

CMBI Credit Commentary

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

- *Markets were weak this morning. The higher than expected PPI data pushed UST yield up a bit and Asian IG space slightly widened. We also saw active selling flows in LGFV, SOE Perp and AT1 sectors.*
- **ADANIG:** Media reported Adani Group in talks to raise USD1.5bn through private bond offerings via three units. Adani Green Energy will finalize a plan by Jun'23 to repay USD750mn ADANIG 4.375'24. The bond rebounded 9.5pts yesterday and slightly down 0.5pt this morning.
- **CENCHI:** CCRE remits funds to cure missed January USD coupons of CENCHI 7.5 07/14/25 within grace period. CENCHIs down 0.25-0.75pt by mid-day.

❖ Trading desk comments 交易台市场观点

Yesterday, Yesterday, Asia IG space opened firm and spreads were unchanged to 2-5bps tighter. In Korea space, HYUELE curve remained better buying from clients as recent new issues grinded another 3-5bps tighter. Low beta HK/Korean IGs closed unchanged to 2bps wider amid rates came down a bit from high. China TMTs/SOEs stabilized a bit on some short covering. TMTs benchmarks BABA/TENCNT curves retraced some of the yesterday's widening by 2-3bps. TENCNT 30s went 3bps tighter to T+147 level from T+150 last EOD. Whilst WB 30s/MEITUA 30s widened ~5bps to T+248/T+280 level, respectively. In SOEs, HAOHUA/SINOCHE were traded 3-5bps tighter from Wednesday close as bank accounts buying. SINOPE/ CHGRID were also under better buying. Chinese financials was stable. Leasing names ICBCIL curve was unchanged to 1-2bps tighter. In IG properties, SINOCEs drifted 0.5pt lower. China HY property space had a firmer session under some short covering. COGARDS/FUTLANs/FTLNHDs were roughly 0.5-1.5pts higher. CENCHIs were marked 1-2.5pts higher, the company announced to cure its missed Jan USD coupons on the last day of the grace period. On the other hand, CHINSC 24-25s lowered ~1pt at mid-to-high 40s. Away from properties, CNDATA priced its USD300mn 3Y bond at 10.875%, 99.061 level, it initially opened ~1pt higher, then got hit down back to reoffer level by FM. Industrial names FOSUNIs were up 0.5pt. Macau gaming names MGMCHIs/MPLEs/STCITYs were down 0.5-1.5pts. In Indian space, Adani complex ADSEZs/ADANEMs were marked another 0.5-2pts higher on the day. ADANIG due-2024 were still marked at mid-70 level at HK close yesterday, and notably jumped 9.5pts overnight to 85 level post Adani Green Energy announced will come up with a refinancing plan by Jun'23 in the investor call. VEDLNs drifted 1-2pts higher. Indonesian HYs were largely stable with flows remained on the slower side.

In the LGFV/Perp/Asia AT1 spaces, sentiment was still soft in the morning but flows turned more two-way in the afternoon with some buying interests

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in quality AT1s/SOE Perps. AT1s edged up 0.125-0.25pt from yesterday's lows, on the back of onshore/RM yield buyer support. ICBCAS 3.2 Perp/BOCOM 3.8 Perp were up 0.125-0.25pt while rest of AT1s were unchanged. On the other hand, SOE Perps were still better offered at mid-to-high-5%. LGFVs meanwhile continued to gradually fade away from short squeezed levels as real buyers began to come into the scene again at higher yield targets where they had always upheld. Overall LGFV had another weaker session and market activities concentrated on front end papers. Shandong names HKIQCL 24s closed ~1.5pt lower, SHDOIS/SHUGRP 24s were marked down ~0.5pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ADANIG 4 3/8 09/08/24	85.1	9.5	MGMCHI 4 3/4 02/01/27	87.9	-1.4
CSCHCN 9 06/26/24	80.1	3.1	HKIQCL 4 10/08/24	94.7	-1.3
CENCHI 7.65 08/27/23	35.3	2.6	BCDHGR 3 1/4 07/15/26	87.1	-1.3
CENCHI 7 1/4 04/24/23	54.5	2.5	XIAOMI 4.1 07/14/51	67.9	-1.3
ADSEZ 3 3/8 07/24/24	93.7	2.5	TAISEM 4 1/2 04/22/52	95.2	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – U.S. stock markets were weak yesterday, S&P (-1.38%), Dow (-1.26%) and Nasdaq (-1.78%) down as U.S. Jan'23 PPI was published as +0.7%/6% by mom/yoy and higher than expectation of +0.4%/+5.4%, showing that economy is stronger than market forecast. The U.S. treasury yields bear steepened yesterday, 2/5/10/30 yields reached 4.62%/4.06%/3.86%/3.92%, respectively.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Yield	Issue Rating (M/S/F)
GTMA International Limited (SBLC by Qilu Bank)	47	3yr	7.0%	7.0%	-/-/-
GTMA International Limited (SBLC by Hengfeng Bank)	50	3yr	6.8%	6.8%	-/-/-
Korea Housing Finance Corp	1000/300	5/10yr	4.625%	T+70/88	Aa2/AA/-

➤ 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 84 credit bonds issued yesterday with an amount of RMB82bn. As for month-to-date, 604 credit bonds were issued with a total amount of RMB616bn raised, representing a 98.2% yoy increase

- Media reported some Chinese provinces are planning to require developers to scrap pre-sales model. Shandong, Henan, Anhui, and Sichuan will either start pilot programs to tell developers to only list finished properties for sale or incentivize cities to do so
- **[ADANIG]** Media reported Adani Group in talks to raise USD1.5bn through private bond offerings by three units; Adani terms media reports on Grant Thornton hiring as market rumor; Adani Green Energy will finalize a plan by end-Jun'23 to repay USD750mn ADANIG 4.375 09/08/24
- **[AZUPOE]** Azure Power receives NYSE's grant of extension until 15 July to file 2022 annual report
- **[CAPG]** China Aoyuan to sell 29.9% of Aoyuan Healthy Life Group to Guangzhou SOE for HKD256mn
- **[CENCHI]** CCRE remits funds to cure missed January USD coupons of CENCHI 7.5 07/14/25 within grace period
- **[CIFIHG]** CIFI announced that it has repaid all its onshore debt on time; its planned RMB1.5bn CBICL-backed notes are still in progress
- **[FUTLAN]** Seazen Group's vice-chairman Qu Dejun resigns
- **[GRNKEN]** Fitch affirmed Greenko Energy's rating at BB and maintained negative outlook
- **[HAOHUA]** Sinochem weighs sale of 37% controlling stake in Italian tiremaker Pirelli of which currently market value is cUSD5.1bn
- **[HPDLF]** Fitch affirmed Hopson Development at B+ and placed stable outlook
- **[YUEXIU]** Yuexiu Property proposes to issue up to RMB1.9bn (cUSD277.5mn) fixed rate two-tranche corporate bonds; applied to Shanghai Stock Exchange to issue up to RMB5bn (cUSD730mn) corporate bonds

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