

## Asian Credit Strategy

## Asia credit weekly spotlight (week of 1-7 February)

Emerging Markets

## Macau gaming, China HY industrial, and China AMCs outperformed

This week, Asia IG/HY tightened 9bp/28bp WoW to 113bp/563bp, respectively. The tightening in IG space was mainly due to rising rates and led by China IG (-11bp WoW to 116bp), followed by Indo IG (-10bp WoW to 158bp) and India IG (-10bp WoW to 144bp). In the Asia HY space, Macau gaming and China HY non-property (corp) outperformed the most, tightening 57bp WoW to 280bp/668bp, respectively. China HY property widened 36bp WoW to 2644bp, while we did not see significant headline news this week. Asia financials overall tightened 12bp WoW to 111bp, led by China AMCs (-23bp WoW to 181bp). This, with higher rates, generated a negative total return of -0.24% for Asia IG, and +0.22% for Asia HY. For WoW spread performance, see Exhibit 15 and the Appendix. In terms of valuation, we prefer HY over IG due to limited default risk and higher carry yields. That said, credit selection counts and we remain constructive on sectors with improving fundamentals, like Indian renewable 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\$4.2bn fixed USD supply this week

This week saw supply of US\$4.2bn (+41% WoW), mainly driven by bank senior issuance.

## Sector highlight: what has happened

**Asia tech:** TSMC's Jan'24 sales +7.9% YoY. Alibaba reported Dec'23 quarter result with a largely stable EBITDA, gross leverage & debt/cap, and a higher net cash position. Moody's changed the outlook on JD (Baa1 rated) to positive from stable.

**Macau gaming:** Wynn Resorts' strong 4Q23: revenue +11% QoQ (82% of 4Q19 level), adjusted property EBITDA + 16% QoQ, 85% of 4Q19 level, and the deleveraging continued. Fitch upgraded Sands China to BBB- from BB+, with stable outlook. Macau operators have been exempted from paying complementary income tax on gaming profits from 1 Jan'23 to 31 Dec'27, which shall have limited impact in our view.

**China Industrials:** Redd reported that Ehi Car is seeking a RMB1bn onshore loan & a US\$150mn offshore syn loan (totaling c.US\$290mn). Fosun is reportedly planning to sell several assets, including Peak Reinsurance, Ageas, and Club Med.

**China property:** white-list: total 3,218 projects included; banks have granted RMB18bn loans to 83 projects across 27 cities. Shenzhen gov't is cautious on monetary support to Vanke and Gemdale via SOE purchasing their assets or equity injections per REDD.

**India corporates:** Moody's/S&P downgraded UPL Corporation's (UPL) to Ba1/BB from Baa3/BB+ while maintaining neg. outlook. Adani Green Energy is to raise USD 500mn bond per Bloomberg.

**Indo corporates:** Lippo Karawaci (LPKRJ)'s 2023 marketing sales +5% above '23 target; set '24 target +5% YoY. Moody's affirmed Indofood CBP Sukses Makmur's (ICBPIJ) Baa3 issuer rating and changed the outlook to positive.

**We will not have the publication for next week (16<sup>th</sup> Feb) due to Chinese New Year, and will resume on 23<sup>rd</sup> Feb 2024.**

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 22 to 24.**

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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  
WoW: week over week

## Sector highlights

### Asia technology

TSMC reported that its Jan'24 sales rose by 7.9% YoY to NT216bn. In the Dec 2023 quarter, Alibaba's revenue grew by 5% YoY to RMB260.3bn. EBITDA margin dropped by 1ppt YoY to 22.9%, with EBITDA up 1% YoY to RMB59.6bn. LTM EBITDA/LTM interest expense dropped by 5.4x YoY to 25.7x. Compared to end-Mar'23, its cash and short-term investments increased by 7% to RMB595.3bn and total debt grew by 3% to RMB165.9bn. Its net cash position increased by 9% to RMB429.4bn from RMB394.6bn as of end-Mar 2023. Both gross leverage and debt/cap remained largely stable at 0.9x and 12.8%. According to Reuters, the company has been in talks with strategic and financial investors to sell some of its consumer assets. Moody's changed the outlook on JD to positive from stable and affirmed its Baa1 rating.

### Macau gaming

**Market:** Macau's six gaming operators have been exempted from the payment of complementary income tax on gaming operation profit for a period of 5 years, from 1 Jan, 2023 to 31 Dec, 2027. This shall have limited impact on the fundamentals of operators in our view. **Company operation:** Wynn Resorts announced strong 4Q23 numbers: its Macau revenue increased by 11% QoQ to US\$911mn, representing 82% of 4Q19 level. Adjusted property EBITDA was US\$297mn, +16% QoQ/ 85% of 4Q19 level. It continued to deleverage in 4Q23 with total cash (plus short-term investment) grew to US\$2.0bn at Dec'23 from US\$1.8bn at Sept'23, total debt (incl lease liabilities) declined to US\$6.8bn from US\$6.9bn, and net debt dropped to US\$4.7bn from US\$5.1bn during the quarter. Wynn's CEO commented that company needs to consider the group's leverage profile before making any commitment in timing on dividend resumption. **Rating:** Fitch upgraded Sands China to BBB- from BB+, with stable outlook.

### China HY industrial

**Fund raising/ asset sale:** Fosun is planning on several asset sale according to media reports: It has revived the plan to sell the Hong Kong based Peak Reinsurance Co. for US\$1bn. Fosun also considers selling its minority interest worth US\$800mn in Ageas, and sell up to 30% interest in Club Med in a deal that would value the resort chain at US\$800mn. Its sports subsidiary plans to raise US\$100mn to expand the electronic sports business. Ehi Car is looking to secure totaled US\$290mn loans, including a RMB1bn onshore loan & a US\$150mn offshore syn loan. The final size and terms of both loans have not finalized & the process is still in early stages according to media reports. China Hongqiao issued a RMB1bn 366-day short-term commercial paper at 3.19%. **Bond repurchase:** VNET completed the repurchase offer for the 0% convertible bond due 2026. GLP China has remitted the funds for redemption of an onshore bond put on Feb 7 for RMB7.1mn.

### China property

A total of 3,218 projects have been included in the project white-list nationally, of which 84% are POE or mixed-ownership developers' projects. So far, commercial banks have granted RMB18bn loans to 83 projects across 27 cities in the white-list. Special-purpose loans totaling over RMB800bn in quotas for 19 cities have been granted to support the urban village renewal. Shenzhen gov't is turning cautious on offering monetary support to Vanke and Gemdale via venue such as SOE purchasing their assets or equity injections per REDD.

### India Corporates

Vedanta Resources (VRL) announced to have made upfront principal repayment for three tranches of bonds (53c for Jan'24s, 6c for Aug'24s and 16c for Mar'25s) with an aggregate principal payment of USD 779mn, thereby completing the liability management exercise.

Earlier in the week, Moody's downgraded UPL Corporation's (UPL) to Ba1 from Baa3 while maintaining negative outlook post weaker 3QFY24 earnings last week. Subsequently, S&P also downgraded UPL's credit rating to BB from BB+ while maintaining negative outlook as it expects company's leverage and cash flow to deteriorate amid poor industry conditions. This apart Bloomberg reported that Adani Group is looking to raise USD 500mn through USD bond market, its first overseas issuance since Hindenburg's report in Jan'23. Bloomberg report mention the potential USD bond to be issued by renewable energy subsidiary, Adani Green Energy, of Adani Group.

## Indo Corporates

Lippo Karawaci (LPKRJ) announced 2023 marketing sales results of IDR 5.12tln, 5% higher than 2023 target of IDR 4.9tln. Looking ahead, LPKRJ has set 2024 marketing sales of IDR 5.375tln, 5% higher than 2023 actuals. 2024 marketing sales is expected to be driven by new residential and commercial products in both Lippo Village and Lippo Cikarang. Separately, Moody's affirmed Indofood CBP Sukses Makmur's (ICBPJ) Baa3 issuer rating and changed the outlook to positive from stable reflecting ICBP's conservative financial policies and improved credit metrics following the successful integration of Pinehill.

## Returns

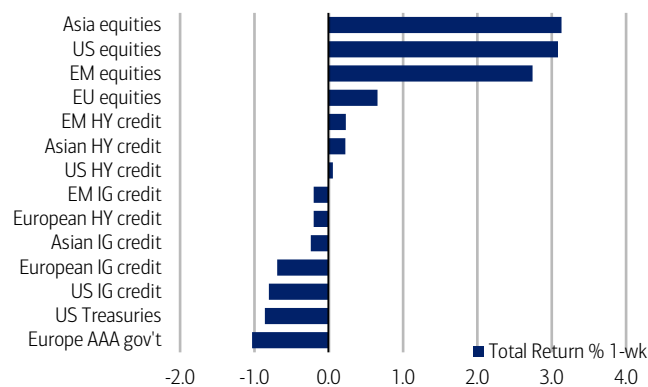
### Macau gaming, China HY industrial, and China AMCs outperformed

This week, Asia IG/HY tightened 9bp/28bp WoW to 113bp/563bp, respectively. The tightening in IG space was mainly due to rising rates and led by China IG (-11bp WoW to 116bp), followed by Indo IG (-10bp WoW to 158bp) and India IG (-10bp WoW to 144bp). In the Asia HY space, Macau gaming and China HY non-property (corp) outperformed the most, tightening 57bp WoW to 280bp/668bp, respectively. China HY property widened 36bp WoW to 2644bp, while we did not see significant headline news this week. Asia financials overall tightened 12bp WoW to 111bp, led by China AMCs (-23bp WoW to 181bp). This, with higher rates, generated a negative total return of -0.2% for overall Asia credit, +0.22% for Asia HY and -0.24% for Asia IG. For WoW spread performance, see Exhibit 15 and the Appendix.

In terms of valuation, we still prefer HY over IG due to limited default risk and higher carry yields. That said, credit selection counts, and we remain constructive on sectors with improving fundamentals, like Indian renewable and Macau gaming.

