

Asian Credit Strategy

Asia credit weekly spotlight (week of 28 Dec'23 to 3 Jan'24)

Emerging Markets

Asia HY outperformed; higher rates

Asia IG and Asia HY tightened 3bp/50bp WoW to 125bp/624bp. In Asia IG space, India IG (-4bp WoW to 159bp) and China IG (-4bp WoW to 133bp) tightened the most, while Indo IG widened 4bp WoW to 169bp. For Asia HY, excl. index rebalancing, Macau outperformed the most (-36bp WoW to 312bp), followed by China HY (-35bp WoW to 1,029bp), while India HY tightened less (-3bp WoW to 523bp). China HY property tightened 109bp WoW to 2,921bp and China non-property HY (corp) tightened 60bp WoW to 941bp. For WoW spread performance, please see Exhibit 16. After the rates rally over the past two months, we now expect +3.4% total return for Asia IG in 2024, and +9.0% for Asia HY excl. China property. We prefer HY over IG due to 1) relative value, 2) buffer for downside risk, and 3) low default risk.

LTM default rate by count unchanged at 6.5%

Vedanta got consent to restructure its USD bonds, totaling US\$3.75bn. Meanwhile, US\$2.7bn default from Times China in Jan'23 was removed. As a result, LTM default rate by amount rose to 20.7% from 19.5% (as end-2023), while unchanged at 6.5% by count.

US\$2.1bn sovereign supply this week

In the first week of 2024, we saw US\$2.05bn sovereign bond issuance from Indonesia. For Australia, we saw US\$3.25bn bank senior bond issuance.

Sector highlight: what has happened

Asia financial: Fitch downgraded four Chinese national AMCs, we see limited impact.

Asia tech: SK Hynix proposed up to USD1bn bond issuances (rated Baa2/BBB-/BBB by M/S/F); Xiaomi's first EV; ASML canceled some shipments to China at the request of US.

Macau gaming: Dec'23/ FY23 GGR represented 81%/ 63% of Dec'19/ FY19 level. Macau's 2023 visitation was around 70% of 2019 level according MGTO. Sands China plans to increase salary of full-time employees by 2.5-5.4%, starting from Mar'24. We will not be surprised to see other operators to follow, resulting in higher opex in 2024.

China Industrials: According to Ctrip, car rental orders (for travels) during New Year Holiday +c.150% YoY. NIO plans to repurchase all 0% '26 convertible notes on Feb 1.

China property: Wanda Commercial sold four Wanda Plazas in the past month per Reorg. Cifi's offshore restructuring plan includes five options to convert their debt into different USD notes or USD/CNY loans, with maturities ranging from 2 to 9 years

India corporates: Vedanta's LME proposals got bondholders' consent; India's Supreme Court refused further special investigation into Adani-Hindenburg case.

Indo corporates: Indika/BUMA obtained bank loans; PLNII obtained IDR12tn green loans; Lippo Mall downgraded to C by Fitch on distressed debt exchange.

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Timestamp: 04 January 2024 06:30PM EST

05 January 2024

Global Emerging Markets | Corporate Credit
Asia

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Glossary

GGR: gross gaming revenue
HY: High Yield
IG: Investment Grade
LTM: last 12 months
MoU: Memorandum of Understanding
POE: privately-owned enterprise
SOE: state-owned enterprise
WoW: week over week

Sector highlights

Asia financial

Fitch to downgrade AMCs but the implications is limited.

Fitch had negative rating actions on China Asset Management Companies (AMCs). Post the downgrade, China Huarong (HRINTH) USD bond is rated at Ba1, review for downgrade, by Moody's, BBB- by S&P with stable outlook, and BBB, watch neg. by Fitch now vs. BBB+ before. CCAMCL USD bond is Baa1, review for downgrade, by Moody's, BBB+ by S&P, and A-, stable outlook, by Fitch now vs. A rating before. For China Great Wall (GRWALL; not covered), the ratings are Baa2, review for downgrade, by Moody's, BBB with neg. outlook by S&P and BBB with watch neg. by Fitch, vs. BBB+ before. And for ORIEAS (not covered), the ratings are Baa1, review for downgrade, by Moody's, BBB by S&P and A- with watch neg. by Fitch, vs. A rating before. **In terms of the impact,** we currently see limited impacts as 1). Fitch has been maintaining higher-than-peers credit ratings on AMCs. And post the downgrade, Fitch ratings remain higher than others; 2). Fitch has placed Watch Negative on three AMCs in middle 2023. With the 2022 annual results of China Great Wall still not yet announced, the negative rating actions are expected and phatically priced in; 3). There should be no fallen angels resulted from the credit rating downgrade, in our view.

Exhibit 1: The USD bond credit ratings of China Asset Management Companies (AMCs)

Post the downgrade, Fitch rating remains higher generally than peers.

	Moody's	S&P	Fitch
HRINTH	Ba1, review for downgrade	BBB-, stable outlook	BBB, watch neg.
CCAMCL	Baa1, review for downgrade	BBB+, stable outlook	A-, stable outlook
ORIEAS*	Baa1, review for downgrade	BBB, stable outlook	A-, watch neg.
GRWALL*	Baa2, review for downgrade	BBB, neg. outlook	BBB, watch neg.

Source: Moody's, S&P, Fitch

*not cover

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Asia technology

SK Hynix is seeking to raise up to USD1bn through offshore bond issuances and the proposed bonds were assigned Baa2/BBB-/BBB rating by Moody's/S&P/Fitch. Xiaomi released first EV without disclosing prices; ASML canceled shipments of some of its machines to China at the request of US administration, weeks before export bans on the high-end chipmaking equipment came into effect, according to Bloomberg; China removed the head official of gaming industry regulator after surprise move of new proposal on gaming industry with new restrictive measures, per media reports; TSMC expects to produce 1nm transistor by 2030 per media reports.

Macau gaming

Market: Dec'23/ FY23 GGR was at MOP18.6/ MOP183.1bn, representing 81%/ 63% of Dec'19/ FY19 level. Macau recorded 28.23mn visitation in full year 2023 with a daily average of 77k, representing around 70% of 2019 level according to Macau Government Tourism Office (MGTO). **Company operation:** Sands China launched the next stage of The Londoner Macao's development, with estimated commitment of US\$1bn. Studio City is ramping up a new premium mass gambling area in Epic Tower per GGRAsia. Sands China and MGM China plan to pay bonus equivalent to one month's salary to their eligible employees, and Sands China will also increase its full-time employees' monthly salary. The increase may grow the operators' opex and pose pressure on their EBITDA margin.

China HY industrial

According to Ctrip, car rental orders (for travels) during New Year Holiday increased by c.150% YoY. VNET completed a US\$299mn strategic investment from Shandong Hi-Speed. It also signed a strategic corporation agreement with Shandong Hi-Speed to

develop renewable projects in northern China. NIO plans to repurchase all 0% '26 convertible notes (US\$301mn outstanding) on Feb 1.

China Property

China will issue more policies to stabilize expectations, growth and employment to ensure synchronized impact on the economy per Bloomberg. Wanda Commercial sold four Wanda Plazas in the past month per Reorg. Cifi proposed an offshore restructuring plan to its creditors. The proposal would include five options to convert their debt into different USD notes or USD/CNY loans, with maturities ranging from 2 to 9 years.

India Corporates

Vedanta: Vedanta Resources' (VRL) LME proposals got bondholder consent for all four USD bonds outstanding with comfortable majority. This aside, India listed opco (Vedanta Limited) announced 3QFY24 production with slight improvement in Aluminium (+6% YoY), Zinc India largely neutral (flat YoY) while Oil & Gas (-15% YoY) and Zinc Intl. (-40% YoY on lower grades) reported weaker production.

Adani: India's Supreme Court refused special investigation in the Adani Group-Hindenburg case and directed markets regulator (SEBI) to conclude remaining probe in three months; Adani ports (ADSEZ) reported Dec'23 cargo volume +42% YoY to 35.65mn tons and revised up FY24 target to 400MT.

Indonesia & Thailand Corporates

Indika: Indika Energy obtained USD300mn facility from Bank Mandiri and BNI to be used for refinancing existing borrowing and lowering interest cost.

BUMA: Bukit Makmur Mandiri Utama (BUMA) raised a loan of up to USD 750mn with an option to increase it to USD 1bn.

PLNIJ: PLN obtained IDR 12tln (c. USD 770mn) of green loans from domestic banks and a government infrastructure financing agency, Sarana Multi Infrastruktur.

LMIRT: Fitch downgraded Lippo Malls to C from CCC- by Fitch on distressed debt exchange.

Return

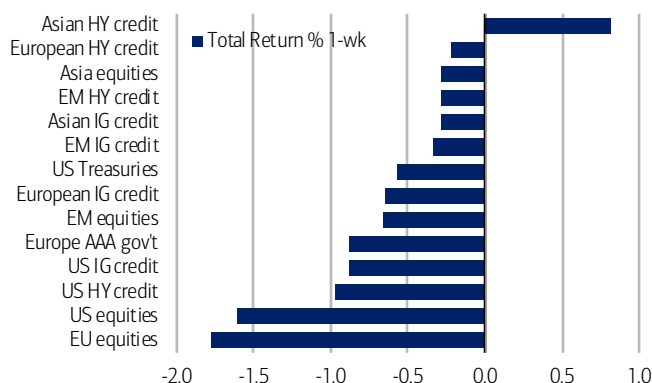
Asia HY outperformed; higher rates

Asia IG and Asia HY tightened 3bp/50bp WoW to 125bp/624bp respectively. In Asia IG space, India IG (-4bp WoW to 159bp) and China IG (-4bp WoW to 133bp) tightened the most, while Indo IG widened 4bp WoW to 169bp. For Asia HY, excl. index rebalancing impact, Macau outperformed the most (-36bp WoW to 312bp), followed by China HY (-35bp WoW to 1,029bp), while India HY tightened less (-3bp WoW to 523bp). China HY property tightened 109bp WoW to 2,921bp and China non-property HY (corp) tightened 60bp WoW to 941bp. Asia financials overall tightened 3bp WoW to 125bp, mainly driven by bank AT1 (-8bp WoW to 172bp). This, with higher rates, generated a negative total return of -0.16% for overall Asia credit (-0.29% for IG, and +0.82% for HY). For WoW spread performance, please see Exhibit 16.

After the rates rally over the past two months, we now expect +3.4% total return for Asia IG in 2024, and +9.0% for Asia HY excl. China property based on spread target of 135bp/500bp, respectively. We prefer HY over IG due to 1) relative value, 2) buffer for downside risk, and 3) low default risk.

