

## Asian Credit Strategy

## Asia credit weekly spotlight (week of 11 to 17 January)

Emerging Markets

## Asia HY continued to outperform, led by China

In this week, Asia IG and Asia HY tightened 5bp/16bp WoW to 119bp/586bp respectively. In Asia IG space, Indo IG (-9bp WoW to 163bp) tightened most, followed by India IG (-6bp WoW to 152bp) and China IG (-5bp WoW to 123bp). For Asia HY, China HY (-62bp WoW to 914bp) again led the performance, where China HY property tightened 137bp WoW to 2,584bp, and China non-prop HY (corp) tightened 99bp WoW to 791bp. India HY tightened 13bp WoW to 471bp, while Macau gaming widened 33bp WoW to 360bp. For WoW spread performance, please see Exhibit 15. YTD24, Asia HY (+1.8% total return) outperformed Asia IG (-0.6%), where China HY property outperformed the most with +10% total return, followed by China HY non-prop (+2.1%). After the recent rally, China HY non-property still look attractive with +429bp pick-up over US HY (above 5yr avg. of 358bp), while we remain cautious on property sector due to weak physical market.

## LTM default rate by count at 7.5%

We did not see any default case this week, the LTM default rate by amount/count remained unchanged at 20.8%/7.5%. YTD24, Vedanta and Lippo Malls were added in our default list on completion of LME and the tender offer early in the year.

## US\$3.2bn fixed USD supply this week

This week saw supply of US\$3.2bn, again driven by financial bonds (US\$1.7bn) and Korea IG corps (US\$1.5bn). Korea accounted for 69% of the total issuance.

## Sector highlight: what has happened

**Asia financial:** S&P upgraded three Indo banks to BBB from BBB-, incl. Bank Mandiri (BMRILJ), Bank Negara (BBNIIJ), Bank Rakyat (BBRIJ) with stable outlook, all not covered.

**Asia tech:** Baidu denied media reports on China's military testing AI on its AI chatbot. South Korea plans to boost chip industry through investments and tax credits extensions. TSMC expects FY24 sales up 20-25% and capex of USD28bn-32bn.

**Macau gaming:** DICJ reported 4Q23 VIP/ mass market revenue, representing 39%/104% of 4Q19 level. According to our checks, MGM China is likely to gain market share, while Sands China lost some share in 4Q23 partly due to below-average VIP hold-rate.

**China Industrials:** Chindata will call CNDATA 10.5% '26 (US\$300mn) in full on Jan 26. GLP (GLPCHI) would repay on time the two offshore bonds due in Feb'24 per Reorg. Fosun talks with banks to refi a US\$824mn syn loan due to May 7 per Debtwire. Geely Automobile will be visited by European Union inspectors as part of a probe.

**China property:** MoHURD and NFRA to support developers' financing; local gov't to draw up a list of projects eligible for financing support per media reports. Guangzhou approved urban village refurbishment plan. Logan disclosed offshore restructuring plan.

**India corporates:** BPCLIN's tender offer, Greenko seeks up to USD450mn green bonds for refi, ReNew refinanced USD325mn bond due in Apr'24 via amortizing project loan.

**Indo corporates:** LMIRT's tender offers; Freeport Indonesia got approval on '24-'26 production plan. Pakuwon Jati (PWONIJ)'s 2023 sales in line with guidance.

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Timestamp: 18 January 2024 06:30PM EST

19 January 2024

Global Emerging Markets | Corporate Credit  
Asia

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GGR: gross gaming revenue  
HY: High Yield  
IG: Investment Grade  
LTM: last 12 months  
POE: privately-owned enterprise  
SOE: state-owned enterprise  
WoW: week over week  
NFRA: National Financial Regulatory Administration  
MOHURD: Ministry of Housing and Urban-Rural Development  
DICJ: Macau Gaming Inspection and Coordination Bureau

## Sector highlights

### Asia technology

Baidu denied media reports that China's military is testing its AI system on Baidu's AI chatbot, which raised concerns over potential sanctions from the US. South Korea government plans to set up a KRW 622tln (c. USD472bn) "semiconductor mega cluster" with Samsung and SK Hynix by 2047; separately, South Korea plans to extend tax breaks on chip industry's investments, per media reports. TSMC expects 2024 sales to grow by low-to-mid 20% in USD term and 2024 capex in the range of USD28bn to 32bn. TSMC also sees sales CAGR (compound annualized growth rate) at 15-20% over next several years. Canalys reported that 4Q23 worldwide smartphone shipments grew 8% YoY, reaching 320 million units, of which Xiaomi held 13% market share.

### Asia financial

#### S&P upgraded Indonesian banks

S&P upgraded three Indonesian banks to BBB from BBB-, including: Bank Mandiri (BMRILJ), Bank Negara (BBNIIJ), Bank Rakyat (BRILIJ), all three are not covered. The outlook is stable now from S&P. Post the upgrade, S&P's credit ratings of those three banks would be similar to their Moody's rating at Baa2 for BMRILJ and Ba2 for BBNIIJ and BRILIJ. While the Fitch rating is still one notch lower than that of S&P and Moody's. The key driver is S&P believes those three largest state-owned banks have a higher likelihood of extraordinary government support. And this believe is due to the rating agency think those banks have very important role in supporting Indonesia's economic growth via financial intermediation and deeper inclusion.

### Macau gaming

DICJ (Macau Gaming Inspection and Coordination Bureau) reported VIP/ mass market revenue was MOP12.7/ MOP41.4bn in 4Q23, representing 39%/ 104% of 4Q19 level. According to our checks, MGM China is likely to gain market share, while Sands China lost some share in 4Q23 partly due to below-average VIP hold-rate. **Company operation:** Wynn Macau/ MGM China has announced to increase the salaries of eligible staff by 2.5% - 6%/ 2.5% - 6.5%, effective on Mar 1/ Mar 25. As of this week, 5 operators (Wynn Macau, Galaxy, Sands China, MGM China, Melco) have announced a salary increase for their eligible employees. As [said](#), the salary hike may pose a higher Opex for operators in 2024. Marina Bay Sands will invest an additional US\$750mn (on top of US\$1bn already invested in the first phase) into transformation of the property.

### China HY industrial

Chindata will call the full amount of CNDATA 10.5% '26 (US\$300mn) on Jan 26. GLP (GLPCHI) assured investors it will repay on time the two offshore bonds due in Feb'24 totaled US\$619mn per Reorg; in addition, it also has a RMB700mn onshore bond due Jan 25<sup>th</sup>. GLP China disclosed that its onshore bondholders have exercised a RMB7.1bn put option. China Hongqiao proposed to issue up to RMB1bn 2yr MTN due in 2026. Fosun Tourism is reported in talks to sell Thomas Cook, a UK-based tourism agency, and Fosun has been talking with banks to refinance a US\$824mn syndicated loan maturing on May 7 per Debtwire. Geely Automobile will be visited by European Union inspectors in the coming weeks as part of a probe. The EU is trying to determine if it needs to impose tariffs on Chinese imports of electric vehicles to protect local production per REDD reports. Moody's affirmed Zhongsheng's Baa2 ratings and maintained stable outlook.

### China property

MoHURD and the NFRA made a joint announcement to support developers' financing, and local government will draw up a list of projects eligible for financing support to be sent to financial institutions per media reports. Guangzhou approved the urban village refurbishment plan, aiming to redevelop 165 urban villages by end-2035. Logan disclosed its offshore restructuring plan this week.

## India Corporates

**Vedanta:** S&P upgraded Vedanta Resources' rating to CCC+ from SD (selective default). Rating outlook is stable as S&P sees more manageable debt maturity profile following the completion of the liability management exercise though liquidity remains weak in S&P's view. **BPCLIN:** BPCLIN announced cash tender offer of up to USD120mn of USD 600mn 4.375% 27s. Tender price to be determined by auction process with minimum of \$98.2. **Greenko** reported to seek up to USD450mn via green bonds to refinance maturing debt per Bloomberg. **ReNew Power:** ReNew refinanced its INGREN USD325mn bond due in Apr'24 through amortizing project loan from a non-banking financial company at an interest cost of less than 9%.

## Indo Corporates

**Lippo Malls:** Lippo Malls Indonesia Retail Trust (LMIRT) launched cash tender offers for its USD bonds due 2024 and 2026 through unmodified Dutch auction. 2024s have a priority over 2026s Notes with at least 80% of the acceptance consideration expected to be allocated to 2024s. **FRIDPT:** Freeport Indonesia got Indonesia government's approval on production plan for '24-'26, targeting 63/77.5/79MT of copper ore, respectively. **PWONIJ:** Pakuwon Jati (PWONIJ) announced 2023 full year marketing sales of IDR1.34tln, largely in-line with revised FY23 guidance of IDR 1.3tln, and has set a target of IDR 1.5tln for 2024 marketing sales.

## Return

### Asia HY continued to outperformed, led by China

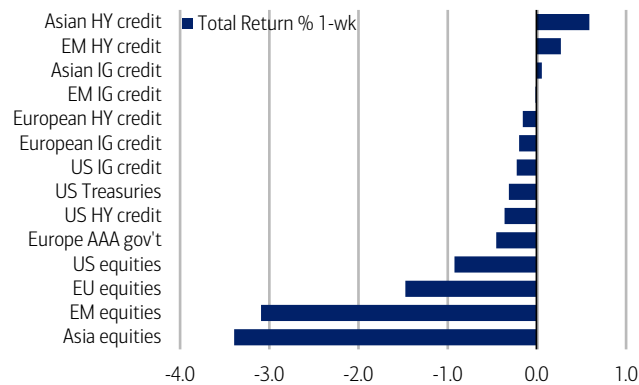
In this week, Asia IG and Asia HY tightened 5bp/16bp WoW to 119bp/586bp respectively. In Asia IG space, Indo IG (-9bp WoW to 163bp) tightened most, followed by India IG (-6bp WoW to 152bp) and China IG (-5bp WoW to 123bp). For Asia HY, China HY (-62bp WoW to 914bp) outperformed the most (now around 43% 5yr percentile), where China HY property tightened 137bp WoW to 2,584bp, and China non-property HY (corp) tightened 99bp WoW to 791bp. India HY also tightened 13bp WoW to 471bp, while Macau gaming widened 33bp WoW to 360bp. Asia financials overall tightened 7bp WoW to 115bp, led by bank AT1 (-15bp WoW to 147bp). This was partially offset by higher rates, leading to a positive total return of +0.12% for overall Asia credit (+0.06% for IG, and +0.59% for HY). For WoW spread performance, please see Exhibit 15.

In terms of valuation, we prefer HY over IG due to relative value and limited default risk. YTD24, Asia HY (+1.8% total return) outperformed Asia IG (-0.6%), where China HY property outperformed the most with +10% total return, followed by China HY non-property (+2.1%). After the recent rally, China HY non-property still looks attractive with +429bp pick-up over US HY (above 5yr avg. of 358bp), while we remain cautious on the property sector due to weak physical market.



**Exhibit 1: Weekly global returns**

WoW, credits outperformed equities; Asia HY led, followed by EM HY and Asia IG; European govt bottomed within credit

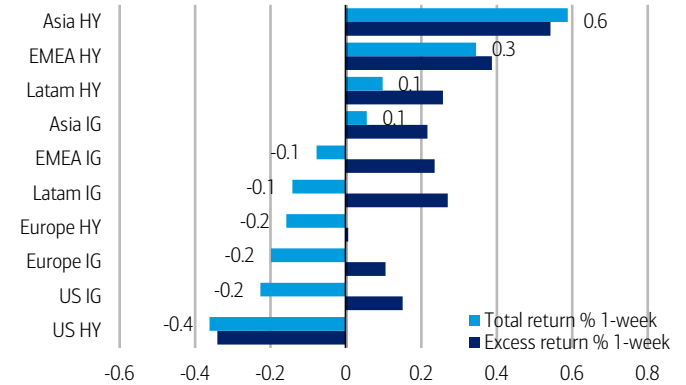


Source: ICE Data Indices, LLC., Bloomberg

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**Exhibit 2: Global credit weekly returns**

WoW, Asia HY outperformed, followed by EMEA HY and Latam HY; US HY underperformed the most, followed by US IG

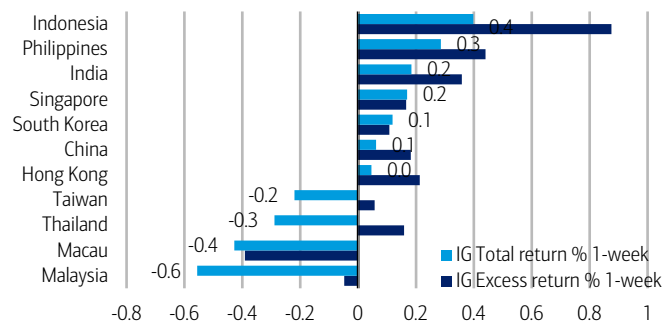


Source: ICE Data Indices, LLC.