#### Exhibit 1: Weekly global returns

WoW, equities outperformed credits; within credit, HY outperformed IG in general; EM HY, followed by Asia HY and US HY; European AAA govt underperformed the most

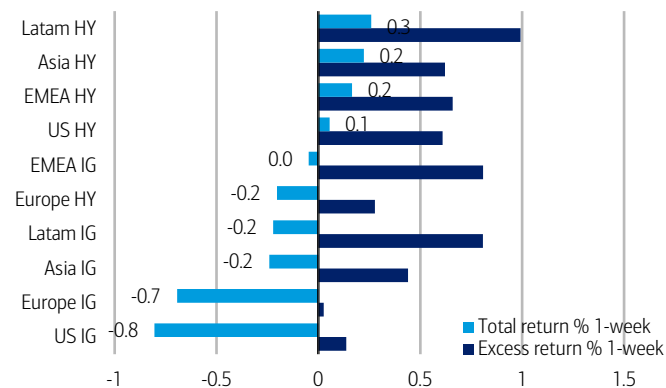


Source: ICE Data Indices, LLC., Bloomberg

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#### Exhibit 2: Global credit weekly returns

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



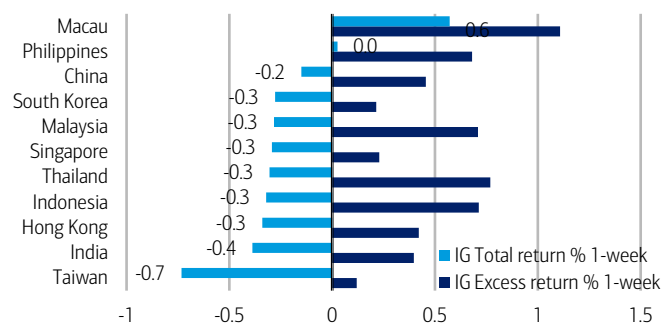
Source: ICE Data Indices, LLC.

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

WoW, most regions saw negative total return; Macau IG topped, followed by Philippines IG and China IG; Taiwan IG underperformed the most

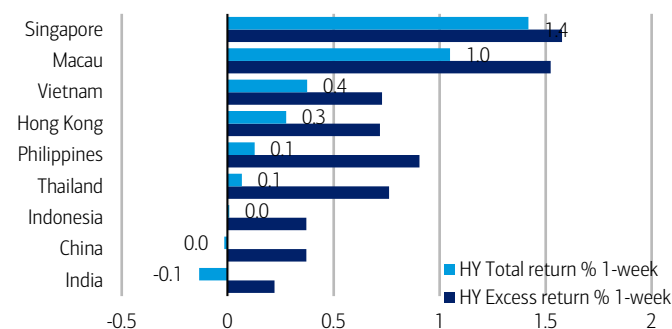


Source: ICE Data Indices, LLC. (Used ACIG index)

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

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

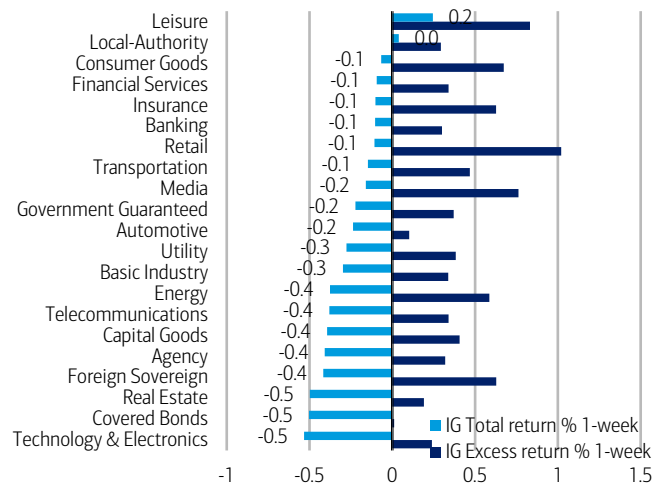


Source: ICE Data Indices, LLC. (Used ACHY index)

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

WoW, leisure led the performance with positive return, followed by local-authority; tech & electronics bottomed

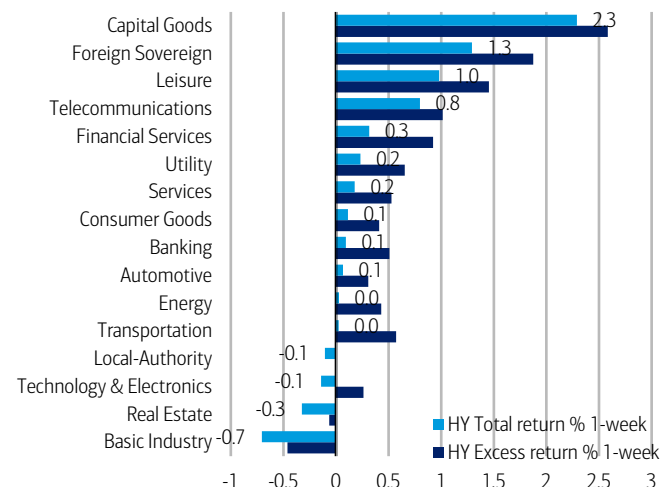


Source: ICE Data Indices, LLC. (Used ADIG index)

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

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



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

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## Valuation

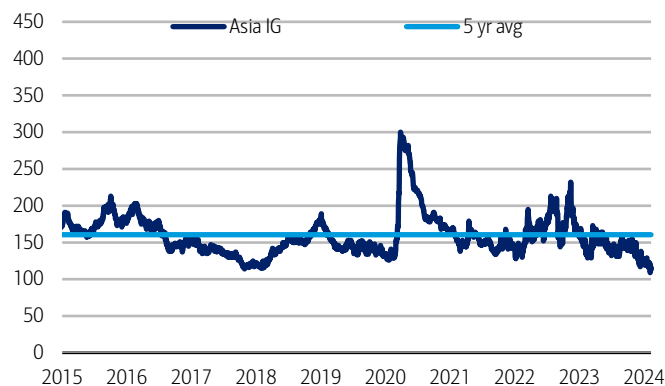
**Weekly spread changes:** This week, Asia IG/HY tightened 9bp/28bp WoW to 113bp/563bp, respectively. The tightening in IG space was mainly due to rising rates and led by China IG (-11bp WoW to 116bp), followed by Indo IG (-10bp WoW to 158bp) and India IG (-10bp WoW to 144bp). In the Asia HY space, Macau gaming and China HY non-property (corp) outperformed the most, tightening 57bp WoW to 280bp/668bp, respectively. China HY property widened 36bp WoW to 2644bp, while we did not see significant headline news this week. Asia financials overall tightened 12bp WoW to 111bp, led by China AMCs (-23bp WoW to 181bp). For WoW spread performance, see Exhibit 15 and the Appendix.

**Asia credit spread pick-up against US:** In the past week, both Asia IG and HY outperformed US peers. The pick-up of Asia IG over US IG 5- to 7-year corps tightened 5bp WoW to 8bp (below the 5-year average of 38bp). The pick-up of Asia HY over US HY tightened 12bp WoW to 220bp (below the 5-year average of 457bp). A further breakdown shows that the pick-up of Asia non-China HY over US HY tightened 13bp

WoW to 121bp (below the 5-year average of 152bp), and the pick-up of China non-property HY (corporate) over US HY tightened 41bp WoW to 325bp (now below the 5-year average of 356bp).

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

WoW, Asia IG tightened 9bp to 113bp, below 5-year average of 161bp

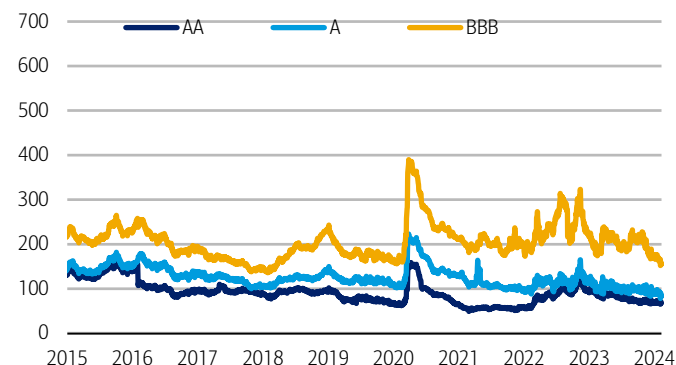


Source: ICE Data Indices, LLC. (Used ACIG index)

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

WoW, Asia AA tightened 3bp to 68bp, Asia A -9bp to 83bp, and Asia BBB -11bp to 155bp



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

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

WoW, Asia HY tightened 28bp to 563bp, below 5-year average of 889bp

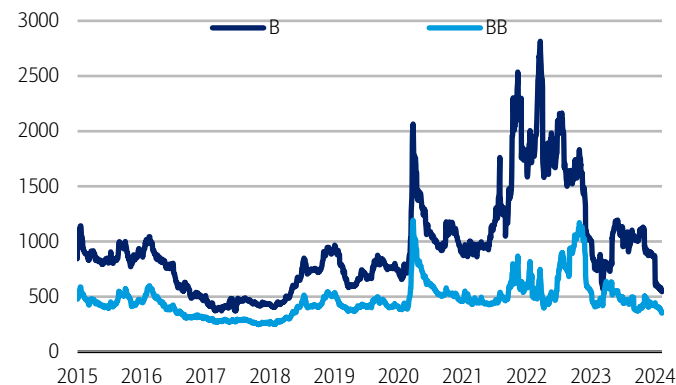


Source: ICE Data Indices, LLC. (Used ACHY index)

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

WoW, Asia BB tightened 31bp to 350bp, and Asia B -34bp to 544bp

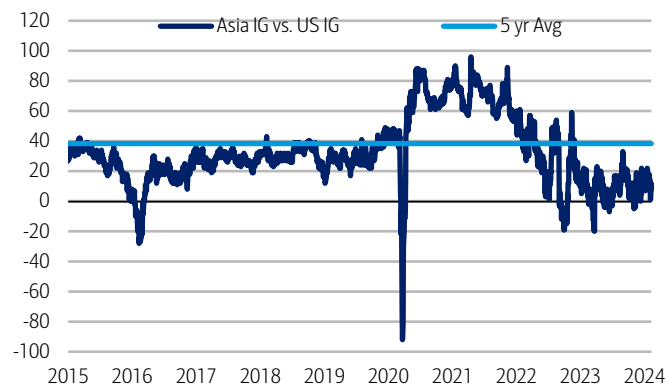


Source: ICE Data Indices, LLC. (Used ACHY index)

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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 8bp, 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 12bp to 220bp, 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 31bp to 421bp, below 5-year average of 581bp

