO, including global funds, Middle East sovereign wealth funds and domestic insurers. On the other hand, Adani said the research report by Hindenburg Research is “maliciously mischievous” and suggest the possibility of a lawsuit
- **[CHFOTN]** CFLD announced the scheme of arrangement effective date occurred 24 Jan and restructuring effective date is anticipated to occur 31 Jan

- **[COGARD]** Country Garden obtained RMB equivalent of USD50mn 3-year term loan from China Minsheng Bank to refinance outstanding debt
- **[GEELY]** Geely Automobile redeemed USD300mn due-23 notes on maturity
- **[JSTLIN]** JSW Steel plans to refinance USD debts with INR bonds
- **[LOGPH]** Logan delivered 62k units of residential property in 2022, at a delivery rate of 100%. All the group's construction projects proceeded as scheduled last year
- **[LVGEM]** LVGEM launched an identification exercise for holders of its USD470mn 12% notes due on 10 Mar'23

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