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**Exhibit 3: Asian high-grade weekly returns by country and region**

WoW, Indo IG outperformed most, followed by Philippines IG; Malaysia IG underperformed most, followed by Macau IG and Thailand IG

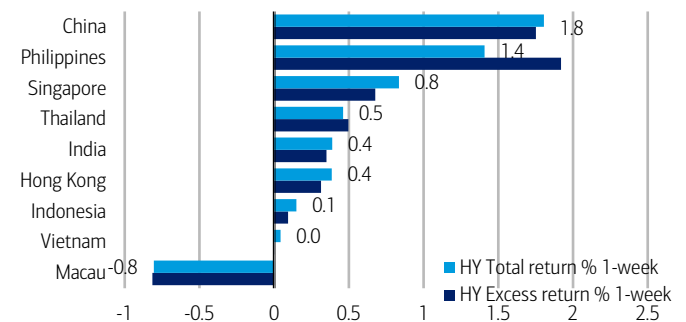


Source: ICE Data Indices, LLC. (Used ACIG index)

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**Exhibit 4: Asian high-yield weekly returns by country and region**

WoW, China HY led the performance, followed by Philippines HY and Singapore HY; only Macau HY saw negative returns

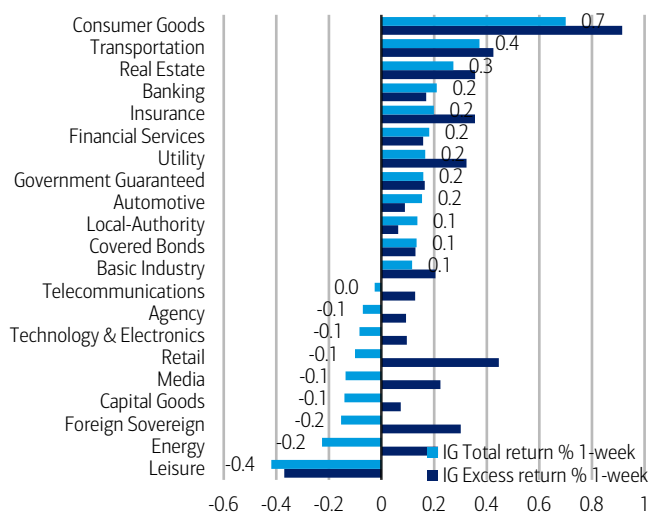


Source: ICE Data Indices, LLC. (Used ACHY index)

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**Exhibit 5: Asian high-grade weekly returns by sector**

WoW, consumer goods led the performance, followed by transportation and real estate; leisure underperformed the most

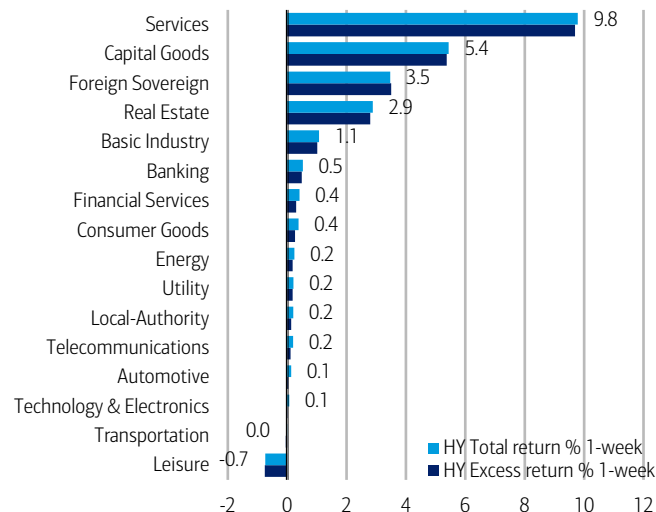


Source: ICE Data Indices, LLC. (Used ADIG index)

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**Exhibit 6: Asian high-yield weekly returns by sector**

WoW, services led the performance, followed by capital goods, foreign sovereign, and real estate; leisure underperformed the most



Source: ICE Data Indices, LLC. (Used ADHY index)

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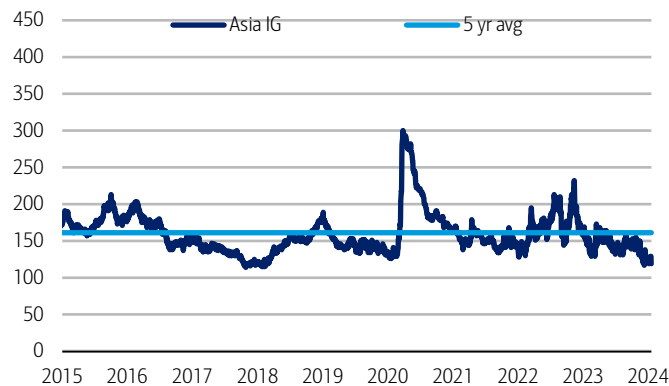
## Valuation

**Weekly spread changes:** In this week, Asia IG and Asia HY tightened 5bp/16bp WoW to 119bp/586bp respectively. In Asia IG space, Indo IG (-9bp WoW to 163bp) tightened most, followed by India IG (-6bp WoW to 152bp) and China IG (-5bp WoW to 123bp). For Asia HY, China HY (-62bp WoW to 914bp) outperformed the most (now around 43% 5yr percentile), where China HY property tightened 137bp WoW to 2,584bp, and China non-property HY (corp) tightened 99bp WoW to 791bp. India HY also tightened 13bp WoW to 471bp, while Macau gaming widened 33bp WoW to 360bp. Asia financials overall tightened 7bp WoW to 115bp, led by bank AT1 (-15bp WoW to 147bp). For WoW spread performance, please see Exhibit 15 and the Appendix.

**Asia credit spread pick-up against US:** In the past week, both Asia IG and Asia HY outperformed US peers. The pick-up of Asia IG over US IG 5- to 7-year corps tightened 5bp WoW to 11bp (below the 5yr avg. of 38bp), as US IG 5- to 7-year corps remained stable, and Asia IG tightened. The pick-up of Asia HY over US HY tightened 28bp WoW to 224bp (below the 5-year avg. of 457bp), as US HY widened but Asia HY tightened. A further breakdown shows that the pick-up of Asia non-China HY over US HY tightened 11bp WoW to 86bp (below the 5-year avg. of 152bp), and the pick-up of China non-property HY (corp) over US HY -111bp WoW to 429bp (above the 5-year avg. of 358bp).

**Exhibit 7: Asian high-grade corporate spread history**

WoW, Asia IG tightened 5bp to 119bp, below 5-year average of 161bp

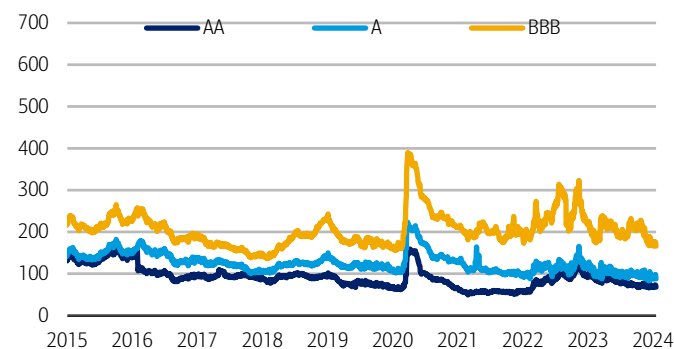


Source: ICE Data Indices, LLC. (Used ACIG index)

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**Exhibit 8: Asian high-grade spreads by rating category**

WoW, Asia AA tightened 2bp to 68bp, Asia A -4bp to 88bp, and Asia BBB -6bp to 166bp



Source: ICE Data Indices, LLC. (Used ACIG index)

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**Exhibit 9: Asian high-yield corporate spread history**

WoW, Asia HY tightened 16bp to 586bp, below 5-year average of 890bp

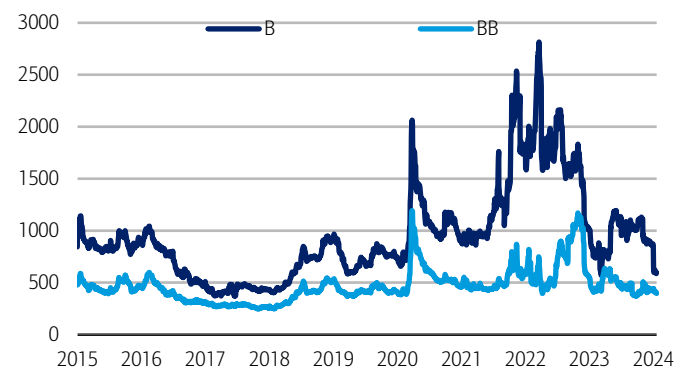


Source: ICE Data Indices, LLC. (Used ACHY index)

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**Exhibit 10: Asian high-yield spreads by rating category**

WoW, Asia BB tightened 12bp to 396bp, and Asia B remained at 597bp

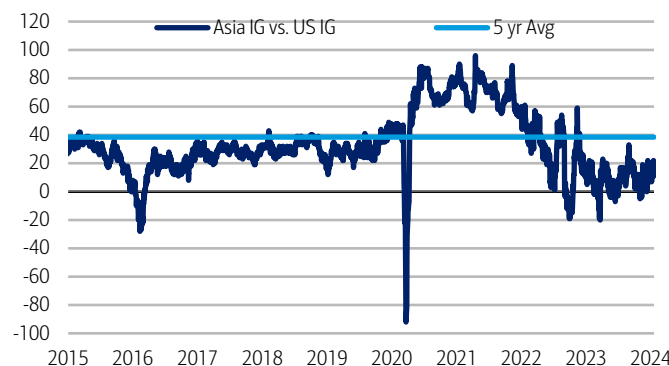


Source: ICE Data Indices, LLC. (Used ACHY index)

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**Exhibit 11: Asian corporate high-grade spreads vs. US IG (5-7yr)**

WoW, the pick-up of Asia IG over US IG (5-7yr) tightened 5bp to 11bp, below 5-year average of 38bp



Source: ICE Data Indices, LLC

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**Exhibit 12: Asian corporate high-yield spreads vs. US HY**

WoW, the pick-up of Asia HY over US HY tightened 28bp to 224bp, below the 5-year average of 457bp



Source: ICE Data Indices, LLC

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**Exhibit 13: Asian high-yield excl. China property spread history**

WoW, Asia HY excl. China prop (incl. financial) tightened 11bp to 425bp, below 5-year average of 581bp

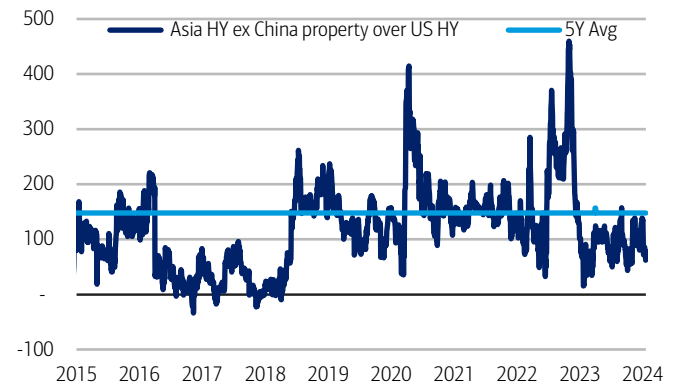


Source: ICE Data Indices, LLC

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**Exhibit 14: Asian HY excl. China property spreads vs. US HY**

WoW, the pick-up of Asia HY excluding China property (including financial) over US HY tightened 23bp to 63bp, below 5-year average of 148bp



Source: ICE Data Indices, LLC

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**Exhibit 15: Summary of spread changes**

WoW, Asia IG and HY spread both tightened and Asia HY tightened more; in Asia IG, Indo tightened most; in Asia HY, China HY led the tightening, but Macau gaming widened; Asia financial overall tightened 7bp to 115bp

