

CMBI Credit Commentary

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

- *Markets were balanced this morning. In Asian IG space, new issue BOCAVI'33 narrowed c5bps to T+155bps. Low-beta CKHH, HKAA were unchanged to 1bp wider. TMT sector was under better selling while AMCs were mostly unchanged. LGFV/SOE Perps/AT1 were overall quiet with trades on front-end.*
- **Chinese properties:** *China completed the building of national real estate registration system. We view that the nationwide real estate tax will unlikely be implemented in the near future so as not to adversely affect the recovery of real estate market. See below.*
- **DALWAN:** *Media reported that the chairman admitted the company experienced some difficulties in the IPO of Zhuhai Wanda. We consider price actions on DALWANs overdone. Please see our comments on [18 Apr'23](#) and [24 Apr'23](#). DALWANs were down 0.25 to 0.75pt this morning after the rebound yesterday.*

❖ Trading desk comments 交易台市场观点

Yesterday, IG spreads in general edged 2-6bps wider lagging treasuries amid risk-off backdrop. UST yields declined 8-19bps on Tue, following the worse-than-expected consumer data. On new issue front, BOCAVI new 10y priced USD500mn at T+160 then narrowed c5bps to T+155 this morning while we consider FV to be T+175-180bps. The new KOB COP priced USD300mn at T+110. The KOB COP 28s opened 5bps tighter from RO but closed at T+107 amid one-way selling from AM/HF/PB accounts. The new CKHHs widened 2bps. Benchmark TMT/SOE papers such as BABA/TENCNT/HAOHUA widened 2-4bps as the longer tenor papers were under better selling. BBB TMT names MEITUA/XIAOMI widened 3-5bps. In financials, HRINTH curve was mixed, skewed to better selling. CCAMCL/ORIEAS were marked 10-20bps wider. In bank T2s, Chinese names such as ICBCAS/CINDBK were under small selling. SG banks like UOBSP/OCBCSP were under better selling. Chinese property space was mixed. Recent underperformers DALWANs bounced 1.25-3.25pts from the lows. SINOCEs were quoted 0.25-1.25pts higher. COGARDs/FUTLANs/FTLNHDs/CSCHCNs were marked down 0.5-1.5pts. ROADKGs were traded 0.5-3.5pts lower across the curve. GRNLGRs/KWGPROs dropped 1.5-2.5pts. CIFIHG/AGILEs lowered 0.25-1.25pts. Industrials HILOHOs/WESCHIs were down 0.5-1pt. Macau gaming names such as SANLTDs/WYNMACs were unchanged to 1pt lower. In Indian space, VEDLN gained 0.75-1.75pts. GRNKENs were bid up 0.5pt. Indonesian space was rather muted.

The Perp/Asia AT1/LGFV spaces performed softly as broader risk sentiment weakened. Flows were skewed to better selling in SOE Perps/AT1s.

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

Cyrena Ng, CPA 吳蔭瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

We saw 7%+ papers were under small better buying. SOE Perps and Chinese AT1s edged around 0.125-0.25pts lower, with bid primarily from onshore prop desks and dealers covering shorts. There were two-way on LGFVs flows, mostly in the front end papers at mid-5% among prop desks and AM, whilst we saw two-way switching flows among Chinese and global NBRM on several high-beta/high-yielding names SHUGRP, TLINVT and GXFING.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 11 02/13/26	59.6	3.2	ROADKG 5.2 01/12/26	61.9	-3.4
JINKE 6.85 05/28/24	15.0	2.6	GRNLGR 5.9 02/12/25	31.8	-2.6
DALWAN 11 01/20/25	61.9	2.4	GRNLGR 6 3/4 06/25/24	38.7	-2.5
DALWAN 7 1/4 01/29/24	72.0	2.2	GRNLGR 6 1/8 04/22/25	30.1	-2.0
VEDLN 7 1/8 05/31/23	97.8	1.7	FUTLAN 4.45 07/13/25	64.0	-1.8