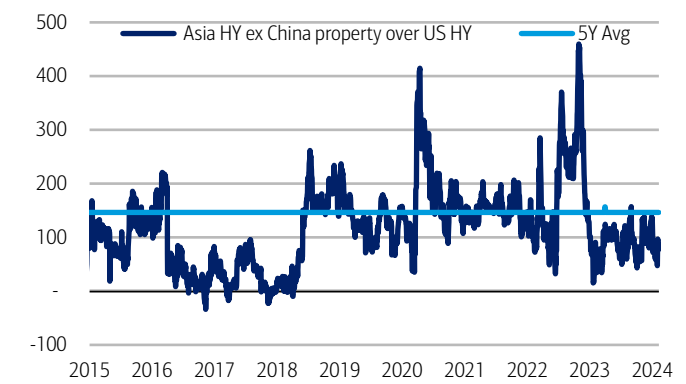


Source: ICE Data Indices, LLC

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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 15bp to 78bp, below 5-year average of 146bp



Source: ICE Data Indices, LLC

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**Exhibit 15: Summary of spread changes**

WoW, Asia IG and HY spread tightened; in Asia IG, China tightened most, followed by India and Indo; in Asia HY, Macau gaming and China HY non-property tightened the most, while China HY property underperformed; Asia financial tightened overall

	Current spread	WoW change	MTD change	YTD change
<b>Overall</b>				
Asia IG	113	-9	-9	-9
AA	68	-3	-3	-1
A	83	-9	-9	-8
BBB	155	-11	-11	-15
Asia HY	563	-28	-28	-86
BB	350	-31	-31	-94
B	544	-34	-34	-81
Asia HY excl. China property	421	-31	-54	-54
<b>By country/region</b>				
<b>IG</b>				
China	116	-11	-11	-15
Hong Kong	114	-7	-6	-6
Korea	85	-6	-6	-1
Singapore	72	-6	-6	-5

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WoW, Asia IG and HY spread tightened; in Asia IG, China tightened most, followed by India and Indo; in Asia HY, Macau gaming and China HY non-property tightened the most, while China HY property underperformed; Asia financial tightened overall

	Current spread	WoW change	MTD change	YTD change
Indonesia	158	-10	-10	3
India	144	-10	-10	-12

## HY

China	769	-29	-29	-295
Indonesia	372	-18	-18	-61
India	593	-9	-9	54
Macau	280	-57	-57	-57

### By sector

China HY property	2644	36	-376	-376
China non-property HY	668	-57	-337	-337
BAT	101	-10	-20	-20
China oil majors	68	-9	-3	-3

## Asia financial

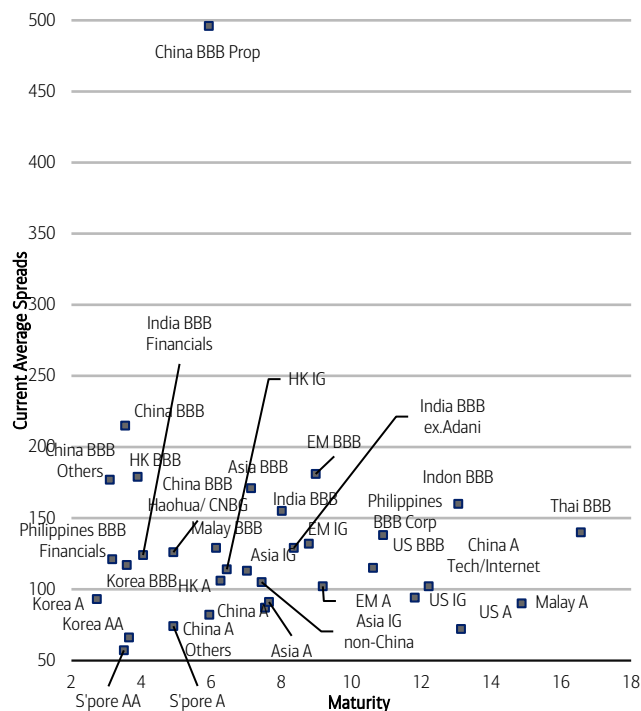
Overall	111	-12	-12	-12
Bank senior	62	-10	-3	-3
NBFI senior	125	-13	-13	-13
Bank Tier 2	132	-13	-13	-13
Bank AT1	143	-16	-36	-36

**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 Hong Kong IG look attractive in IG universe

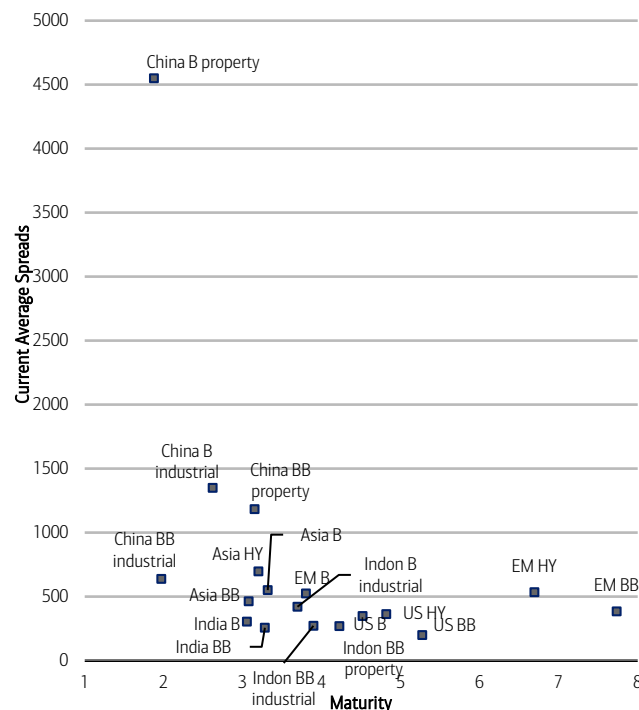


**Source:** ICE Data Indices, LLC

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**Exhibit 17: 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

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# Supply

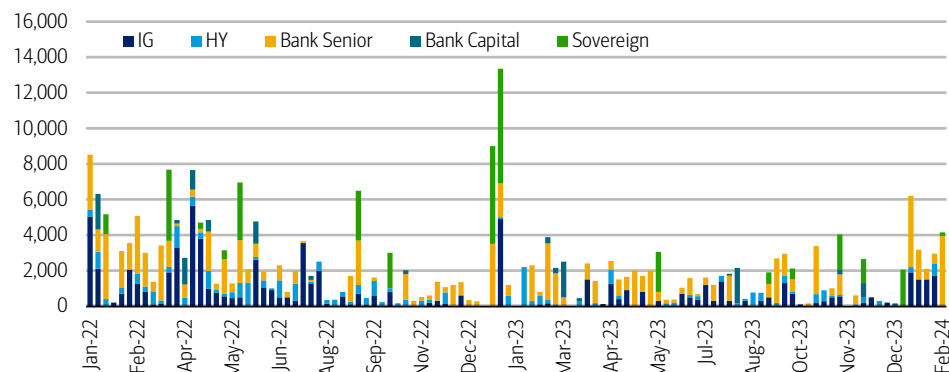
This week saw supply of US\$4.15bn (+41% WoW), driven by bank senior bond issuance. In addition, there was US\$1.1bn Euro bond issuance from banking sector this week. Note that we only track issuance larger than US\$100mn and maturity/call/put longer than one and a half years.

## New issue to highlight

HDFC Bank, rated Baa3/BBB- by Moody's/S&P, issued aggregate of USD 750mn bonds across two tranches (USD 300mn of 3yr bonds priced at 3T+95bps equivalent to ytm of 5.196% and USD 450mn of 5yr bonds priced at 5T+108bps equivalent to ytm of 5.18%).

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

US\$4.15bn supply this week (Feb 1 to 7), +41% WoW, driven by financial sector



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 0.1ppt from the issue price (median); yield -3bp (median); spread tightened 17bp (median)

Issuers	Bond	Issue date	Tranche US\$mn	Country	Price	Issue Yield %	Spread	As of Feb 7, 2024			Change from issue date		
								Price	Yield %	Spread	Price %	Yield (bp)	Spread (bp)
Korea Development Bank	KDB 4.625 '27	6-Feb-24	1750	Korea	99.8	4.68	66	99.9	4.66	44	0.1%	-2	-22
Korea Development Bank	KDB 4.5 '29	6-Feb-24	1250	Korea	99.6	4.60	78	99.7	4.56	48	0.2%	-3	-30
Hong Kong Government	HKINTL 4.625 '26	6-Feb-24	200	Hong Kong	99.8	4.75	30	100.0	4.63	20	0.2%	-12	-10
HDFC Bank Ltd.	HDFCB 5.196 '27	6-Feb-24	300	India	100.0	5.20	100	100.0	5.21	99	0.0%	2	-1
HDFC Bank Ltd.	HDFCB 5.18 '29	6-Feb-24	450	India	100.0	5.18	113	100.0	5.18	110	0.0%	0	-3
Huatong International Int'l	QDHTCO 6.8 '27	31-Jan-24	280	China	100.0	6.80	282	100.0	6.81	259	0.0%	1	-23
Science City Guangzhou	GZDZCD 6.8 '25	31-Jan-24	400	China	100.0	6.80	259	100.5	6.47	204	0.5%	-33	-55
Ji'an Chengtong Holding	JNCCIH 7.5 '27	30-Jan-24	173.6	China	100.0	7.50	338	100.2	7.41	318	0.2%	-9	-20
Haichuan International	FANGYA 5.45 '27	29-Jan-24	150	China	100.0	5.45	134	100.1	5.40	117	0.1%	-5	-17
Hyundai Capital Services	HYUCAP 5.125 '27	29-Jan-24	500	Korea	99.7	5.22	110	99.5	5.32	109	-0.3%	10	-1
Hyundai Capital Services	HYUCAP 5.125 '29	29-Jan-24	500	Korea	99.6	5.22	120	99.5	5.24	115	-0.1%	2	-5
Chang Development International	CCUDIH 7 '26	26-Jan-24	100	China	100.0	7.00	265	100.2	6.90	247	0.2%	-10	-18
Joy Treasure Assets Holding	ORIEAS 5.5 '27	25-Jan-24	550	China	99.3	5.75	155	99.4	5.74	151	0.0%	0	-4
Shaoxing Shangyu State	SYSTIO 5.6 '27	25-Jan-24	300	China	100.0	5.60	150	100.1	5.57	134	0.1%	-3	-16
Korea Electric Power Corp.	KORELE 4.875 '27	24-Jan-24	1200	Korea	99.8	4.95	80	99.7	4.97	75	-0.1%	3	-5
Hainan State Farms International	HNFARM 6.2 '27	23-Jan-24	300	China	100.0	6.20	206	100.2	6.14	191	0.2%	-6	-15
Mirae Asset Securities	DAESEC 5.875 '27	22-Jan-24	300	Korea	99.3	6.15	200	99.6	6.02	179	0.4%	-13	-21
Mirae Asset Securities	DAESEC 6 '29	22-Jan-24	300	Korea	99.0	6.24	222	99.8	6.04	195	0.9%	-21	-27
Woori Bank	WOORIB 4.75 '27	17-Jan-24	300	Korea	99.6	4.88	75	99.7	4.86	43	0.1%	-2	-32
Woori Bank	WOORIB 4.75 '29	17-Jan-24	400	Korea	99.5	4.88	85	99.9	4.77	69	0.4%	-10	-16
SK Battery America	SKINNV 4.875 '27	16-Jan-24	500	Korea	99.7	5.00	100	99.5	5.05	83	-0.1%	6	-17
SATS Ltd.	SATSSP 4.828 '29	16-Jan-24	500	Singapore	100.0	4.83	93	99.5	4.95	86	-0.5%	12	-7
Shriram Finance Ltd.	SHFLIN 6.625 '27	16-Jan-24	750	India	100.0	6.63	262	100.8	6.33	210	0.8%	-29	-51
POSCO	POHANG 4.875 '27	16-Jan-24	500	Korea	99.5	5.05	110	99.1	5.21	98	-0.4%	16	-12
Mongolian Mortgage Corp.	MGMTGE 11.5 '27	11-Jan-24	225	Mongolia	97.5		852	97.3	12.61	838	-0.2%	8	-14