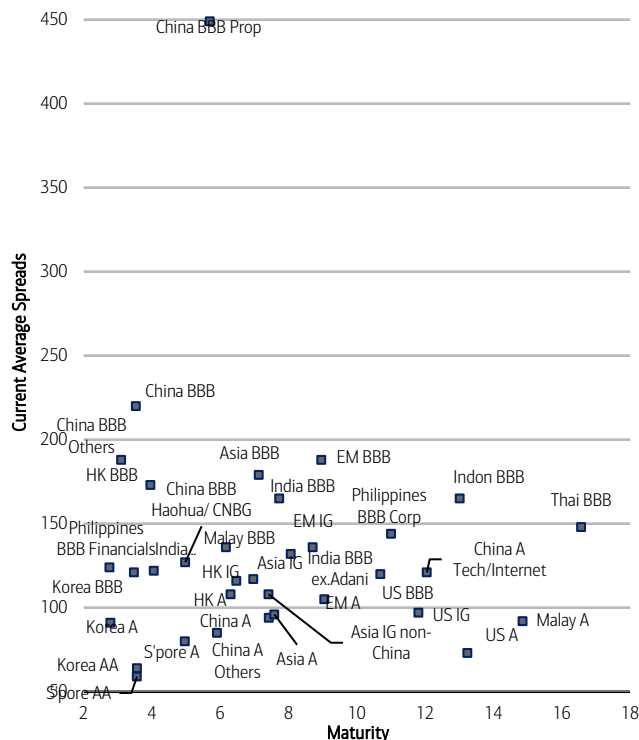
	Current spread	WoW change	MTD change	YTD change
<b>Overall</b>				
Asia IG	119	-5	-3	-3
AA	68	-2	-1	-1
A	88	-4	-3	-3
BBB	166	-6	-4	-4
Asia HY	586	-16	-63	-63
BB	396	-12	-48	-48
B	597	0	-28	-28
Asia HY excl. China property	425	-11	-50	-50
<b>By country/region</b>				
<b>IG</b>				
China	123	-5	-8	-8
Hong Kong	117	-4	-4	-4
Korea	83	-4	-3	-3
Singapore	74	-4	-3	-3
Indonesia	163	-9	8	8
India	152	-6	-4	-4
<b>HY</b>				
China	914	-62	-150	-150
Indonesia	392	1	-41	-41
India	471	-13	-68	-68
Macau	360	33	32	32
<b>By sector</b>				
China HY property	2584	-137	-436	-436
China non-property HY	791	-99	-211	-211
BAT	121	-2	0	0
China oil majors	69	-3	-1	-1
<b>Asia financial</b>				
Overall	115	-7	-8	-8
Bank senior	59	-5	-7	-7
NBFI senior	131	-6	-7	-7
Bank Tier 2	143	-6	-2	-2
Bank AT1	147	-15	-32	-32

Source: ICE Data Indices, LLC, BofA Global Research

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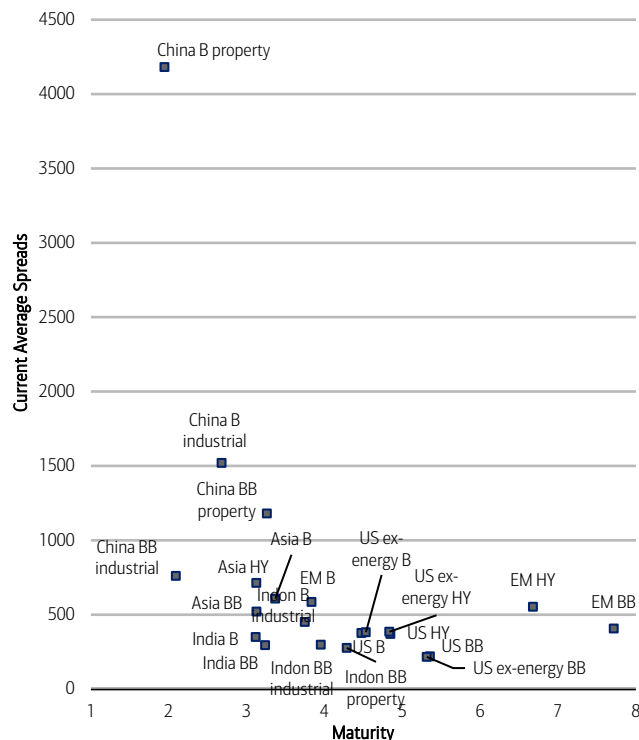
### Exhibit 16: Asia Corp spreads and duration by country and rating (IG)

Within the same ratings, China BBB and China A tech look attractive in IG universe



### Exhibit 17: Asia Corp spreads and duration by country and rating (HY)

Within the same ratings, China B/BB property and China B industrial look attractive in HY universe



## Supply

This week saw supply of US\$3.2bn (-49% WoW), again driven by financial bonds and Korea IG corps. Korea accounted for 69% of the issuance this week. In addition, there was 1) US\$0.6bn USD floating notes, 2) US\$0.5bn EUR bonds, and 3) US\$0.4bn JPY-dominated bonds issuance this week. Note that we only track issuance larger than US\$100mn and maturity/call/put longer than one and a half years.

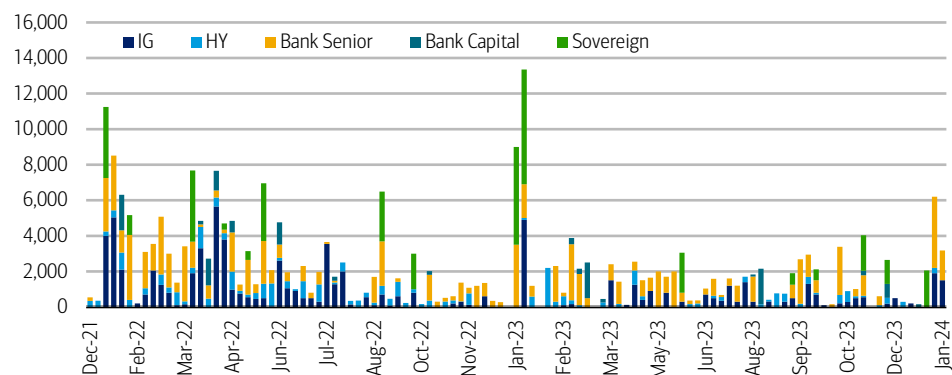
### New issue to highlight

**Shriram Finance (SHFLIN)** issued USD 750mn of 3.25yr USD senior social bond priced at yield to maturity of 6.625%. The new bond, rated BB/BB by S&P/Fitch, traded marginally higher in the secondary trading being currently quoted at \$100.25/100.375. Following the new issuance, existing SHFLIN 24s/25s also rallied by about 0.25pts in cash price.



**Exhibit 18: Asian USD fixed bond weekly supply, US\$mn**

US\$3.2bn supply this week (Jan 11 to 17), 69% of which from Korea



Source: Bloomberg, BofA Global Research

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**Exhibit 19: Bond performance: Newly issued Asian USD bonds in the past one month**

The price of newly issued bonds (in the past one month) up 0.03ppt from the issue price (median); yield -1bp (median); spread tightened 6bp (median)

Issuers	Bond	Issue date	Tranche US\$mn	Country	Price	Issue Yield %	Spread	As of Jan 17, 2024			Change from issue date		
								Price	Yield %	Spread	Price %	Yield (bp)	Spread (bp)
Woori Bank	WOORIB 4.75 '27	17-Jan-24	300	Korea	99.6	4.88	75	99.8	4.84	50	0.1%	-5	-25
Woori Bank	WOORIB 4.75 '29	17-Jan-24	400	Korea	99.5	4.88	85	99.3	4.90	90	-0.1%	3	5
SK Battery America	SKENER 4.875 '27	16-Jan-24	500	Korea	99.7	5.00	100	99.3	5.13	101	-0.4%	13	1
SATS Ltd.	SATSSP 4.828 '29	16-Jan-24	500	Singapore	100.0	4.83	93	99.5	4.95	94	-0.5%	12	1
Shriram Finance Ltd.	SHFLIN 6.625 '27	16-Jan-24	750	India	100.0	6.63	262	100.0	6.61	250	0.0%	-1	-12
POSCO	POHANG 4.875 '27	16-Jan-24	500	Korea	99.5	5.05	110	99.2	5.18	107	-0.4%	13	-3
Mongolian Mortgage Corp.	MGMTGE 11.5 '27	11-Jan-24	225	Mongolia	97.5	12.53	852	97.1	12.72	860	-0.5%	19	8
State Bank of India	SBIIN 5 '29	10-Jan-24	600	India	99.5	5.11	117	99.3	5.16	116	-0.2%	5	-1
Rizal Commercial Banking	RCBPM 5.5 '29	10-Jan-24	400	Philippines	99.5	5.61	165	100.2	5.46	146	0.6%	-14	-19
CICC Hong Kong Finance	CICCHK 5.012 '27	10-Jan-24	500	China	100.0	5.01	90	99.8	5.08	97	-0.2%	7	7
Hanwha Totalenergies	SAMTOT 5.5 '29	9-Jan-24	400	Korea	99.9	5.53	153	100.0	5.50	149	0.1%	-3	-4
BOC Aviation USA Corp	BOCAVI 5 '29	9-Jan-24	500	China	98.9	5.25	125	98.9	5.24	123	0.0%	-1	-2
SK Hynix Inc.	HYUELE 5.5 '29	8-Jan-24	1000	Korea	99.5	5.61	167	99.5	5.61	160	0.0%	0	-7
SK Hynix Inc.	HYUELE 5.5 '27	8-Jan-24	500	Korea	99.9	5.54	145	100.0	5.49	137	0.1%	-5	-8
Zhejiang Xinchang Investment	ZJXCID 6 '27	8-Jan-24	300	China	100.0	6.00	186	100.2	5.92	180	0.2%	-8	-6
Export Import Bank of Korea	EIBKOR 4.625 '27	4-Jan-24	800	Korea	99.8	4.69	53	100.3	4.51	39	0.5%	-17	-14
Export Import Bank of Korea	EIBKOR 4.5 '29	4-Jan-24	800	Korea	99.5	4.61	63	99.9	4.52	51	0.4%	-9	-12
Export Import Bank of Korea	EIBKOR 4.625 '34	4-Jan-24	400	Korea	99.1	4.73	73	98.9	4.77	67	-0.3%	3	-6
Cixi State Owned Assets	CIXISO 5.8 '26	18-Dec-23	200	China	100.0	5.80	166	100.1	5.75	141	0.1%	-5	-25
<b>Average</b>											<b>0.03%</b>	<b>-1</b>	<b>-6</b>

Source: Bloomberg, BofA Global Research

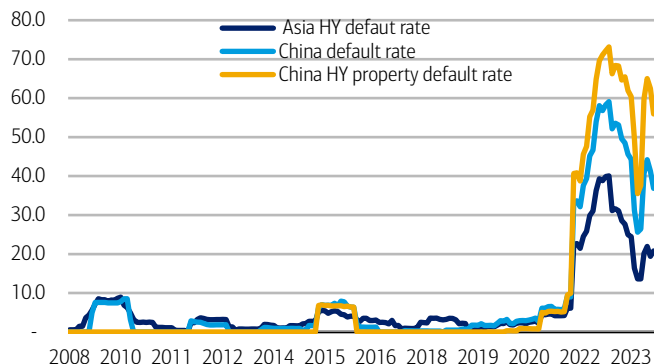
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## Defaults

We did not see any default case this week, the LTM default rate by amount/count remained unchanged at 20.8%/7.5%. YTD24, Vedanta and Lippo Malls were added in our default list on completion of LME and the tender offer early in the year.

**Exhibit 20: LTM default rate by amount: Asia vs. China vs. China HY property**

As of 19 January, Asia HY: 20.8%, China HY: 36.9%; China HY property: 56.0%

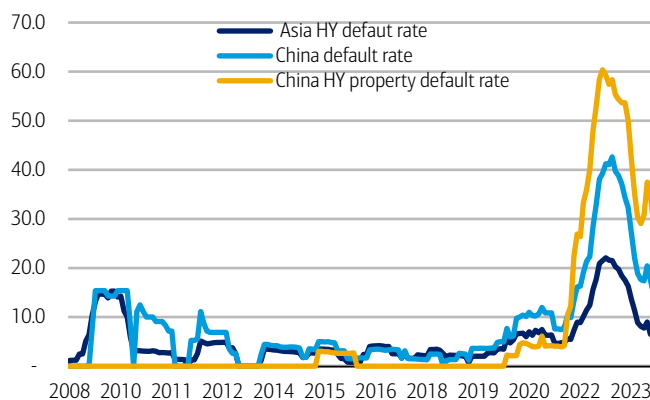


Source: BofA Global Research

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**Exhibit 21: LTM default rate by count: Asia vs. China vs. China HY property**

As of 19 January, Asia HY: 7.5%; China HY: 14.6%; China HY property: 28.6%



Source: BofA Global Research

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**Exhibit 22: Asian default cases (index and non-index) since 2022**

Since 2022, we have seen US\$104bn default in Asia corporate space, among which US\$80bn is index-eligible; dominated by China property

