

Asian Credit Strategy

Asia credit weekly spotlight (week of 25-31 January)

Emerging Markets

China HY outperformed, rates rally

Asia IG widened 6bp WoW to 122bp mainly due to lower rates, while Asia HY tightened 21bp WoW to 591bp (excluding index rebalancing impact). The widening in the IG space was led by Indo IG (+12bp WoW to 168bp), followed by India IG (+10bp WoW to 154bp). In the Asia HY space, excluding index rebalancing, China HY tightened 37bp WoW to 798bp, followed by India HY (-8bp WoW to 602bp), while Indo HY and Macau gaming widened. In the month-end index rebalancing, HRINTH bonds were moved from IG to HY index after downgrade, and two VEDLN bonds were added back to the HY index as the issuer completed the LME. For WoW spread performance, see Exhibit 17. Despite tight valuations, especially for IG, we think that it should be resilient given strong technicals. We prefer HY over IG due to limited default risk and higher carry yields. That said, credit selection counts, and we remain constructive on Indian renewable names and Macau gaming.

LTM default rate by count at 7.5%

We did not see any default cases this week, and the LTM default rate by amount/count remained unchanged at 20.8%/7.5%.

US\$3.0bn fixed USD supply this week

This week saw supply of US\$3.0bn (+41% WoW), driven by issuance from China LGFVs and Korea IG corps. China deals accounted for 66% of the total supply.

Sector highlight: what has happened

Asia financial: Media reported that the China government may transfer shareholdings of three China AMCs from the MoF to China Investment Corporation (CIC). Bank of China (BCHINA) released its TLAC issuance plan.

Asia tech: According to unconfirmed Bloomberg reports, 1) SK Hynix restarted merger talks with Western Digital and Kioxia, and 2) JD plans to partner with UK delivery provider Evri and launch a new warehouse in Paris. The US government plans to require cloud providers to disclose artificial intelligence uses by foreign companies; Weibo's operator, Sina, plans to extend the USD300mn syndicated loan due Mar'24 by one year.

Macau gaming: [Jan'24 GGR](#) (see our report) was up 4% MoM (78% of Jan'19 level). We see limited impacts on Macau GGR from the China-Singapore visa-free program. Fitch assigned the first-time rating of BB- to Wynn Resorts with stable outlook.

China Industrials: China Grand Auto redeemed CHIGRA 9.125 '24. VNET has agreed to repurchase 2026 convertible bonds in full. GLP Capital Partners 1) established a RMB10bn China Income Fund XII and 2) sold 12 logistics assets in Brazil. Hongqiao issued RMB1bn medium-term notes.

China property: Several cities have sent white-list projects to banks (e.g., Chongqing/Nanning, 304/107 projects). Evergrande was ordered to be wound by HK High Court.

India corporates: Adani Green reported 3QFY24 results.

Indo corporates: Moody's downgraded Lippo Malls Indonesia Retail Trust's (LMIRT), maintaining negative outlook.

Thai corporates: Fitch Ratings assigned PTT Global Chemical (PTTGC) a first-time Long-Term Foreign-Currency Issuer Default Rating of BBB with a negative outlook.

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

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Refer to important disclosures on page 23 to 25.

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Global Emerging Markets | Corporate Credit
Asia

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AMC: Asset management company

GGR: gross gaming revenue

HY: High Yield

IG: Investment Grade

LGFV: local government financing vehicle

LME: liability management exercise

LTM: last 12 months

MoF: Ministry of Finance

MOHURD: Ministry of Housing and Urban-Rural

Development

NFRA: National Financial Regulatory Administration

POE: privately-owned enterprise

SOE: state-owned enterprise

TLAC: total loss-absorbing capacity

WoW: week over week

Sector highlights

Asia financial

AMCs rally amid news on possible shareholder change

Based on media reports, the Chinese government may transfer the shareholdings of three China Asset Management Companies (AMCs) from the Ministry of Finance (MoF) to China Investment Corporation (CIC). The three AMCs are China Cinda Asset Management Co. (CCAMCL), China Orient Asset Management Co. (ORIEAS, not covered), and China Great Wall Asset Management Co. (GRWALL, not covered). For shareholders, see the following charts. Post the news, the AMC sector's spread compressed by 20-50bp, with the unlisted AMCs faring better than the listed AMCs. The good sentiment might be due to the following: 1) The possible shareholder change could be a catalyst for GRWALL to announce its 2022 results. This is an overhang risk for the whole AMC sector in 2024. 2) CIC is China's sovereign wealth fund. With a very high administrative level, it is the shareholding company of major Chinese banks (e.g., ICBC and CCB), which are expected to receive high government support. Thus, it seems that investors might not be very concerned about the credit ratings on AMCs.

CIC and Huijin model

We have received many questions from clients on CIC, MoF and related administrative levels implied. We published a primer report in 2019, [China GREs: Primer: China government-related entities \(GREs\) – same, same but different](#), to introduce CIC and the related Huijin model, which should benefit the companies being put under Huijin. We believe that it is a more advanced model with a separation of shareholding and supervision and could bring higher efficiency and better transparency.

Exhibit 1: China Great Wall Asset Management Co., Ltd.

MoF is the largest shareholder with a 73.5% stake

Shareholder	Shareholding %
Ministry of Finance of the People's Republic of China	73.5%
National Council for Social Security Fund	19.0%
China Property & Casualty Reinsurance Company Ltd.	3.6%
China Earth Property & Casualty Insurance Co.,Ltd	2.9%
China Life Insurance (Group) Company	1.0%
	100.0%

Source: Based on the company's 2021 reports.

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Exhibit 2: China Orient Asset Management Co., Ltd.

MoF is the largest shareholder with a 71.6% holding

Shareholder	Shareholding %
Ministry of Finance of the People's Republic of China	71.6%
National Council for Social Security Fund	16.4%
China Telecom Corporation Limited	5.6%
New Capital Limited	4.4%
SHANGHAI ELECTRIC	2.0%
	100.0%

Source: Based on the company's 2022 reports.

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BCHINA released the TLAC issuance plan

Based on the Hong Kong Exchange (HKEX) filing, Bank of China (BCHINA) has plans to issue total loss absorbing capacity (TLAC) totaling CNY150bn or USD21bn. Based on the CAI XIN report, the issuance could happen in China both onshore and offshore, and other major global systemically important banks in China may follow BCHINA. This looks similar to the Basel III additional tier 1 (AT1) bond issuance in 2014, when BCHINA printed USD AT1 first. This is also in line with our expectation of USD15-18bn TLAC new issue in 2024 (see our report: [Banks - China: China TLAC: less time left but more needs to be done 04 January 2024](#)).

Asia technology

SK Hynix has reportedly restarted merger talks of Western Digital and Kioxia, per Bloomberg (the companies have not confirmed). Separately, SK Hynix is reported to have chosen Indiana as the location to build a new chip packaging plant in the U.S., per media reports. JD is reported to be partnering with UK delivery company Evri to expand its EU business. Separately, JD is reported to launch a fashion warehouse in Paris to supply European brands to China. The US government plans to require cloud providers to disclose

artificial intelligence uses by foreign companies. Weibo's operator, Sina, is in process of extending the 1-year maturity on its USD300mn syndicated loan due in Mar'24.

Macau gaming

[Jan'24 GGR](#) (see our report) came in at MOP19.3bn, +4% MoM and representing 78% of the Jan'19 level. Daily run rate was at MOP624mn versus MOP599mn in Dec'23. We believe that the strong GGR tally despite weak China consumption sentiment should provide greater confidence to investors on issuers' fundamental trend. Separately, we see limited impacts on Macau GGR from the China-Singapore visa-free program (effective from 9 Feb). 15 out of 31 luxury hotel towers (mostly at Cotai resorts) have been fully booked for almost all nights during Chinese New Year (CNY) holiday, according to GGRAsia. **Company operation:** SJM announced a base salary increase for its eligible employees, benefiting around 99.5% of its staff. After this, all operators have announced a salary increase for 2024. **Rating:** Fitch assigned the first-time rating of BB- to Wynn Resorts with stable outlook.

China HY industrial

China Grand Auto fully redeemed the CHIGRA 9.125 '24 (US\$232mn) matured on Jan 30. VNET announced that the US\$299mn strategic investment from Shandong Hi-Speed has been completed. It has agreed to repurchase all of the US\$600mn convertible bonds due 2026 under the purchase right offer. GLP Capital Partners established a RMB10bn China Income Fund XII. Separately, on behalf of two GCP Brazil funds, it has sold 12 logistics assets in Brazil for US\$300mn, per Debtwire. Hongqiao issued RMB1bn MTN due 2026 at 3.78%.

China property

MoHURD held a conference to support developers' reasonable financing needs, ask banks to support white-list projects selected by local governments, and give more flexibility to local governments to formulate property policies. Several cities have selected white-list projects and sent to banks (e.g., Chongqing/Nanning, 304/107 projects). Evergrande was ordered to be wound by the HK High Court.

Thailand Corporates

Fitch Ratings assigned PTT Global Chemical (PTTGC) a first-time Long-Term Foreign-Currency Issuer Default Rating of BBB with a negative outlook. PTT Exploration (PTTEPT) reported 4Q23 earnings largely flat revenue (+2%) and EBITDA (-1%) QoQ, turning to a net cash position and gross leverage staying low at 0.6x. Management guided sales volume at 505k BOED (+6% YoY) and EBITDA margin at 70-75% (versus 74% in FY23).

India Corporates

Adani Green reported 3QFY24 revenue/EBITDA from power supply up 40%/40% YoY to INR17.7bn/16.4bn, following capacity addition and improved utilization. The company reported net debt at INR389bn as of Dec'23.

Indo Corporates

Moody's downgraded Lippo Malls Indonesia Retail Trust's (LMIRT) corporate family rating to Caa3 from Caa1 and the backed senior unsecured rating on LMIRT's bonds has also been downgraded to Ca from Caa1. Moody's is maintaining negative outlook on all ratings citing the distressed debt exchange.

Return

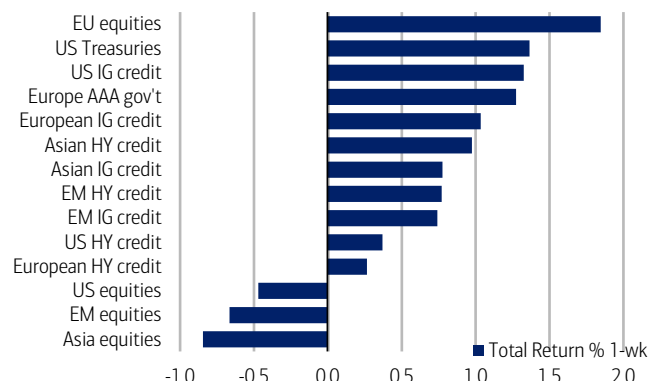
China HY outperformed, rates rally

This week, Asia IG widened 6bp WoW to 122bp mainly due to lower rates, while Asia HY tightened 21bp WoW to 591bp (excluding month-end index rebalancing impact). The widening in IG space was led by Indo IG (+12bp WoW to 168bp), followed by India IG (+10bp WoW to 154bp). In the Asia HY space, excluding index rebalancing impact, China HY tightened 37bp WoW to 798bp, followed by India HY (-8bp WoW to 602bp), while Indo HY (+7bp WoW to 390bp) and Macau gaming (+2bp WoW to 337bp) widened. Within China HY (non-financial), China HY property tightened 172bp WoW to 2,607bp, and China non-property HY tightened 59bp WoW to 725bp. In the month-end index rebalancing, HRINTH bonds were moved from IG to HY index after downgrade, and two VEDLN bonds were added back to HY index as the issuer completed the liability management exercise. For WoW spread performance, see Exhibit 17 and the Appendix.