Exhibit 2: Weekly global returns

WoW, credit outperformed equity overall; Asia HY outperformed most, while US HY underperformed within credit

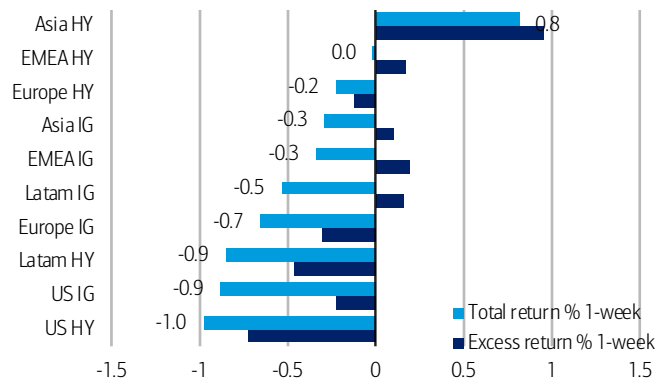


Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 3: Global credit weekly returns

All regions posted negative total returns, except for Asia HY; US HY saw most negative returns

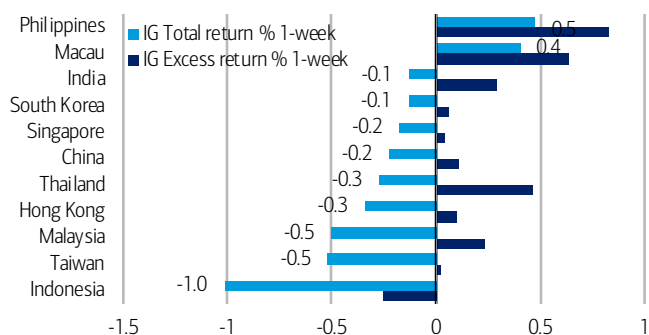


Source: ICE Data Indices, LLC

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

WoW, most regions saw negative returns; Philippines IG outperformed most, followed by Macau IG; Indo IG underperformed the most

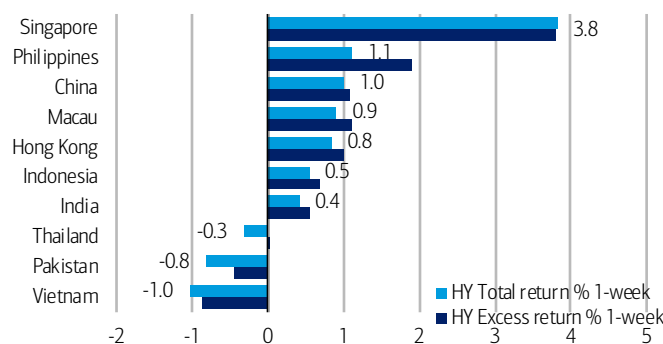


Source: ICE Data Indices, LLC. (Used ACIG index)

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

WoW, Singapore HY led the performance, followed by Philippines HY and China HY; Vietnam HY underperformed the most

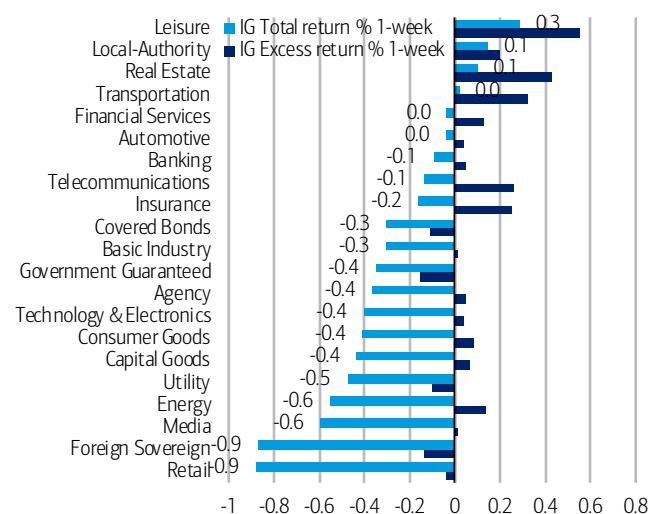


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 6: Asian high-grade weekly returns by sector

WoW, leisure led the performance, followed by local authority and real estate; retail underperformed the most, followed by foreign sovereign

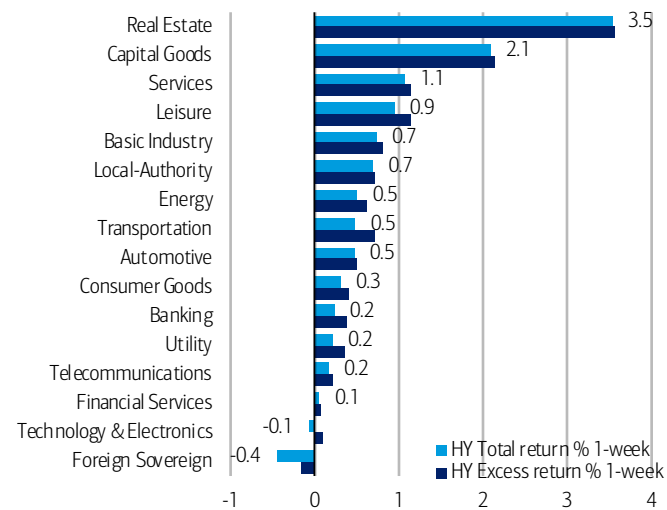


Source: ICE Data Indices, LLC. (Used ADIG index)

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Exhibit 7: Asian high-yield weekly returns by sector

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



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

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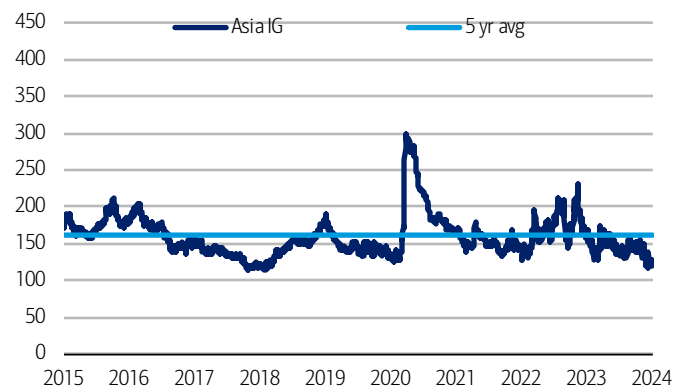
Valuation

Weekly spread changes: In this week, Asia IG and Asia HY tightened 3bp/50bp WoW to 125bp/624bp respectively. In Asia IG space, India IG (-4bp WoW to 159bp) and China IG (-4bp WoW to 133bp) tightened most, while Indo IG widened 4bp WoW to 169bp. For Asia HY, excluding index rebalancing impact, Macau outperformed the most (-36bp WoW to 312bp), followed by China HY (-35bp WoW to 1,029bp), while India HY tightened less (-3bp WoW to 523bp). China HY property tightened 109bp WoW to 2,921bp and China non-property HY (corp) tightened 60bp WoW to 941bp. Asia financials overall tightened 3bp WoW to 125bp, mainly driven by bank AT1 (-8bp WoW to 172bp). For WoW spread performance, please see Exhibit 16 and the Appendix.

Asia credit spread pick-up against US: In the past week, Asia IG and Asia HY both outperformed US peers. The pick-up of Asia IG over US IG 5- to 7-year corps tightened 7bp WoW to 12bp (below the 5yr avg. of 39bp), as US IG 5- to 7-year corps widened 4bp WoW to 113bp while Asia IG tightened. The pick-up of Asia HY over US HY tightened 87bp WoW to 253bp (below the 5-year avg. of 457bp), as US HY widened 37bp WoW to 371bp while Asia HY tightened. A further breakdown shows that the pick-up of Asia non-China HY over US HY tightened 63bp WoW to 88bp (below the 5-year avg. of 151bp), and the pick-up of China non-property HY (corp) over US HY widened 15bp WoW to 570bp (above the 5-year avg. of 360bp).

Exhibit 8: Asian high-grade corporate spread history

WoW, Asia IG tightened 3bp to 125bp, below 5-year average of 162bp

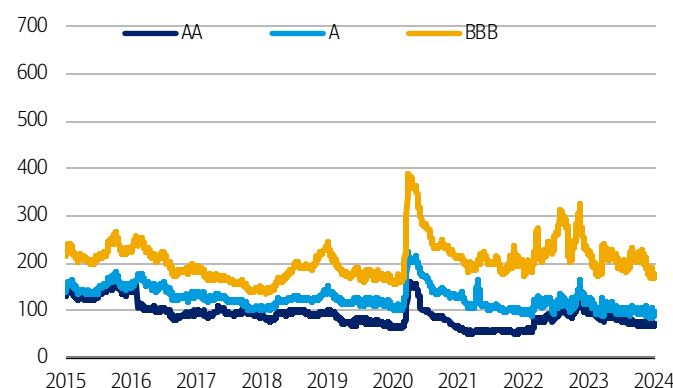


Source: ICE Data Indices, LLC. (Used ACIG index)

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Exhibit 9: Asian high-grade spreads by rating category

WoW, Asia AA tightened 1bp to 70bp, Asia A - 1bp to 95bp, and Asia BBB - 5bp to 172bp



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

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Exhibit 10: Asian high-yield corporate spread history

WoW, Asia HY tightened 50bp to 624bp, below 5-year average of 891bp

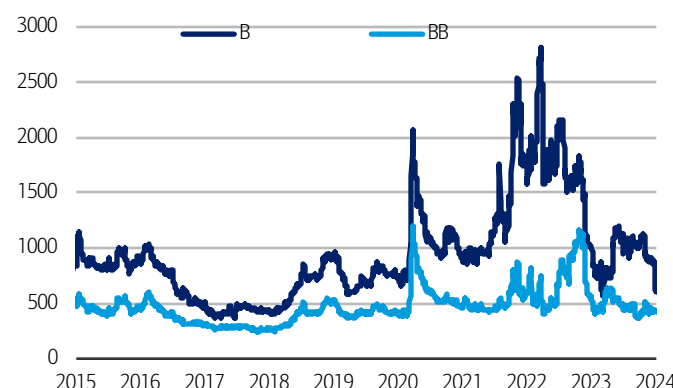


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 11: Asian high-yield spreads by rating category

WoW, Asia BB tightened 19bp to 419bp, and Asia B - 267bp to 606bp (or tightened 30bp WoW excluding index rebalancing)