Month	Ticker	Issuer Name	Country	Type Of Default	# of Bonds	Amt (US\$m)	Include in the index or not
Jan-22	SHXREG	Xiang Sheng Overseas Ltd	China	Distressed Exchange	1	275	N
Jan-22	GZRFPR	Guangzhou R&F	China	Distressed Exchange	1	725	Y
Jan-22	RISSUN	RiseSun Real Estate	China	Distressed Exchange	1	500	Y
Jan-22	DAFAPG	Dafa property	China	Distressed Exchange	1	185	N
Jan-22	YUZHOU	Yuzhou Group	China	Distressed Exchange	2	582	Y
Feb-22	YIDCHL	Yida China Holdings	China	Distressed exchange	1	191	N
Feb-22	SUNSHI	Yango Group	China	Missed interest payment and cross default	5	1,497	Y
Feb-22	GUOPRO	Glory Land	China	Distressed Exchange	1	324	Y
Mar-22	DAFAPG	Dafa property	China	Missed interest payment and cross default	1	360	Y
Mar-22	YUZHOU	Yuzhou Group	China	Missed interest payment and cross default	10	4,854	Y
Mar-22	GUOPRO	Glory Land	China	Missed interest payment and principal	1	5	Y
Mar-22	JINGRU	Jingrui Holdings	China	Distressed exchange	1	190	N
Mar-22	ZHPRHK	Zhenro property	China	Distressed Exchange	1	300	Y
Mar-22	YANGOG	Fujian Yango	China	Missed interest payment (cross defaulted earlier)	2	406	N
Mar-22	SHNSUN	Shinsun Holdings	China	Missed interest payment and cross default	3	486	N
Mar-22	REDPRO	Redco Properties	China	Distressed Exchange	1	321	Y
Apr-22	ZHPRHK	Zhenro property	China	Missed interest payment and cross default	6	1,963	Y
Apr-22	GWTH	Golden Wheel	China	Completed debt restructuring	1	178	Y
Apr-22	EHOUSE	E-House (China) Enterprise	China	Missed interest payment and cross default	2	600	Y
May-22	BJHKWY	Beijing Hongkun Weiye Real Estate	China	Missed interest payment	1	193	N
May-22	SUNAC	Sunac China	China	Missed interest payment and cross default	12	7,762	Y
May-22	ZHLGHD	Zhongliang Holdings	China	Distressed Exchange	1	450	Y
May-22	DTGRHD	Datang Group	China	Distressed Exchange	1	300	N
Jun-22	JIAZHO	Zhongnan Construction	China	Distressed Exchange	1	73	Y
Jun-22	LEAHOL	Leading Holdings Group Ltd	China	Distressed Exchange	1	119	N
Jun-22	GRNLGR	Greenland	China	Distressed Exchange	1	500	Y
Jun-22	JINGRU	Jingrui Holdings	China	Missed interest payment and cross default	2	610	Y
Jun-22	SKYFAM	Skyfame Realty	China	cross default	2	566	Y
Jul-22	SHIMAO	Shimao Group	China	Missed interest and principal payment and cross default	8	5,720	Y
Jul-22	RONXIN	Roshine China	China	Missed interest payment and cross default	5	2,072	Y
Jul-22	PWRLNG	Powerlong	China	Distressed Exchange	1	300	Y
Jul-22	GZRFPR	Guangzhou R&F	China	Distressed Exchange	9	4,360	Y
Jul-22	SUNKWP	Sunkwan Properties Group	China	Distressed Exchange	1	210	N
Jul-22	XIN	Xinyuan	China	Missed interest and principal payment and cross default	2	531	Y
Jul-22	SHXREG	Xiang Sheng Overseas Ltd	China	Missed interest payment	1	134	N
Jul-22	HUIJHK	Huijing Holdings Co Ltd	China	Distressed Exchange	1	107	N
Jul-22	HKJFPC	Junfa Property	China	Missed interest payment	1	237	N
Jul-22	CSCHCN	China South City	China	Distressed Exchange	3	1,341	Y
Aug-22	LOGPH	Logan Group	China	Missed interest payment and cross default	10	3,209	Y

**Exhibit 22: Asian default cases (index and non-index) since 2022**

Since 2022, we have seen US\$104bn default in Asia corporate space, among which US\$80bn is index-eligible; dominated by China property

Month	Ticker	Issuer Name	Country	Type Of Default	# of Bonds	Amt (US\$mn)	Include in the index or not
Aug-22	REDSUN	Redsun property	China	Missed interest payment and cross default	3	1,055	Y
Aug-22	JIAYUA	Jiayuan International Group Ltd	China	Missed interest payment and cross default	3	776	Y
Aug-22	HONGSL	Hong Seng Ltd	China	Missed interest payment and principal	1	275	Y
Aug-22	FRETAI	Future Retail	India	Missed interest payment	1	500	Y
Sep-22	YCINTL	Yincheng International Holding	China	Distressed Exchange	1	115	N
Sep-22	KWGPRO	KWG Group Holding	China	Distressed Exchange	3	1,600	Y
Oct-22	GZFYRE	Guangzhou Fineland Real Estate	China	Missed interest payment	1	340	Y
Oct-22	CIFIHG	CIFI Holdings Group	China	Cross default	8	3,680	Y
Oct-22	LSEAGN	Landsea Green Management Ltd	China	Distressed Exchange	1	119	N
Oct-22	HLBCNH	Helenbergh China Holding	China	Distressed Exchange	1	350	Y
Oct-22	SINOCL	Sino-Ocean Capital	China	Distressed Exchange	1	282	N
Oct-22	GNGLNG	Ganglong China Property	China	Distressed Exchange	1	158	N
Nov-22	SUNKWP	Sunkwan Properties Group	China	Missed payment and cross default	2	362	N
Nov-22	RISUN	RiseSun Real Estate	China	Distressed Exchange	2	741	N
Nov-22	JIAZHO	Jiangsu Zhongnan Construction	China	Missed interest payment	1	250	Y
Nov-22	GWTH	Golden Wheel	China	Missed interest payment	1	470	N
Nov-22	ZHLGHD	Zhongliang Holdings	China	Distressed Exchange	3	898	N
Dec-22	GRNLGR	Greenland	China	Distressed Exchange	8	2,702	Y
Dec-22	DEXICN	Dexin China Holdings	China	Missed interest payment and principal	1	348	Y
Dec-22	JINKE	Jinke Properties	China	Missed interest payment	1	325	Y
Dec-22	REDPRO	Redco Properties	China	Suspended payment	1	252	Y
Dec-22	JYGMHD	JY Grandmark	China	Distressed Exchange	1	152	N
Dec-22	YESTAR	Yestar Healthcare	China	Missed interest payment and principal	1	198	N
Dec-22	KIJAJJ	Kawasan Jababeka	Indonesia	Distressed Exchange	1	300	Y
Jan-23	TPHL	Times China	China	Suspended payment	6	2,650	Y
Jan-23	HUIJHK	Huijing Holdings Co Ltd	China	Missed interest payment	1	108	N
Feb-23	SRAILT	SriLankan Airlines	Sri Lanka	Missed interest payment	1	175	N
Mar-23	YCINTL	Yincheng International	China	Missed interest payment and principal; cross default	2	211	N
Apr-23	CENCHI	Central China	China	Distressed Exchange	2	630	Y
Apr-23	HYDOO	Guangdong-Hongkong Greater Bay Area Holding	China	Distressed Exchange	2	379	N
May-23	KWGPRO	KWG Group Holding	China	Missed interest payment and principal; cross default	7	2,525	Y
May-23	DTGRHD	Datang Group	China	Missed interest payment and principal	1	284	N
Jun-23	CENCHI	Central China	China	Suspend payment	3	849	Y
Jun-23	LEAHOL	Leading Holdings Group Ltd	China	Missed interest payment and principal	1	119	N
Jul-23	PWRLNG	Powerlong	China	Distressed Exchange	1	420	Y
Aug-23	SINOCE	Sino Ocean Group	China	Distressed Exchange (coupon extension)	3	1,798	Y
Sep-23	SINOCE	Sino Ocean Group	China	Suspend payment	3	1,320	Y
Oct-23	CHINSC	China SCE Group	China	Cross default triggered by missed payment of a syn loan	4	1,800	Y
Oct-23	COGARD	Country Garden	China	Cross default triggered by missed payment of HKD 470mn debt	15	9,913	Y
Nov-23	DALWAN	Wanda properties	China	Distressed Exchange	1	600	Y
Nov-23	PWRLNG	Powerlong	China	Missed interest payment and cross default	2	1,035	Y
Dec-23	MOLAND	Modern Land China	China	Distressed Exchange	5	1,606	N
Jan-24	VEDLN	Vedanta Resources	India	Distressed Exchange	4	3,751	Y
Jan-24	LMRTSP	LMIRT Capital	Indonesia	Distressed Exchange	1	188	Y

**Source:** BofA Global Research

Note: For companies included in the index, the number only accounts for the No. of bond, and outstanding amounts which are index-eligible.

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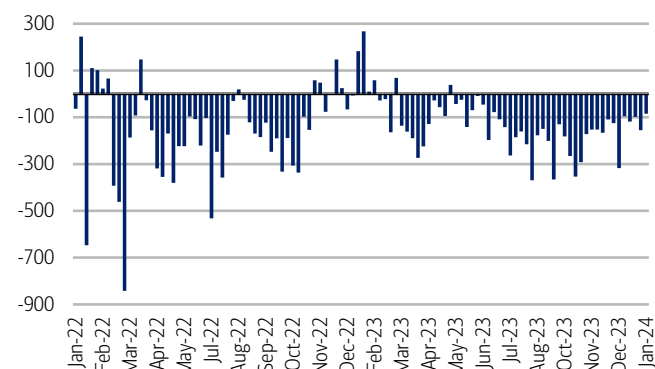
## Fund flows

Based on EPFR, from 11 to 16 Jan, Asia excluding Japan (Axj) hard currency funds saw outflow of US\$85mn (-0.34% of assets under management-AUM), easing from US\$155mn in the previous week. For all EM market, the hard currency funds saw outflow of US\$180mn (vs. US\$498mn in the previous week). Looking at US funds, IG funds saw inflow slowing down to US\$3.1bn, from US\$10.3bn in the previous week. Similarly, US HY funds saw inflows of US\$0.7bn vs. US\$1.3bn in the previous week.

In YTD24, US IG corporate funds saw the biggest inflows of +0.9% (as a percentage of AUM at the beginning of the year) and US HY funds saw +0.6%. However, Axj hard currency saw outflows of -1.1% and EM hard funds saw outflows of -0.7%.

### Exhibit 23: Asia excl. Japan (Axj) hard currency fund flows, USD mn

Axj hard currency funds outflows at US\$85mn this week (from 11 to 16 Jan), easing from US\$155mn in the previous week



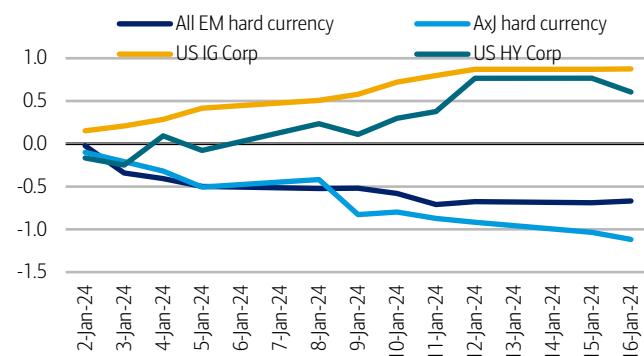
Source: EPFR

Note: we made adjustment to the fund flows on Mar 10 for EM hard and Axj hard funds, removing the impact of the structural change of one fund.

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### Exhibit 24: 2024 YTD cumulative fund flows as % of AUM

In YTD 2024, US IG corporate fund saw inflows of 0.9% of AUM and US HY corporate saw +0.6%; however, Axj hard currency saw outflows of 1.1% and EM hard currency saw outflows of 0.7%



Source: EPFR

Note: we made adjustment to the fund flows on Mar 10 for EM hard and Axj hard funds, removing the impact of the structural change of one fund.

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## Top 10 and bottom 10 performers

### Exhibit 25: Top 10 & bottom 10 performer over the past week

Top 10 and bottom 10 performers in Asia market (ADOL index)

Top 10 performer	Total Return (weekly)	Bottom 10 performer	Total Return (weekly)
AGILE 5.5% 2025	29.23%	RONXIN 7.1% 2025	-27.01%
AGILE 6.05% 2025	18.88%	LNGFOR 3.85% 2032	-4.00%
YLLGSP 5.125% 2026	10.40%	EXIMCH 4% 2047	-2.38%
EHICAR 7% 2026	9.79%	TEMASE 2.5% 2070	-2.33%
ROADKG 5.125% 2026	8.26%	PTTEPT 3.903% 2059	-2.27%
PAKWNP 7.5% 2031	8.25%	TAISEM 3.125% 2041	-2.24%
DALWAN 11% 2025	7.57%	XIAOMI 4.1% 2051	-2.16%
PKSTAN 7.875% 2036	7.55%	HKAA 2.625% 2051	-2.10%
FOSUNI 5.05% 2027	7.21%	HKINTL 2.375% 2051	-1.95%
DALWAN 11% 2026	7.03%	AXIATA 3.064% 2050	-1.88%

Source: ICE Data Indices, LLC. (Data as at 17 January, 2024)

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**Exhibit 26: Top 10 corporate and bank performers over the last week and YTD on total return basis (by category)**