In terms of valuation, despite tight valuations, especially for IG space, we think that it should be resilient given strong technicals. We prefer HY over IG due to limited default risk and higher carry yields. That said, credit selection counts in the current market, and we remain constructive on Indian renewable names and Macau gaming sector.

Exhibit 3: Weekly global returns

WoW, EU equities outperformed most, followed by US treasuries and US IG; European HY underperformed within credit

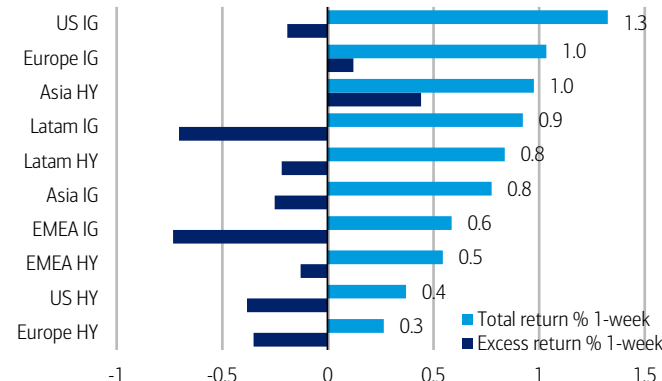


Source: ICE Data Indices, LLC., Bloomberg

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Exhibit 4: Global credit weekly returns

WoW, US IG outperformed, followed by European IG and Asia HY; European HY saw the lowest return, followed by US HY

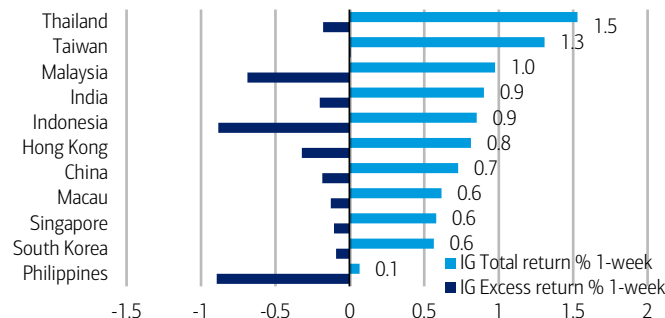


Source: ICE Data Indices, LLC.

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Exhibit 5: Asian high-grade weekly returns by country and region

WoW, all regions saw positive total return; Thailand IG topped, followed by Taiwan IG and Malaysia IG; Philippines IG underperformed

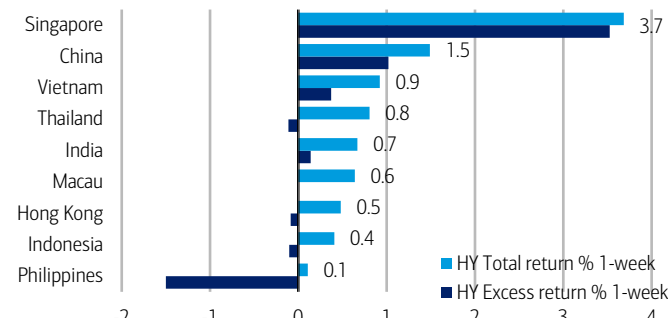


Source: ICE Data Indices, LLC. (Used ACIG index)

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Exhibit 6: Asian high-yield weekly returns by country and region

WoW, most of regions saw positive total return; Singapore HY led, followed by China HY and Vietnam HY

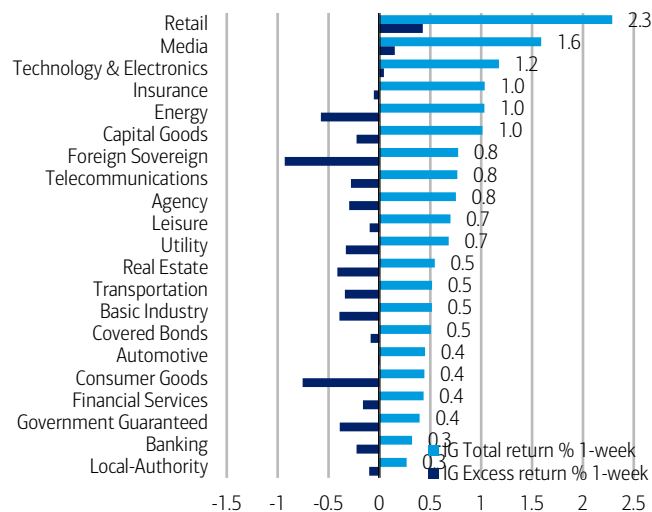


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 7: Asian high-grade weekly returns by sector

WoW, retail led the performance, followed by media and tech & electronics; local-authority underperformed

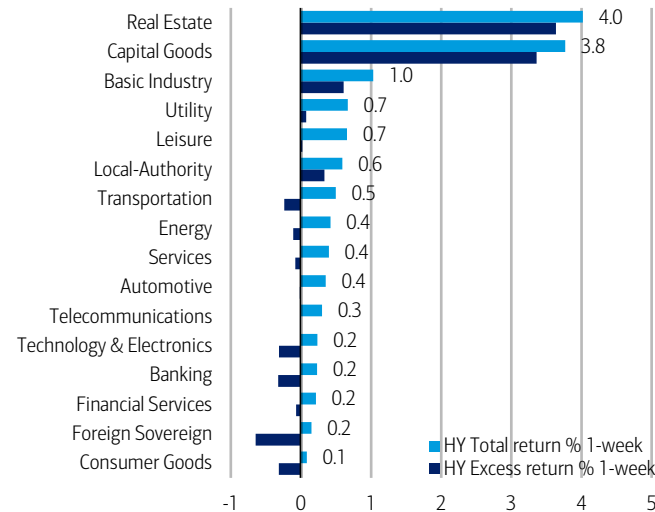


Source: ICE Data Indices, LLC. (Used ADIG index)

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Exhibit 8: Asian high-yield weekly returns by sector

WoW, real estate led the performance, followed by capital goods, and basic industry; consumer goods underperformed



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

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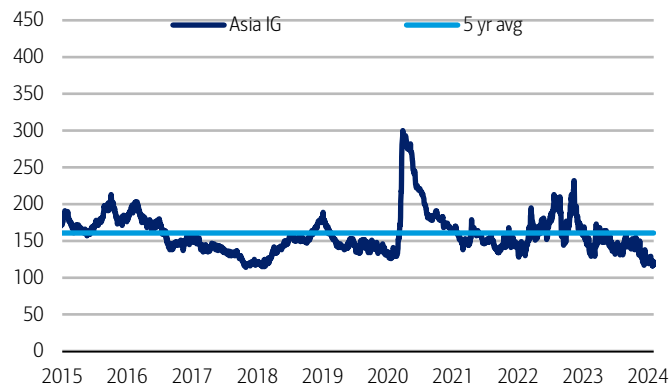
Valuation

Weekly spread changes: This week, Asia IG widened 6bp WoW to 122bp mainly due to lower rates, while Asia HY tightened 21bp WoW to 591bp (excluding month-end index rebalancing impact). The widening in IG space was led by Indo IG (+12bp WoW to 168bp), followed by India IG (+10bp WoW to 154bp). In the Asia HY space, excluding index rebalancing impact, China HY tightened 37bp WoW to 798bp, followed by India HY (-8bp WoW to 602bp), while Indo HY (+7bp WoW to 390bp) and Macau gaming (+2bp WoW to 337bp) widened. Within China HY (non-financial), China HY property tightened 172bp WoW to 2,607bp, and China non-property HY tightened 59bp WoW to 725bp. In the month-end index rebalancing, HRINTH bonds were moved from IG to HY index after downgrade, and two VEDLN bonds were added back to HY index as the issuer completed the liability management exercise. Asia financials overall widened 9bp WoW to 123bp, led by bank AT1 (+14bp WoW to 159bp) and bank senior (+13bp WoW to 71bp). For WoW spread performance, see Exhibit 17 and the Appendix.

Asia credit spread pick-up against US: In the past week, Asia IG underperformed US IG peers, while Asia HY outperformed US HY (excluding index rebalancing impact). The pick-up of Asia IG over US IG 5- to 7-year corps widened 3bp WoW to 13bp (below the 5-year average of 38bp). Due to the index rebalancing, the pick-up of Asia HY over US HY slightly tightened 1bp WoW to 232bp (below the 5-year average of 457bp). A further breakdown shows that the pick-up of Asia non-China HY over US HY widened 55bp WoW to 133bp, as two VEDLN bonds were added back to the index, but still below the 5-year average of 152bp). On the other hand, the pick-up of China non-property HY (corporate) over US HY tightened 98bp WoW to 366bp (still above the 5-year average of 357bp).

Exhibit 9: Asian high-grade corporate spread history

WoW, Asia IG widened 6bp to 122bp, below 5-year average of 161bp

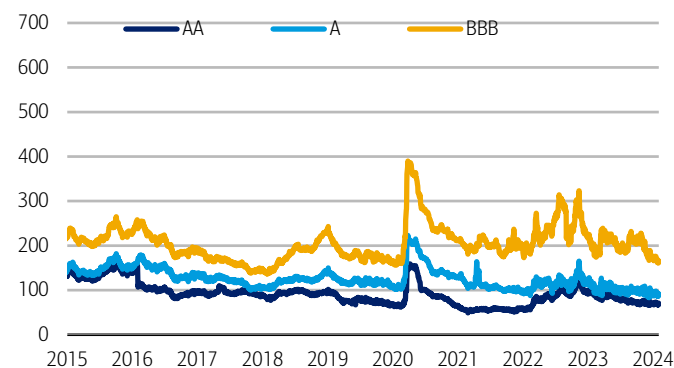


Source: ICE Data Indices, LLC. (Used ACIG index)

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Exhibit 10: Asian high-grade spreads by rating category

WoW, Asia AA widened 4bp to 71bp, Asia A +6bp to 92bp, and Asia BBB +4bp to 166bp



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

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Exhibit 11: Asian high-yield corporate spread history

WoW, Asia HY widened 14bp to 591bp due to index rebalancing (tightened 21bp excl. rebalancing impact), below 5-year average of 889bp

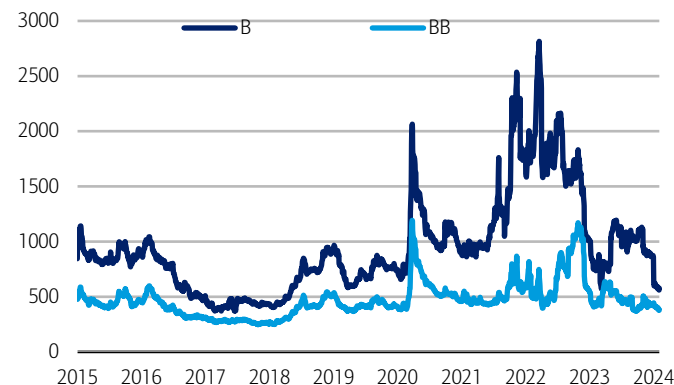


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 12: Asian high-yield spreads by rating category