12.53



**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 0.1ppt from the issue price (median); yield -3bp (median); spread tightened 17bp (median)

											Change from issue date		
					Issue			As of Feb 7, 2024					
State Bank of India	SBIIN 5 '29	10-Jan-24	600	India	99.5	5.11	117	99.7	5.06	97	0.2%	-5	-20
Rizal Commercial Banking	RCBPM 5.5 '29	10-Jan-24	400	Philippines	99.5	5.61	165	100.4	5.40	131	0.9%	-20	-34
CICC Hong Kong Finance	CICCHK 5.012 '27	10-Jan-24	500	China	100.0	5.01	90	100.0	5.03	80	0.0%	2	-10
Hanwha Totalenergies	SAMTOT 5.5 '29	9-Jan-24	400	Korea	99.9	5.53	153	100.0	5.50	141	0.1%	-3	-12
BOC Aviation USA Corp	BOCAVI 5 '29	9-Jan-24	500	China	98.9	5.25	125	99.4	5.14	105	0.5%	-11	-20
Average											0.4%	-14	-3

Source: Bloomberg, BofA Global Research

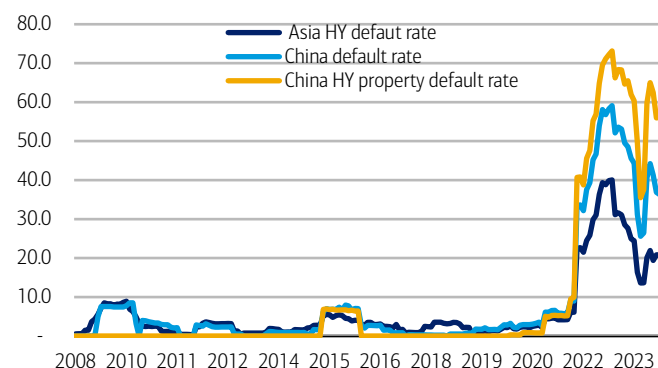
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## Defaults

We did not see default in China property this week. As a result, the LTM default rate by amount/count remained unchanged at 20.8%/7.5% for Asia HY, 36.3%/14.6% for China HY and 56%/28.6% for China HY property, respectively. 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 9 February, Asia HY: 20.8%, China HY: 36.3%; China HY property: 56.1%

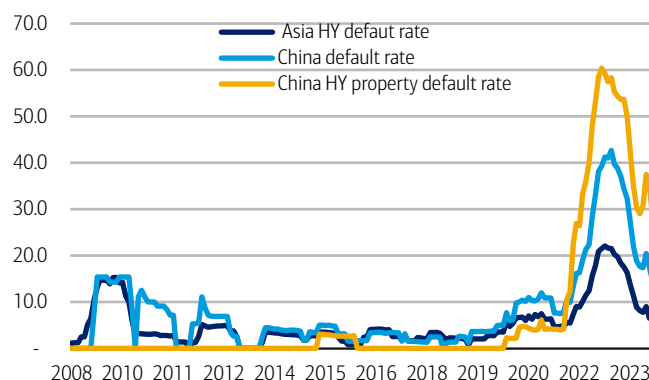


Source: BofA Global Research

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

As of 9 February, 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

**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
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	GZRFP	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
Aug-22	REDSUN	Redsun property	China	Missed interest payment and cross default	3	1,055	Y
Aug-22	JIAUYA	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	RISSUN	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	KIJAIJ	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

**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
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	1606	N
Jan-24	VEDLN	Vedanta Resources	India	Distressed Exchange	4	3751	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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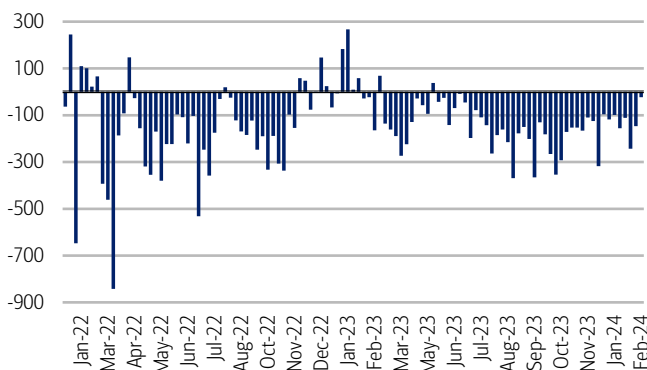
## Fund flows

Based on EPFR, from 1 to 6 Feb, Asia excluding Japan (Axj) hard currency funds saw outflow of US\$23mn (-0.09% of assets under management-AUM), moderating from US\$147mn in the previous week. For all EM market, the hard currency funds saw outflow of US\$126mn (versus inflows of US\$188mn in the previous week). For US funds, IG funds saw inflow surged to US\$6.9bn, from US\$0.9bn in the previous week. On the other hand, US HY funds saw inflows slow down to US\$0.3bn, from US\$2.2bn in the previous week.

In YTD24, US HY corporate funds saw the biggest inflows of +1.9% (as a percentage of AUM at the beginning of the year), and US IG funds saw inflows of +1.5%. However, Axj hard currency saw outflows of -2.8%, and EM hard funds saw outflows of -0.9%.

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

Axj hard currency funds outflows at US\$23mn this week (from 1 to 6 Feb), narrowed from US\$147mn in the previous week



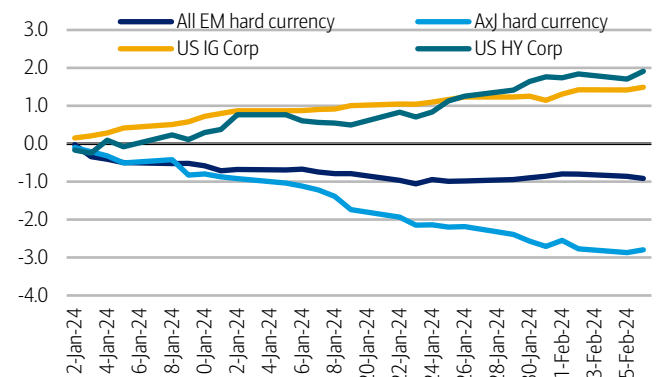
Source: EPFR

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 HY fund saw inflows of +1.9% of AUM and US IG corporate saw +1.5%; however, Axj hard currency saw outflows of -2.8% and EM hard currency saw -0.9%



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)
GLPSP 3.875% 2025	4.64%	VNKRLE 3.5% 2029	-8.41%
GLPSP 4.6% 2027	4.50%	AGILE 6.05% 2025	-7.10%
FOSUNI 5.05% 2027	4.17%	AGILE 5.5% 2025	-5.58%
PKSTAN 7.375% 2031	3.31%	LNGFOR 3.85% 2032	-5.04%
HRINTH 3.375% 2030	2.94%	VNKRLE 3.975% 2027	-4.98%
PKSTAN 8.875% 2051	2.77%	UPLLIN 5.25% 2025	-4.54%
STCITY 5% 2029	2.44%	UPLLIN 4.625% 2030	-4.13%
PKSTAN 7.875% 2036	2.36%	VNKRLE 3.15% 2025	-4.13%
HRINTH 4.95% 2047	2.34%	ROADKG 5.2% 2026	-4.09%
PKSTAN 6.875% 2027	2.14%	FTLNHD 4.625% 2025	-4.04%

Source: ICE Data Indices, LLC. (Data as at 7 February, 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 & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
<b>Investment Grade Corporates</b>			
SANLTD 3.5% 2031	1.48%	ADSEZ 5% 2041	10.05%
TENCNT 3.29% 2060	1.28%	ADANEM 3.867% 2031	6.74%
SANLTD 4.625% 2030	1.24%	ADSEZ 3.828% 2032	6.42%
ADTIN 4.25% 2036	1.21%	ADTIN 4.25% 2036	5.75%
CRHZCH 4.125% 2029	1.09%	ADSEZ 3.1% 2031	5.12%
CATIC 3.3% 2030	1.08%	ADANEM 3.949% 2030	5.02%
SANLTD 3.1% 2029	1.07%	TEPM 3.45% 2050	4.56%
COGO 2.45% 2026	1.00%	ADINCO 3% 2031	4.27%
CKINF 4% 2026	0.85%	ADSEZ 4% 2027	3.55%
ADANEM 3.949% 2030	0.83%	AACTEC 3.75% 2031	3.44%
<b>High Yield Corporates</b>			
GLPSP 3.875% 2025	4.64%	VEDLN 9.25% 2026	33.29%
GLPSP 4.6% 2027	4.50%	VEDLN 13.875% 2028	27.55%
FOSUNI 5.05% 2027	4.17%	GLPSP 4.5% 2026	24.30%
STCITY 5% 2029	2.44%	ROADKG 6% 2025	23.75%
FOSUNI 5% 2026	1.83%	ROADKG 5.9% 2025	22.33%
MGMCHI 4.75% 2027	1.66%	GLPSP 4.6% 2027	22.30%
MGMCHI 5.25% 2025	1.51%	YLLGSP 5.125% 2026	21.19%
VEDLN 13.875% 2028	1.49%	FOSUNI 5.05% 2027	20.70%
FOSUNI 5.95% 2025	1.48%	GLPSP 3.875% 2025	20.65%
MPLE 4.875% 2025	1.45%	EHICAR 7% 2026	18.38%
<b>Banks / Financial Institution</b>			
HRINTH 3.375% 2030	2.94%	PEAKRN 5.35% 2025	6.28%
HRINTH 4.95% 2047	2.34%	SUNSHG 4.5% 2026	4.78%
HRINTH 4.5% 2029	1.52%	GRWALL 2.375% 2030	4.26%
HRINTH 4.25% 2027	1.04%	TYANLI 5.25% 2025	4.08%
ZHONAN 3.5% 2026	1.03%	BNKEA 5.825% 2025	4.08%
TYANLI 5.25% 2025	1.01%	HRINTH 4.5% 2029	3.78%
HRINTH 5% 2025	0.86%	HRINTH 3.375% 2030	3.78%
NANYAN 7.35% 2028	0.85%	RCBPM 6.5% 2025	3.56%
CITNAT 1.375% 2026	0.74%	ZHONAN 3.5% 2026	3.33%
HRINTH 4.25% 2025	0.74%	NANYAN 7.35% 2028	3.24%