Top 10 corporate and bank performers in this week &amp; YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
<b>Investment Grade Corporates</b>			
VNKRLE 3.975% 2027	3.37%	TELM 3.45% 2050	5.29%
ICBPJ 4.745% 2051	2.83%	ADSEZ 5% 2041	4.22%
ADTIN 4.25% 2036	2.34%	ADSEZ 3.1% 2031	2.99%
ADANEM 3.867% 2031	2.19%	UPLIN 4.625% 2030	2.78%
ICBPJ 4.805% 2052	2.02%	ADSEZ 3.828% 2032	2.69%
ADSEZ 5% 2041	1.70%	ADANEM 3.867% 2031	2.61%
ADSEZ 3.1% 2031	1.69%	SYNGEN 5% 2026	2.05%
VNKRLE 3.5% 2029	1.56%	VNKRLE 3.5% 2029	1.85%
ADSEZ 4.2% 2027	1.56%	VNKRLE 3.975% 2027	1.83%
ADSEZ 4% 2027	1.45%	YUNDHL 2.25% 2025	1.75%
<b>High Yield Corporates</b>			
AGILE 5.5% 2025	29.23%	AGILE 6.05% 2025	44.30%
AGILE 6.05% 2025	18.88%	RONXIN 7.1% 2025	42.86%
YLLGSP 5.125% 2026	10.40%	AGILE 5.5% 2025	35.78%
EHICAR 7% 2026	9.79%	ROADKG 5.125% 2026	28.19%
ROADKG 5.125% 2026	8.26%	ROADKG 6% 2025	27.36%
PAKWNP 7.5% 2031	8.25%	YLLGSP 5.125% 2026	25.47%
DALWAN 11% 2025	7.57%	ROADKG 5.9% 2025	24.83%
FOSUNI 5.05% 2027	7.21%	ROADKG 5.2% 2026	24.18%
DALWAN 11% 2026	7.03%	DALWAN 11% 2026	19.94%
ROADKG 5.2% 2026	6.32%	DALWAN 11% 2025	18.32%
<b>Banks / Financial Institution</b>			
PEAKRN 5.35% 2025	2.56%	SUNSHG 4.5% 2026	4.56%
ZHONAN 3.5% 2026	2.00%	BNKEA 5.825% 2025	3.29%
BNKEA 5.825% 2025	1.95%	PEAKRN 5.35% 2025	2.97%
FRESHK 3.375% 2025	1.41%	RCBPM 6.5% 2025	2.92%
RCBPM 6.5% 2025	1.41%	ZHONAN 3.5% 2026	2.84%
TYANLI 5.25% 2025	1.18%	KEBHN 3.5% 2026	1.83%
KEBHN 3.5% 2026	1.16%	FRESHK 3.375% 2025	1.81%
GZINFU 2.85% 2026	1.14%	ZHONAN 3.125% 2025	1.79%
SUNSHG 4.5% 2026	0.95%	GZINFU 2.85% 2026	1.79%
ZHONAN 3.125% 2025	0.94%	TYANLI 5.25% 2025	1.34%

Source: ICE Data Indices, LLC. (Data as at 17 January, 2024)

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**Exhibit 27: Bottom 10 corporate and bank performers over the last week and YTD on total return basis (by category)**

Bottom 10 corporate and bank performers this week &amp; YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
<b>Investment Grade Corporates</b>			
PTTEPT 3.903% 2059	-2.27%	PETMK 3.404% 2061	-5.80%
TAISEM 3.125% 2041	-2.24%	PERTJ 4.175% 2050	-5.54%
XIAOMI 4.1% 2051	-2.16%	PLNIJ 4% 2050	-5.44%
AXIATA 3.064% 2050	-1.88%	SINOPE 3.1% 2051	-5.18%
PTTBT 3.7% 2070	-1.87%	PLNIJ 4.375% 2050	-5.15%
PETMK 4.8% 2060	-1.81%	SINOPE 3.44% 2049	-5.06%
SINOPE 3.1% 2051	-1.78%	CNOOC 3.3% 2049	-4.89%
PETMK 3.404% 2061	-1.76%	PLNIJ 4.875% 2049	-4.88%
YANTZE 3.2% 2049	-1.71%	SINOPE 3.35% 2050	-4.84%
SINOPE 4.875% 2042	-1.66%	PETMK 4.8% 2060	-4.76%
<b>High Yield Corporates</b>			
RONXIN 7.1% 2025	-27.01%	LNGFOR 3.85% 2032	-1.52%
LNGFOR 3.85% 2032	-4.00%	WYNMAC 5.125% 2029	-1.48%
WYNMAC 5.125% 2029	-1.58%	WYNMAC 5.625% 2028	-1.34%
GLPSP 4.6% 2027	-1.36%	MGMCHI 4.75% 2027	-1.34%
STCITY 6.5% 2028	-1.32%	WYNMAC 5.5% 2027	-1.21%
GRNKEN 4.3% 2028	-1.27%	MPEL 5.25% 2026	-0.98%
MPEL 5.75% 2028	-1.22%	WYNMAC 5.5% 2026	-0.88%
MPEL 5.25% 2026	-1.13%	MGMCHI 5.25% 2025	-0.87%
MPEL 5.375% 2029	-1.12%	HEXWIN 5.375% 2026	-0.67%
WYNMAC 5.625% 2028	-1.09%	MPEL 5.375% 2029	-0.64%
<b>Banks / Financial Institution</b>			
EXIMCH 4% 2047	-2.38%	TEMASE 2.5% 2070	-5.33%
TEMASE 2.5% 2070	-2.33%	TEMASE 2.75% 2061	-4.63%
HKAA 2.625% 2051	-2.10%	HKAA 3.25% 2052	-4.58%
HKAA 3.5% 2062	-1.72%	HKAA 2.625% 2051	-4.56%
TEMASE 2.75% 2061	-1.58%	HKAA 3.5% 2062	-4.56%
HKAA 3.25% 2052	-1.57%	TEMASE 2.25% 2051	-4.55%
INRCIN 3.95% 2050	-1.56%	INRCIN 3.95% 2050	-4.45%
EIBKOR 2.5% 2041	-1.40%	EXIMCH 4% 2047	-3.80%
TEMASE 2.25% 2051	-1.27%	AIA 4.5% 2046	-3.53%
TEMASE 2.375% 2041	-1.24%	AIA 4.875% 2044	-3.44%

Source: ICE Data Indices, LLC. (Data as at 17 January, 2024)

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# Repayment schedule for Asian HY issuers

## Exhibit 28: USD Bond repayment and coupon schedule from Asian HY issuers in the next one month

Total principal (including put) repayment and coupon payment from Asian HY issuers in the next one month is US\$0.95bn

Sector	Bond	Offshore Bond Ticker	Company Name	Currency	Payment date	Coupon or Principal	Payment (USD mn)
China property	DALWAN 11 '25	DALWAN	Dalian Wanda Commercial Management Group	USD	20-Jan-24	Coupon	22.0
Macau gaming	MPEL 5.75 '28	MPEL	MELCO RESORTS FINANCE	USD	21-Jan-24	Coupon	25.0
India HY	VEDLN 13.875 '24	VEDLN	VEDANTA RESOURCES	USD	21-Jan-24	Coupon	70.9
China property	GRNLGR 8.25 '31	GRNLGR	Greenland	USD	22-Jan-24	Coupon	10.0
Indo HY	LPKRJ 8.125 '25	LPKRJ	THETA CAPITAL PTE LTD	USD	22-Jan-24	Coupon	9.8
Indo HY	BSDEIJ 5.95 '25	BSDEIJ	GLOBAL PRIME CAPITAL	USD	23-Jan-24	Coupon	2.7
India HY	TATAIN 5.45 '28	TATAIN	ABJA INVESTMENT CO	USD	24-Jan-24	Coupon	27.9
China property	GUOPRO 14.25 '24	GUOPRO	GLORY LAND	USD	25-Jan-24	Maturity	9.0
China property	GUOPRO 14.25 '24	GUOPRO	GLORY LAND	USD	25-Jan-24	Coupon	1.0
China property	ROADKG 5.125 '26	ROADKG	Road King Infrastructure	USD	26-Jan-24	Coupon	13.0
China HY Industrial	ANTOIL 8.75 '25	ANTOIL	ANTON OILFIELD SERV GRP/	USD	26-Jan-24	Coupon	5.2
China property	GRNCH 2.3 '25	GRNCH	Greentown China Holdings	USD	27-Jan-24	Coupon	5.0
China property	GRNLHK 10.21 Perp	GRNLHK	Greenland HK	USD	27-Jan-24	Coupon	6.0
China HY Industrial	FOSUNI 5.05 '27	FOSUNI	FORTUNE STAR BVI LTD	USD	27-Jan-24	Coupon	12.9
Macau gaming	SJMHOL 4.5 '26	SJMHOL	CHAMPION PATH HOLDINGS	USD	27-Jan-24	Coupon	11.5
Macau gaming	SJMHOL 4.85 '28	SJMHOL	CHAMPION PATH HOLDINGS	USD	27-Jan-24	Coupon	12.4
China property	DALWAN 7.25 '24	DALWAN	Dalian Wanda Commercial Management Group	USD	29-Jan-24	Coupon	22.0
China property	EXCECP 4.3 '25	EXCECP	EXCELLENCE COM MGMT	USD	29-Jan-24	Coupon	2.0
India HY	GRNKEN 5.55 '25	GRNKEN	GREENKO SOLAR MAURITIUS	USD	29-Jan-24	Coupon	14.2
India HY	GRNKEN 5.95 '26	GRNKEN	GREENKO SOLAR MAURITIUS	USD	29-Jan-24	Coupon	16.3
India HY	RPVIN 5.875 '27	RPVIN	RENEW POWER PVT LTD	USD	29-Jan-24	Coupon	8.1
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Maturity	231.7
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Coupon	10.8
Indo HY	MEDCIJ 6.75 '25	MEDCIJ	MEDCO PLATINUM ROAD PTE	USD	30-Jan-24	Coupon	1.2
Indo HY	MEDCIJ 6.375 '27	MEDCIJ	MEDCO BELL PTE LTD	USD	30-Jan-24	Coupon	17.2
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Coupon	10.8
China property	AGILE 7.875 Perp	AGILE	Agile Property Holding	USD	31-Jan-24	Coupon	20.0
India HY	TATAIN 5.95 '24	TATAIN	ABJA INVESTMENT CO	USD	31-Jan-24	Coupon	30.4
Macau gaming	MGMCHI 4.75 '27	MGMCHI	MGM CHINA HOLDINGS LTD	USD	01-Feb-24	Coupon	18.2
India HY	GMRLIN 4.75 '26	GMRLIN	GMR HYDERABAD INTERNATIO	USD	02-Feb-24	Coupon	7.0
Indo HY	ABMMIJ 9.5 '26	ABMMIJ	ABM INVESTAMA TBK PT	USD	05-Feb-24	Coupon	7.8
Macau gaming	SANLTD 5.375 '25	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	49.1
Macau gaming	SANLTD 5.375 '25	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	0.4
Macau gaming	SANLTD 5.65 '28	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	54.7
Macau gaming	SANLTD 5.65 '28	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	0.2
Macau gaming	SANLTD 3.5 '31	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	10.7
Macau gaming	SANLTD 3.5 '31	SANLTD	SANDS CHINA LTD	USD	08-Feb-24	Coupon	0.0
India HY	VEDLN 6.125 '24	VEDLN	VEDANTA UK INVESTMENTS	USD	09-Feb-24	Coupon	29.8
India HY	CONTLE 4.5 '27	CONTLE	CONTINUUM ENERGY LEVANTE	USD	09-Feb-24	Coupon	11.5
Indo HY	LMRTSP 7.5 '26	LMRTSP	LMIRT CAPITAL PTE LTD	USD	09-Feb-24	Coupon	5.5
India HY	ACMSOL 4.7 '26	ACMSOL	INDIA CLEANTECH ENERGY	USD	10-Feb-24	Coupon	7.1
Indo HY	BUMAIJ 7.75 '26	BUMAIJ	BUKIT MAKMUR MANDIRI UTA	USD	10-Feb-24	Coupon	15.0
China property	CHINA SOUTH CITY HOLDING	CSCHCN 9 '24	CSCHCN	USD	12-Feb-24	Coupon	13.0
China property	Seazen Group Ltd.	FUTLAN 6 '24	FUTLAN	USD	12-Feb-24	Coupon	8.0
China property	Gemdale Ever Prosperity Investment	GEMDAL 4.95 '24	GEMDAL	USD	12-Feb-24	Coupon	12.0
China property	Greenland	GRNLGR 6.9 '29	GRNLGR	USD	12-Feb-24	Coupon	10.0
China property	Dalian Wanda Commercial Management Group	DALWAN 11 '26	DALWAN	USD	13-Feb-24	Coupon	22.0
Macau gaming	STDCTY 7 '27	STDCTY	STUDIO CITY CO LTD	USD	15-Feb-24	Coupon	12.5
China property	Road King Infrastructure	ROADKG 7.95 Perp	ROADKG	USD	17-Feb-24	Coupon	12.0
India HY	AZUPOE 3.575 '26	AZUPOE	AZURE POWER ENERGY LTD	USD	19-Feb-24	Coupon	6.5
India HY	INDTLL 5.5 '24	INDTLL	INDIA TOLL ROADS	USD	19-Feb-24	Coupon	8.4

Source: Bloomberg, BofA Global Research; Note: excluding defaulted Chinese developers