WoW, Asia BB tightened 16bp to 381bp, but Asia B widened 7bp to 578bp due to index rebalancing

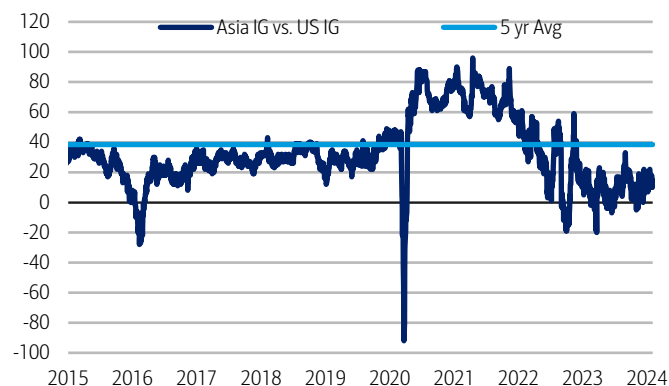


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 13: Asian corporate high-grade spreads vs. US IG (5-7yr)

WoW, the pick-up of Asia IG over US IG (5-7yr) widened 3bp to 13bp, below 5-year average of 38bp



Source: ICE Data Indices, LLC

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Exhibit 14: Asian corporate high-yield spreads vs. US HY

WoW, the pick-up of Asia HY over US HY tightened 1bp to 232bp, below the 5-year average of 457bp



Source: ICE Data Indices, LLC

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Exhibit 15: Asian high-yield excl. China property spread history

WoW, Asia HY excl. China prop (incl. financial) widened 46bp to 452bp, or tightened 8bp ex. month-end index rebalance, below 5-year average of 581bp



Source: ICE Data Indices, LLC

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Exhibit 16: Asian HY excl. China property spreads vs. US HY

WoW, the pick-up of Asia HY excluding China property (including financial) over US HY widened 31bp to 93bp, below 5-year average of 147bp



Source: ICE Data Indices, LLC

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Exhibit 17: Summary of spread changes

WoW, Asia IG spread widened, but Asia HY spread tightened excluding index rebalancing impact; in Asia IG, Indo widened most, followed by India and Korea; excluding index rebalancing, in Asia HY, China HY tightened most, followed by India HY, while the rest widened; Asia financial widened overall

	Current spread	WoW change	MTD change	YTD change
Overall				
Asia IG	122	6	0	0
AA	71	4	2	2
A	92	6	1	1
BBB	166	4	-4	-4
Asia HY	591	14 (-21*)	-58 (-93*)	-58 (-93*)
BB	381	-16 (-13*)	-63 (-60*)	-63 (-60*)
B	578	7 (-2*)	-47 (-52*)	-47 (-52*)
Asia HY excl. China property	452	46 (-8*)	-23	-23
By country/region				
IG				
China	127	5	-4	-4
Hong Kong	121	5	0	0
Korea	91	8	5	5
Singapore	78	4	1	1
Indonesia	168	12	13	13
India	154	10	-2	-2
HY				
China	798	-155 (-37*)	-266 (-148*)	-266 (-148*)
Indonesia	390	19 (+7*)	-43 (-55*)	-43 (-55*)
India	602	178 (-8*)	63 (-123*)	63 (-123*)
Macau	337	2	0	0
By sector				
China HY property	2607	-215 (-172*)	-413 (-370*)	-413 (-370*)
China non-property HY	725	-83 (-59*)	-280 (-256*)	-280 (-256*)
BAT	111	0	-10	-10
China oil majors	77	10	6	6
Asia financial				
Overall	123	9	0	0
Bank senior	71	13	6	6
NBFI senior	137	6	0	0
Bank Tier 2	145	5	0	0
Bank AT1	159	14	-20	-20

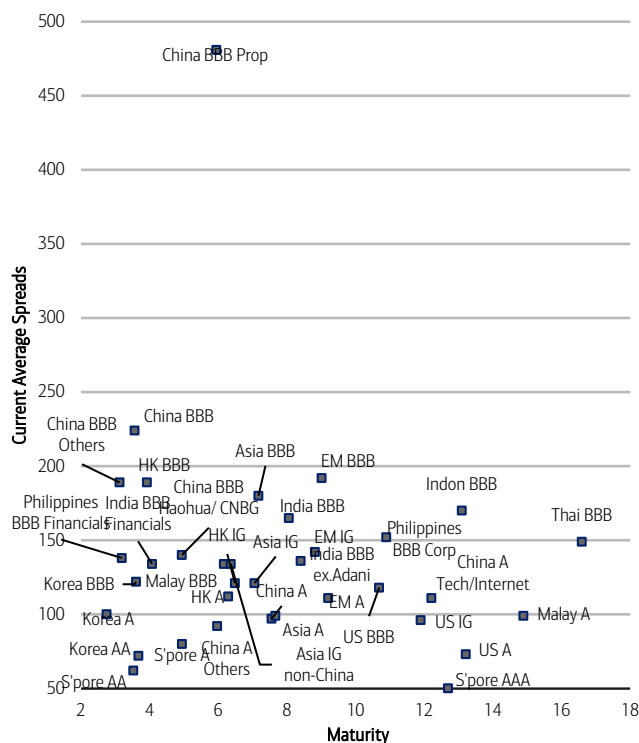
Source: ICE Data Indices, LLC, BofA Global Research

Note: * WoW spread change ex. Month-end index rebalance

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Exhibit 18: 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

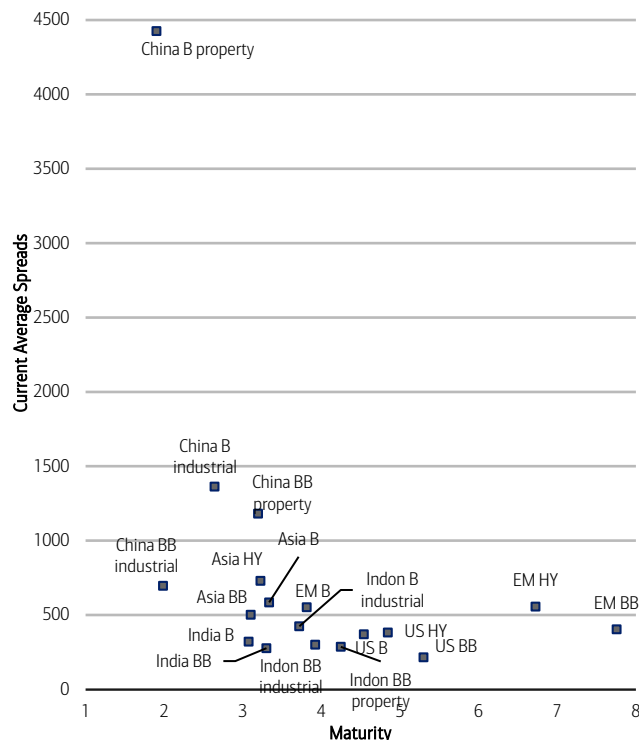


Source: ICE Data Indices, LLC, BofA Global Research

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Exhibit 19: Asia Corp spreads and duration by country and rating (HY)

Within the same ratings, China HY stands out as cheap in HY universe



Source: ICE Data Indices, LLC, BofA Global Research

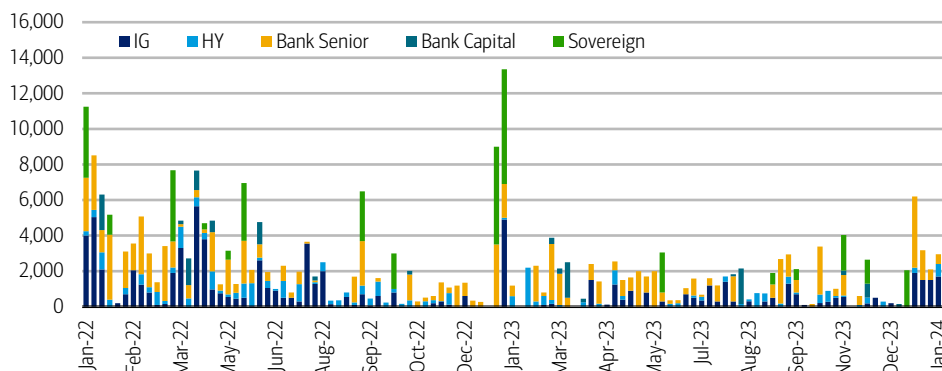
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Supply

This week saw supply of US\$3.0bn (+41% WoW), driven by issuance from China LGFVs and Korea IG corps. China deals accounted for 66% of the total supply. In addition, there was US\$0.3bn of USD floating notes this week. Australia had US\$1.36bn EUR bond issuance from banking sector. Note that we only track issuance larger than US\$100mn and maturity/call/put longer than one and a half years.

Exhibit 20: Asian USD fixed bond weekly supply, US\$mn

US\$3.0bn supply this week (Jan 25 to 31), +41% WoW; 66% of which from China



Source: Bloomberg, BofA Global Research

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Exhibit 21: Bond performance: Newly issued Asian USD bonds in the past one month

The price of newly issued bonds (in the past one month) up 0.4ppt from the issue price (median); yield -14bp (median); spread tightened 3bp (median)