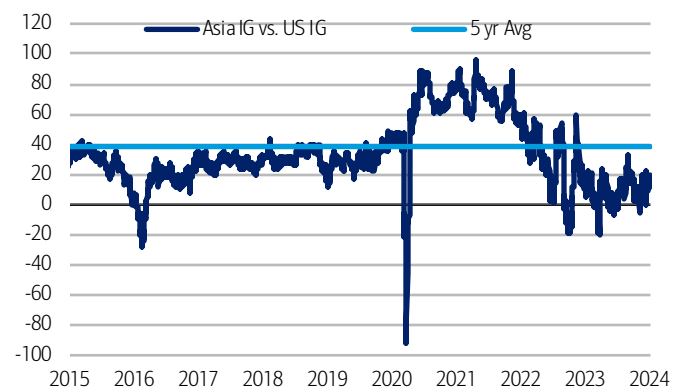


Source: ICE Data Indices, LLC. (Used ACHY index)

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Exhibit 12: Asian corporate high-grade spreads vs. US IG (5-7yr)

WoW, the pick-up of Asia IG over US IG (5-7yr) tightened 7bp to 12bp, below 5-year average of 39bp



Source: ICE Data Indices, LLC

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Exhibit 13: Asian corporate high-yield spreads vs. US HY

WoW, the pick-up of Asia HY over US HY tightened 87bp to 253bp, below the 5-year average of 457bp



Source: ICE Data Indices, LLC

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Exhibit 14: Asian high-yield excl. China property spread history

WoW, Asia HY excl. China prop (incl. financial) tightened 21bp to 451bp, below 5-year average of 581bp

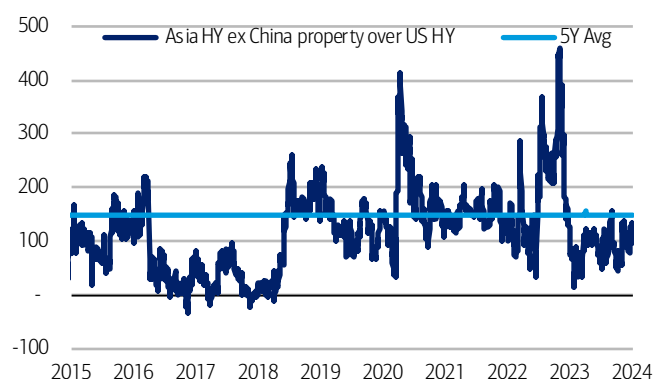


Source: ICE Data Indices, LLC

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Exhibit 15: 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 38bp to 97bp, below 5-year average of 149bp



Source: ICE Data Indices, LLC

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Exhibit 16: Summary of spread changes

WoW, Asia IG and HY spread both tightened; in Asia IG, only Indo widened 4bp to 169bp and rest regions tightened; in Asia HY, China HY property led the tightening, followed by China HY industrial; Asia financial overall tightened 3bp to 125bp

	Current spread	WoW change	MTD change	YTD change
Overall				
Asia IG	125	-3	3	3
AA	70	-1	1	1
A	95	-1	4	4
BBB	172	-5	2	2
Asia HY	624	-50 (-32*)	-25	-25
BB	419	-19	-25	-25
B	606	-267 (-30*)	-19	-19
Asia HY excl. China property	451	-21	-17	-17
By country/region				
IG				
China	133	-4	2	2
Hong Kong	124	-1	3	3
Korea	89	0	3	3
Singapore	80	-1	3	3
Indonesia	169	4	14	14
India	159	-4	3	3
HY				
China	1029	-98 (-35*)	-35	-35
Indonesia	400	-29	-33	-33
India	523	-3	-16	-16
Macau	312	-36	-16	-16
By sector				
China HY property	2921	-616 (-109*)	-99	-99
China non-property HY	941	52 (-60*)	-64	-64
BAT	122	2	0	0
China oil majors	79	0	9	9
Asia financial				
Overall	125	-3	2	2
Bank senior	68	-2	3	3
NBFI senior	139	-3	2	2
Bank Tier 2	149	1	4	4
Bank AT1	172	-8	-7	-7

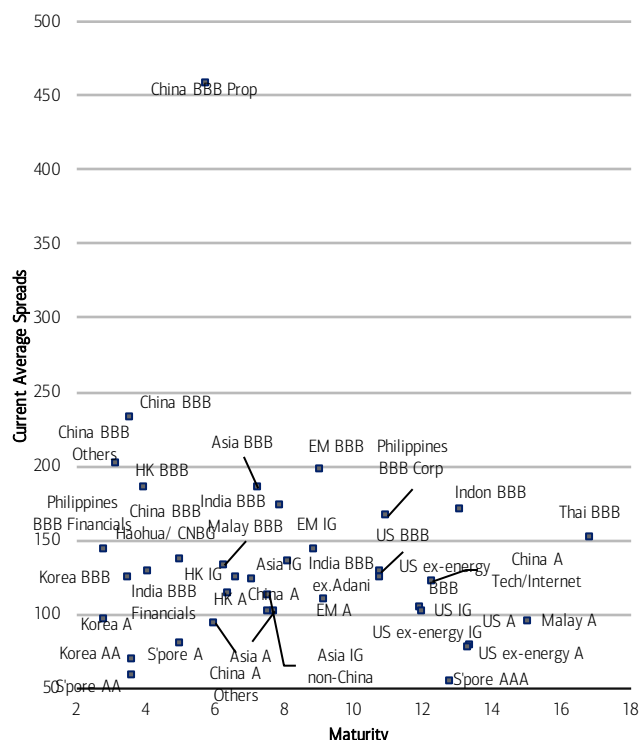
Source: ICE Data Indices, LLC, BofA Global Research

Note: * spread WoW change exclude month-end index rebalance

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Exhibit 17: 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

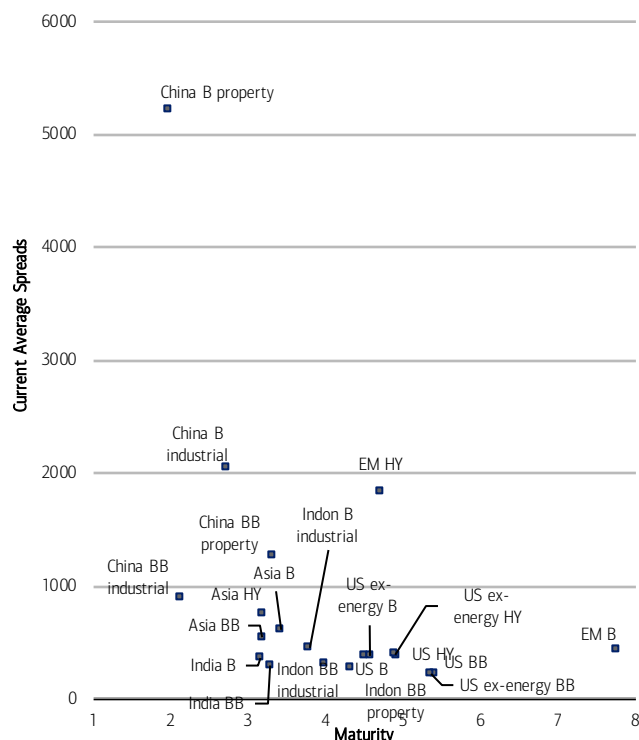


Source: ICE Data Indices, LLC, BofA Global Research

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Exhibit 18: Asia Corp spreads and duration by country and rating (HY)

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



Source: ICE Data Indices, LLC, BofA Global Research

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Supply

In the first week of 2024, we saw US\$2.05bn sovereign bond issuance from Indonesia. For Australia, we saw US\$3.25bn bank senior bond issuance.

Recap for 2023, Asia USD fixed supply declined 34% YoY to US\$94bn, the lowest annual level since 2012. Within non-financial corps, HY corps declined 48% YoY to US\$10.4bn and IG corps dropped 57% YoY to US\$20.8bn. Financial bonds also declined 20% YoY to US\$44bn. The sovereign supply slightly declined 3% YoY to US\$19bn.

Looking into 2024, we expect onshore funding costs to remain lower than dollar for most of Asia, though the differential might narrow as US cuts rate later next year. Against this backdrop, we expect US\$148bn gross supply and net redemption of US\$18bn (or US\$50bn incl. coupon payment) in 2024.

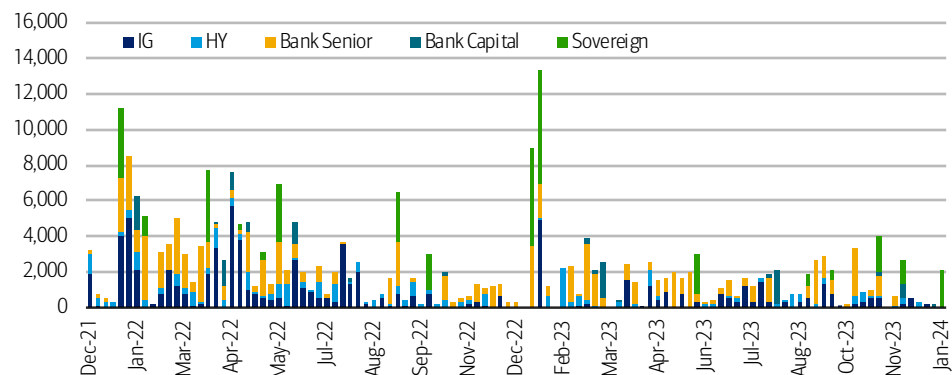
Note that we only track issuance larger than US\$100mn and maturity/call/put longer than one and a half years.

New issue to highlight

In primary market, the Australia banking sector was active this week. NAB issued USD 3.25bn senior ranked USD securities with four tranches. The fixed rate 5-year and 10-year was priced at 90bp and 105bp, with size at USD 1bn and 750mn, respectively. Further, based on the Bloomberg report, SBIIN may issue USD 500mn -750mn in the coming weeks.