Source: ICE Data Indices, LLC. (Data as at 7 February, 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 & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2024)
<b>Investment Grade Corporates</b>			
VNKRLE 3.5% 2029	-8.41%	VNKRLE 3.5% 2029	-11.40%
VNKRLE 3.975% 2027	-4.98%	VNKRLE 3.975% 2027	-9.01%
UPLLIN 4.625% 2030	-4.13%	PERTIJ 4.175% 2050	-5.89%
VNKRLE 3.15% 2025	-4.13%	PLNIJ 4% 2050	-4.70%
UPLLIN 4.5% 2028	-3.16%	PLNIJ 4.375% 2050	-4.54%
RILIN 3.75% 2062	-2.19%	VNKRLE 3.15% 2025	-4.40%
TAISEM 3.25% 2051	-2.08%	PERTIJ 4.7% 2049	-4.38%
TAISEM 4.5% 2052	-1.93%	PETMK 4.8% 2060	-4.36%
TAISEM 4.625% 2032	-1.73%	TAISEM 3.25% 2051	-4.27%
CHGRID 4.375% 2043	-1.52%	PERTIJ 6.5% 2048	-4.21%
<b>High Yield Corporates</b>			
AGILE 6.05% 2025	-7.10%	LNGFOR 3.85% 2032	-5.30%
AGILE 5.5% 2025	-5.58%	LNGFOR 3.95% 2029	-3.60%
LNGFOR 3.85% 2032	-5.04%	FTLNHD 4.625% 2025	-1.22%
UPLLIN 5.25% 2025	-4.54%	PUMAFN 5% 2026	-0.27%
ROADKG 5.2% 2026	-4.09%	FTLNHD 4.5% 2026	-0.20%
FTLNHD 4.625% 2025	-4.04%	WYNMAC 5.5% 2026	0.20%
VEDLN 13.875% 2027	-3.49%	MGMCHI 4.75% 2027	0.23%
ROADKG 5.125% 2026	-3.18%	JSTLIN 5.95% 2026	0.63%
LNGFOR 4.5% 2028	-2.61%	STAREN 6.75% 2033	0.67%
LNGFOR 3.95% 2029	-2.14%	PWONIJ 4.875% 2028	0.68%
<b>Banks / Financial Institution</b>			
TEMASE 2.25% 2051	-2.48%	TEMASE 2.5% 2070	-4.88%
TEMASE 2.75% 2061	-1.94%	HKAA 3.25% 2052	-4.40%
TEMASE 2.5% 2070	-1.81%	HKAA 2.625% 2051	-4.32%
HKAA 2.625% 2051	-1.67%	HKAA 3.5% 2062	-4.30%
HKAA 3.5% 2062	-1.66%	EXIMCH 4% 2047	-4.19%
TEMASE 3.375% 2042	-1.64%	TEMASE 3.375% 2042	-3.46%
HKAA 3.25% 2052	-1.56%	TEMASE 2.25% 2051	-3.38%
TEMASE 1% 2030	-1.55%	INRCIN 3.95% 2050	-3.02%
TEMASE 5.375% 2039	-1.43%	TEMASE 2.75% 2061	-2.95%
EXIMCH 4% 2047	-1.29%	EIBKOR 2.5% 2041	-2.85%

Source: ICE Data Indices, LLC. (Data as at 7 February, 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\$730mn

Sector	Bond	Offshore Bond Ticker	Company Name	Currency	Payment date	Coupon or Principal	Payment (USD mn)
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
Macau gaming	SANLTD 2.55 '27	SANLTD	SANDS CHINA LTD	USD	08-Mar-24	Coupon	9.0
Macau gaming	SANLTD 2.55 '27	SANLTD	SANDS CHINA LTD	USD	08-Mar-24	Coupon	0.01
Macau gaming	SANLTD 3.1 '29	SANLTD	SANDS CHINA LTD	USD	08-Mar-24	Coupon	10.2
Macau gaming	SANLTD 3.1 '29	SANLTD	SANDS CHINA LTD	USD	08-Mar-24	Coupon	0.01
India HY	ADANIG 4.375 '24	ADANIG	ADANI GREEN ENERGY LTD	USD	08-Mar-24	Coupon	16.6

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

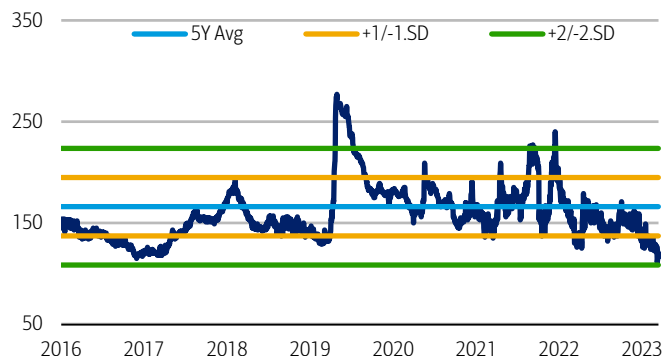
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# Appendix

## By country

### Exhibit 29: China IG spread

WoW, China IG spread tightened 11bp to 116bp, 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 30: Pick-up of China IG over US IG

WoW, China IG over US IG pick-up tightened 9bp to 16bp, below 5-year average of 38bp



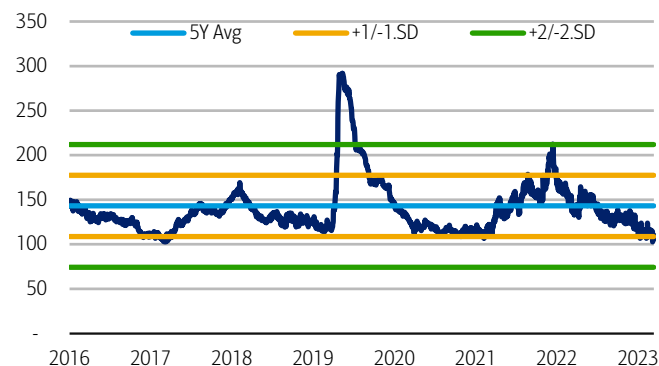
Source: ICE Data Indices, LLC

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 8bp to 107bp, 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 32: Pick-up of China IG over Asia non-China IG

China IG over Asia non-China IG tightened 3bp to 9bp, below 5-year average pick-up of 23bp

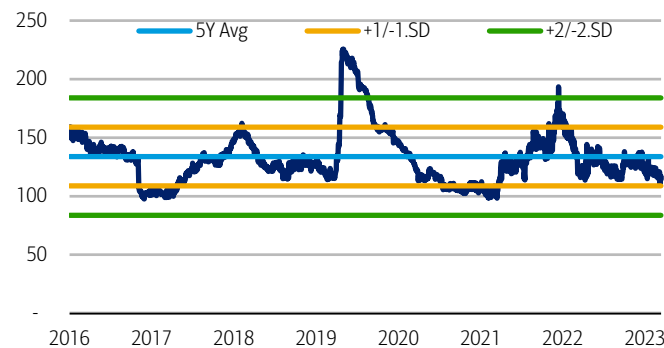


Source: ICE Data Indices, LLC

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### Exhibit 33: Hong Kong IG spread

WoW, Hong Kong IG spread tightened 7bp to 114bp, below 5-year average of 134bp

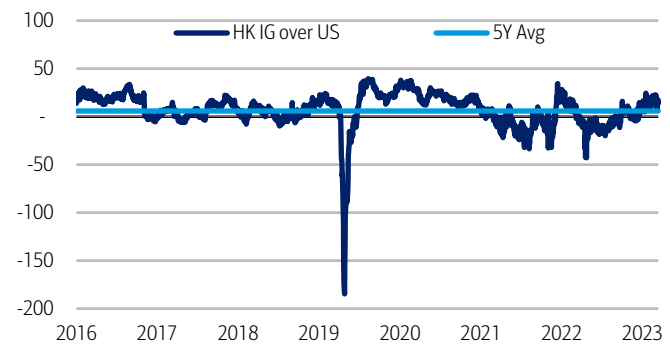


Source: ICE Data Indices, LLC

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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 5bp to 14bp, above 5-year average pick-up of +6bp

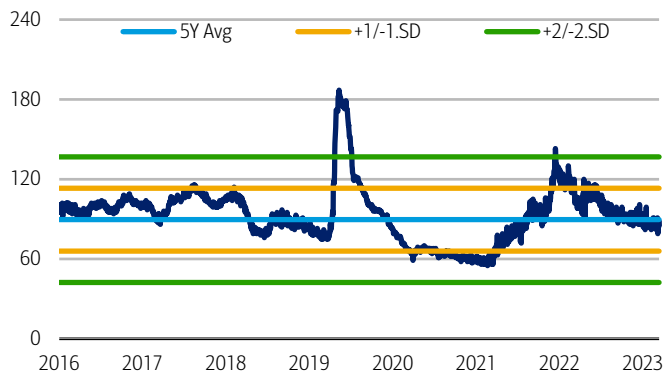


Source: ICE Data Indices, LLC

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**Exhibit 35: Korea IG spread**

