

**CMBI Credit Commentary****Fixed Income Daily Market Update 固定收益部市场日报**

- *Market was quiet this morning ahead of tonight's FOMC meeting. China HY property were relatively more active than other sectors. LNGFORs up 0.5 to 1pt this morning after getting RMB700mn offshore loan. Seazen issued 3-yr RMB2bn onshore bonds guaranteed by CBICL, coupon rate at 4.3%. FUTLANs/FTLNHDs were -0.5 to +1pt post the issuance.*
- **Chinese Properties:** *Contracted sales were still weak in Nov 22. See below.*
- **GZRFPR:** *Guangzhou R&F Properties CEO Zhang Li arrested in the UK over bribery allegations in the US, GZRF denies helping pay the bail and said the case won't hurt business. GZRFPRs down 1pts and were traded at 20ish this morning.*

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**❖ Trading desk comments 交易台市场观点**

On Monday, UST yields edged up 2-6bps ahead of Nov'22 CPI data which will be published this Tuesday, the market estimation is -0.2% mom, decreasing from +1.3% mom in Oct'22. Market trading volume is overall thin, China IG names were divergent with light changes, TMT benchmarks continued to tighten up to 3bps except JD 3.375'30 widened 11bps. Financial space was stable with AMCs outperformed. ORIEAS, GRWALL and CCAMCL overall tightened while HRINTH was weak after last week's rally. AT1 and T2 were still traded firm with slight fluctuation. IG properties VNKRLs and YUEXIU moved -0.25 to 0.5pts. Yesterday, Longfor drew offshore loan backed by onshore guarantee with RMB700mn, LNGFORs up 0.5 to 1pt. In HY properties, Media reported that Country Garden may receive USD300mn offshore loan from ICBC by onshore guarantee to partially refinance the offshore loans of USD440mn due Dec'22, COGARDs continued to rebound 1.5 to 4.5pts. LVGEM'23 jumped 6.7pts, CHINSCs, CSCHCNs and ROADKGs also performed well and rose 0.5 to 5pts. Other HY properties CIFIHGs, GRNLGRs were -0.5 to 1pt. In industrials, AACTECs were up 1 to 5.5pts in demand. short term FOSUNs up 1 to 2pts, the company's unit plans to sell an Indian assets. Macau gaming sector was quiet with light volume. Outside China, Indian/Indonesian names remain firm. MEDCIJs, VEDLNs and ADROIJ fluctuated between -0.5 to 0.5pt. Greenko was downgraded to Ba1 by Moody's while the bond price remained stable.

Yesterday, SOE sector showed overall two way flows balanced, CSSSHI'30 continued to tightened 22bps, other active names SINOPEs, CHGRIDs slightly widened single digit bps. Yield of CNOOC 4.25'43 up 20bps after consecutive decline since mid Nov. Trading volume of LGFV sector was fading with majority down. Strong region names HZFYCT, HZCONIs, YZHINV and NJYZSOs down 0.25 to 1pt . Other active traded names TLINVT'23, CQNANA'24 were unchanged to down 0.5pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LVGEM 12 03/10/23	80.7	6.7	CHIOLI 3.05 11/27/29	82.3	-2.8
AACTEC 3 3/4 06/02/31	72.9	5.5	CNOOC 4 1/4 05/09/43	83.0	-2.3
CSCHCN 9 06/26/24	61.3	5.0	AMTDGC 5 09/08/25	38.5	-1.9
COGARD 6 1/2 04/08/24	73.0	4.7	PERTIJ 6.45 05/30/44	101.5	-1.9
CSCHCN 9 12/11/24	60.3	4.5	PERTIJ 4.15 02/25/60	73.5	-1.7

#### ❖ Macro News Recap 宏观新闻回顾

**Macro** – U.S. stock markets rebounded on Monday, the S&P (+1.43%), Dow (+1.58%) and Nasdaq (+1.26%) technically rose up ahead of the publication of Nov CPI data tonight. Market estimates the Nov CPI -0.2% mom, decreasing from +1.3% mom in Oct'22. China Nov social financing amount increment is RMB1.99tn, is lower than the expectation of RMB2.1tn. The U.S. treasury yields overall up yesterday and 2/5/10/30 yields reached 4.39%/3.80%/3.61%/3.57%, respectively.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ Chinese Properties : Contracted sales were still weak in Nov'22