Issuers	Bond	Issue date	Tranche US\$m	Country	Price	Issue Yield %	Spread	As of Jan 31, 2024			Change from issue date		
								Price	Yield %	Spread	Price %	Yield (bp)	Spread (bp)
Ji'an Chengtong Holding	JNCCIH 7.5 '27	30-Jan-24	173.6	China	100.0	7.50	338	100.3	7.40	337	0.3%	-10	-1
Haichuan International	FANGYA 5.45 '27	29-Jan-24	150	China	100.0	5.45	134	100.1	5.40	138	0.1%	-5	4
Hyundai Capital Services	HYUCAP 5.125 '27	29-Jan-24	500	Korea	99.7	5.22	110	100.0	5.14	111	0.2%	-8	1
Hyundai Capital Services	HYUCAP 5.125 '29	29-Jan-24	500	Korea	99.6	5.22	120	100.3	5.05	117	0.8%	-17	-3
Chang Development International	CCUDIH 7 '26	26-Jan-24	100	China	100.0	7.00	265	100.1	6.94	269	0.1%	-6	4
Joy Treasure Assets Holding	ORIEAS 5.5 '27	25-Jan-24	550	China	99.3	5.75	155	99.8	5.57	154	0.5%	-17	-1
Shaoxing Shangyu State	SYSTIO 5.6 '27	25-Jan-24	300	China	100.0	5.60	150	100.0	5.59	156	0.0%	-1	6
Korea Electric Power Corp.	KORELE 4.875 '27	24-Jan-24	1200	Korea	99.8	4.95	80	99.9	4.92	89	0.1%	-2	9
Hainan State Farms International	HNFAIR 6.2 '27	23-Jan-24	300	China	100.0	6.20	206	100.2	6.13	210	0.2%	-7	4
Mirae Asset Securities	DAESEC 5.875 '27	22-Jan-24	300	Korea	99.3	6.15	200	99.8	5.95	192	0.6%	-20	-8
Mirae Asset Securities	DAESEC 6 '29	22-Jan-24	300	Korea	99.0	6.24	222	100.9	5.78	190	2.0%	-46	-32
Woori Bank	WOORIB 4.75 '27	17-Jan-24	300	Korea	99.6	4.88	75	100.2	4.67	42	0.6%	-21	-33
Woori Bank	WOORIB 4.75 '29	17-Jan-24	400	Korea	99.5	4.88	85	100.9	4.54	66	1.5%	-33	-19
SK Battery America	SKINNV 4.875 '27	16-Jan-24	500	Korea	99.7	5.00	100	100.0	4.86	83	0.4%	-14	-17
SATS Ltd.	SATSSP 4.828 '29	16-Jan-24	500	Singapore	100.0	4.83	93	99.5	4.95	106	-0.5%	12	13
Shriram Finance Ltd.	SHFLIN 6.625 '27	16-Jan-24	750	India	100.0	6.63	262	101.2	6.20	217	1.2%	-43	-45
POSCO	POHANG 4.875 '27	16-Jan-24	500	Korea	99.5	5.05	110	99.5	5.06	103	0.0%	1	-7
Mongolian Mortgage Corp.	MGMTGE 11.5 '27	11-Jan-24	225	Mongolia	97.5	12.53	852	97.4	12.59	856	-0.1%	7	3
State Bank of India	SBIIN 5 '29	10-Jan-24	600	India	99.5	5.11	117	100.4	4.91	103	0.9%	-20	-14
Rizal Commercial Banking	RCBPM 5.5 '29	10-Jan-24	400	Philippines	99.5	5.61	165	100.5	5.39	150	0.9%	-22	-15
CICC Hong Kong Finance	CICCHK 5.012 '27	10-Jan-24	500	China	100.0	5.01	90	100.4	4.85	82	0.4%	-16	-8
Hanwha Totalenergies	SAMTOT 5.5 '29	9-Jan-24	400	Korea	99.9	5.53	153	100.0	5.50	162	0.1%	-3	9
BOC Aviation USA Corp	BOCAVI 5 '29	9-Jan-24	500	China	98.9	5.25	125	100.2	4.94	106	1.3%	-31	-19
SK Hynix Inc.	HYUELE 5.5 '29	8-Jan-24	1000	Korea	99.5	5.61	167	101.0	5.26	138	1.5%	-34	-29
SK Hynix Inc.	HYUELE 5.5 '27	8-Jan-24	500	Korea	99.9	5.54	145	100.5	5.32	129	0.6%	-22	-16
Zhejiang Xinchang Investment	ZJXCID 6 '27	8-Jan-24	300	China	100.0	6.00	186	100.5	5.83	180	0.5%	-17	-6
Export Import Bank of Korea	EIBKOR 4.625 '27	4-Jan-24	800	Korea	99.8	4.69	53	100.1	4.58	54	0.3%	-11	1
Export Import Bank of Korea	EIBKOR 4.5 '29	4-Jan-24	800	Korea	99.5	4.61	63	100.0	4.50	61	0.5%	-12	-2
Export Import Bank of Korea	EIBKOR 4.625 '34	4-Jan-24	400	Korea	99.1	4.73	73	99.0	4.75	80	-0.1%	2	7
Average											0.4%	-14	-3

Source: Bloomberg, BofA Global Research

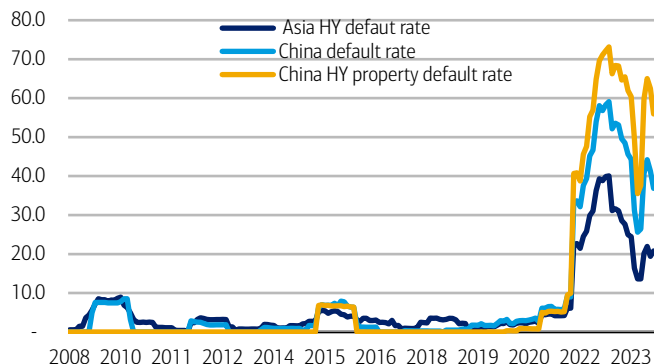
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Defaults

We did not see any default case this week, and the LTM default rate by amount/count was 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 22: LTM default rate by amount: Asia vs. China vs. China HY property

As of 31 January, Asia HY: 20.8%, China HY: 36.9%; China HY property: 56.0%

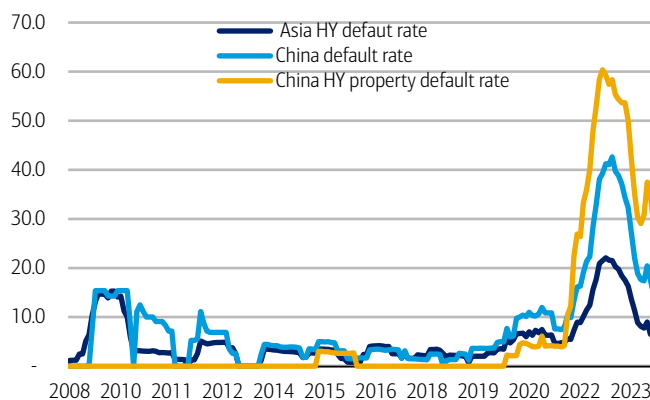


Source: BofA Global Research

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Exhibit 23: LTM default rate by count: Asia vs. China vs. China HY property

As of 31 January, Asia HY: 7.5%; China HY: 14.6%; China HY property: 28.6%



Source: BofA Global Research

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Exhibit 24: 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 24: 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
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	KIJAJI	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

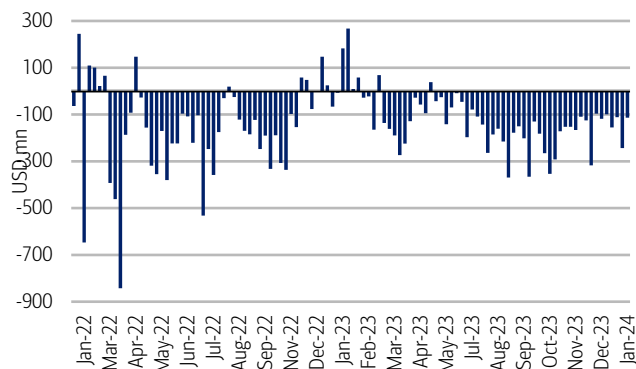
Based on EPFR, from 25 to 30 Jan, Asia excluding Japan (AxJ) hard currency funds saw outflow of US\$113mn (-0.46% of assets under management-AUM), moderating from US\$243mn in the previous week. For all EM market, the hard currency funds saw inflow of US\$91mn (versus outflows of US\$397mn in the previous week). For US funds, IG

funds saw inflow slow to US\$3.1bn, from US\$3.8bn in the previous week. By contrast, US HY funds saw inflows accelerate to US\$1.9bn, from US\$0.6bn in the previous week.

In YTD24, US HY corporate funds saw the biggest inflows of +1.6% (as a percentage of AUM at the beginning of the year), and US IG funds saw inflows of +1.3%. However, Axl hard currency saw outflows of -2.6%, and EM hard funds saw outflows of -0.9%.

Exhibit 25: Asia excl. Japan (Axl) hard currency fund flows, USD mn

Axl hard currency funds outflows at US\$113mn this week (from 25 to 30 Jan), narrowed from US\$243mn in the previous week



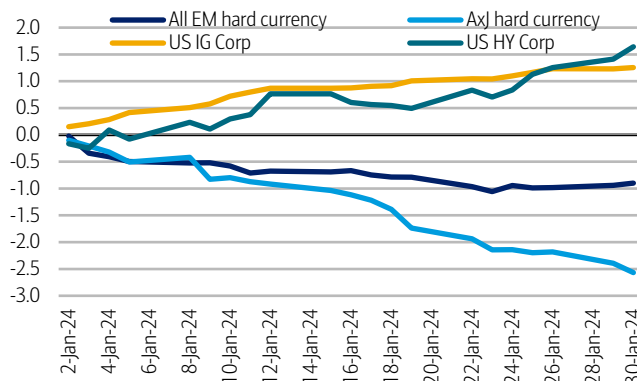
Source: EPFR

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

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Exhibit 26: 2024 YTD cumulative fund flows as % of AUM

In YTD 2024, US HY fund saw inflows of 1.6% of AUM and US IG corporate saw +1.3%; however, Axl hard currency saw outflows of -2.6% and EM hard currency saw outflows of -0.9%



Source: EPFR

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

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Top 10 and bottom 10 performers

Exhibit 27: 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)
FTLNHD 4.625% 2025	13.04%	AGILE 6.05% 2025	-2.25%
FTLNHD 4.5% 2026	10.88%	AGILE 5.5% 2025	-1.38%
LNGFOR 4.5% 2028	10.08%	TELPM 3.45% 2050	-1.28%
GLPSP 4.5% 2026	9.09%	YXREIT 2.65% 2026	-1.08%
GLPSP 3.875% 2025	8.83%	WREICL 2.875% 2030	-0.83%
VEDLN 9.25% 2026	6.97%	ZHONAN 3.5% 2026	-0.57%
LNGFOR 3.85% 2032	6.69%	HYSAN 4.1% 2025	-0.48%
CHJMAO 4.25% 2029	6.29%	PKSTAN 8.25% 2025	-0.41%
BABA 3.25% 2061	5.43%	HDFCB 5.686% 2026	-0.34%
FOSUNI 5.05% 2027	5.25%	PUMAFN 5% 2026	-0.27%

Source: ICE Data Indices, LLC. (Data as at 31 January, 2024)

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Exhibit 28: 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 & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
Investment Grade Corporates			
BABA 3.25% 2061	5.43%	ADSEZ 5% 2041	9.72%
BABA 4.2% 2047	4.80%	ADANEM 3.867% 2031	5.92%
VNKRLE 3.5% 2029	4.49%	ADSEZ 3.828% 2032	5.87%
RILIN 3.75% 2062	4.48%	AACTEC 3.75% 2031	4.83%
TENCNT 3.94% 2061	4.41%	ADSEZ 3.1% 2031	4.71%
TENCNT 3.29% 2060	4.38%	ADTIN 4.25% 2036	4.49%
TOPTB 3.5% 2049	4.32%	ADANEM 3.949% 2030	4.16%
AACTEC 3.75% 2031	4.21%	CNDATA 10.5% 2026	3.93%
TAISEM 3.25% 2051	4.19%	TELPN 3.45% 2050	3.82%
TENCNT 3.24% 2050	4.11%	UPLIN 4.625% 2030	3.72%
High Yield Corporates			
FTLNHD 4.625% 2025	13.04%	RONXIN 7.1% 2025	82.00%
FTLNHD 4.5% 2026	10.88%	VEDLN 9.25% 2026	32.55%
LNGFOR 4.5% 2028	10.08%	ROADKG 6% 2025	25.68%
GLPSP 4.5% 2026	9.09%	AGILE 6.05% 2025	24.88%
GLPSP 3.875% 2025	8.83%	GLPSP 4.5% 2026	24.44%
VEDLN 9.25% 2026	6.97%	ROADKG 5.9% 2025	24.28%
LNGFOR 3.85% 2032	6.69%	YLLGSP 5.125% 2026	22.91%
CHJMAO 4.25% 2029	6.29%	ROADKG 5.125% 2026	22.00%
FOSUNI 5.05% 2027	5.25%	ROADKG 5.2% 2026	20.01%
PINGRE 3.45% 2026	5.15%	AGILE 5.5% 2025	18.68%
Banks / Financial Institution			
GRWALL 3.875% 2027	4.38%	PEAKRN 5.35% 2025	7.05%
GRWALL 2.375% 2030	4.20%	SUNSHG 4.5% 2026	4.33%
TEMASE 2.25% 2051	4.17%	GRWALL 2.375% 2030	4.24%
TEMASE 2.75% 2061	3.94%	BNKEA 5.825% 2025	3.67%
TEMASE 2.5% 2070	3.90%	RCBPM 6.5% 2025	3.43%
HKAA 3.5% 2062	3.74%	TYANLI 5.25% 2025	3.04%
HKAA 2.625% 2051	3.35%	GZINFU 2.85% 2026	3.00%
AIA 4.875% 2044	3.31%	GRWALL 3.875% 2027	2.95%
HKAA 3.25% 2052	3.22%	KEBHN 3.5% 2026	2.80%
AIA 3.2% 2040	2.80%	NANYAN 7.35% 2028	2.36%