WoW, Korea IG spread tightened 6bp to 85bp, now below the 5-year average of 90bp

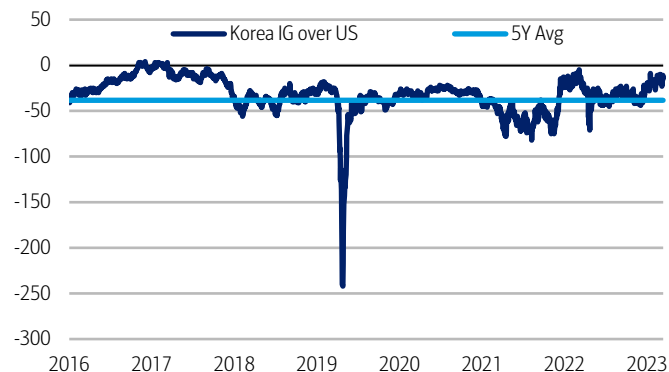


Source: ICE Data Indices, LLC

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

Korea IG is now trading 15bp tighter than US IG, vs. 5-year average difference of -38bp

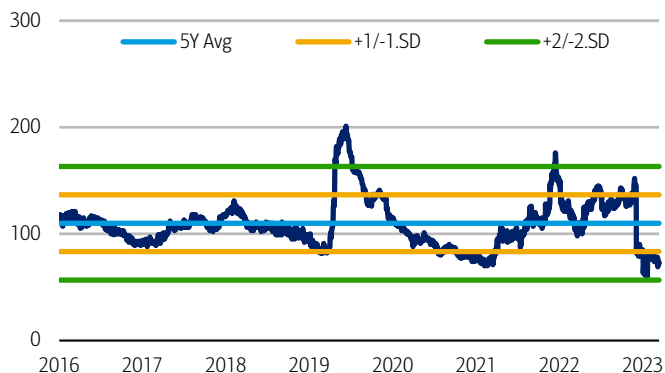


Source: ICE Data Indices, LLC

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**Exhibit 37: Singapore IG spread**

WoW, Singapore IG spread tightened 6bp to 72bp, below the 5-year average of 110bp

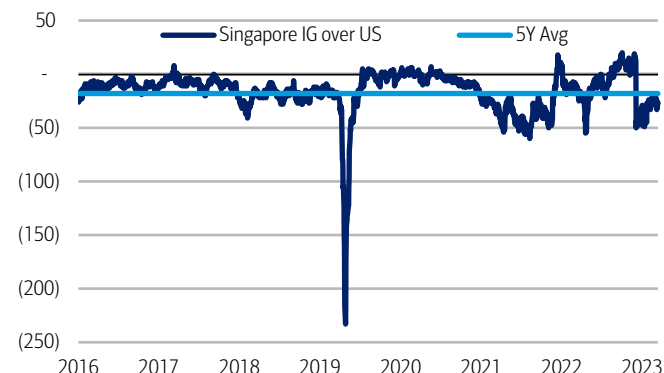


Source: ICE Data Indices, LLC

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

WoW, pick-up of Singapore IG is trading 28bp tighter than US IG, vs. 5-year average difference of -18bp

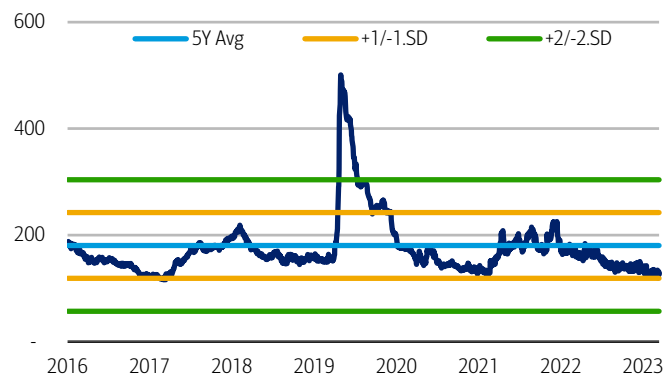


Source: ICE Data Indices, LLC

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**Exhibit 39: Indonesia IG spread**

WoW, Indonesia IG spread tightened 10bp to 158bp, below the 5-year average of 224bp

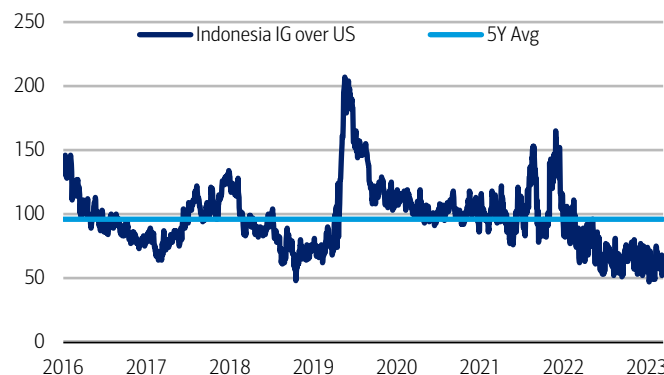


Source: ICE Data Indices, LLC

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

WoW, Indonesia IG over US IG pick-up tightened 8bp to 58bp, below the 5-year average of 96bp



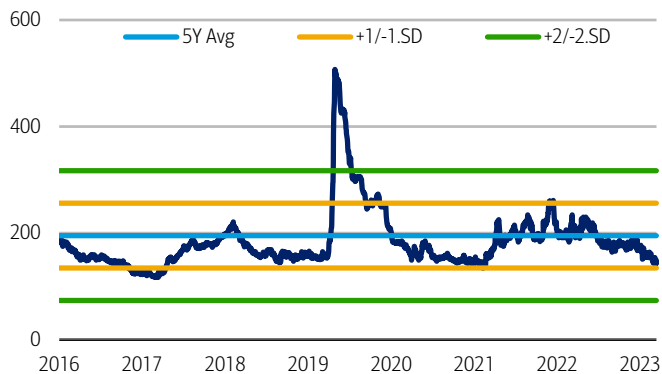
Source: ICE Data Indices, LLC

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**Exhibit 41: India IG spread**

WoW, India IG spread tightened 10bp to 144bp, below 5-year average of 195bp

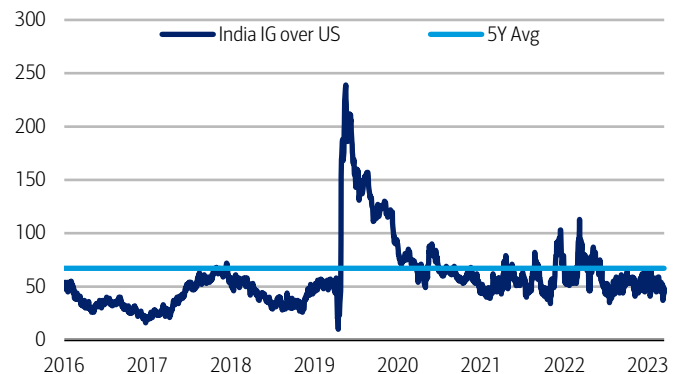


Source: ICE Data Indices, LLC

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

WoW, India IG over US IG pick-up tightened 8bp to 44bp, below 5-year average of 67bp

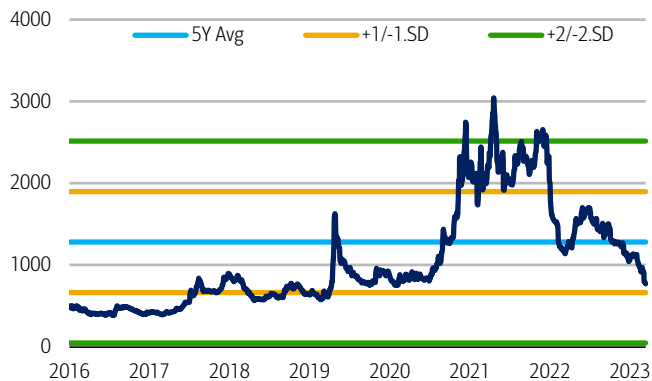


Source: ICE Data Indices, LLC

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**Exhibit 43: China HY spread**

WoW, China HY spread tightened 29bp to 769bp, below the 5-year average of 1,279bp



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 13bp to 426bp, below the 5-year average of 850bp

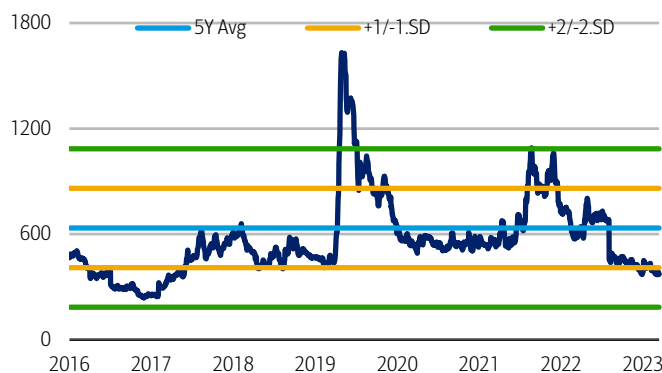


Source: ICE Data Indices, LLC

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**Exhibit 45: Indonesia HY spread**

WoW, Indonesia HY spread tightened 18bp to 372bp, below the 5-year average of 634bp



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 2bp to 29bp, below 5-year average of 205bp

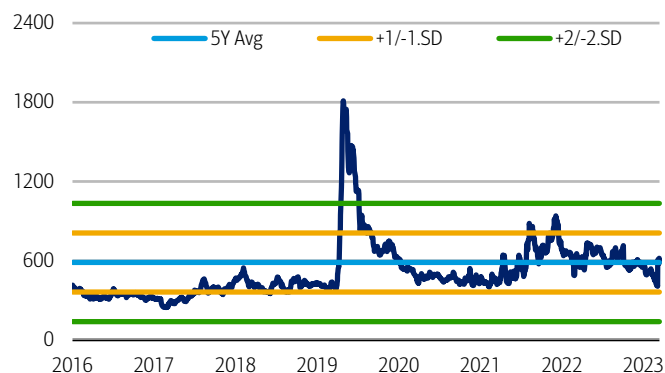


Source: ICE Data Indices, LLC

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**Exhibit 47: India HY spread**

