

## 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 2023"](#). Thank you for your time. Your support will mean a lot to us.

- *Markets were quiet this morning. High-beta TMT XIAOMI/LENOVO were squeezed 3-5bps tighter while other IG sectors were overall unchanged. For LGFV/SOE Perps, we saw buying interests on short-term notes.*
- **CHINSC:** *Refinanced the HSBC and HSB facilities due Jul'23. CHINSCs moved -0.25 to +0.75pt this morning. See below.*
- **DALWAN:** *Wanda Real Estate's RMB100mn shares in Changchun unit were frozen by Shanghai court. DALWANs changed -0.5 to +0.25pt by mid-day.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, Asia ex-JP IG space was quiet with US out for holiday. In Chinese SOEs, HAOHUA widened 2-3bps. TMTs were mixed and sentiment was cautious. Benchmark BABA/TENCNT papers opened 1-2bps wider amid street selling but closed unchanged to 1bp wider. In financials, Chinese bank T2 space were under better buying. BCHINA 30s/BOCOHK 31s were better bid following the rates move. Chinese AT1s such as BCHINA/BOCOM Perps were sought-after with RM buying support. In leasing space, CDBFLC was the spotlight as media reported CDB seeks to sell its stakes in its financial leasing unit to a Shenzhen local SOE. CDBFLC 30NC25 widened around 30-40bps on the concerns on change of control, but recovered 5-10bps after lunch as buyers jumped in at wide, closing at T+158/T+145. Chinese properties drifted lower. COGARDS/CSCHCNs/FTLNHDs declined 0.5-2pts. GRNLGRs notably fell 2-4.5pts. CENCHIs dropped 1-2pts. Industrials ANTOIL/EHICAR/FOSUNI 25-27s were bid up 0.5-1pt. Macau gaming space was muted. In Indian space, ADANIGs/ADSEZs were quoted 0.5-0.75pt higher. Indian chemical UPLLINs gained 0.5-1pt. Indonesian names MEDCIJs/LPKRIJs were indicated 0.25pt higher.

In the LGFV/Perp space, activities were not as quiet as one would expect on a US holiday. The flows in LGFV space was quite busy in house. Benchmark Shandong names SHGUOH 25s/SHUGRP 24s were indicated 0.2-0.3pt higher. However, CPDEVs were marked down 0.25-0.5pt. There were active two-way flows from onshore/offshore RMs over names across the credit curve, in an overall constructive tone as onshore banks and RM funds were still happy to deploy at the current yields. KMRLGP 3.9 '24 was quoted 0.3pt

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**Glenn Ko, CFA** 高志和  
(852) 3657 6235  
glennko@cmbi.com.hk

**Cyrena Ng, CPA** 吴倩莹  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

higher. Meanwhile the SOE Perps were overall steady with two-way interests, as front-end papers stabilized at around low-6%. HUADIA/SINOCH Perps were quoted down around 0.125pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
UPLIN 4 1/2 03/08/28	90.7	1.0	GRNLGR 6 3/4 09/26/25	18.8	-4.5
UPLIN 5 1/4 PERP	83.2	0.8	GRNLGR 6 3/4 06/25/24	28.7	-2.8
EHICAR 7 09/21/26	59.1	0.8	SINOCE 5.95 02/04/27	17.2	-2.7
ADANIG 4 3/8 09/08/24	93.9	0.7	SINOCE 6.946 PERP	8.4	-2.7
FOSUNI 5.95 10/19/25	80.1	0.7	GRNLGR 6 1/8 04/22/25	23.5	-2.3

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – US stock markets were on holiday. Crude oil prices rose 2% on Tuesday that WTI/Brent oil prices reached USD71/76 per barrel as Saudi Arabia and Russia announced to cut oil output by c1.5mn barrels per day. China Caixin service PMI in Jun was 53.9, lower than expectation of 56.2. The US treasury was unchanged yesterday, the 2/5/10/30 yield stayed at 4.94%/4.19%/3.86%/3.87%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ CHINSC: Refinanced the HSBC and HSB facilities due Jul'23

China SCE has signed a dual-currency multiple tranche term facilities from a syndicate of banks for refinancing. The facilities are HKD255.4mn (cUSD32.6mn) and USD89.1mn, totaled cUSD122mn. The tenor of the facilities is 15 months, and guaranteed by certain subsidiaries and secured by charges of shares in certain unit.

While China SCE will still face more upcoming maturities and amortization in the coming few months, we believe that the refinancing of the HSBC and HSB facilities has signaled some progresses in refinancing of other facilities. We understand that China SCE continues to work on another CBICL-guaranteed MTNs of RMB1.5bn. China SCE does not have USD bond maturity until Apr'24 after the repayment on CHINSC 7.25 04/19/23 in Apr'23. For onshore bonds, the next maturity will be in Aug'23 of RMB540mn (cUSD75mn). For the 5M23, its contract sales dropped 36% yoy to RMB17bn.

Bond maturities	Onshore (RMBmn)	Offshore (USDmn)
2H23	540	-
1H24	-	500
2H24	506	450
2025 and onwards	2,065	850
Total	3,111	1,800

Source: Bloomberg, Wind.

## ➤ 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)
Korea East-West Power Co Ltd	USD	-	5yr	T+135	Aa2/-/AA-
Shinhan Financial Group	USD	-	5yr	-	-/-/-

## ➤ News and market color

- Regarding onshore primary issuances, there were 54 credit bonds issued yesterday with an amount of RMB48bn. As for Month-to-date, 103 credit bonds were issued with a total amount of RMB88bn raised, representing a 2.4% yoy decrease
- [ADEIN]** Adani Green Energy announced to hold board meeting on 6 Jul for fundraise proposal
- [BABA]** Media reported that Alibaba extended USD4bn loan by four years to May 2028; US authorities mull steps to restrict Alibaba's cloud service operations in the US
- [DALWAN]** Wanda Real Estate's RMB100mn shares in Changchun unit were frozen by Shanghai court
- [FTHDGR]** Fantasia Holdings is working with offshore bondholders' group, advisors to finalize documentation of offshore debt restructuring proposal
- [JINKE]** Jinke Property received holders' approval over deferral payment for bonds with principals totaling RMB11.2bn; As of Jun'23, the company got RMB3.6bn special loan from governments
- [KWGPRO]** KWG Group got HKEx waiver to delay circular related to sale of three projects in Shanghai's Jiading Industrial Zone
- [PWRLNG]** Powerlong Real Estate accepted for exchange the USD435.3mn of three notes and will issue USD435.3mn new notes due 2024-2026
- [SMCPM]** Media reported that San Miguel oil refining arm raises USD253mn in offering of preferred shares for repayment

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

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