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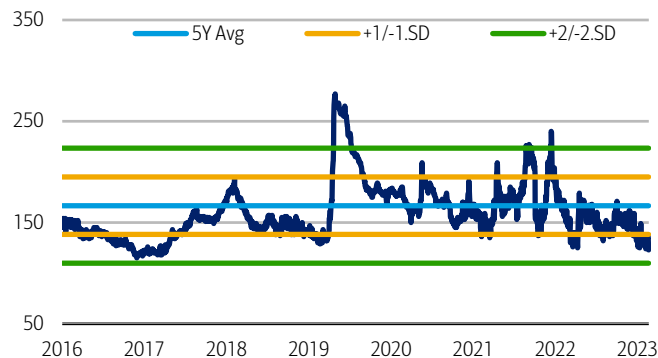


# Appendix

## By country

### Exhibit 29: China IG spread

WoW, China IG spread tightened 5bp to 123bp, below the 5-year average of 167bp



Source: ICE Data Indices, LLC

Note: the spread data is based on ECNI index

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### Exhibit 30: Pick-up of China IG over US IG

WoW, China IG over US IG pick-up tightened 3bp to 21bp, below 5-year average of 38bp



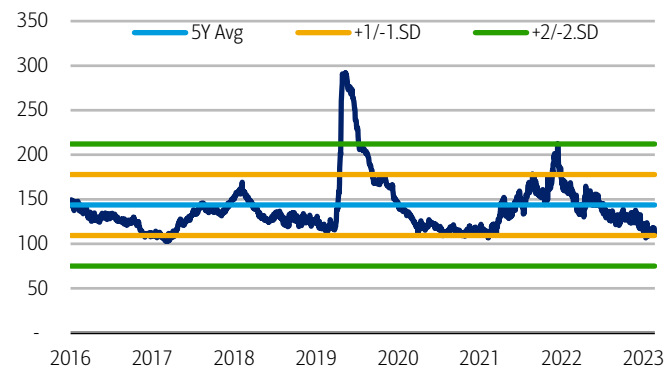
Source: ICE Data Indices, LLC

Note: the spread data is based on ECNI index

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### Exhibit 31: Asia non-China IG spread

WoW, Asia non-China IG tightened 4bp to 110bp, below 5-year average of 144bp



Source: ICE Data Indices, LLC

Note: the spread data is based on EMIA index

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### Exhibit 32: Pick-up of China IG over Asia non-China IG

China IG over Asia non-China IG tightened 1bp to 13bp, below 5-year average pick-up of 23bp

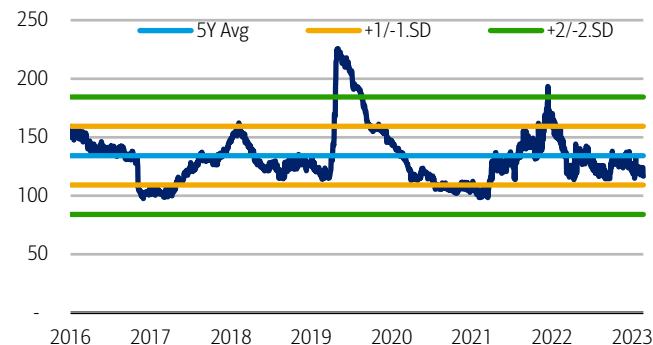


Source: ICE Data Indices, LLC

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### Exhibit 33: Hong Kong IG spread

WoW, Hong Kong IG spread tightened 4bp to 117bp, below 5-year average of 134bp

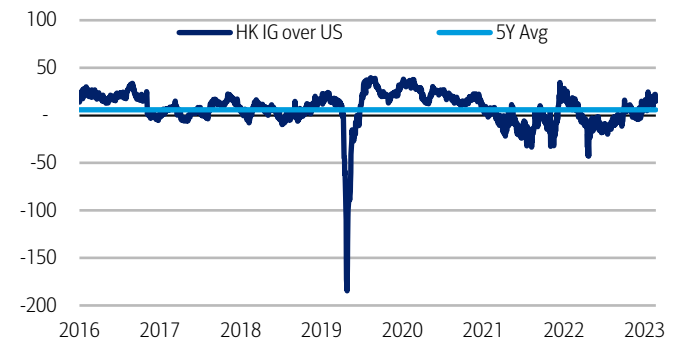


Source: ICE Data Indices, LLC

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### Exhibit 34: Pick-up of Hong Kong IG over US IG

WoW, pick-up of Hong Kong IG over US IG tightened 2bp to 15bp, above 5-year average pick-up of +6bp



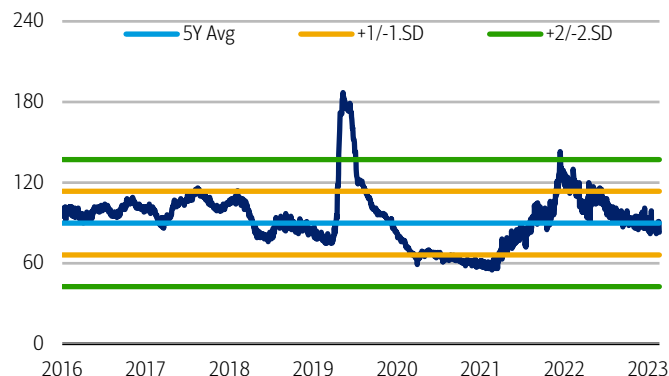
Source: ICE Data Indices, LLC

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**Exhibit 35: Korea IG spread**

WoW, Korea IG spread tightened 4bp to 83bp, below the 5-year average of 90bp

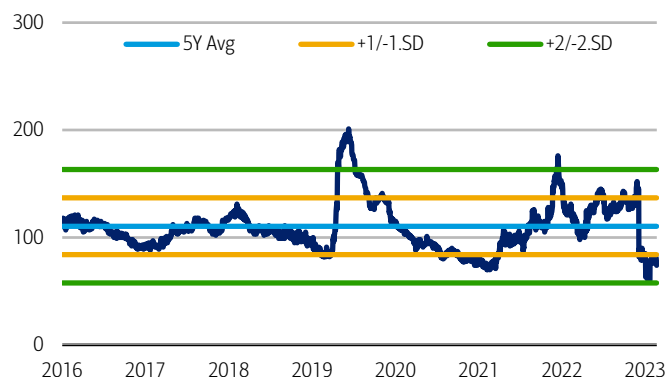


Source: ICE Data Indices, LLC

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**Exhibit 37: Singapore IG spread**

WoW, Singapore IG spread tightened 4bp to 74bp, below the 5-year average of 110bp

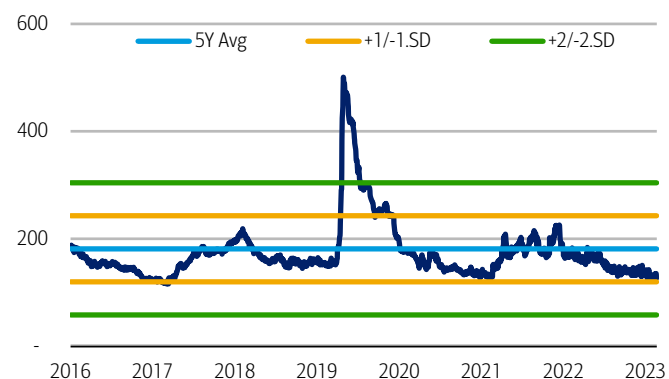


Source: ICE Data Indices, LLC

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**Exhibit 39: Indonesia IG spread**

WoW, Indonesia IG spread tightened 9bp to 163bp, below the 5-year average of 225bp

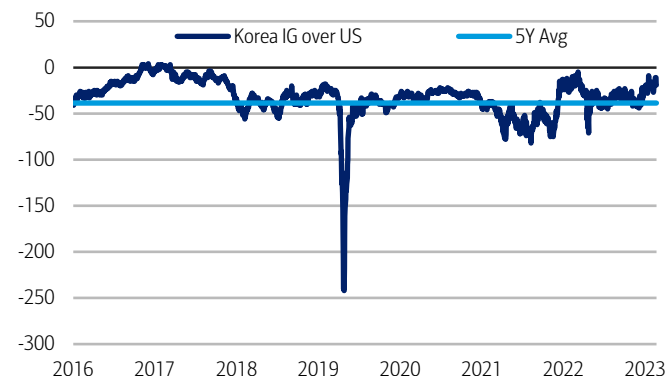


Source: ICE Data Indices, LLC

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**Exhibit 36: Pick-up of Korea IG over US IG**

Korea IG is now trading 19bp tighter than US IG, vs. 5-year average difference of -39bp

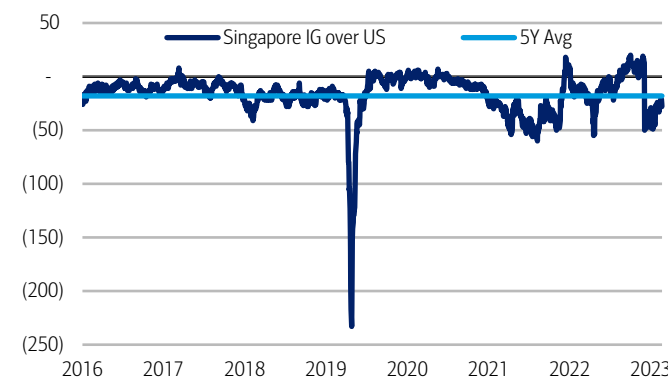


Source: ICE Data Indices, LLC

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**Exhibit 38: Pick-up of Singapore IG over US IG**

WoW, pick-up of Singapore IG over US IG was at -28bp, vs. 5-year average difference of -18bp



Source: ICE Data Indices, LLC

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**Exhibit 40: Pick-up of Indonesia IG over US IG**

WoW, Indonesia IG over US IG pick-up tightened 7bp to 61bp, below the 5-year average of 96bp



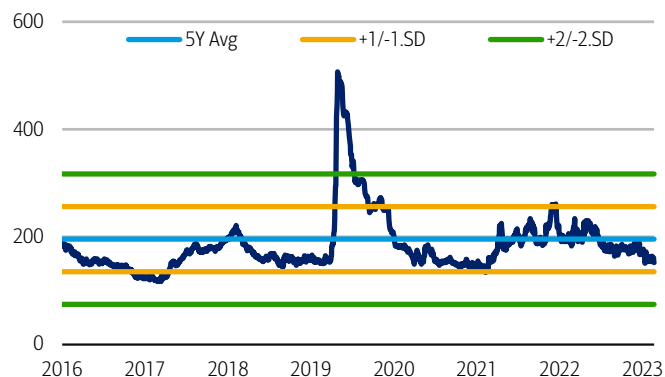
Source: ICE Data Indices, LLC

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**Exhibit 41: India IG spread**

WoW, India IG spread tightened 6bp to 152bp, below 5-year average of 196bp

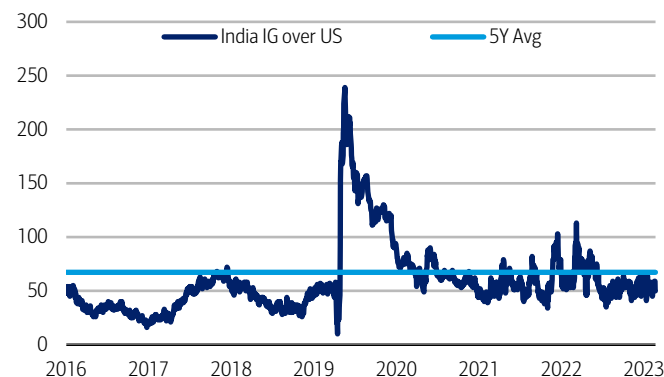


Source: ICE Data Indices, LLC

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**Exhibit 42: Pick-up of India IG over US IG**

WoW, India IG over US IG pick-up tightened 4bp to 50bp, below 5-year average of 67bp

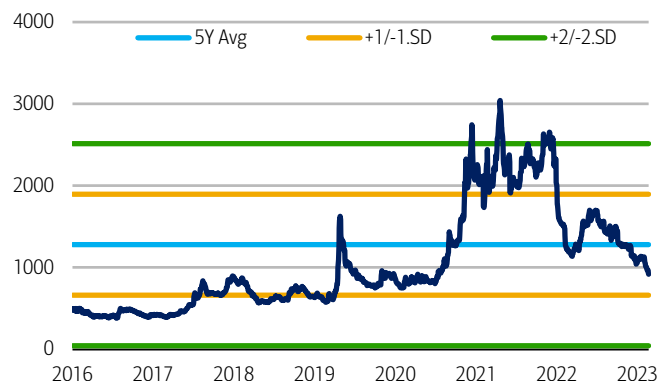


Source: ICE Data Indices, LLC

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**Exhibit 43: China HY spread**

WoW, China HY spread tightened 62bp to 914bp, below the 5-year average of 1,278bp



Source: ICE Data Indices, LLC

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**Exhibit 44: Pick-up of China HY over US HY**

WoW, China HY over US HY tightened 74bp to 552bp, below the 5-year average of 848bp