Exhibit 19: Asian USD fixed bond weekly supply, US\$mn

US\$2.05bn sovereign supply from Indonesia this week



Source: Bloomberg, BofA Global Research

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Exhibit 20: 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 -19bp (median); spread tightened 16bp (median)

Issuers	Bond	Issue date	Tranche US\$mn	Country	Price	Issue Yield %	Spread	As of Jan 3, 2024			Change from issue date		
								Price	Yield %	Spread	Price %	Yield (bp)	Spread (bp)
Cixi State Owned Assets	CIXISO 5.8 '26	18-Dec-23	200	China	100.0	5.80	166	100.1	5.75	142	0.1%	-5	-24
Changxing Urban Construction	CHXIN 6.8 '26	8-Dec-23	150	China	100.0	6.80	241	100.3	6.69	236	0.3%	-11	-5
Chang Development International	CCUDIH 7 '26	7-Dec-23	100	China	100.0	7.00	266	100.6	6.74	241	0.6%	-26	-25
Guangzhou Dev District	GZGETH 6.3 '25	1-Dec-23	500	China	100.0	6.30	176	100.5	6.01	168	0.5%	-29	-8
Average											0.4%	-19	-16

Source: Bloomberg, BofA Global Research

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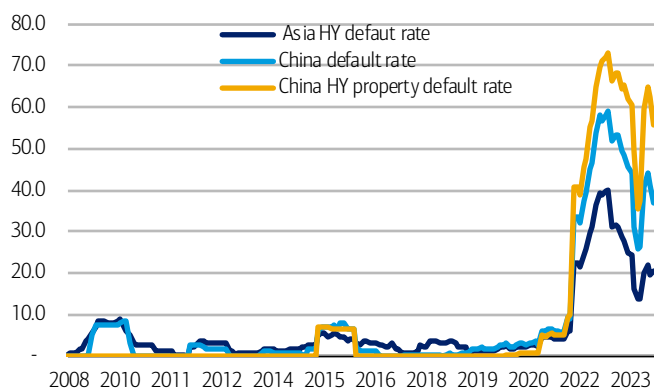
Defaults

In this week, Vedanta Resources got consent to restructure four USD bonds, totaling US\$3.75bn. So, we include it into our default calculation, meanwhile the US\$2.65bn default from Times China in Jan'23 was removed from the calculation. As a result, the LTM default rate by amount rose to 20.7% from 19.5% (as end-2023), while largely unchanged at 6.5% by count of defaulted issuers. On the other hand, the LTM default rate by amount/count eased to 37%/14.6% for China HY and 56%/28.6% for China HY property, respectively (from 41.3%/17.5%, and 62.5%/35% as end-2023).

Recap for 2023, the defaults in Asia were still dominated by China property sector, with US\$30.6bn default amount from 14 China developers, of which US\$23.5bn was index-eligible. Outside China HY property, there was only a US\$0.18bn default from Sri Lankan Airlines. Looking into 2024, we expect default risk to remain low outside China property but still high in China property. We forecast 0.6% default rate (by amount) for Asia HY excl. China property (excluding Vedanta), and 45-65% default rate for China HY property in 2024.

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

As of 5 January, Asia HY: 20.7%; China HY: 36.9%; China HY property: 56.0%

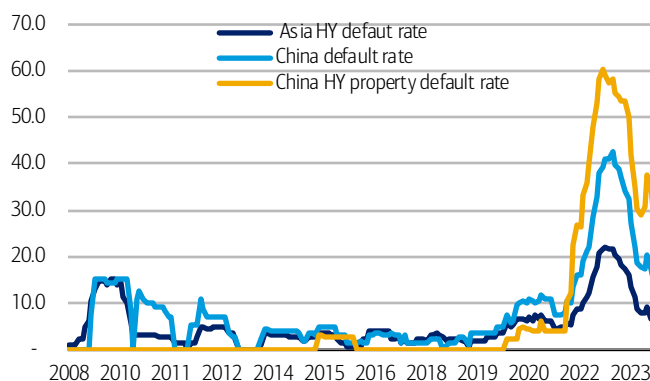


Source: BofA Global Research

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Exhibit 22: LTM default rate by count: Asia vs. China vs. China HY property

As of 5 January, Asia HY: 6.5%; China HY: 14.6%; China HY property: 28.6%



Source: BofA Global Research

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Exhibit 23: 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

Exhibit 23: 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	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	KJAIJ	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	1606	N
Jan-24	VEDLN	Vedanta Resources	India	Distressed Exchange	4	3751	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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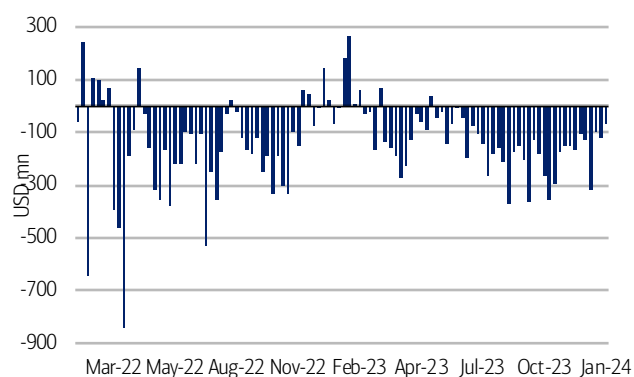
Fund flows

Based on EPFR, from 28 Dec'23 to 2 Jan'24, Asia excluding Japan (AxJ) hard currency funds saw outflow of US\$70mn (-0.28% of assets under management-AUM), easing from US\$118mn in the previous week. For all EM market, the hard currency funds saw inflow of US\$132mn (vs outflow of US\$81mn in the previous week). Looking at US funds, IG funds saw inflow rising to US\$4.3bn, from US\$2.9bn in the previous week. On the other hand, US HY funds saw outflows of US\$0.45bn vs. inflow of US\$0.3bn in the previous week.

In full year 2023, US IG corporate funds saw the biggest inflows of +4.6% (as a percentage of AUM at the beginning of the year) and US HY funds saw +1.9%. However, AxJ hard currency seeing the biggest YTD outflows of -20% and EM hard funds saw outflows of -10%.

Exhibit 24: Asia excl. Japan (AxJ) hard currency fund flows, USD mn

AxJ hard currency funds outflows at US\$70mn this week (from 28 Dec'23 to 2 Jan'24), easing from US\$118mn in the previous week



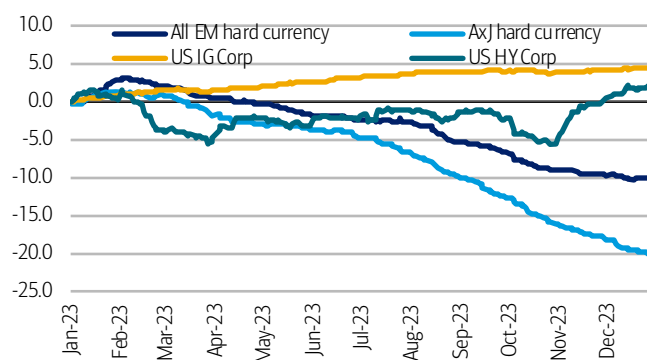
Source: EPFR

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 25: 2023 YTD cumulative fund flows as % of AUM

In 2023, US IG corporate fund saw inflows of 4.6% of AUM and US HY corporate saw 1.9%; however, AxJ hard currency saw outflows of 20% and EM hard currency saw outflows of 10%



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 26: Top 10 corporate and bank performers over the last week and YTD on total return basis

Top 10 corporate and bank performers in this week & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2023)
Investment Grade Corporates			
TELP 3.45% 2050	3.24%	TELP 3.45% 2050	3.28%
VNKRLE 3.975% 2027	2.71%	VNKRLE 3.5% 2029	1.75%
VNKRLE 3.5% 2029	2.67%	GENMMK 3.882% 2031	1.55%
VNKRLE 3.15% 2025	1.96%	ADSEZ 3.828% 2032	1.48%
ADSEZ 3.828% 2032	1.63%	TAISEM 3.125% 2041	1.38%
PTTEPT 6.35% 2042	1.51%	UPLIN 4.5% 2028	1.33%
ADSEZ 4.375% 2029	1.47%	ADSEZ 5% 2041	1.11%
UPLIN 4.5% 2028	1.45%	CHIOLI 3.45% 2029	0.96%
CHJMAO 3.2% 2026	1.24%	KORGAS 6.25% 2042	0.95%
WB 3.375% 2030	1.20%	CNPCCH 5.95% 2041	0.93%
High Yield Corporates			
RONXIN 7.1% 2025	88.57%	RONXIN 7.1% 2025	88.57%
AGILE 6.05% 2025	14.23%	AGILE 6.05% 2025	13.79%
GLPSP 4.5% 2026	11.14%	GLPSP 4.5% 2026	10.92%
GLPSP 3.875% 2025	8.46%	GLPSP 3.875% 2025	8.41%
GLPSP 4.6% 2027	8.14%	GLPSP 4.6% 2027	8.02%
ROADKG 5.9% 2025	7.51%	ROADKG 5.9% 2025	7.41%
DALWAN 11% 2026	5.84%	YLLGSP 5.125% 2026	4.81%
ROADKG 5.2% 2026	5.60%	LNGFOR 4.5% 2028	4.69%
DALWAN 11% 2025	5.47%	ASRIJ 12% 2025	4.22%
YLLGSP 5.125% 2026	4.88%	UPLIN 5.25% 2025	3.60%
Banks / Financial Institution			
ZHONAN 3.5% 2026	2.04%	RCBPM 6.5% 2025	1.09%
KYOBOL 5.9% 2027	1.39%	NANYAN 7.35% 2028	1.03%
RCBPM 6.5% 2025	1.14%	BNKEA 5.825% 2025	0.76%
BNKEA 5.825% 2025	1.11%	AIA 2.7% 2026	0.71%
DEVPHI 2.375% 2031	1.09%	EIBKOR 1.25% 2025	0.70%
NANYAN 7.35% 2028	1.05%	HRINTH 4.5% 2029	0.63%
HRINTH 4.95% 2047	0.91%	WUXIND 2.85% 2026	0.63%
EIBKOR 1.25% 2025	0.72%	KEBHNB 3.5% 2026	0.57%
WUXIND 2.85% 2026	0.72%	KCGZIG 3.5% 2025	0.53%
AIA 2.7% 2026	0.71%	SUNSHG 4.5% 2026	0.53%

Source: ICE Data Indices, LLC. (Data as at 3 January, 2024)

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Exhibit 27: Bottom 10 corporate and bank performers over the last week and YTD on total return basis