Source: ICE Data Indices, LLC. (Data as at 31 January, 2024)

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Exhibit 29: 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 & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
Investment Grade Corporates			
TELPN 3.45% 2050	-1.28%	PERTIJ 4.175% 2050	-4.85%
WREICL 2.875% 2030	-0.83%	VNKRLE 3.975% 2027	-4.24%
HYSAN 4.1% 2025	-0.48%	PLNIJ 4.375% 2050	-4.16%
CRHZCH 4.125% 2029	-0.11%	PLNIJ 4% 2050	-4.05%
CHPWCN 4.25% 2027	-0.05%	SINOPE 3.44% 2049	-3.96%
PLBIJ 4.25% 2025	-0.02%	PETMK 4.8% 2060	-3.82%
HAIDIL 2.15% 2026	0.00%	PLNIJ 4.875% 2049	-3.79%
STESP 3.375% 2027	0.01%	PETMK 3.404% 2061	-3.68%
WREICL 2.375% 2025	0.02%	SINOPE 4.6% 2048	-3.56%
HXCEME 2.25% 2025	0.03%	SINOPE 3.68% 2049	-3.49%
High Yield Corporates			
AGILE 6.05% 2025	-2.25%	LNGFOR 3.95% 2029	-1.48%
AGILE 5.5% 2025	-1.38%	MGMCHI 4.75% 2027	-1.41%
YXREIT 2.65% 2026	-1.08%	LNGFOR 3.85% 2032	-0.27%
PUMAFN 5% 2026	-0.27%	MPEL 5.25% 2026	-0.19%
PAKWNP 7.5% 2031	-0.21%	MGMCHI 5.25% 2025	-0.19%
JSTLIN 5.05% 2032	-0.17%	CWAHK 4.85% 2026	-0.10%
MGMCHI 5.25% 2025	-0.17%	WYNMAC 5.5% 2026	0.00%
TTMTIN 5.875% 2025	-0.14%	WYNMAC 5.5% 2027	0.02%
RONXIN 7.1% 2025	0.00%	PUMAFN 5% 2026	0.03%
HMELIN 5.25% 2027	0.01%	INDYIJ 8.25% 2025	0.48%
Banks / Financial Institution			
ZHONAN 3.5% 2026	-0.57%	TEMASE 2.5% 2070	-3.13%
HDFCB 5.686% 2026	-0.34%	EXIMCH 4% 2047	-2.94%
KCGZIG 3.5% 2025	-0.21%	HKAA 3.25% 2052	-2.89%
SUNSHG 4.5% 2026	-0.15%	EIBKOR 2.5% 2041	-2.86%
KYOBOL 5.9% 2027	-0.10%	HKAA 2.625% 2051	-2.70%
CINMFI 2.375% 2025	-0.09%	HKAA 3.5% 2062	-2.69%
WUXIND 2.85% 2026	-0.03%	INRCIN 3.95% 2050	-2.53%
BMRIJ 5.5% 2026	-0.03%	AIA 4.5% 2046	-2.38%
BCHINA 1.5% 2025	-0.02%	TEMASE 3.375% 2042	-1.86%
SHFLIN 4.15% 2025	0.01%	SDBC 4% 2037	-1.58%

Source: ICE Data Indices, LLC. (Data as at 31 January, 2024)

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Repayment schedule for Asian HY issuers

Exhibit 30: 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\$0.8bn

Sector	Bond	Offshore Bond Ticker	Company Name	Currency	Payment date	Coupon or Principal	Payment (USD mn)
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
China property	Greentown China Holdings	GRNCH 3.28'27	GRNCH	CNY	21-Feb-24	Coupon	5.0
India HY	INGPHL 4 '27	INGPHL	INDIA GREEN POWER HOLD	USD	22-Feb-24	Coupon	9.4
China property	EXCELLENCE COM MGMT	EXCECP 4.69'26	EXCECP	CNY	22-Feb-24	Coupon	3.0
China property	Gemdale Ever Prosperity Investment	GEMDAL 3.58'25	GEMDAL	CNY	23-Feb-24	Coupon	9.0
China property	GLORY LAND	GUOPRO 14.25 '24	GUOPRO	USD	23-Feb-24	Coupon	24.0
China property	Shui On Land Development	SHUION 6.15 '24	SHUION	USD	24-Feb-24	Coupon	15.0
Macau gaming	WYNMAC 5.625 '28	WYNMAC	WYNN MACAU LTD	USD	26-Feb-24	Coupon	38.8
China property	Greentown China Holdings	GRNCH 3.86'25	GRNCH	CNY	27-Feb-24	Coupon	3.0
China property	Yanlord Land	YLLGSP 6.8 '24	YLLGSP	USD	27-Feb-24	Maturity	400.0
China property	Yanlord Land	YLLGSP 6.8 '24	YLLGSP	USD	27-Feb-24	Coupon	14.0

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

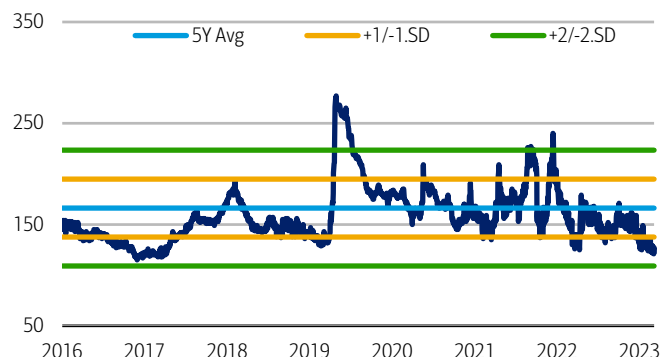
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Appendix

By country

Exhibit 31: China IG spread

WoW, China IG spread widened 5bp to 127bp, below the 5-year average of 166bp



Source: ICE Data Indices, LLC

Note: the spread data is based on ECNI index

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Exhibit 32: Pick-up of China IG over US IG

WoW, China IG over US IG pick-up widened 2bp to 25bp, below 5-year average of 38bp



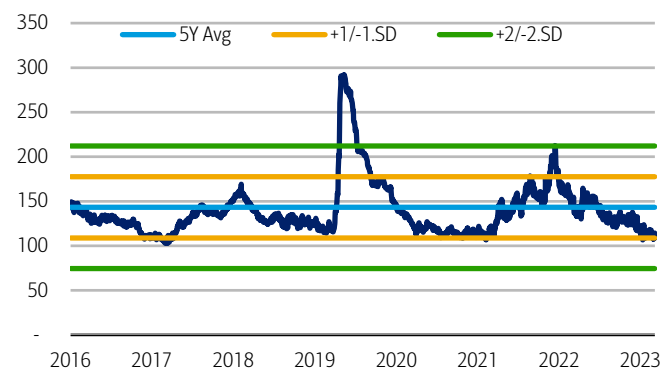
Source: ICE Data Indices, LLC

Note: the spread data is based on ECNI index

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Exhibit 33: Asia non-China IG spread

WoW, Asia non-China IG widened 7bp to 114bp, below 5-year average of 143bp



Source: ICE Data Indices, LLC

Note: the spread data is based on EMIA index

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Exhibit 34: Pick-up of China IG over Asia non-China IG

China IG over Asia non-China IG tightened 2bp to 13bp, below 5-year average pick-up of 23bp

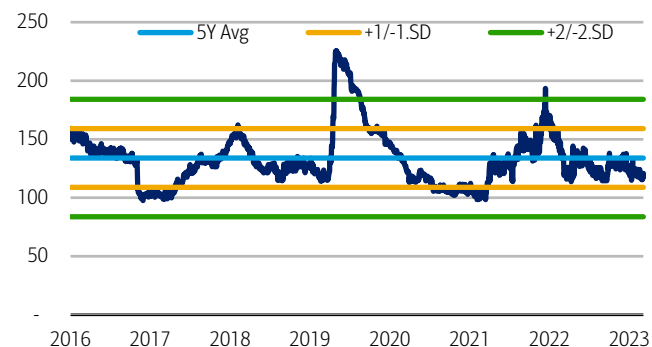


Source: ICE Data Indices, LLC

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Exhibit 35: Hong Kong IG spread

WoW, Hong Kong IG spread widened 5bp to 121bp, below 5-year average of 134bp

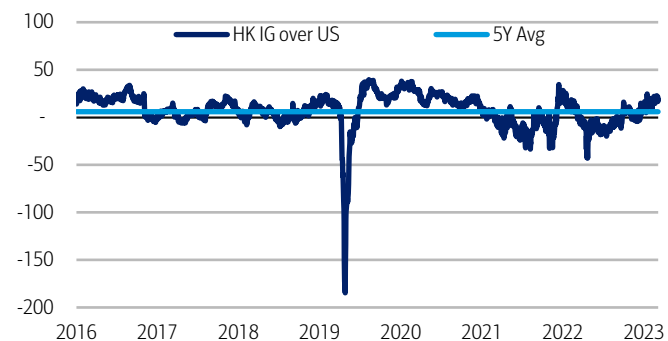


Source: ICE Data Indices, LLC

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Exhibit 36: Pick-up of Hong Kong IG over US IG

WoW, pick-up of Hong Kong IG over US IG widened 2bp to 18bp, above 5-year average pick-up of +6bp



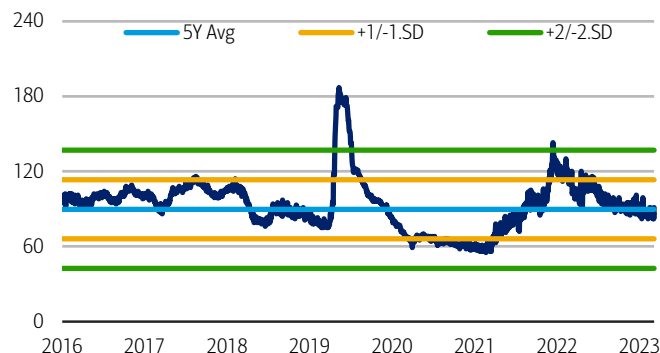
Source: ICE Data Indices, LLC

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Exhibit 37: Korea IG spread

WoW, Korea IG spread widened 8bp to 91bp, now above the 5-year average of 90bp

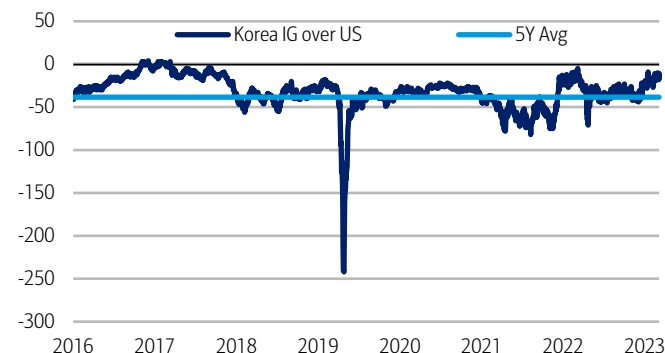


Source: ICE Data Indices, LLC

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Exhibit 38: Pick-up of Korea IG over US IG