WoW, India HY spread tightened 9bp to 593bp, above the 5-year average of 587bp

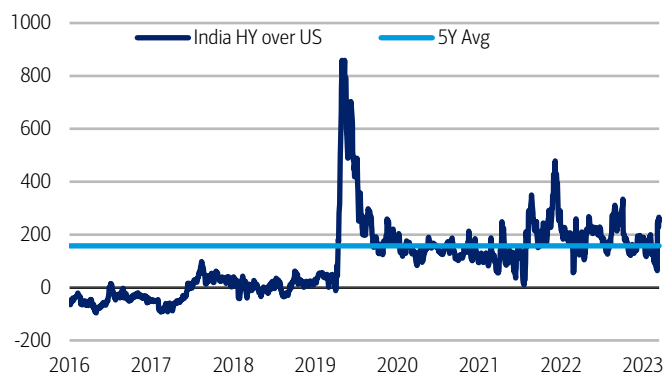


Source: ICE Data Indices, LLC

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

WoW, India HY over US HY widened 7bp to 250bp, above the 5-year average of 158bp

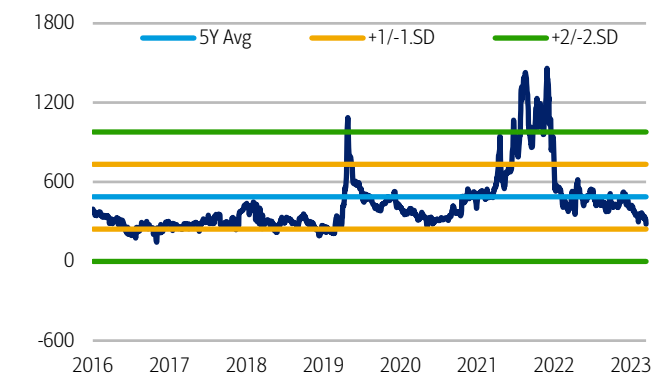


Source: ICE Data Indices, LLC

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**Exhibit 49: Macau HY spread**

WoW, Macau HY spread tightened 57bp to 280bp, below 5-year average of 488bp

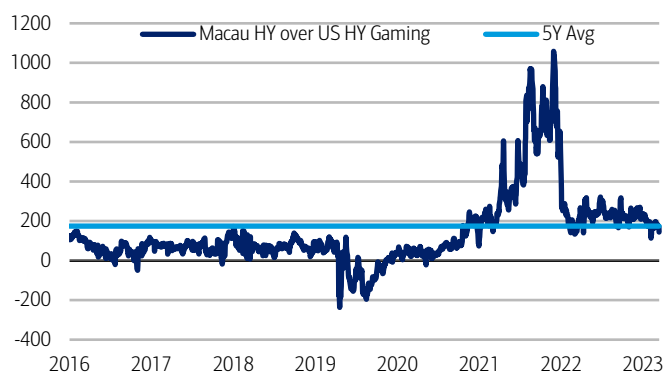


Source: ICE Data Indices, LLC

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

WoW, Macau HY over US HY Gaming tightened 38bp to 144bp, now below the 5-year average of 174bp

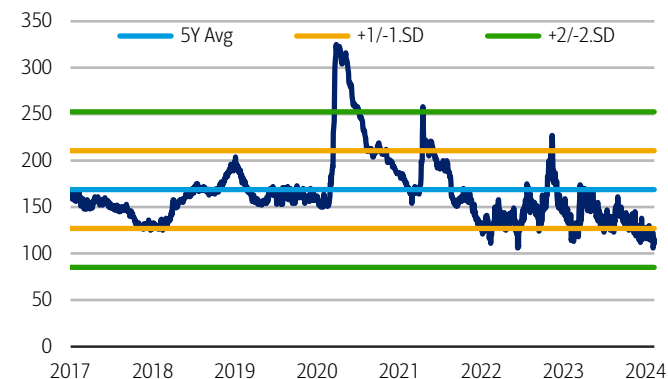


Source: ICE Data Indices, LLC

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

WoW, Asia financial spread tightened 12bp to 111bp, below the 5-year average of 169bp



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



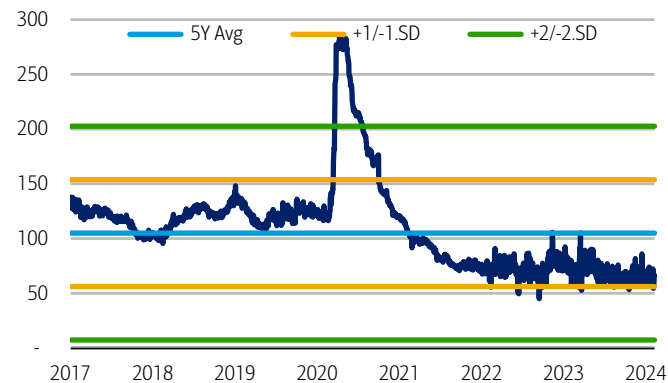
Source: ICE Data Indices, LLC

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**Exhibit 53: Asia bank senior spread**

WoW, Asia bank senior spread tightened 10bp to 62bp, below the 5-year average of 105bp

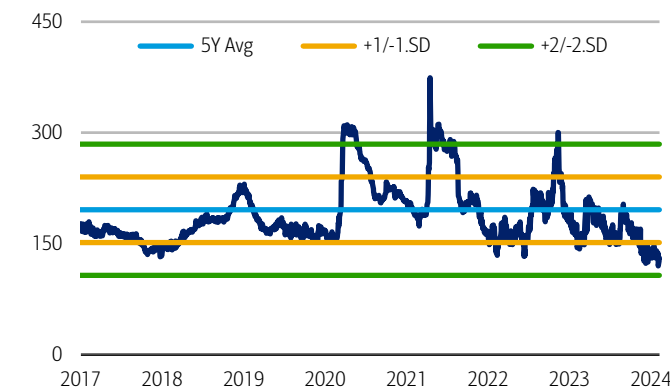


Source: ICE Data Indices, LLC

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**Exhibit 55: Asia NBF1 senior spread**

WoW, Asia NBF1 senior tightened 13bp to 125bp, below the 5-year average of 196bp

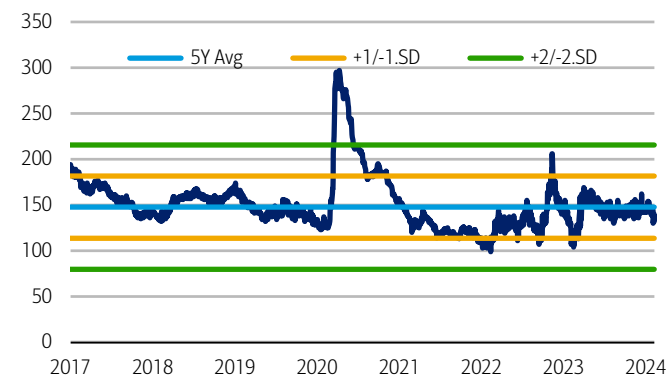


Source: ICE Data Indices, LLC

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

WoW, Asia bank Tier 2 spread tightened 13bp to 132bp, 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 2bp to 25bp, 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 3bp to 62bp, below 5-year average of 91bp

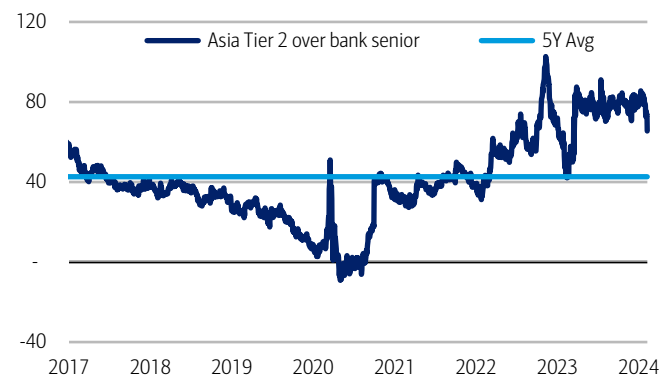


Source: ICE Data Indices, LLC

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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 3bp to 70bp, above the 5-year average of 43bp

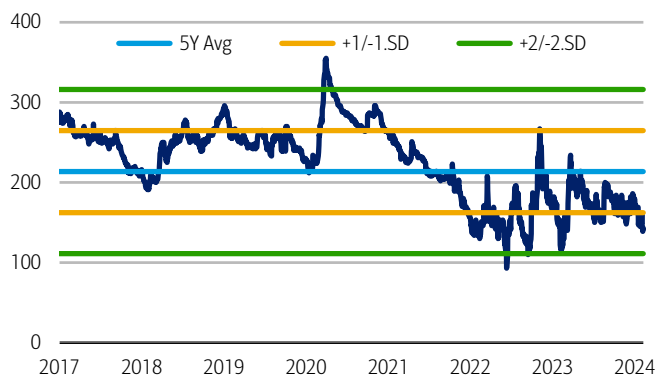


Source: ICE Data Indices, LLC

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**Exhibit 59: Asia bank AT1 spread**

WoW, Asia bank AT1 spread tightened 16bp to 143bp, below the 5-year average of 214bp

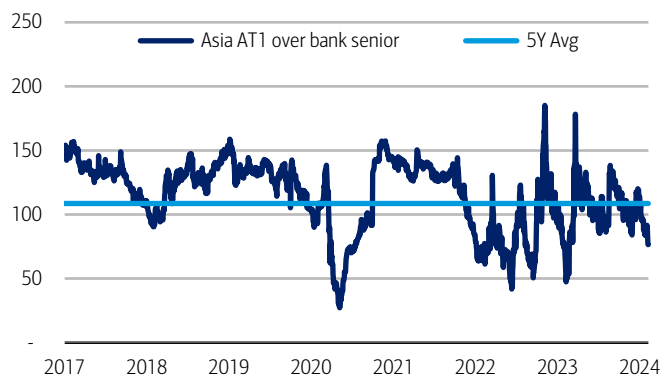


Source: ICE Data Indices, LLC

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

WoW, Asia AT1 pick-up over bank senior tightened 6bp to 81bp, below the 5-year average of 109bp

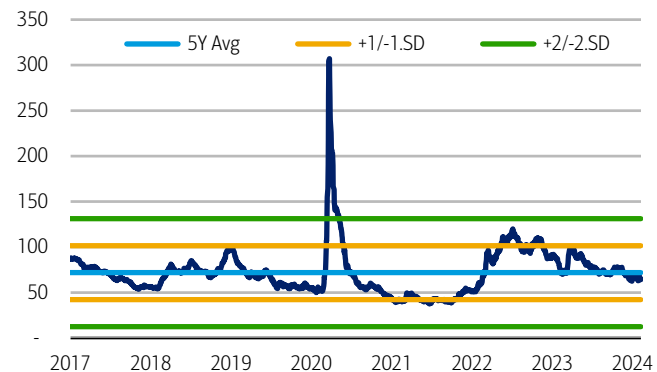


Source: ICE Data Indices, LLC

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**Exhibit 61: Australia bank senior spread**