Bottom 10 corporate and bank performers this week & YTD

Issuer	Total Return (weekly)	Issuer	Total Return (YTD2023)
Investment Grade Corporates			
MINCAP 5.625% 2037	-3.17%	PLNIJ 4.375% 2050	-3.52%
PLNIJ 4.375% 2050	-2.90%	IDASAL 5.8% 2050	-3.48%
PLNIJ 5.25% 2042	-2.83%	PLNIJ 4.875% 2049	-3.37%
IDASAL 5.8% 2050	-2.81%	MINCAP 5.625% 2037	-3.22%
PLNIJ 4.875% 2049	-2.79%	FRIDPT 6.2% 2052	-3.06%
FRIDPT 6.2% 2052	-2.77%	IDASAL 6.757% 2048	-3.05%
TAISEM 3.25% 2051	-2.66%	PLNIJ 4% 2050	-2.97%
CHGRID 4% 2047	-2.61%	PERTIJ 4.175% 2050	-2.74%
TENCNT 3.94% 2061	-2.59%	SINOPE 3.1% 2051	-2.65%
PLNIJ 5.25% 2047	-2.56%	PLNIJ 5.25% 2047	-2.58%
High Yield Corporates			
FTLNHD 4.5% 2026	-4.75%	FTLNHD 4.625% 2025	-2.36%
STAREN 6.75% 2033	-1.03%	MGMCHI 4.75% 2027	-1.26%
MONDFI 5.125% 2029	-1.01%	PUMAFN 5% 2026	-0.65%
LNGFOR 3.85% 2032	-0.72%	STAREN 6.75% 2033	-0.62%
PAKWNP 7.5% 2031	-0.71%	VEYONG 3.375% 2026	-0.54%
FTLNHD 4.625% 2025	-0.58%	WYNMAC 5.5% 2027	-0.51%
MGMCHI 4.75% 2027	-0.58%	STCITY 6% 2025	-0.32%
VEYONG 3.375% 2026	-0.41%	MONDFI 5.125% 2029	-0.30%
HBSPIN 4.125% 2031	-0.35%	MGMCHI 5.25% 2025	-0.27%
VEDLN 9.25% 2026	-0.31%	BHARTI 5.65% 2025	-0.25%
Banks / Financial Institution			
TEMASE 2.25% 2051	-2.96%	SMIND 2.125% 2026	-1.93%
HKAA 3.5% 2062	-2.53%	TEMASE 2.5% 2070	-1.92%
AIA 4.875% 2044	-2.25%	INRCIN 3.95% 2050	-1.58%
AIA 3.2% 2040	-1.84%	EIBKOR 2.5% 2041	-1.45%
SMIND 2.125% 2026	-1.79%	GRWALL 3.875% 2027	-1.29%
TEMASE 3.375% 2042	-1.75%	EXIMCH 4% 2047	-1.24%
TEMASE 2.75% 2061	-1.66%	EXIMBK 5.5% 2033	-1.20%
HKAA 2.625% 2051	-1.64%	SDBC 4% 2037	-1.18%
HKAA 3.25% 2052	-1.64%	TEMASE 2.25% 2051	-1.13%
TEMASE 2.375% 2041	-1.56%	EIBKOR 4.5% 2032	-1.09%

Source: ICE Data Indices, LLC. (Data as at 3 January, 2024)

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Repayment schedule for Asian HY issuers

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

Total principal (including put) repayment and coupon payment from Asian HY issuers in the next one month is US\$1.23bn

Sector	Bond	Offshore Bond Ticker	Company Name	Currency	Payment date	Coupon or Principal	Payment (USD mn)
China HY Industrial	WESCHI 4.95 '26	WESCHI	WEST CHINA CEMENT LTD	USD	08-Jan-24	Coupon	15.2
Macau gaming	SANLTD 4.3 '26	SANLTD	SANDS CHINA LTD	USD	08-Jan-24	Coupon	17.5
Macau gaming	SANLTD 4.3 '26	SANLTD	SANDS CHINA LTD	USD	08-Jan-24	Coupon	0.1
China property	GZRFPR 7.5 '27	GZRFPR	Guangzhou R&F	USD	11-Jan-24	Coupon	89.0
China property	GZRFPR 7.5 '28	GZRFPR	Guangzhou R&F	USD	11-Jan-24	Coupon	65.0
China property	GZRFPR 7.5 '25	GZRFPR	Guangzhou R&F	USD	11-Jan-24	Coupon	52.0
China property	JYGMHD 9.5 '24	JYGMHD	JY GRANDMARK HDS	USD	11-Jan-24	Maturity	152.0
China property	JYGMHD 9.5 '24	JYGMHD	JY GRANDMARK HDS	USD	11-Jan-24	Coupon	7.0
China property	ROADKG 5.2 '26	ROADKG	Road King Infrastructure	USD	12-Jan-24	Coupon	13.0
China property	FUTLAN 4.45 '25	FUTLAN	Seazen Group Ltd.	USD	13-Jan-24	Coupon	7.0
China property	GRNCH 5.65 '25	GRNCH	Greentown China Holdings	USD	13-Jan-24	Coupon	8.0
India HY	RPVIN 4.5 '28	RPVIN	10 RENEW POWER SUBSIDIAR	USD	14-Jan-24	Coupon	13.5
China property	FTLNHD 4.625 '25	FTLNHD	New Metro Global Ltd.	USD	15-Jan-24	Coupon	7.0
China property	PWRLNG 7.125 '26	PWRLNG	Powerlong Real Estate	USD	15-Jan-24	Coupon	9.0



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\$1.23bn

Sector	Bond	Offshore Bond Ticker	Company Name	Currency	Payment date	Coupon or Principal	Payment (USD mn)
China property	PWRLNG 4 '24	PWRLNG	Powerlong Real Estate	USD	15-Jan-24	Coupon	4.0
Macau gaming	STCITY 6 '25	STCITY	STUDIO CITY FINANCE LTD	USD	15-Jan-24	Coupon	12.3
Macau gaming	STCITY 6.5 '28	STCITY	STUDIO CITY FINANCE LTD	USD	15-Jan-24	Coupon	16.6
Macau gaming	STCITY 5 '29	STCITY	STUDIO CITY FINANCE LTD	USD	15-Jan-24	Coupon	28.1
Macau gaming	WYNNMAC 5.5 '26	WYNNMAC	WYNN MACAU LTD	USD	15-Jan-24	Coupon	28.1
Macau gaming	MPEL 5.625 '27	MPEL	MELCO RESORTS FINANCE	USD	17-Jan-24	Coupon	17.3
India HY	SHFLIN 4.15 '25	SHFLIN	SHRIRAM FINANCE LTD	USD	18-Jan-24	Coupon	8.4
China property	DALWAN 11 '25	DALWAN	Dalian Wanda Commercial Management Group	USD	20-Jan-24	Coupon	22.0
Macau gaming	MPEL 5.75 '28	MPEL	MELCO RESORTS FINANCE	USD	21-Jan-24	Coupon	25.0
India HY	VEDLN 13.875 '24	VEDLN	VEDANTA RESOURCES	USD	21-Jan-24	Coupon	70.9
China property	GRNLGR 8.25 '31	GRNLGR	Greenland	USD	22-Jan-24	Coupon	10.0
Indo HY	LPKRJ 8.125 '25	LPKRJ	THETA CAPITAL PTE LTD	USD	22-Jan-24	Coupon	9.8
Indo HY	BSDEIJ 5.95 '25	BSDEIJ	GLOBAL PRIME CAPITAL	USD	23-Jan-24	Coupon	2.7
India HY	TATAIN 5.45 '28	TATAIN	ABJA INVESTMENT CO	USD	24-Jan-24	Coupon	27.9
China property	GUOPRO 14.25 '24	GUOPRO	GLORY LAND	USD	25-Jan-24	Maturity	9.0
China property	GUOPRO 14.25 '24	GUOPRO	GLORY LAND	USD	25-Jan-24	Coupon	1.0
China property	ROADKG 5.125 '26	ROADKG	Road King Infrastructure	USD	26-Jan-24	Coupon	13.0
China HY Industrial	ANTOIL 8.75 '25	ANTOIL	ANTON OILFIELD SERV GRP/	USD	26-Jan-24	Coupon	5.2
China property	GRNCH 2.3 '25	GRNCH	Greentown China Holdings	USD	27-Jan-24	Coupon	5.0
China property	GRNLHK 10.21 Perp	GRNLHK	Greenland HK	USD	27-Jan-24	Coupon	6.0
China HY Industrial	FOSUNI 5.05 '27	FOSUNI	FORTUNE STAR BVI LTD	USD	27-Jan-24	Coupon	12.9
Macau gaming	SJMHOL 4.5 '26	SJMHOL	CHAMPION PATH HOLDINGS	USD	27-Jan-24	Coupon	11.5
Macau gaming	SJMHOL 4.85 '28	SJMHOL	CHAMPION PATH HOLDINGS	USD	27-Jan-24	Coupon	12.4
China property	DALWAN 7.25 '24	DALWAN	Dalian Wanda Commercial Management Group	USD	29-Jan-24	Coupon	22.0
China property	EXCECP 4.3 '25	EXCECP	EXCELLENCE COM MGMT	USD	29-Jan-24	Coupon	2.0
India HY	GRNKEN 5.55 '25	GRNKEN	GREENKO SOLAR MAURITIUS	USD	29-Jan-24	Coupon	14.2
India HY	GRNKEN 5.95 '26	GRNKEN	GREENKO SOLAR MAURITIUS	USD	29-Jan-24	Coupon	16.3
India HY	RPVIN 5.875 '27	RPVIN	RENEW POWER PVT LTD	USD	29-Jan-24	Coupon	8.1
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Maturity	231.7
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Coupon	10.8
Indo HY	MEDCIJ 6.75 '25	MEDCIJ	MEDCO PLATINUM ROAD PTE	USD	30-Jan-24	Coupon	1.2
Indo HY	MEDCIJ 6.375 '27	MEDCIJ	MEDCO BELL PTE LTD	USD	30-Jan-24	Coupon	17.2
China HY Industrial	CHIGRA 9.125 '24	CHIGRA	GRAND AUTOMOTIVE SERVICE	USD	30-Jan-24	Coupon	10.8
China property	AGILE 7.875 Perp	AGILE	Agile Property Holding	USD	31-Jan-24	Coupon	20.0
India HY	TATAIN 5.95 '24	TATAIN	ABJA INVESTMENT CO	USD	31-Jan-24	Coupon	30.4
Macau gaming	MGMCHI 4.75 '27	MGMCHI	MGM CHINA HOLDINGS LTD	USD	01-Feb-24	Coupon	18.2
India HY	GMRLIN 4.75 '26	GMRLIN	GMR HYDERABAD INTERNATIO	USD	02-Feb-24	Coupon	7.0
Indo HY	ABMMIJ 9.5 '26	ABMMIJ	ABM INVESTAMA TBK PT	USD	05-Feb-24	Coupon	7.8

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

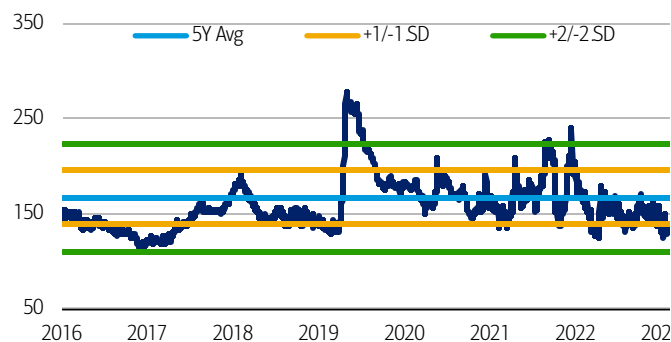
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Appendix