Korea IG is now trading 11bp tighter than US IG, vs. 5-year average difference of -38bp

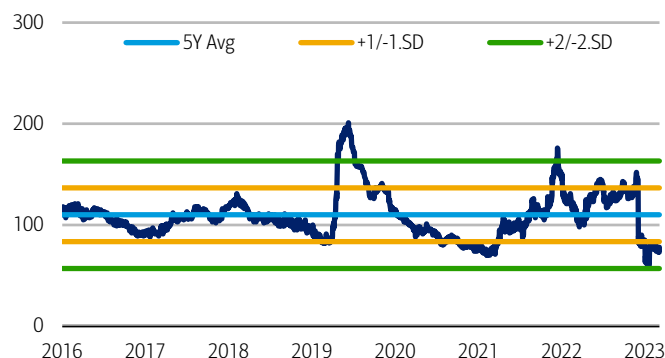


Source: ICE Data Indices, LLC

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Exhibit 39: Singapore IG spread

WoW, Singapore IG spread widened 4bp to 78bp, below the 5-year average of 110bp

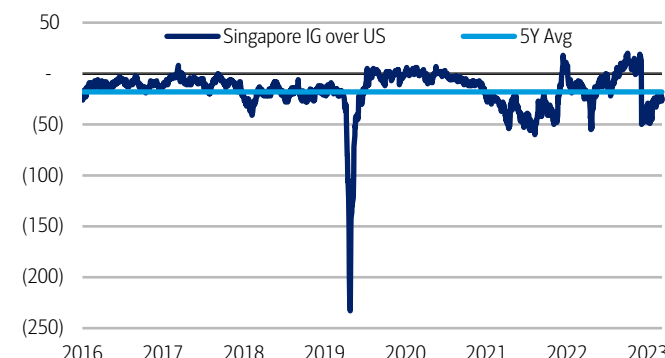


Source: ICE Data Indices, LLC

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Exhibit 40: Pick-up of Singapore IG over US IG

WoW, pick-up of Singapore IG over US IG was at -24bp, vs. 5-year average difference of -18bp

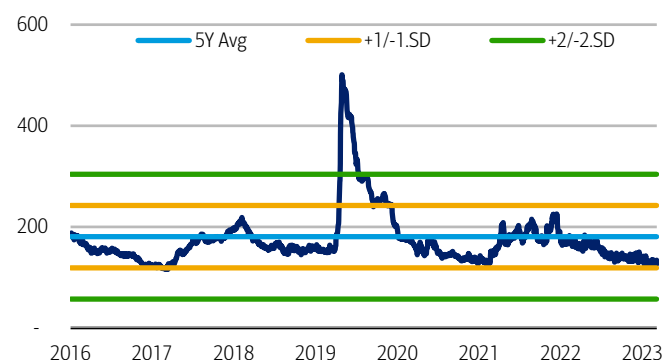


Source: ICE Data Indices, LLC

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Exhibit 41: Indonesia IG spread

WoW, Indonesia IG spread widened 12bp to 168bp, below the 5-year average of 224bp



Source: ICE Data Indices, LLC

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Exhibit 42: Pick-up of Indonesia IG over US IG

WoW, Indonesia IG over US IG pick-up widened 9bp to 66bp, below the 5-year average of 96bp

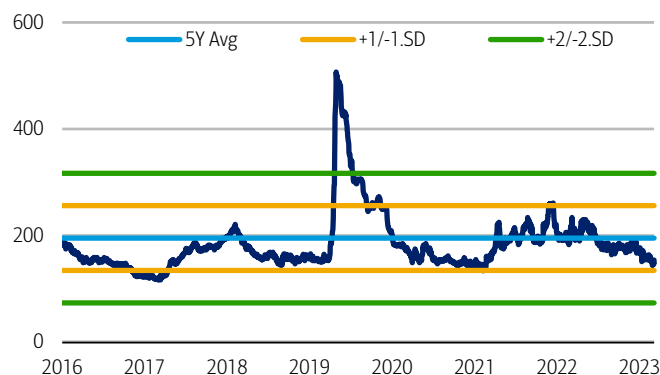


Source: ICE Data Indices, LLC

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Exhibit 43: India IG spread

WoW, India IG spread widened 10bp to 154bp, below 5-year average of 195bp

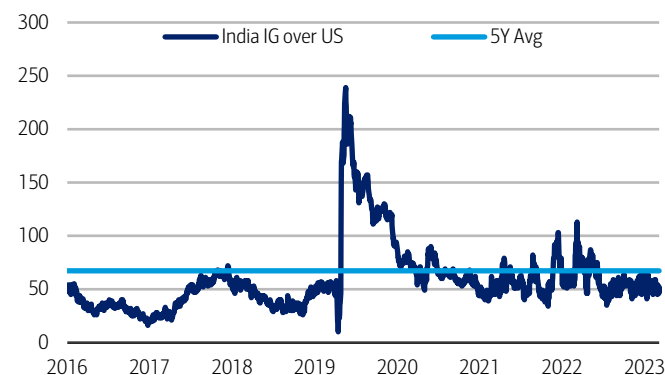


Source: ICE Data Indices, LLC

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Exhibit 44: Pick-up of India IG over US IG

WoW, India IG over US IG pick-up widened 7bp to 52bp, below 5-year average of 67bp

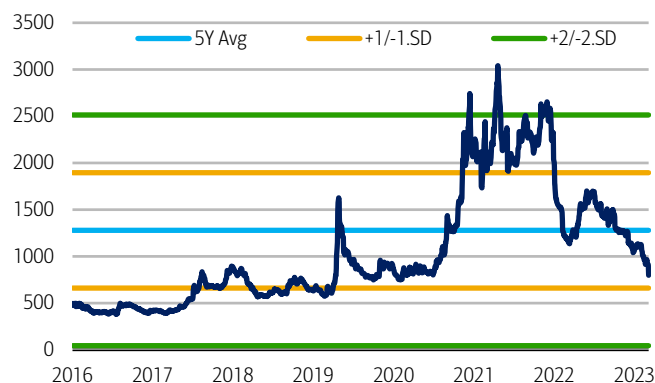


Source: ICE Data Indices, LLC

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Exhibit 45: China HY spread

WoW, China HY spread tightened 155bp to 798bp, or -37bp ex. index rebalance, below the 5-year average of 1,279bp; HRINTH bonds moved from IG to HY index



Source: ICE Data Indices, LLC

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Exhibit 46: Pick-up of China HY over US HY

WoW, China HY over US HY tightened 170bp to 439bp, below the 5-year average of 849bp

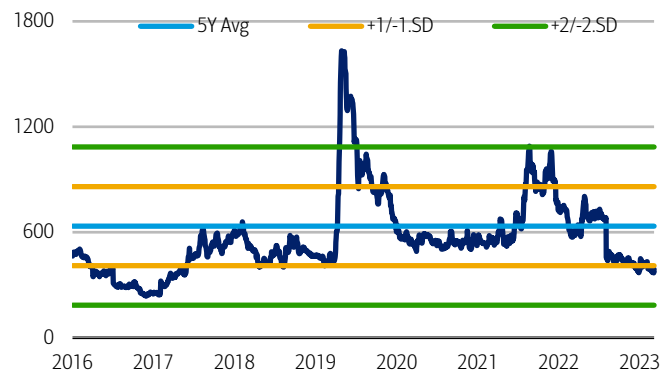


Source: ICE Data Indices, LLC

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Exhibit 47: Indonesia HY spread

WoW, Indonesia HY spread widened 19bp to 390bp, or +7bp, ex. index rebalance, below the 5-year average of 635bp



Source: ICE Data Indices, LLC

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Exhibit 48: Pick-up of Indonesia HY over US HY

WoW, Indonesia HY over US HY widened 4bp to 31bp, below 5-year average of 206bp

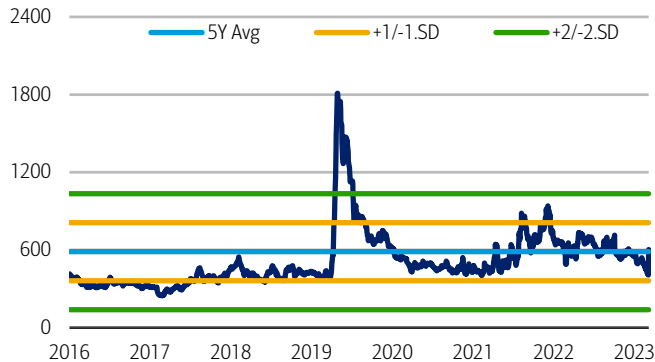


Source: ICE Data Indices, LLC

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Exhibit 49: India HY spread

WoW, India HY spread widened 178bp to 602bp, or -8bp ex. index rebalance, now above the 5-year average of 586bp; two VEDLN bonds added back upon completion of liability management exercise (LME)

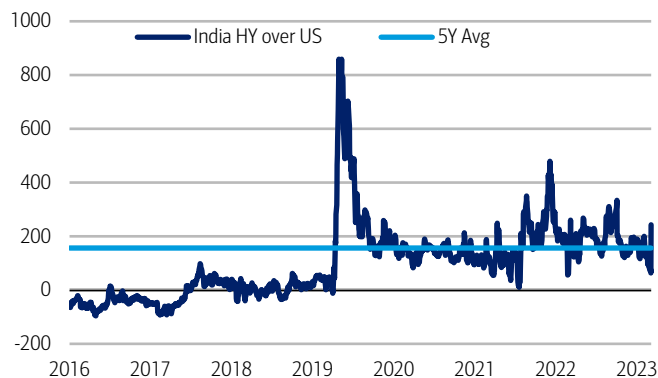


Source: ICE Data Indices, LLC

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Exhibit 50: Pick-up of India HY over US HY

WoW, India HY over US HY widened 163bp to 243bp, now above the 5-year average of 156bp

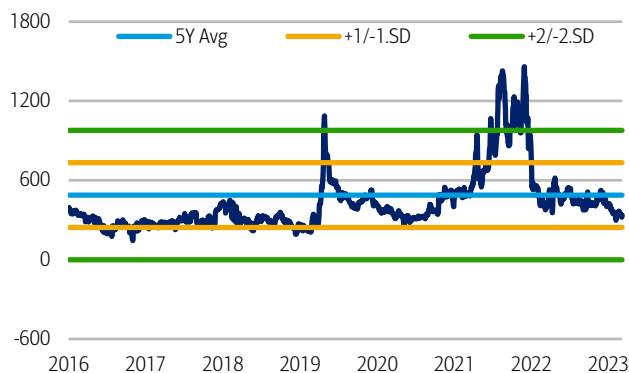


Source: ICE Data Indices, LLC

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Exhibit 51: Macau HY spread

WoW, Macau HY spread widened 2bp to 337bp, below 5-year average of 488bp

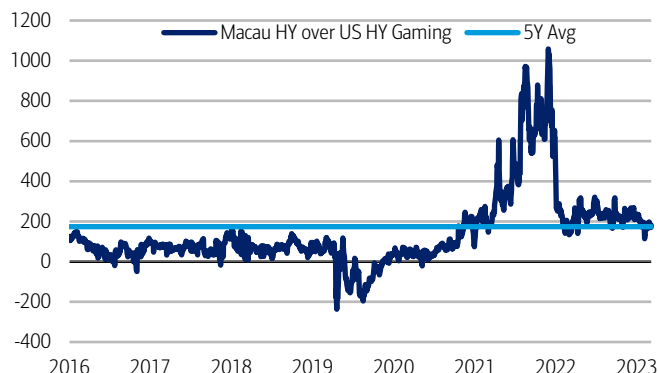


Source: ICE Data Indices, LLC

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Exhibit 52: Pick-up of Macau HY over US HY Gaming