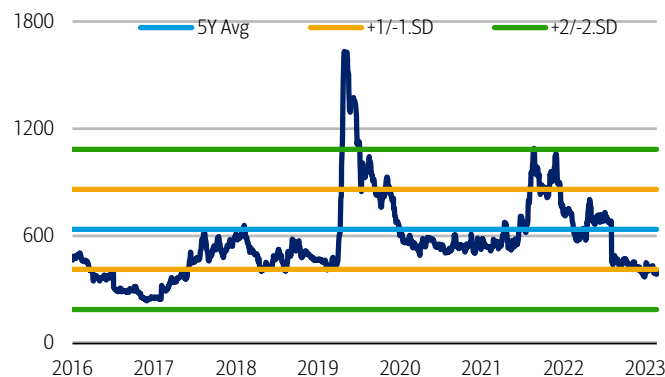


Source: ICE Data Indices, LLC

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**Exhibit 45: Indonesia HY spread**

WoW, Indonesia HY spread widened 1bp to 392bp, below the 5-year average of 636bp



Source: ICE Data Indices, LLC

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**Exhibit 46: Pick-up of Indonesia HY over US HY**

WoW, Indonesia HY over US HY tightened 11bp to 30bp, below 5-year average of 206bp

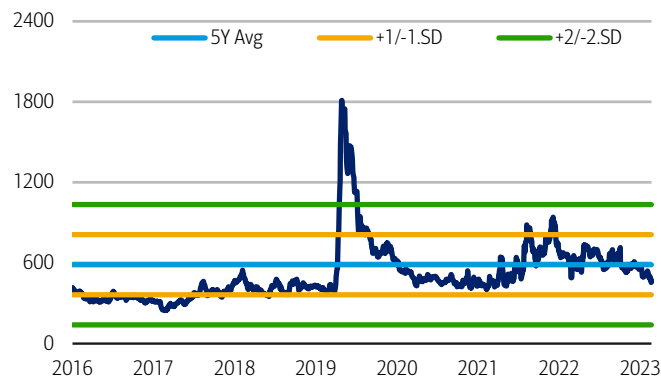


Source: ICE Data Indices, LLC

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**Exhibit 47: India HY spread**

WoW, India HY spread tightened 13bp to 471bp, below the 5-year average of 586bp

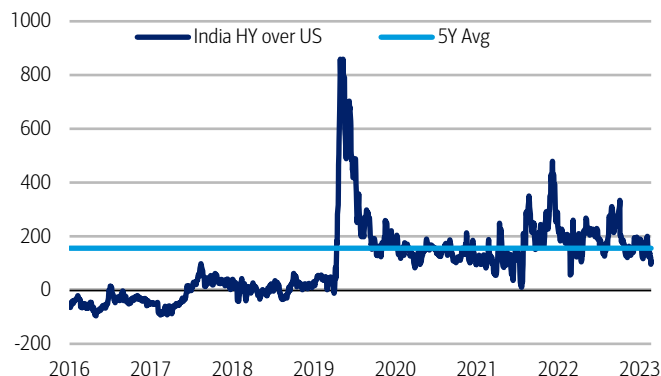


Source: ICE Data Indices, LLC

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**Exhibit 48: Pick-up of India HY over US HY**

WoW, India HY over US HY tightened 25bp to 109bp, below the 5-year average of 156bp

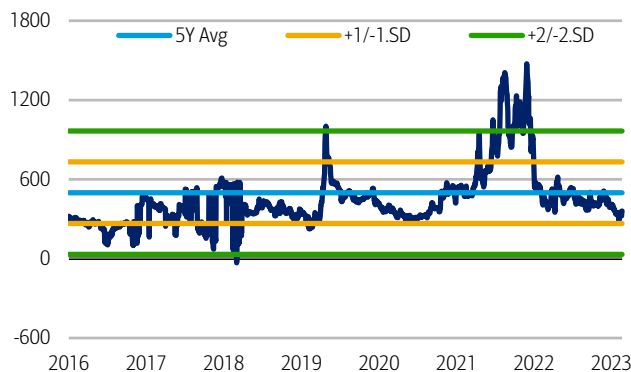


Source: ICE Data Indices, LLC

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**Exhibit 49: Macau HY spread**

WoW, Macau HY spread widened 33bp to 360bp, below 5-year average of 499bp

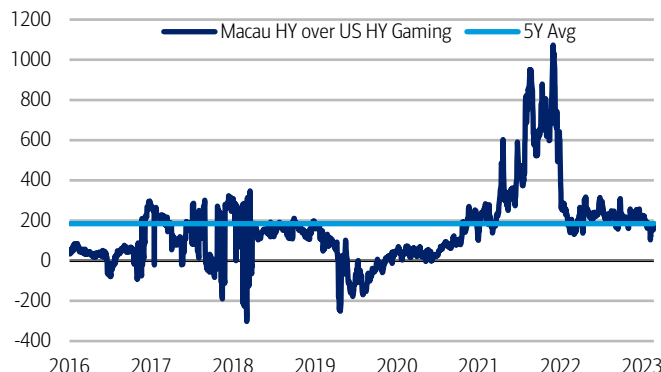


Source: ICE Data Indices, LLC

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**Exhibit 50: Pick-up of Macau HY over US HY Gaming**

WoW, Macau HY over US HY Gaming widened 22bp to 185bp, around the 5-year average of 184bp

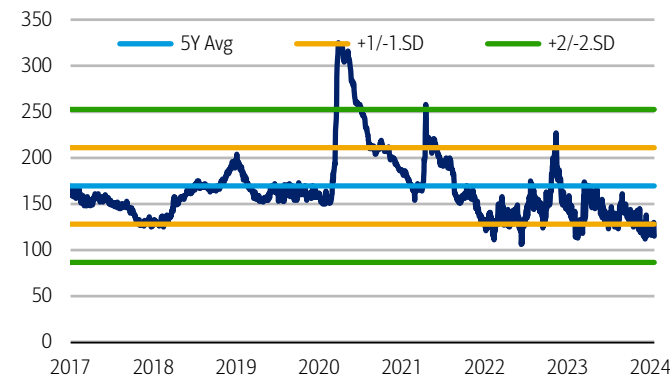


Source: ICE Data Indices, LLC

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**Asia financial vs non-financial corporate****Exhibit 51: Asia financial spread**

WoW, Asia financial spread tightened 7bp to 115bp, below the 5-year average of 170bp



Source: ICE Data Indices, LLC

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**Exhibit 52: Pick-up of Asia non-financial corporate over Asia financial**

WoW, Asia non-financial corporate pick-up over Asia financial widened 2bp to 85bp, below the 5-year average of 165bp

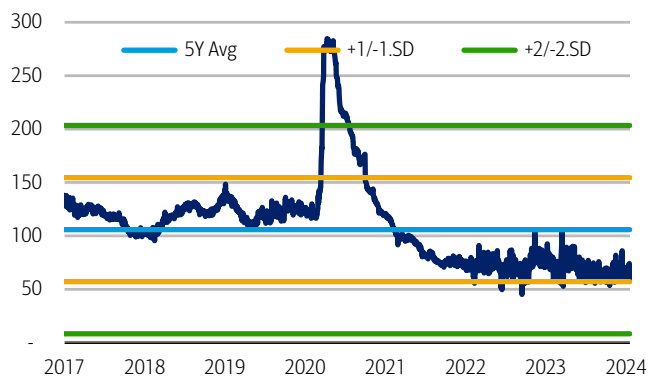


Source: ICE Data Indices, LLC

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**Exhibit 53: Asia bank senior spread**

WoW, Asia bank senior spread tightened 5bp to 59bp, below the 5-year average of 106bp

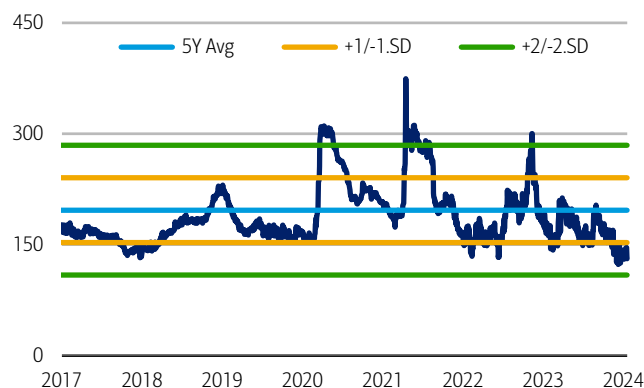


Source: ICE Data Indices, LLC

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**Exhibit 55: Asia NBF1 senior spread**

WoW, Asia NBF1 senior tightened 6bp to 131bp, below the 5-year average of 197bp

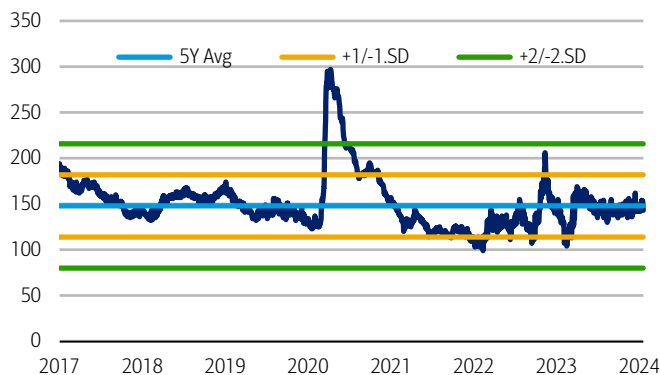


Source: ICE Data Indices, LLC

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**Exhibit 57: Asia bank Tier 2 spread**

WoW, Asia bank Tier 2 spread tightened 6bp to 143bp, now below 5-year average of 148bp



Source: ICE Data Indices, LLC

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**Exhibit 54: Pick-up of Asia A corporate over bank senior**

WoW, Asia A corporate pick-up over bank senior widened 1bp to 32bp, above the 5-year average of 12bp



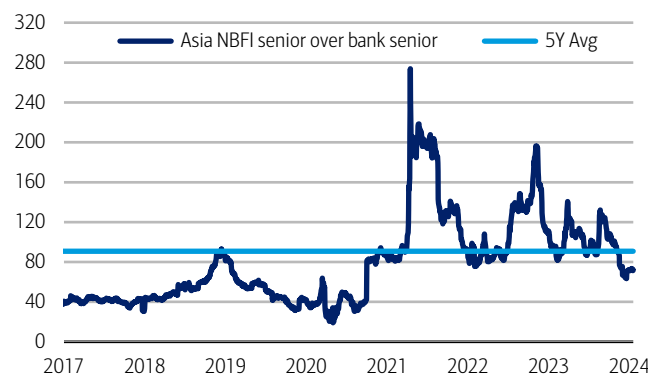
Source: ICE Data Indices, LLC

Note: the average rating of Asia bank senior has been between BBB+ and A- in the past 7yr; depending on weight of China bank senior (A-rated), which is now around 60% of the bank senior

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**Exhibit 56: Pick-up of Asia NBF1 senior over bank senior**

WoW, Asia NBF1 senior pick-up over bank senior tightened 1bp to 72bp, below 5-year average of 91bp

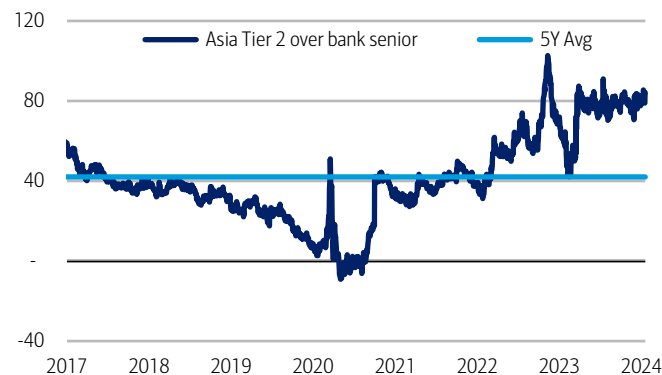


Source: ICE Data Indices, LLC

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**Exhibit 58: Pick-up of Asia Tier 2 over bank senior**

WoW, Asia bank Tier 2 pick-up over bank senior tightened 1bp to 81bp, above the 5-year average of 42bp

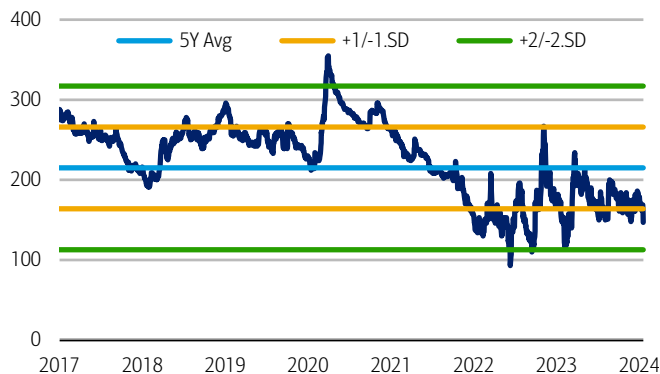


Source: ICE Data Indices, LLC

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**Exhibit 59: Asia bank AT1 spread**

WoW, Asia bank AT1 spread tightened 15bp to 147bp, below the 5-year average of 215bp