By country

Exhibit 29: China IG spread

WoW, China IG spread tightened 4bp to 133bp, below the 5-year average of 167bp



Source: ICE Data Indices, LLC

Note: the spread data is based on ECNI index

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

WoW, China IG over US IG pick-up tightened 8bp to 24bp, now below 5-year average of 38bp



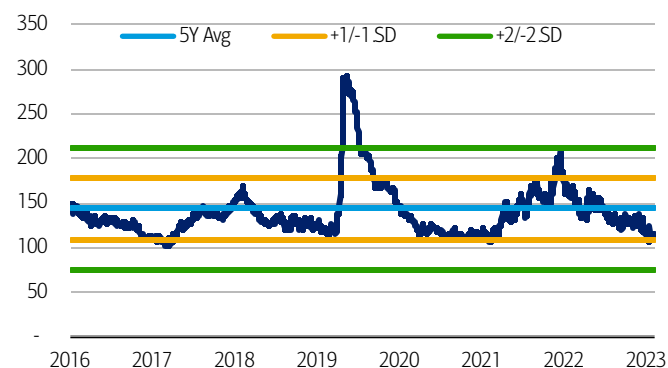
Source: ICE Data Indices, LLC

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 1bp to 115bp, below 5-year average of 144bp



Source: ICE Data Indices, LLC

Note: the spread data is based on EMIA index

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

China IG over Asia non-China IG tightened 3bp to 18bp, now below 5-year average pick-up of 23bp

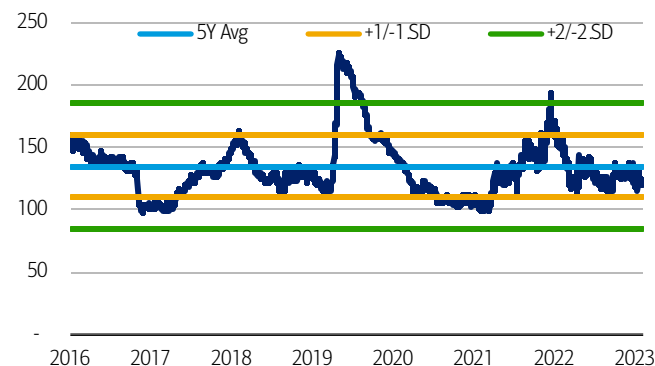


Source: ICE Data Indices, LLC

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Exhibit 33: Hong Kong IG spread

WoW, Hong Kong IG spread tightened 1bp to 124bp, below 5-year average of 140bp

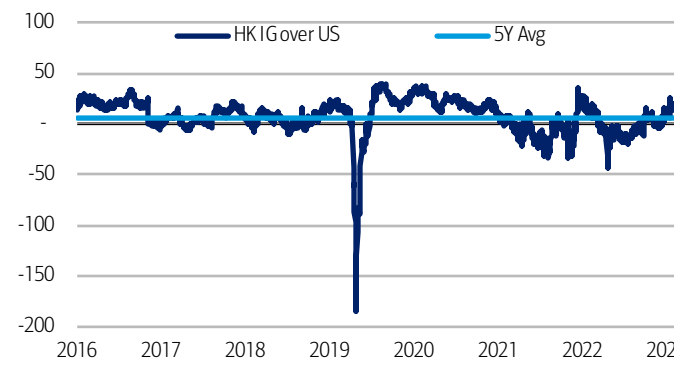


Source: ICE Data Indices, LLC

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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 15bp, above 5-year average pick-up of +6bp



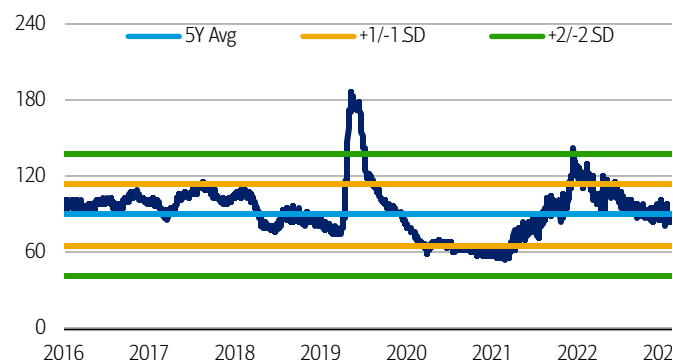
Source: ICE Data Indices, LLC

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Exhibit 35: Korea IG spread

WoW, Korea IG spread remained at 89bp, now below the 5-year average of 90bp

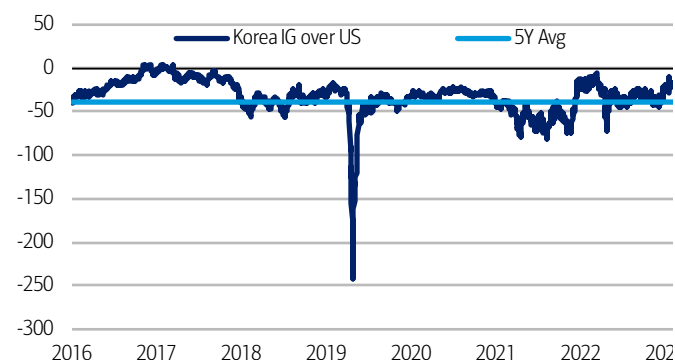


Source: ICE Data Indices, LLC

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

Korea IG is now trading 20bp tighter than US IG, vs. 5-year average difference of -39bp

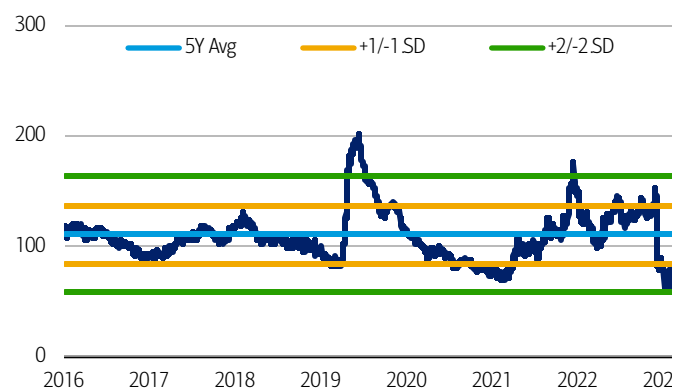


Source: ICE Data Indices, LLC

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Exhibit 37: Singapore IG spread

WoW, Singapore IG spread tightened 1bp to 80bp, below the 5-year average of 111bp

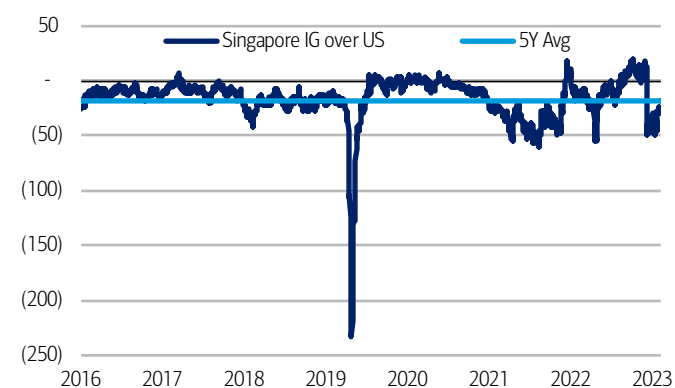


Source: ICE Data Indices, LLC

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

WoW, pick-up of Singapore IG over US IG was at -29bp, vs. 5-year average difference of -18bp

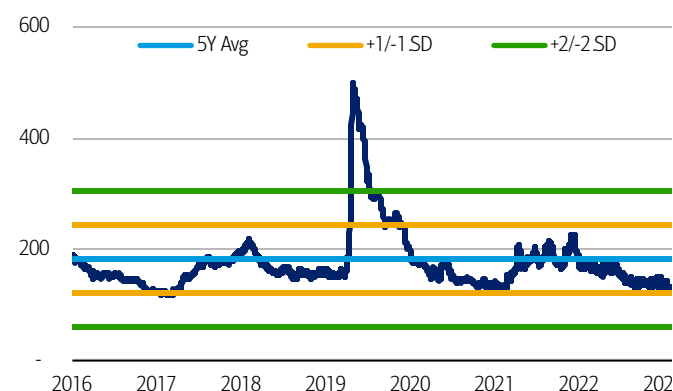


Source: ICE Data Indices, LLC

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Exhibit 39: Indonesia IG spread

WoW, Indonesia IG spread widened 4bp to 169bp, below the 5-year average of 226bp



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 remained at 60bp, below the 5-year average of 97bp

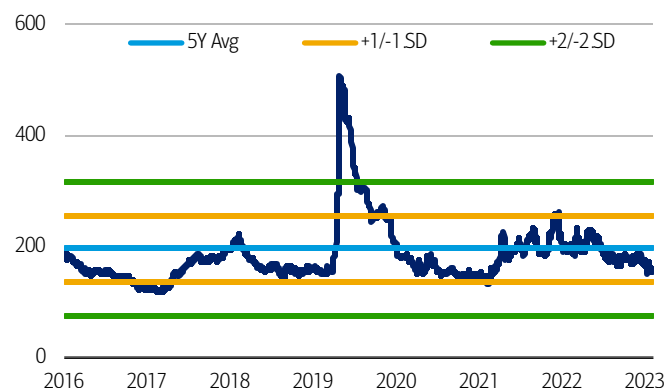


Source: ICE Data Indices, LLC

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Exhibit 41: India IG spread

WoW, India IG spread tightened 4bp to 159bp, below 5-year average of 196bp

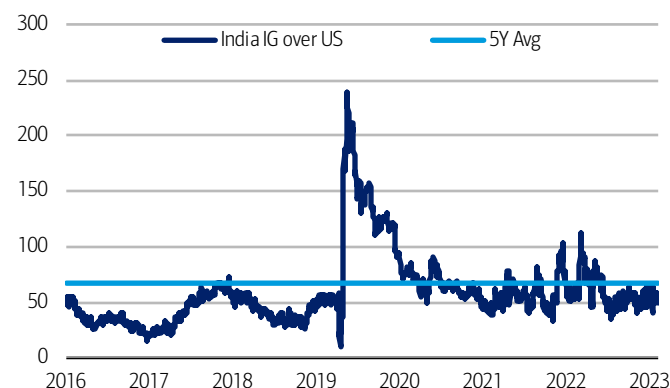


Source: ICE Data Indices, LLC

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

WoW, India IG over US IG pick-up tightened 8bp to 50bp, below 5-year average of 67bp

