

## CMBI Credit Commentary

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

- *Non-distressed Chinese HY property outperformed this morning. PWRLNG 3.9 '22 up +7pts post company announcement of buyback of USD22.95mn of this due 13 Apr '22 notes. CHINSC/GRNLGR up 2pts.versus high dollar price COGARD/CIFI pulled back, down 1.5-2.5pts.*
- **Chinese Property:** *Shares of Aoyuan, Fantasia, Kaisa, Shimao and Sunac are suspended from trading today as the companies failed to publish FY21 results.*
- **EHOUSE:** *announced exchange offer of both '22 and '23 notes. The company also proposed to proceed with Restructuring under RSA, if the Exchange Offer lapses. See below.*

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#### ❖ Trading desk comments 交易平台市场观点

Yesterday, Chinese HY space generally continued the rebounding trend. FUTLAN/FTLNHD rebounded 7-10pts, and HPDLF rose 6-8pts. KWGPRO saw market buying and up 4-6pts on the longer-end. Other outperformers include ROADKG (+3-4pts), CENCHI (+3-4pts), TPHL (+2-4pts), SHIMAO, (+1pt), SUNAC, (+1pt). CIFIHG curve opened higher on the announcement of strategic cooperation with BOCOM for M&A credit line but was later traded flat before closing, while SINOCE/ COGARD dropped 0.5pt and 1-1.5pts respectively.

Chinese IG market was generally traded firmer. In SOE sector, the new issued CHGRID saw better buying flows, and CHGRID'25 tightened 8-9bps and CHGRID'27 tightened 2-3bps. Benchmark names of TMT sector generally tightened 5-10bps, though six Chinese firms including BIDU was added to Holding Foreign Companies Accountable Act (HFCAA) watch list by SEC. Financial space continued to tighten 5-10bps while AT1 names were stable.

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## ➤ Yesterday's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FTLNHD 6.8 08/05/23	75.5	12.9	JINGRU 12 09/26/22	21.1	-27.2
FTLNHD 4 1/2 05/02/26	64.1	11.0	DEXICN 9.95 12/03/22	51.9	-14.1
FUTLAN 6.15 04/15/23	77.5	10.8	JINGRU 14 1/2 02/19/23	15.3	-11.8
FUTLAN 4.45 07/13/25	66.1	10.6	WUXIND 2.85 04/09/26	96.0	-2.5
FTLNHD 4 5/8 10/15/25	65.6	8.1	THHTGP 11 1/4 09/11/20	12.7	-2.2

## ❖ Macro News Recap 宏观新闻回顾

**Macro** – U.S. stock market ended lower on Thursday, while oil prices dropped and Treasury bond price outperformed, as investors looked to round out the worst quarterly performance for stocks since the start of the pandemic two years ago. The S&P (-1.57%), Dow (-1.56%), Nasdaq (-1.54%) closed lower. US President Biden authorized the release of 180 million barrels from the SPR, spread over six months, in order to bring down global crude prices and ease the supply hit from Russia's war on Ukraine. Bond markets were closely tracking data from the core PCE Price index, which rose to the fastest pace in four decades last month, pegging the gap between 2-year and 10-year Treasury bond yields holding in modest positive territory, at 3 basis points, following a brief inversion earlier this week. Treasury yield continued to shift downwards, with 1/5/10/30Yr yield reaching 1.63%/2.42%/2.32%/2.44%.

## ❖ Desk analyst comments 分析员市场观点

## ➤ Ehouse – The Exchange

Ehouse proposed an exchange offer for both EHOUSE 7.625 '22 (O/S USD 300mn) and EHOUSE 7.6 '23 (O/S USD 300mn) due 18 Apr '22 and 10 Jun '23. According to the Exchange Offer, Holders of both notes will receive 6pts upfront principal repayment, and exchange 94pts of principal amount into new notes (coupon rate is 8%) to be matured on 14 Apr '25. The exchange is conditional upon valid tender of 90% of principal amount of '22 notes and '23 notes. If the 90% Minimum Acceptance Ratio is not satisfied, the company may proceed with a Restructuring under RSA, to be implemented via the Cayman Scheme.

Please see our full note <https://www.cmbi.com/article/6589.html?lang=en>

## ➤ Offshore Asia New Issues (Priced)

Issuer	Size (mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
United Overseas Bank Limited	1000	10.5	3.863	3.863	A2/BBB+/A
United Overseas Bank Limited	750	3	3.059	3.059	Aa1/AA-/AA-
United Overseas Bank Limited	350	3	-	-	Aa1/AA-/AA-

➤ **Offshore Asia New Issues (Pipeline)**

Issuer	Currency	Size (mn)	Tenor	IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **Market conditions and color**

- Regarding onshore primary issuances, there were 26 credit bonds issued yesterday with an amount of RMB37bn. As for Month-to-date, 26 credit bonds were issued with a total amount of RMB37bn raised, representing a 20.1% yoy decrease.
- **[CHFOTN]** CFLD units sign agreements to sell two subsidiaries for RMB 917.88mn
- **[DEXICN]** outlook revised to negative; B2/B3 ratings affirmed - Moody's
- **[GRNLHK]** terminates agreement on JV to develop Panyu land parce
- **[PWRLNG]** makes clarification announcement in relation to PwC's resignation letter, and says the publication of audited FY21 annual results expected will be no later than 15 May; further repurchases USD 22.95mn of 3.9% senior notes due 2022 in open market
- **[YUZHOU]** says non-payment of 8.50%, 7.70%, 7.85% senior notes by expiry cause event of default; notes, senior perpetual securities enter trading halt with effect from 1 April

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