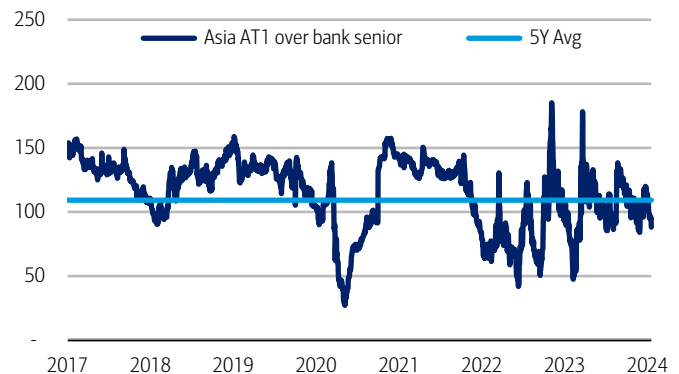


Source: ICE Data Indices, LLC

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**Exhibit 60: Pick-up of Asia AT1 over bank senior**

WoW, Asia AT1 pick-up over bank senior tightened 10bp to 88bp, below the 5-year average of 109bp

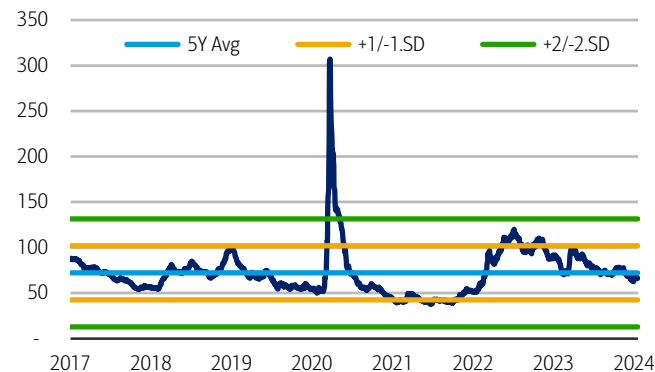


Source: ICE Data Indices, LLC

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**Exhibit 61: Australia bank senior spread**

WoW, Australia bank senior tightened 1bp to 66bp, below 5-year average of 72bp



Source: ICE Data Indices, LLC

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**Exhibit 62: Pick-up of Asia bank senior over Australia bank senior**

Asia bank senior is trading 7bp tighter than Australia bank, vs. 5-year average pick-up of +34bp

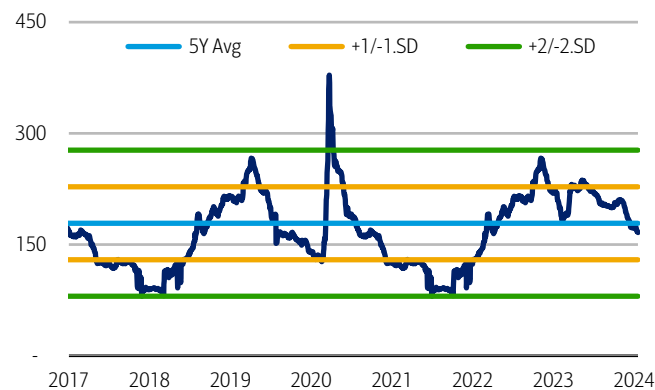


Source: ICE Data Indices, LLC

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**Exhibit 63: Australia bank Tier 2 spread**

WoW, Australia bank Tier 2 tightened 5bp to 166bp, below 5-year average of 179bp

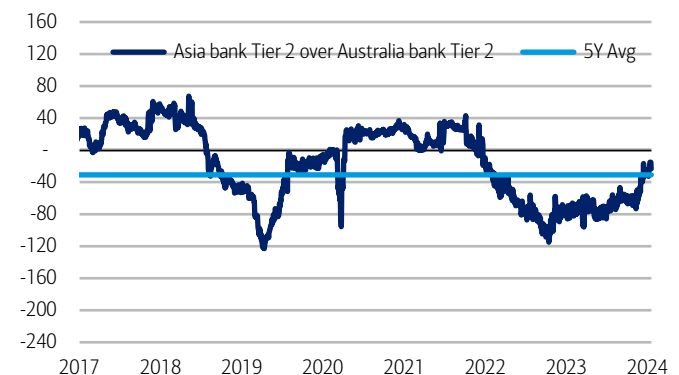


Source: ICE Data Indices, LLC

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**Exhibit 64: Pick-up of Asia bank Tier 2 over Australia bank Tier 2**

Asia bank Tier 2 is now trading 23bp tighter than Australia bank Tier 2, vs. 5-year average of -31bp

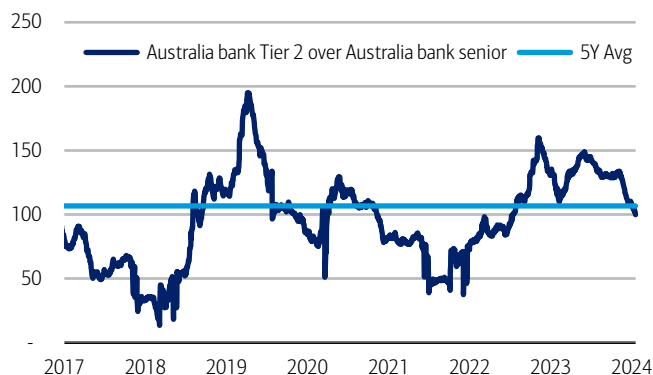


Source: ICE Data Indices, LLC

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**Exhibit 65: Pick-up of Australia bank Tier 2 over Australia bank senior**

WoW, Australia bank Tier 2 pick-up over bank senior tightened 4bp to 100bp, below the 5-year average of 107bp

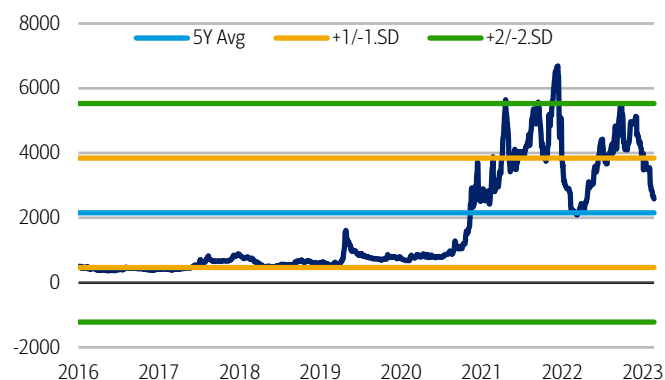


Source: ICE Data Indices, LLC

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**By sector****Exhibit 66: China HY property spread**

WoW, China HY property spread tightened 137bp to 2,584bp, above the 5-year average of 2,154bp



Source: ICE Data Indices, LLC

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**Exhibit 67: Pick-up of China HY property over US HY**

WoW, China HY property over US HY tightened 149bp to 2,221bp, above the 5-year average of 1,724bp

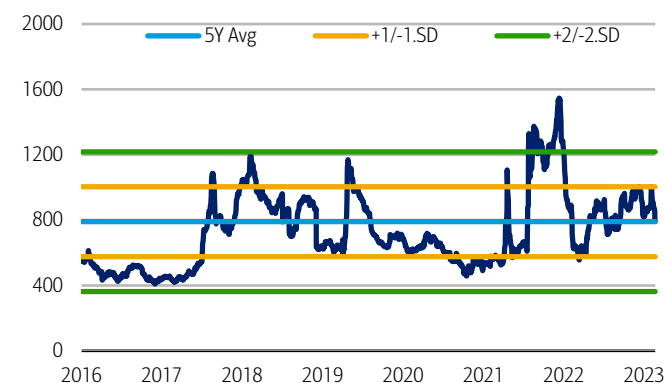


Source: ICE Data Indices, LLC

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**Exhibit 68: China non-property HY (corporate) spread**

WoW, China non-property HY spread (corporate) tightened 99bp to 791bp, around the 5-year average of 790bp



Source: ICE Data Indices, LLC

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**Exhibit 69: Pick-up of China non-property HY (corporate) over US HY**

WoW, the pick-up of China non-property HY (corporate) over US HY tightened 111bp to 429bp, above the 5-year average of 360bp

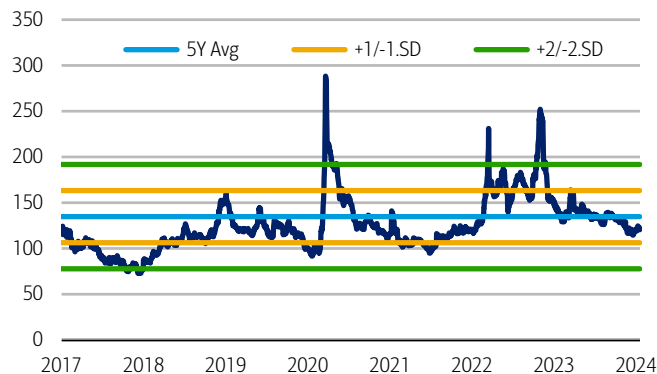


Source: ICE Data Indices, LLC

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**Exhibit 70: BAT (BABA, BIDU, TENCNT) spread**

WoW, China BAT spread tightened 2bp to 121bp, below 5-year average of 135bp

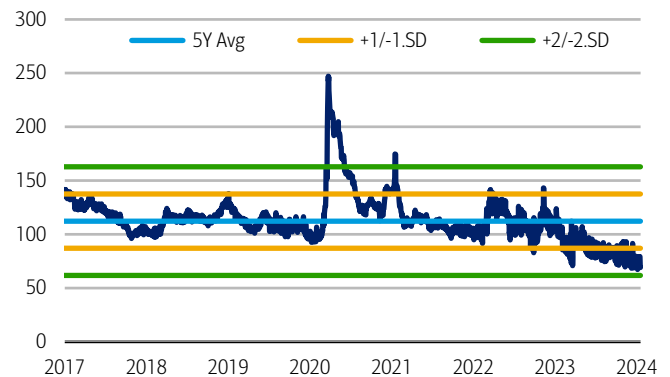


Source: ICE Data Indices, LLC

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**Exhibit 71: China oil major spread**

WoW, China oil major spread tightened 3bp to 69bp, below 5-year average of 112bp

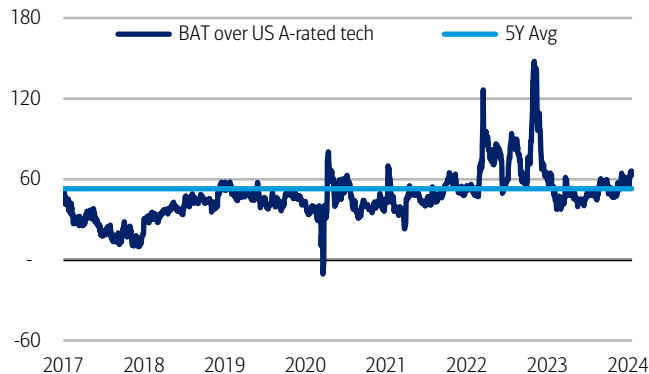


Source: ICE Data Indices, LLC

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**Exhibit 72: Pick-up of BAT over US A-rated tech**

WoW, China BAT over US A-rated tech tightened 2bp to 63bp, above 5-year average of 53bp

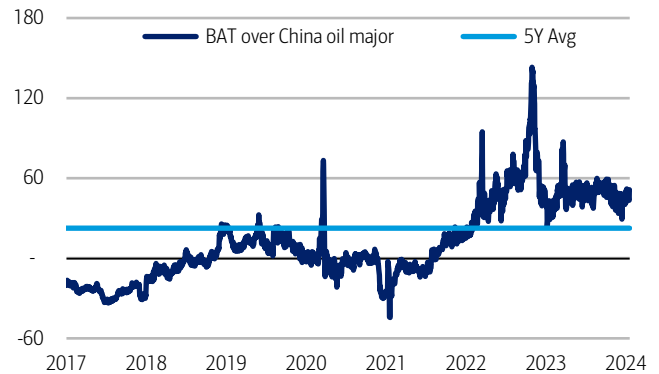


Source: ICE Data Indices, LLC

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**Exhibit 73: Pick-up of BAT over China oil major**

WoW, China BAT over China oil major remained at 51bp, above 5-year average of 23bp

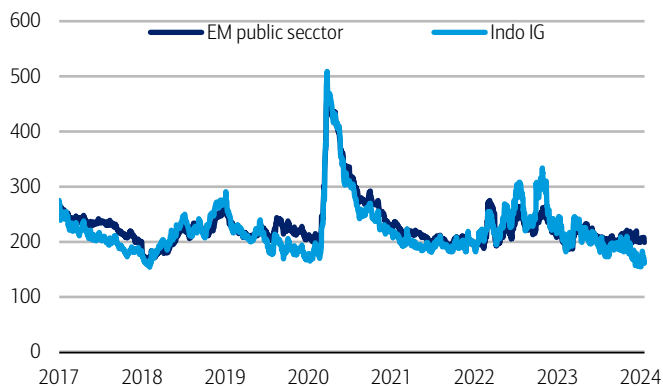


Source: ICE Data Indices, LLC

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**Exhibit 74: Indonesia IG vs. EM public sector spread**

Indonesia IG is trading 36bp tighter than EM public sector issuer



Source: ICE Data Indices, LLC

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