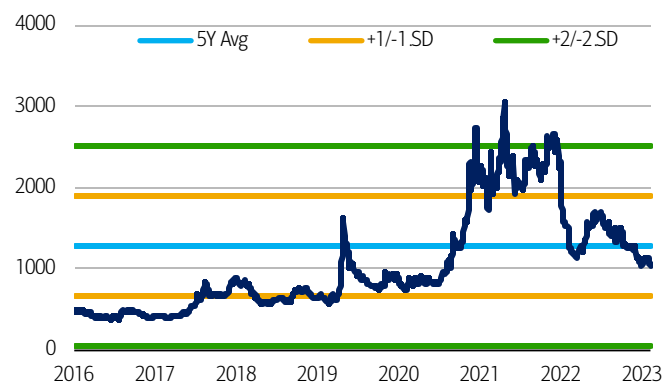


Source: ICE Data Indices, LLC

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Exhibit 43: China HY spread

WoW, China HY spread tightened 98bp to 1,029bp, below the 5-year average of 1,277bp



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 135bp to 658bp, below the 5-year average of 846bp

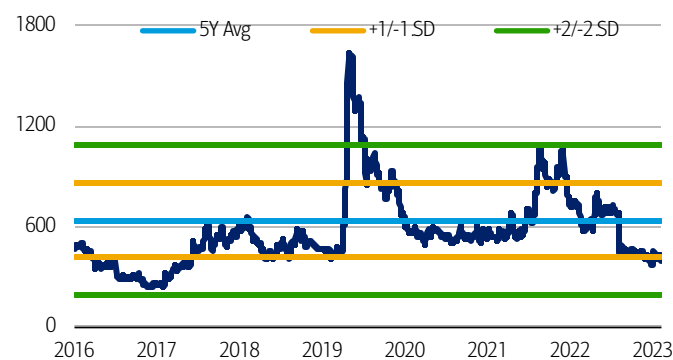


Source: ICE Data Indices, LLC

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Exhibit 45: Indonesia HY spread

WoW, Indonesia HY spread tightened 29bp to 400bp, below the 5-year average of 638bp



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 66bp to 29bp, below 5-year average of 207bp

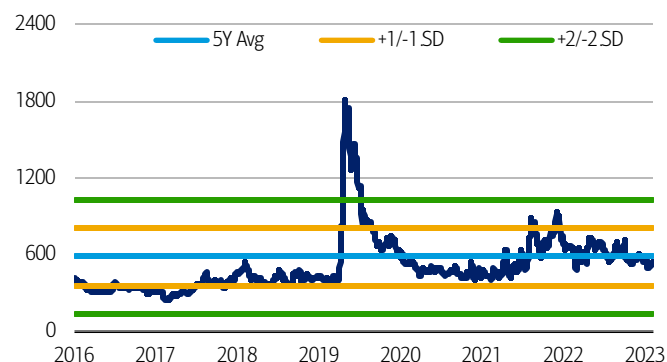


Source: ICE Data Indices, LLC

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Exhibit 47: India HY spread

WoW, India HY spread tightened 3bp to 523bp, below the 5-year average of 586bp

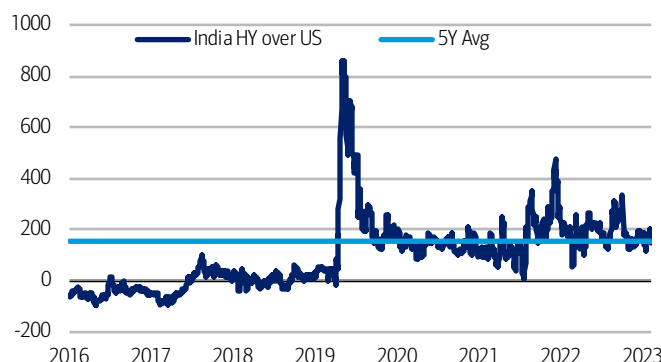


Source: ICE Data Indices, LLC

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

WoW, India HY over US HY tightened 40bp to 152bp, now above the 5-year average of 155bp

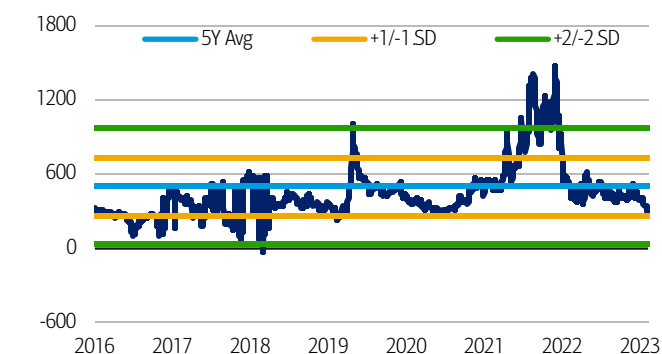


Source: ICE Data Indices, LLC

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Exhibit 49: Macau HY spread

WoW, Macau HY spread tightened 36bp to 312bp, below 5-year average of 500bp

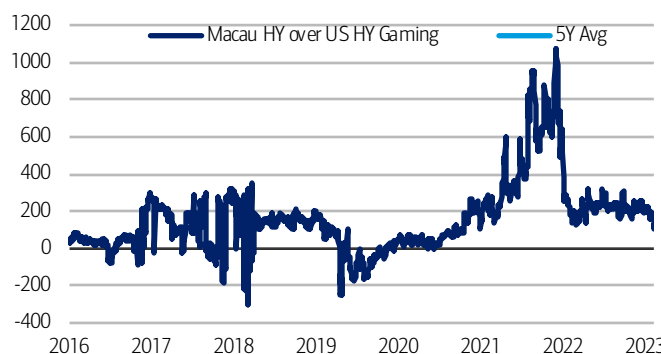


Source: ICE Data Indices, LLC

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

WoW, Macau HY over US HY Gaming tightened 62bp to 125bp, now below the 5-year average of 184bp

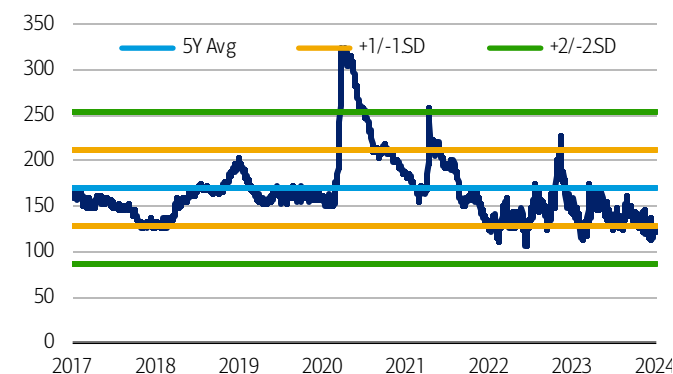


Source: ICE Data Indices, LLC

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

WoW, Asia financial spread tightened 3bp to 125bp, below the 5-year average of 170bp



Source: ICE Data Indices, LLC

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

WoW, Asia non-financial corporate pick-up over Asia financial tightened 8bp to 84bp, below the 5-year average of 166bp

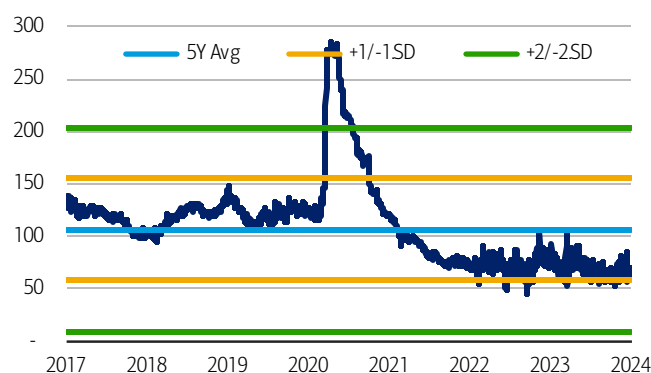


Source: ICE Data Indices, LLC

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Exhibit 53: Asia bank senior spread

WoW, Asia bank senior spread tightened 2bp to 68bp, below the 5-year average of 106bp



Source: ICE Data Indices, LLC

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

WoW, Asia A corporate pick-up over bank senior widened 1bp to 29bp, above the 5-year average of 11bp



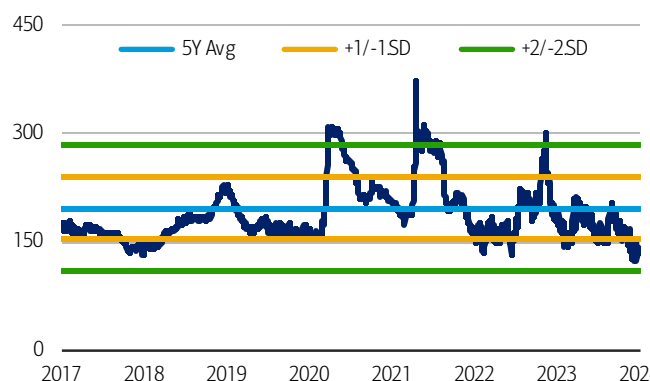
Source: ICE Data Indices, LLC

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 55: Asia NBFI senior spread

WoW, Asia NBFI senior tightened 3bp to 139bp, below the 5-year average of 197bp



Source: ICE Data Indices, LLC

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Exhibit 56: Pick-up of Asia NBFI senior over bank senior

WoW, Asia NBFI senior pick-up over bank senior tightened 1bp to 71bp, below 5-year average of 91bp

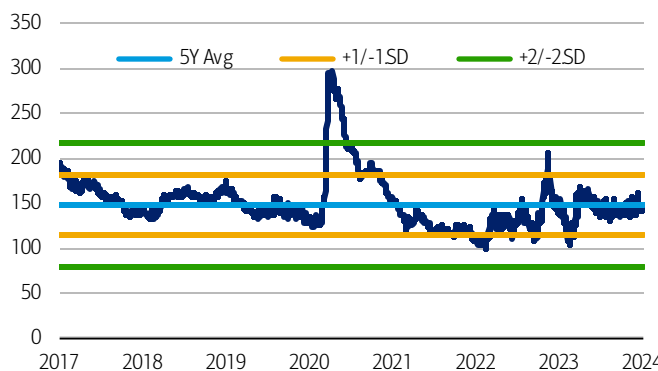


Source: ICE Data Indices, LLC

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Exhibit 57: Asia bank Tier 2 spread

WoW, Asia bank Tier 2 spread widened 1bp to 149bp, now above 5-year average of 148bp