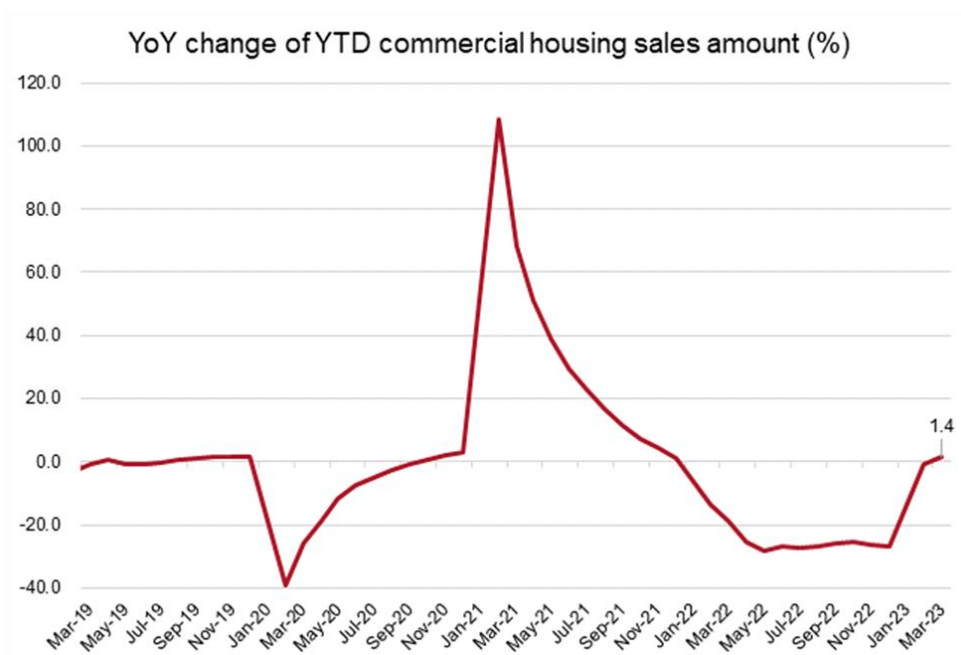
❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.58%), Dow (-1.02%) and Nasdaq (-1.98%) down amid weak sentiment as the markets worry about banking crisis and consumption recession aroused after related companies 1Q23 results. China announced that it has finished building national real estate registration system. The U.S. treasury yield overall retreated yesterday, 2/5/10/30 yields curve bull steepened to 3.86%/3.43%/3.40%/3.65%, respectively.

❖ Desk analyst comments 分析员市场观点

➤ Chinese properties: Completion of building national real estate registration system

On 25 Apr'23, Ministry of Natural Resources announced that China has completed a comprehensive and nationwide unified real estate registry system. The system was first proposed to be set up in the policy file "Plan for Institutional Reform and Functional Transformation of the State Council" published in Mar'13. The initial proposal of this system is to confirm the rights of real estate and ensure the owner's property rights rather than levying real estate tax. Nonetheless, the system makes possible for implementing real estate tax in the future. There was no reference about the implement of real estate tax in State Council report during the national congress sessions held in early Mar'23. We view that the nationwide real estate tax will unlikely be implemented in the near future so as not to adversely affect the recovery of real estate market.



Source: Wind.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
BOC Aviation	500	10yr	4.875%	T+160	-/A-/A-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
SMBC Aviation Capital Finance DAC	USD	-	5yr	T+240	-/A-/BBB+
SK on Co.	USD	-	3yr	-	Aa3/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 174 credit bonds issued yesterday with an amount of RMB139bn. As for Month-to-date, 1,775 credit bonds were issued with a total amount of RMB1,785bn raised, representing a 34.4% yoy increase
- **[AZUPOE]** Media reported that Azure Power asked lenders for further extension until June to release audited FY22 results
- **[CAPG]** Aoyuan Group unable to disclose FY22 results by 30 April as scheduled
- **[COGARD]** Media reported that Country Garden plans to delay its offering of up to RMB800mn CBICL-backed bonds after Labor holiday. On the other hand, COGARD acquired a land parcel in Hangzhou

Binjiang for RMB2.825bn. We understand that the project is 100% owned by COGARD. Half of the land premium will be paid in Jun'23 and the remaining will be settled within next Apr.

- **[CRHZCH]** China Resources Land denies acquisition of Wanda Real Estate Group
- **[DALWAN]** Media reported that Dalian Wanda's chairman admitted the company is facing some difficulties and said the troubles including unit's delayed IPO can be overcome.
- **[EVERRE]** Media reported that Evergrande got c50% bondholder RSAs as of end last week
- **[FTHDGR]** Fantasia announced that holders representing 71.69% of existing debt instruments acceded to RSA; consent fee deadline extended to 5 May
- **[HYDOO]** Guangdong – Hong Kong Greater Bay Area accepts USD75mn of HYDOO 12 05/09/23 and USD288mn of HYDOO 13.85 10/12/23 pursuant to exchange offer
- **[SHNSUN]** Shinsun Holdings (Group)'s winding up petition filed by Shenwan Hongyuan has been dismissed. As a result, any disposition, transfer or alteration made on or after 22 Sep'22 would not be affected.
- **[VEDLN]** Media reported that Vedanta plans to raise USD244mn via non-convertible debentures at its zinc unit THL Zinc Ventures
- **[YANGOG]** Yango's parent Fujian Sunshine unable to disclose 1Q23 results as scheduled

CMB International Global Markets Limited

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

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

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

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.