In Nov'22, 8 out of 36 developers under our radar recorded an average of 12% mom increase in contracted sales, total contracted sales of 36 developers decreased 12.7% mom, declined from +1.3% mom in Oct'22. The cumulative contracted sales of 36 developers for 11M22 declined 43.1% yoy, slightly narrowed from the yoy decline of 43.3% in 10M22. Amongst the developers under our radar, outperformers in 11M22 are YUEXIU (RMB102.9bn, +8% yoy), GRNCH (RMB263.0bn, +7% yoy) and CRHZCH (RMB251.4bn, -7% yoy). Underperformers are DAFAPG (RMB5.7bn, -84% yoy), CAPG (RMB19.9bn, -83% yoy) and ZHPRHK (RMB30.9bn, -77% yoy).

Chart1: 2022 YTD Sales (in RMB mn)

Company	CN Name	BGB Ticker	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Trend	Nov'22 MoM Growth	Nov'22 YoY Growth	Nov'22 YTD Sales	Nov'22 YTD Sales Growth
Agile	雅居乐	AGILE	7,380	6,720	7,010	3,940	6,130	8,270	5,010	5,050	3,500	4,770	3,600		25%	20%	61,380	27%
Aoyuan Property	中国奥园	CAPG	1,920	1,580	4,460	1,560	2,390	3,010	1,090	1,240	1,050	900	680		24%	30%	19,880	83%
Central China Real Estate	建业地产	CENCHI	2,007	1,158	3,102	2,630	2,170	2,973	2,119	1,735	1,470	1,335	1,089		18%	60%	21,788	98%
China SCE	中骏集团控股	CHINSC	5,022	4,219	8,010	4,490	4,790	6,050	5,049	3,490	4,520	4,570	4,203		-8%	-4%	54,413	24%
China Overseas	中国海外发展	CHOLI	14,779	10,839	22,662	20,362	26,391	43,467	17,468	22,507	22,826	31,291	24,111		23%	11%	256,703	22%
CIFI Holdings	旭辉集团	CIFIHG	8,440	8,300	12,000	10,100	10,800	13,500	16,100	15,060	10,020	9,060	4,150		54%	75%	117,530	10%
Country Garden (Attributable)	碧桂园	COGARD	36,360	32,760	30,110	22,640	28,710	34,520	30,110	28,870	32,020	33,330	26,010		22%	37%	335,440	37%
China Resources Land	华润置地	CRHZCH	15,262	9,813	20,896	15,057	20,320	39,690	28,050	21,912	30,700	27,470	22,200		19%	8%	251,370	-7%
Dafa Properties	大发地产	DAFAPG	1,011	990	607	302	300	500	361	300	446	555	320		42%	58%	5,692	94%
Dexin China	德信中国	DEXICN	2,830	2,480	4,040	3,040	2,640	4,350	2,810	2,920	2,430	3,010	3,050		1%	28%	33,600	31%
Future Land	新城控股	FUTLAN/FTLNHD	7,862	11,231	11,966	9,029	11,081	13,991	10,890	9,496	8,328	9,078	6,531		28%	67%	109,483	40%
Gemdale	金地集团	GEMDAL	14,960	9,620	20,930	12,500	14,190	28,400	18,550	21,230	22,700	20,300	18,020		11%	3%	201,400	-23%
Greentown	绿城	GRNCH	14,600	12,800	20,800	15,500	15,100	34,000	27,300	29,700	27,000	32,100	34,100		6%	3%	263,000	7%
Greenland Holding	绿地控股集团	GRNLGR	12,010	8,040	10,750	7,990	10,930	18,680	7,900	10,000	14,000	7,310	10,300		11%	34%	117,910	30%
Guangzhou R&F	富力地产	GZRFPR	4,600	4,510	4,370	4,270	4,080	4,670	1,900	2,470	2,300	2,050	2,480		1%	70%	37,700	80%
Jiayuan International	佳源国际	JIAUYA	1,727	1,276	1,516	892	983	1,386	1,047	771	982	955	827		13%	76%	12,362	83%
Jingrui Holdings	景瑞控股	JINGRU	634	581	1,016	905	693	680	425	460	407	492	332		33%	59%	6,625	74%
Radianse	金辉控股	JNHUIG/RDHGCL	4,320	3,050	3,150	3,690	3,910	6,250	4,050	3,630	3,310	3,170	1,940		39%	71%	40,470	34%