WoW, Macau HY over US HY Gaming tightened 2bp to 182bp, now above the 5-year average of 174bp

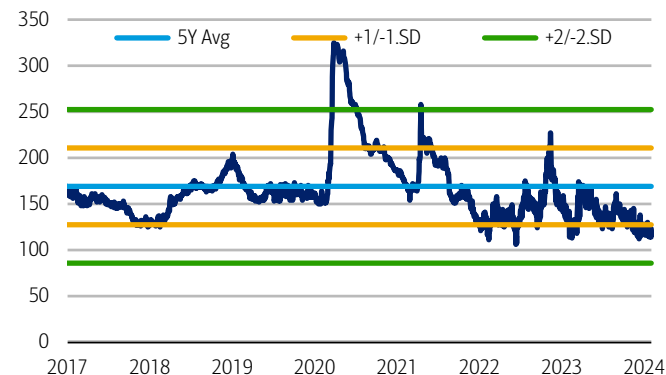


Source: ICE Data Indices, LLC

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Asia financial vs non-financial corporate**Exhibit 53: Asia financial spread**

WoW, Asia financial spread widened 9bp to 123bp, below the 5-year average of 169bp



Source: ICE Data Indices, LLC

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Exhibit 54: Pick-up of Asia non-financial corporate over Asia financial

WoW, Asia non-financial corporate pick-up over Asia financial widened 1bp to 83bp, below the 5-year average of 165bp

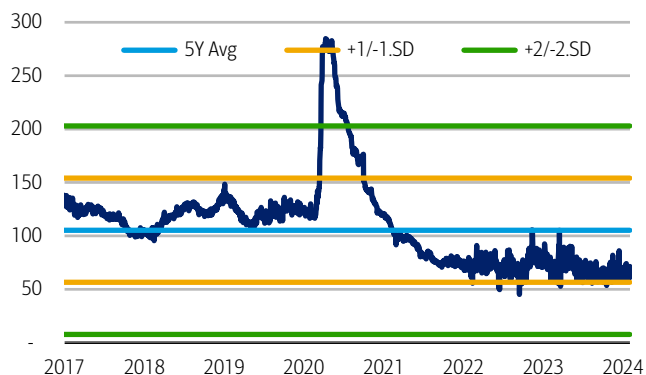


Source: ICE Data Indices, LLC

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Exhibit 55: Asia bank senior spread

WoW, Asia bank senior spread widened 13bp to 71bp, below the 5-year average of 105bp



Source: ICE Data Indices, LLC

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Exhibit 56: Pick-up of Asia A corporate over bank senior

WoW, Asia A corporate pick-up over bank senior tightened 6bp to 24bp, above the 5-year average of 12bp



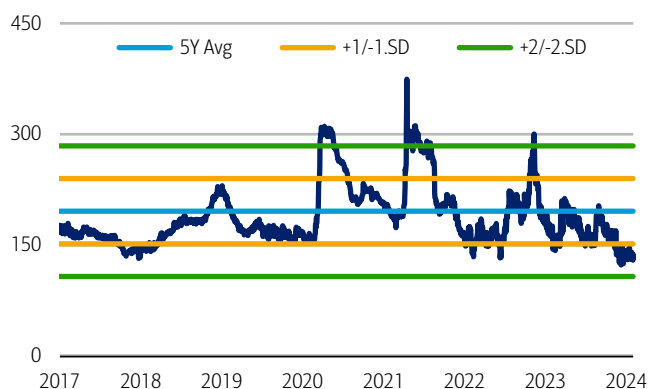
Source: ICE Data Indices, LLC

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 57: Asia NBFI senior spread

WoW, Asia NBFI senior widened 6bp to 137bp, below the 5-year average of 196bp

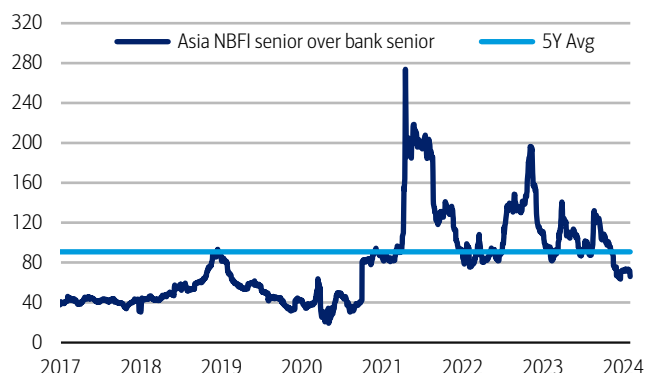


Source: ICE Data Indices, LLC

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Exhibit 58: Pick-up of Asia NBFI senior over bank senior

WoW, Asia NBFI senior pick-up over bank senior tightened 7bp to 66bp, below 5-year average of 91bp

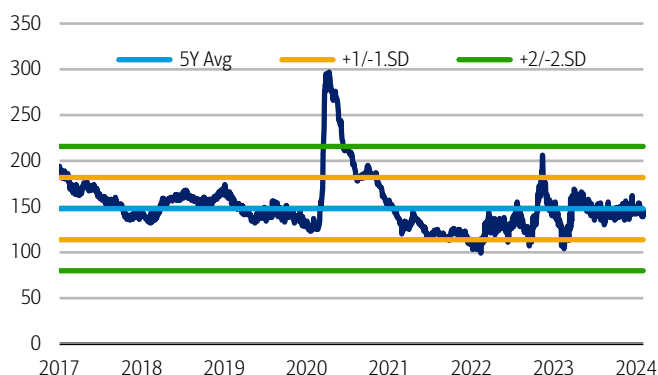


Source: ICE Data Indices, LLC

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Exhibit 59: Asia bank Tier 2 spread

WoW, Asia bank Tier 2 spread widened 5bp to 145bp, below 5-year average of 148bp

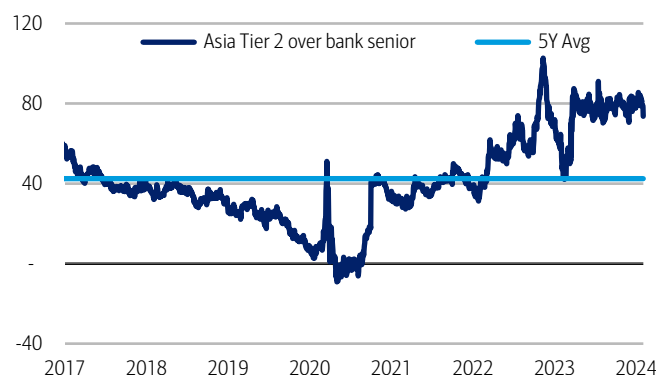


Source: ICE Data Indices, LLC

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Exhibit 60: Pick-up of Asia Tier 2 over bank senior

WoW, Asia bank Tier 2 pick-up over bank senior tightened 8bp to 74bp, above the 5-year average of 42bp

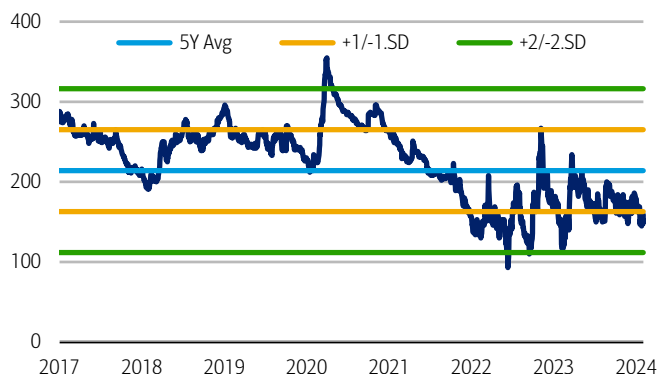


Source: ICE Data Indices, LLC

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Exhibit 61: Asia bank AT1 spread

WoW, Asia bank AT1 spread widened 14bp to 159bp, below the 5-year average of 214bp

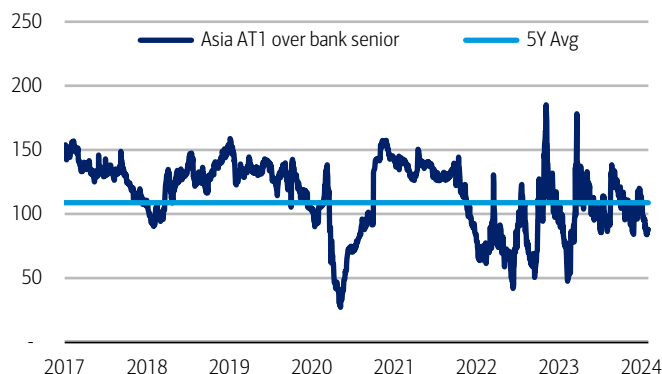


Source: ICE Data Indices, LLC

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Exhibit 62: Pick-up of Asia AT1 over bank senior

WoW, Asia AT1 pick-up over bank senior widened 1bp to 88bp, below the 5-year average of 109bp

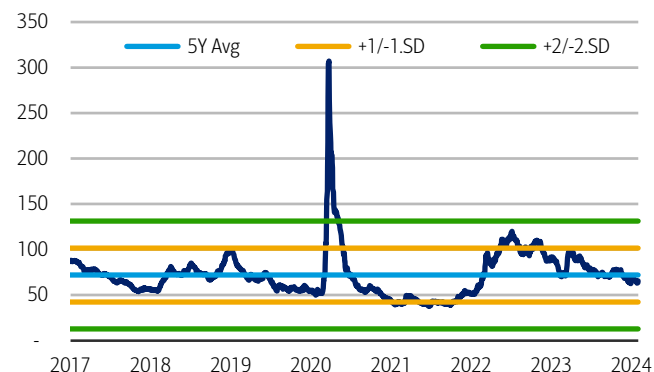


Source: ICE Data Indices, LLC

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Exhibit 63: Australia bank senior spread

WoW, Australia bank senior widened 2bp to 65bp, below 5-year average of 72bp

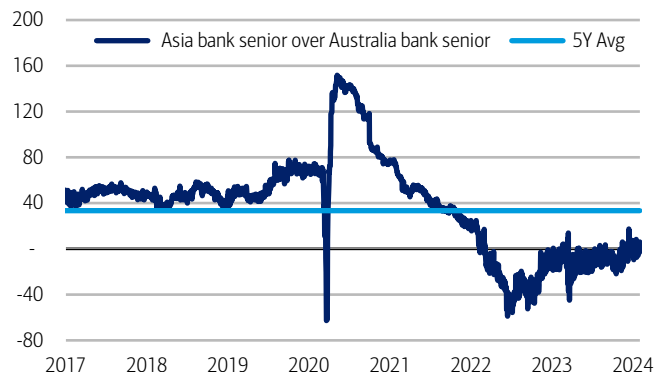


Source: ICE Data Indices, LLC

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Exhibit 64: Pick-up of Asia bank senior over Australia bank senior