WoW, Australia bank senior tightened 3bp to 64bp, below 5-year average of 72bp

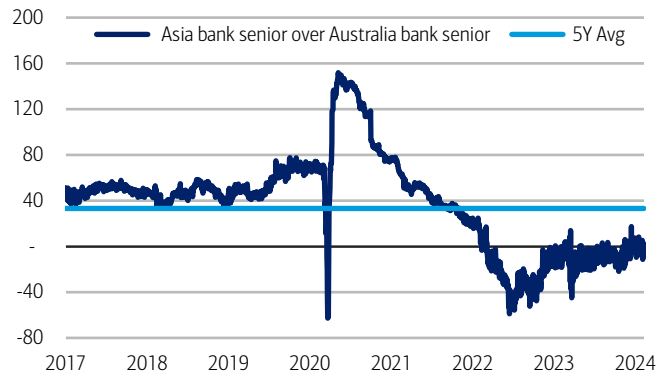


Source: ICE Data Indices, LLC

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

WoW, Asia bank senior is now trading 2bp tighter than Australia bank senior, vs. 5-year average pick-up of +33bp

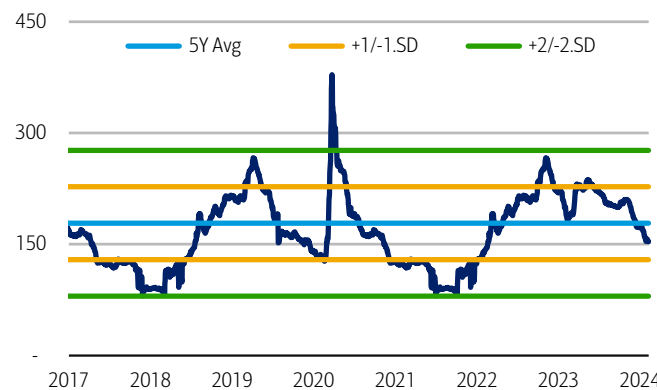


Source: ICE Data Indices, LLC

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

WoW, Australia bank Tier 2 tightened 1bp to 153bp, below 5-year average of 178bp

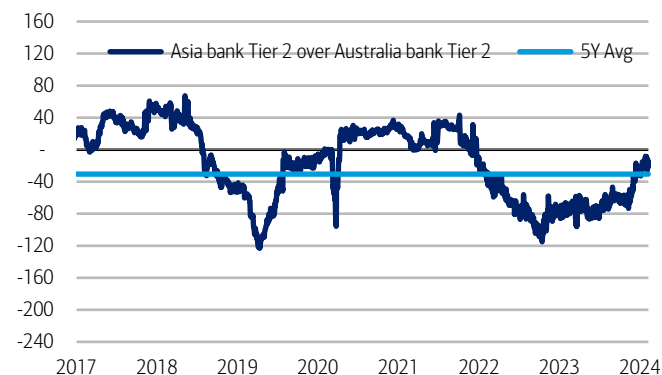


Source: ICE Data Indices, LLC

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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 21bp tighter than Australia bank Tier 2, vs. 5-year average of -31bp

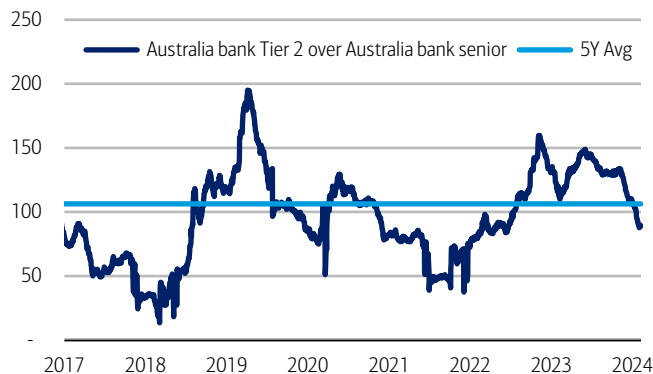


Source: ICE Data Indices, LLC

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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 remained at 89bp, below the 5-year average of 106bp

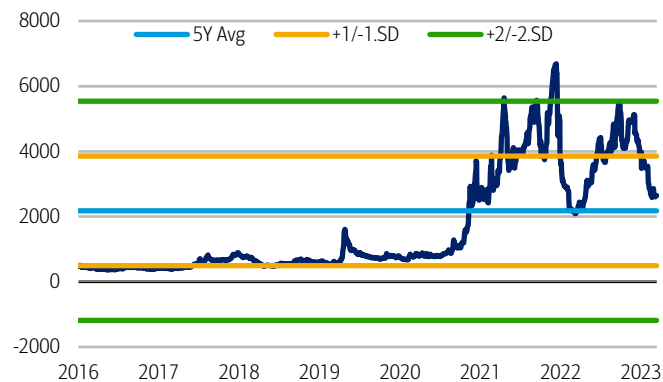


Source: ICE Data Indices, LLC

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

WoW, China HY property spread widened 36bp to 2,644bp, above the 5-year average of 2,177bp



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 widened 52bp to 2,301bp, above the 5-year average of 1,748bp

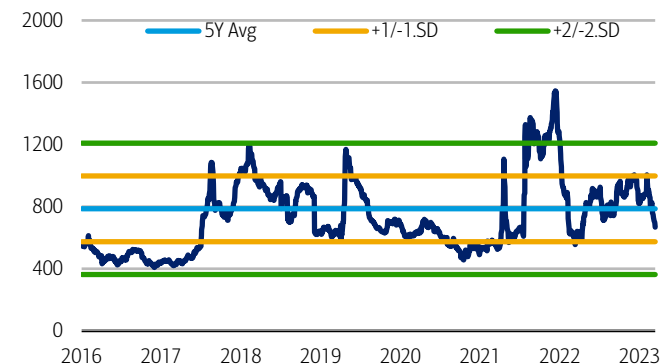


Source: ICE Data Indices, LLC

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

WoW, China non-property HY spread (corporate) tightened 57bp to 668bp, below the 5-year average of 787bp



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 41bp to 325bp, now below the 5-year average of 358bp



Source: ICE Data Indices, LLC

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

WoW, China BAT spread tightened 10bp to 101bp, below 5-year average of 135bp

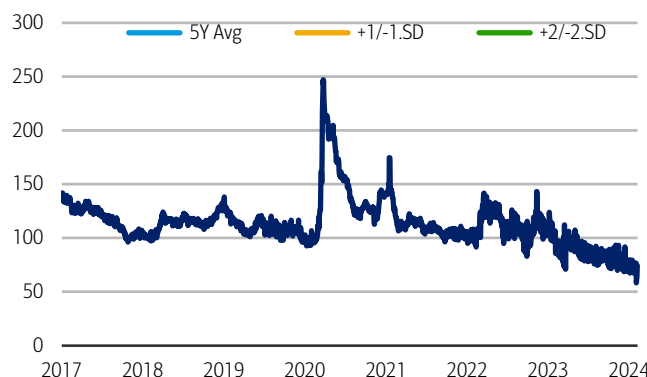


Source: ICE Data Indices, LLC

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**Exhibit 71: China oil major spread**

WoW, China oil major spread tightened 9bp to 68bp, below 5-year average of 112bp

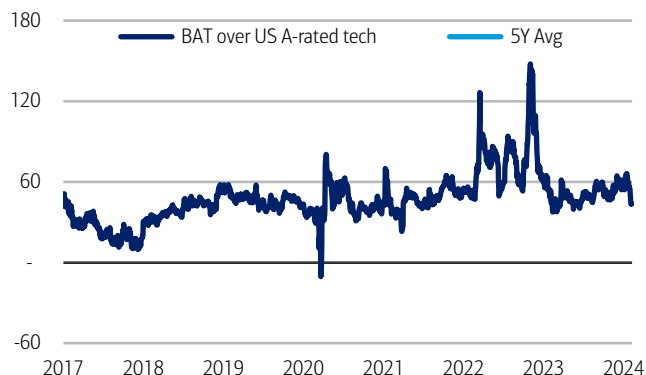


Source: ICE Data Indices, LLC

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

WoW, China BAT over US A-rated tech tightened 9bp to 41bp, below 5-year average of 53bp

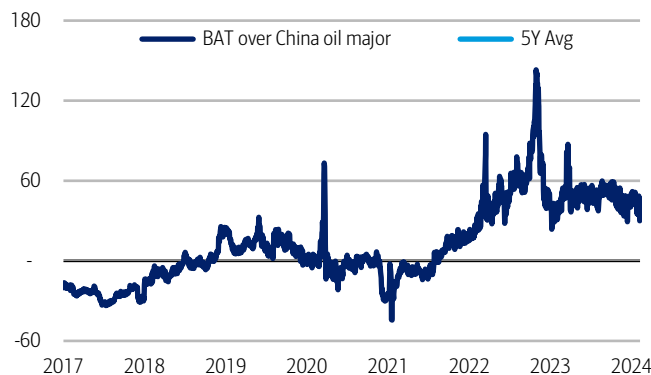


Source: ICE Data Indices, LLC

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

WoW, China BAT over China oil major tightened 1bp to 34bp, above 5-year average of 23bp

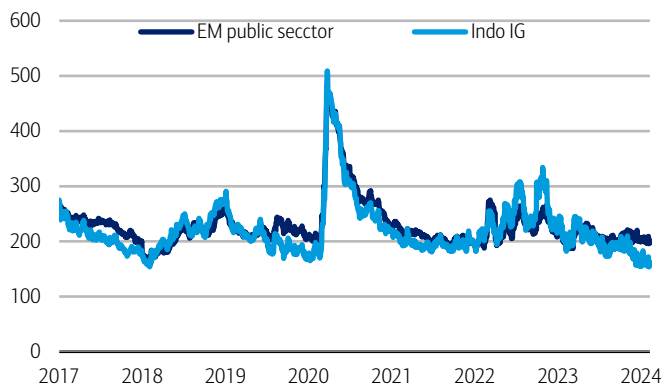


Source: ICE Data Indices, LLC

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

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



Source: ICE Data Indices, LLC

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