KWG Property	合景泰富集团	KWGPPO	4,160	4,381	4,533	4,352	4,121	4,681	4,761	3,861	4,150	4,220	2,700		36%	64%	45,920	31%
Longfor (Attributable)	龙湖集团	LNGFOR	6,990	6,080	11,000	7,360	9,060	16,020	11,850	14,500	11,490	11,680	10,060		14%	73%	116,090	34%
Logan Property (Attributable)	龙光地产	LOGPH	9,010	4,200	3,910	3,200	3,540	3,740	2,730	3,030	2,750	3,270	2,620		20%	76%	42,000	67%
Poly Real Estate	保利地产	POLYRE	28,302	23,978	38,415	30,519	38,003	51,003	33,001	38,479	38,395	43,014	37,013		14%	3%	400,122	-2%
Powerlong	宝龙地产	PWRLNG	4,701	3,101	4,313	3,096	3,810	4,220	3,209	2,710	2,410	3,119	3,245		4%	81%	37,934	39%
Redco Properties	力高集团	REDPRO	2,617	1,903	1,025	1,502	2,317	2,901	2,516	3,116	3,140	2,507	2,003		20%	47%	25,547	37%
Redsun	弘阳地产	REDSUN/HONGS	4,020	3,062	2,738	2,587	3,108	4,094	2,832	2,669	3,403	3,709	1,801		51%	64%	34,023	67%
Ronshine China	融信中国	RONXIN	6,506	8,329	5,396	4,336	5,067	9,103	7,570	2,652	4,092	2,544	1,201		53%	28%	56,797	11%
Shimao	世茂房地产	SHIMAO	7,510	7,260	7,340	6,030	6,110	9,500	6,820	6,220	8,000	8,200	6,500		21%	81%	79,490	39%
Sino-Ocean	远洋集团	SINOCE	4,490	3,730	6,850	6,830	7,410	13,700	8,990	9,110	8,050	9,470	10,860		5%	38%	89,490	-20%
Sunac China	融创中国	SUNAC	27,920	22,360	22,080	13,570	12,850	14,040	11,030	10,750	8,740	9,750	8,040		18%	78%	161,130	71%
Times Property	时代中国控股	TPHL	7,088	2,516	4,563	3,580	4,530	5,180	2,763	2,298	2,063	2,060	1,560		24%	55%	38,201	39%
China Vanke	万科企业	VNKRLE	35,600	29,370	41,530	30,840	30,760	47,190	33,690	30,970	34,730	32,100	30,440		-5%	29%	377,220	33%
Yuexiu Property	越秀地产	YUEXIU	5,040	2,824	5,951	12,544	8,256	14,299	5,950	8,128	16,681	11,440	11,828		3%	11%	102,941	8%
Yuzhou Properties	禹洲地产	YUZHOU	4,520	3,354	3,520	2,612	2,911	4,031	2,952	2,573	2,268	2,831	2,231		21%	70%	33,803	66%
Zhongliang	中梁控股	ZHLGHD	8,390	6,410	6,800	4,100	6,000	7,000	4,700	4,220	4,480	5,500	4,400		20%	34%	62,000	40%
Zhenro Properties	正荣地产	ZHPRHK	7,897	3,529	2,585	2,301	2,316	2,689	2,055	1,713	1,922	2,152	1,724		20%	63%	30,883	77%

The Chinese government has released a slew of supportive policies since Nov'22 to the real estate sector to ensure the timely home delivery and prevent the triggering of systemic risk. These policies (see below table for details) are mainly focus on expanding financing channels for developers, in other words, to stabilize the real estate market. Reopening funding channels will relieve the liquidity pressure of developers in the near-term. While as we argued before, a notable recovery of property sales and cash collection, the major source of funding, are the keys to the longer-term sustainability of developers. As per 3Q22 urban depositor survey conducted by PBOC, 58% residents, increased 12% from 46% before pandemic, inclined to have more saving deposits rather than consumption or investments. We remain cautious on the sales outlook in the near-term.