WoW, Asia bank senior pick-up over Australia bank senior widened 11bp to 6bp, vs. 5-year average pick-up of +33bp

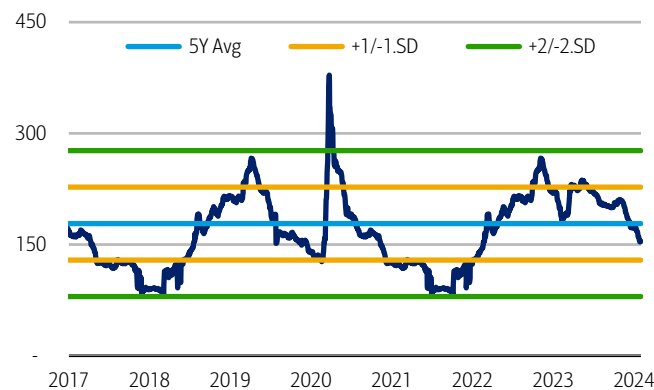


Source: ICE Data Indices, LLC

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Exhibit 65: Australia bank Tier 2 spread

WoW, Australia bank Tier 2 tightened 2bp to 155bp, below 5-year average of 178bp

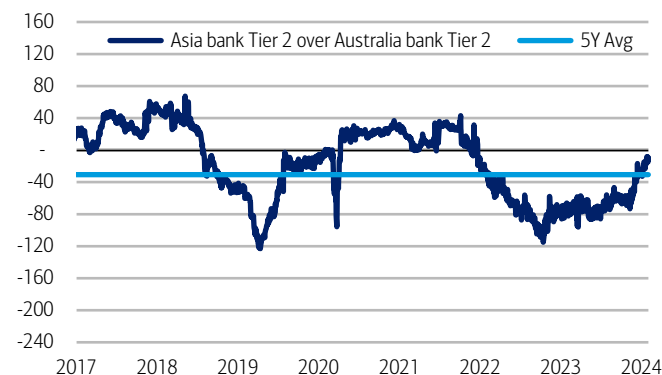


Source: ICE Data Indices, LLC

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Exhibit 66: Pick-up of Asia bank Tier 2 over Australia bank Tier 2

Asia bank Tier 2 is now trading 10bp tighter than Australia bank Tier 2, vs. 5-year average of -31bp

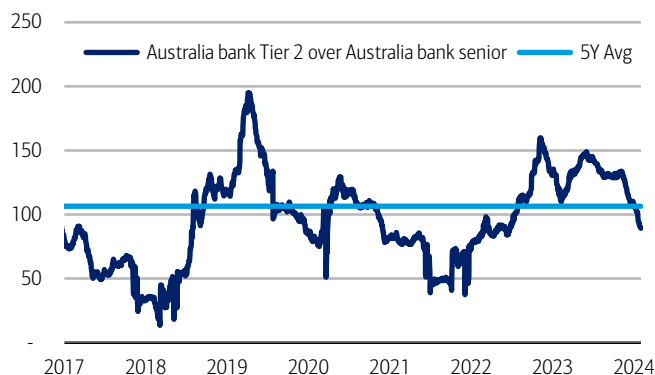


Source: ICE Data Indices, LLC

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Exhibit 67: Pick-up of Australia bank Tier 2 over Australia bank senior

WoW, Australia bank Tier 2 pick-up over bank senior tightened 3bp to 89bp, below the 5-year average of 106bp

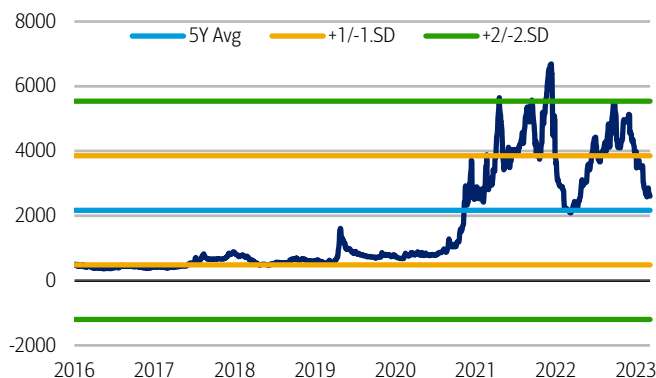


Source: ICE Data Indices, LLC

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By sector**Exhibit 68: China HY property spread**

WoW, China HY property spread tightened 215bp to 2,607bp, above the 5-year average of 2,169bp



Source: ICE Data Indices, LLC

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Exhibit 69: Pick-up of China HY property over US HY

WoW, China HY property over US HY tightened 230bp to 2,248bp, above the 5-year average of 1,740bp

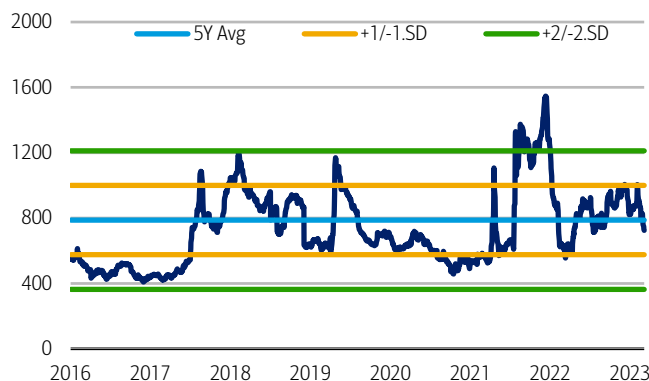


Source: ICE Data Indices, LLC

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Exhibit 70: China non-property HY (corporate) spread

WoW, China non-property HY spread (corporate) tightened 83bp to 725bp, below the 5-year average of 788bp



Source: ICE Data Indices, LLC

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Exhibit 71: 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 98bp to 366bp, above the 5-year average of 358bp

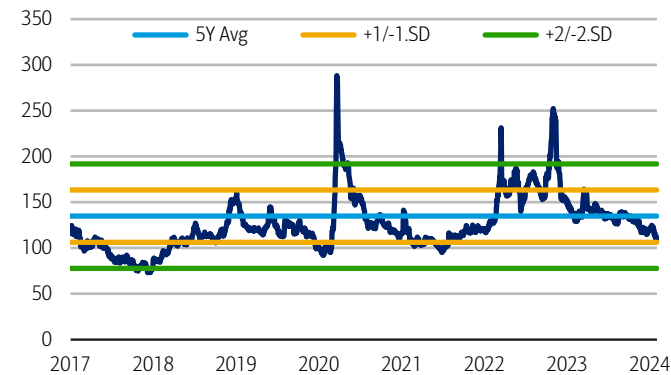


Source: ICE Data Indices, LLC

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Exhibit 72: BAT (BABA, BIDU, TENCNT) spread

WoW, China BAT spread remained at 111bp, below 5-year average of 135bp

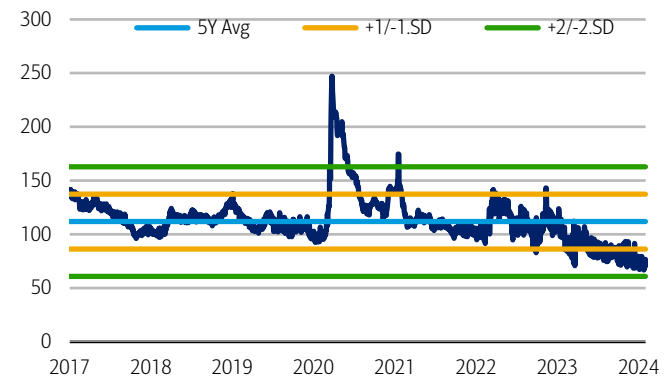


Source: ICE Data Indices, LLC

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Exhibit 73: China oil major spread

WoW, China oil major spread widened 10bp to 77bp, below 5-year average of 112bp

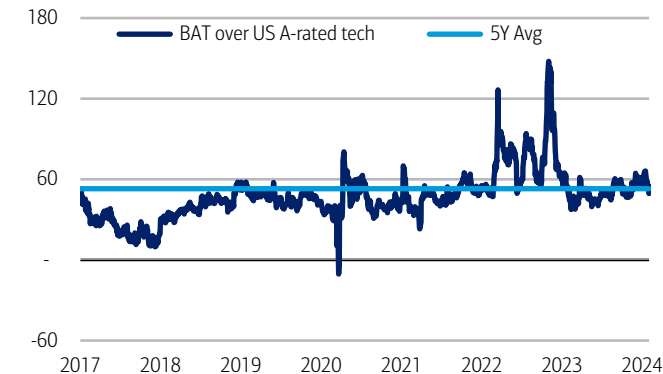


Source: ICE Data Indices, LLC

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Exhibit 74: Pick-up of BAT over US A-rated tech

WoW, China BAT over US A-rated tech tightened 6bp to 49bp, now below 5-year average of 53bp

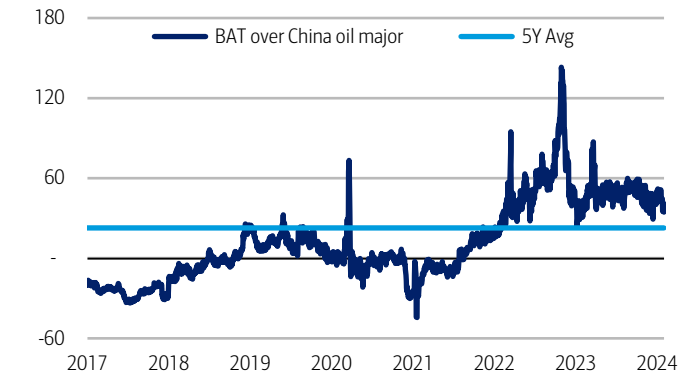


Source: ICE Data Indices, LLC

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Exhibit 75: Pick-up of BAT over China oil major

WoW, China BAT over China oil major tightened 10bp to 35bp, above 5-year average of 23bp

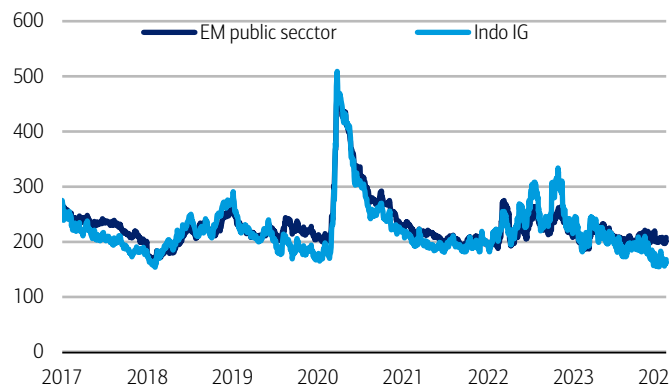


Source: ICE Data Indices, LLC

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Exhibit 76: Indonesia IG vs. EM public sector spread

Indonesia IG is trading 40bp tighter than EM public sector issuer



Source: ICE Data Indices, LLC

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