Date	Department	Content
8 Nov'22	NAFMII	'Second Arrow': Expanding bond financing for private firms including developers, with support from the PBOC
11 Nov'22	PBOC, CBIRC	'16 Measures' including 1) increase loans and residential mortgages to property developers and individual respectively; 2) manage the risks of distressed developers properly, etc
14 Nov'22	CBIRC, MOHURD, PBOC	Allowing commercial banks to issue letter of guarantee to developers with up to 30% amount of escrow pre-sale housing funds
Since 24 Nov'22	Commercial Banks	To implement '16 Measures', banks sign strategic agreements with developers to provide credit line and financial services
28-Nov-22	CSRC	'Third Arrow': reopen the equity financing channel for property developers via five measures

Chart2: Sources of Funds of Enterprises for Real Estate

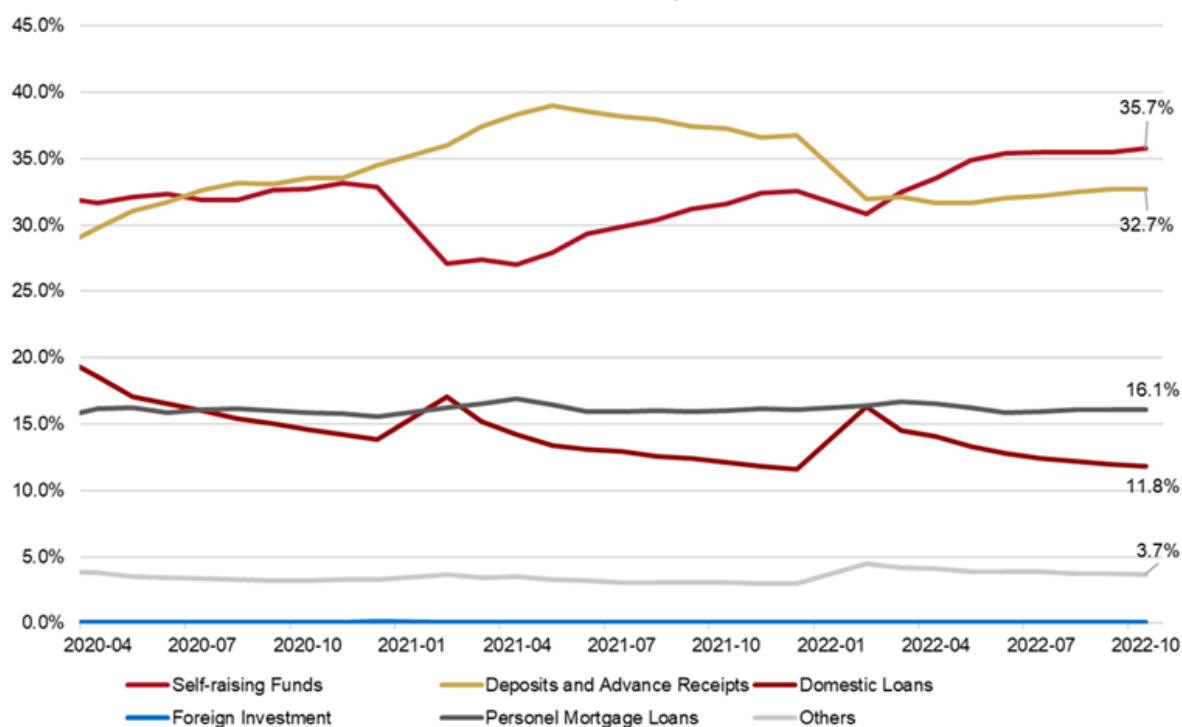
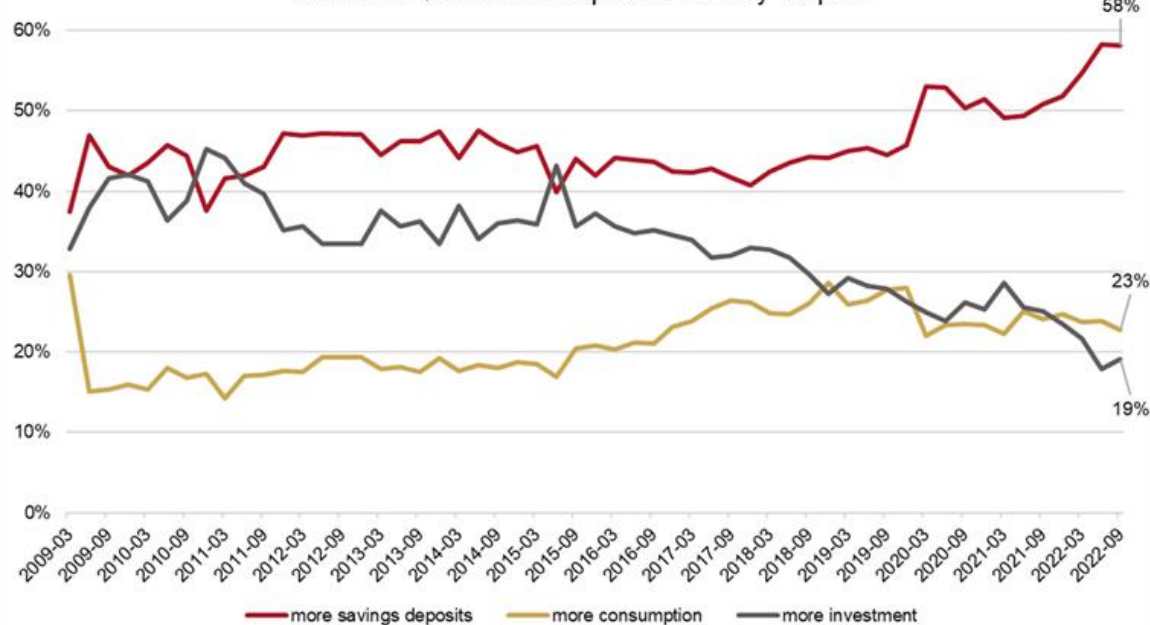


Chart3: 3Q22 Urban Depositor Survey Report



## ➤ 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 65 credit bonds issued yesterday with an amount of RMB72bn. As for Month-to-date, 530 credit bonds were issued with a total amount of RMB556bn raised, representing a 34% yoy decrease
- [COGARD]** Media reported that Country Garden expects to receive USD300mn offshore loan from ICBC backed by onshore guarantee; Another media reported that Country Garden has no plan to borrow capital from controlling shareholders at this stage
- [DEXICN]** Dexin China announced that its exchange offer for its USD348mn 2022 notes fails to get 90% minimum acceptance amount before the deadline; The company announced to raise HKD236mn via share placement for future business development, debt repayment
- [FOSUNI]** Media reported that Fosun approaches Blackstone, KKR, others for Gland Pharma sale (market cap is cUSD3.5bn)
- [FUTLAN]** Seazen group holdings raised RMB2bn (cUSD287mn) via three-year notes and cancelled RMB100mn unsecured bond issuance due to market volatility
- [GRNKEN]** Moody's downgraded Greenko to Ba2 from Ba1 and gave stable outlook
- [GZRFPR]** Guangzhou R&F Properties CEO Zhang Li arrested in the UK over bribery allegations in the US, the company denies helping pay the bail and said the case won't hurt business
- [LNGFOR]** Media reported that Longfor draws RMB700mn offshore loan backed by onshore guarantee from Bank of China
- [MONMIN]** S&P downgraded Mongolian Mining to SD from CC on completion of distressed exchange; issue rating lowered to D
- [PGASIJ]** Perusahaan Gas Negara gets USD669.6mn and accepts USD400mn of PGASIJ 5.125 05/16/24 at early tender deadline
- [VEDLN]** Vedanta board panel approves up to INR8bn (cUSD97mn) issuance of unsecured NCDs with tenure of 15 months
- [VNRLE]** China Vanke to exercise option to call RMB1.9bn bonds on 22 Jan'23
- [ZHPRHK]** Zhenro Properties announced to commence preparatory works for offshore holistic liability management solutions



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