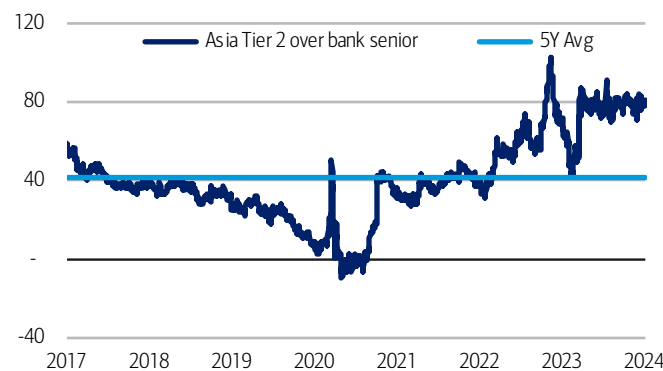


Source: ICE Data Indices, LLC

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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 widened 3bp to 81bp, above the 5-year average of 42bp

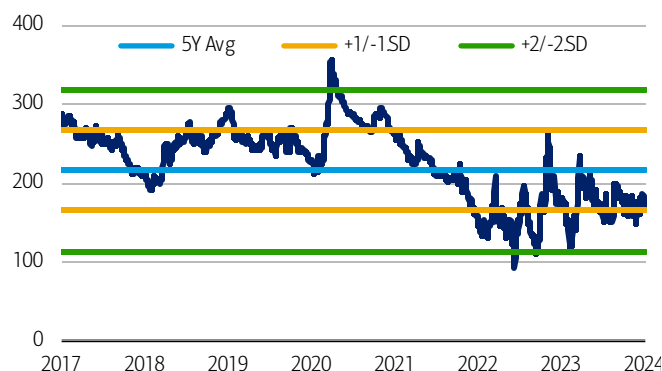


Source: ICE Data Indices, LLC

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Exhibit 59: Asia bank AT1 spread

WoW, Asia bank AT1 spread tightened 8bp to 172bp, below the 5-year average of 216bp

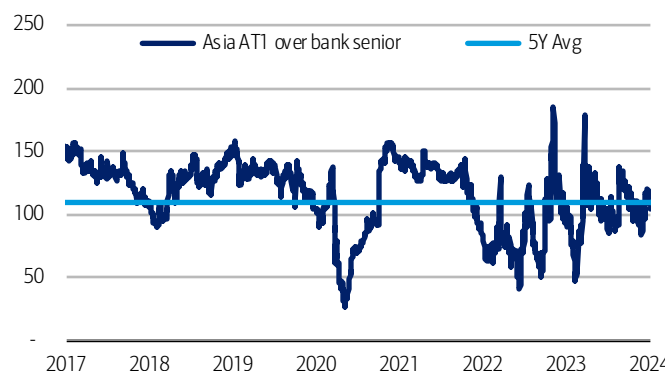


Source: ICE Data Indices, LLC

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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 104bp, now below the 5-year average of 110bp

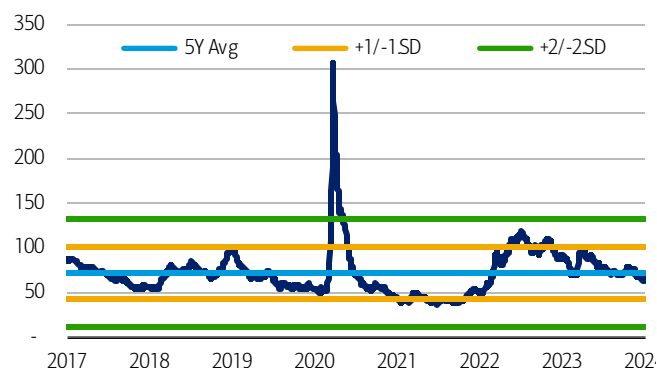


Source: ICE Data Indices, LLC

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Exhibit 61: Australia bank senior spread

WoW, Australia bank senior widened 6bp to 69bp, below 5-year average of 72bp

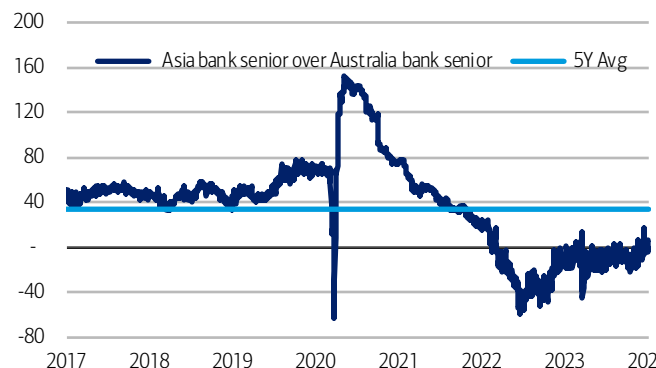


Source: ICE Data Indices, LLC

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

WoW, Asia bank senior pick-up over Australia bank tightened 9bp to -1bp, vs. 5-year average pick-up of +34bp

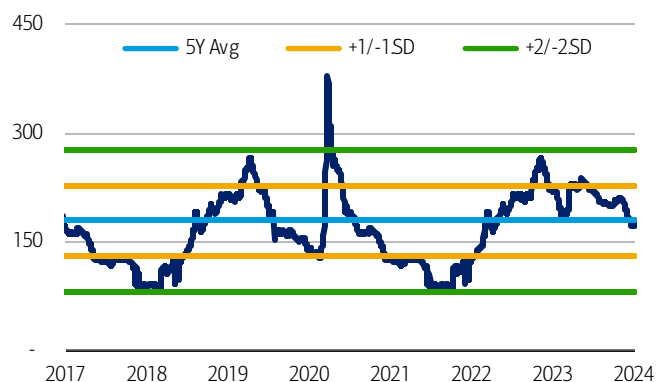


Source: ICE Data Indices, LLC

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Exhibit 63: Australia bank Tier 2 spread

WoW, Australia bank Tier 2 widened 2bp to 175bp, now below 5-year average of 179bp

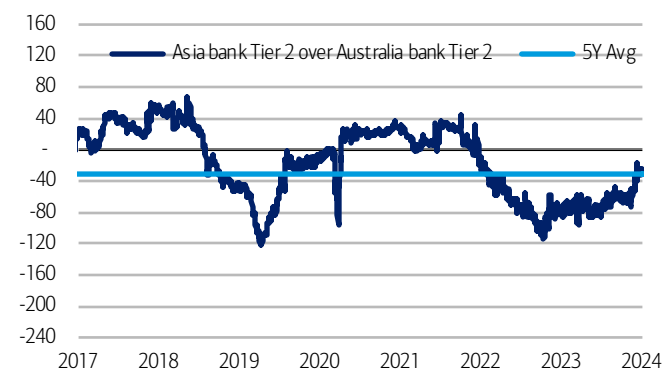


Source: ICE Data Indices, LLC

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

Asia bank Tier 2 is now trading 26bp tighter than Australia bank Tier 2, vs. 5-year average of -31bp

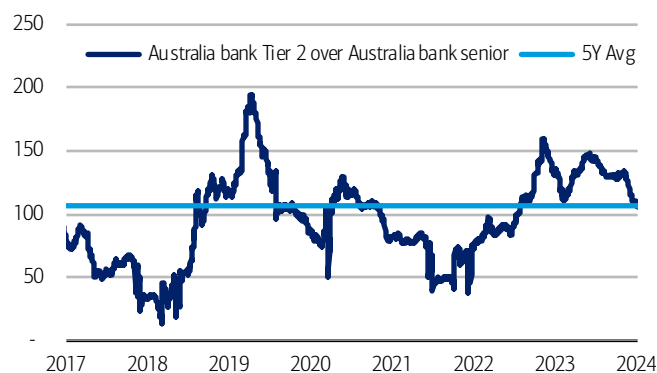


Source: ICE Data Indices, LLC

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

WoW, Australia bank Tier 2 pick-up over bank senior tightened 4bp to 105bp, now below the 5-year average of 107bp

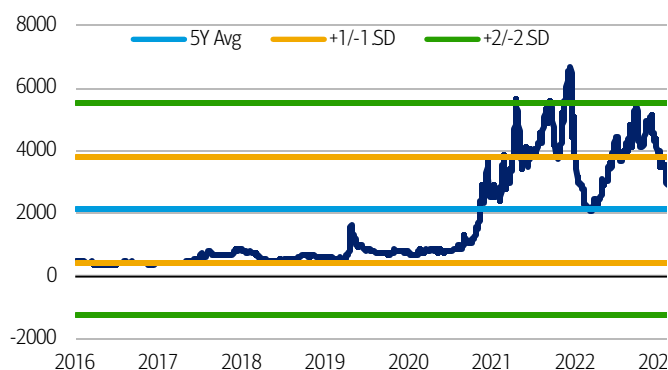


Source: ICE Data Indices, LLC

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

WoW, China HY property spread tightened 616bp to 2,921bp, above the 5-year average of 2,139bp



Source: ICE Data Indices, LLC

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

WoW, China HY property over US HY tightened 653bp to 2,550bp, above the 5-year average of 1,689bp

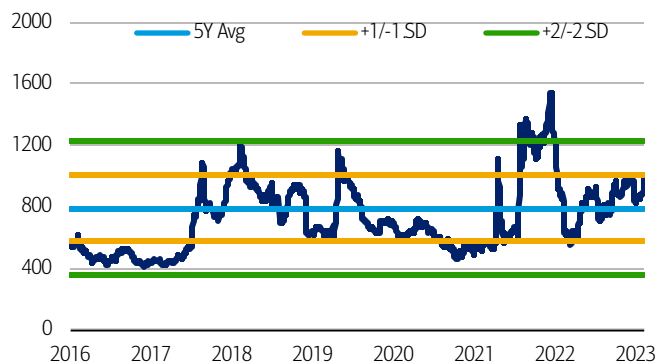


Source: ICE Data Indices, LLC

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

WoW, China non-property HY spread (corporate) widened 52bp to 941bp, above the 5-year average of 792bp



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 widened 15bp to 570bp, above the 5-year average of 361bp

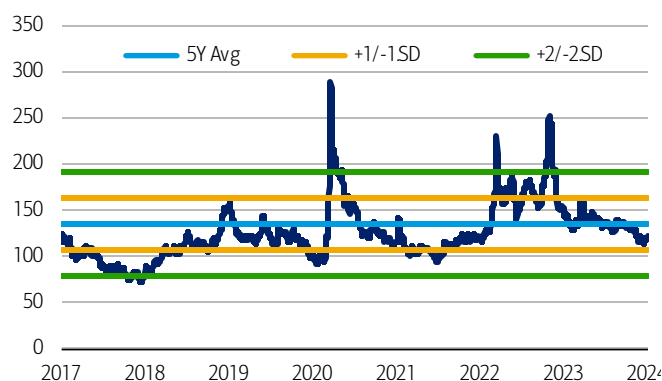


Source: ICE Data Indices, LLC

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

WoW, China BAT spread widened 2bp to 122bp, below 5-year average of 135bp

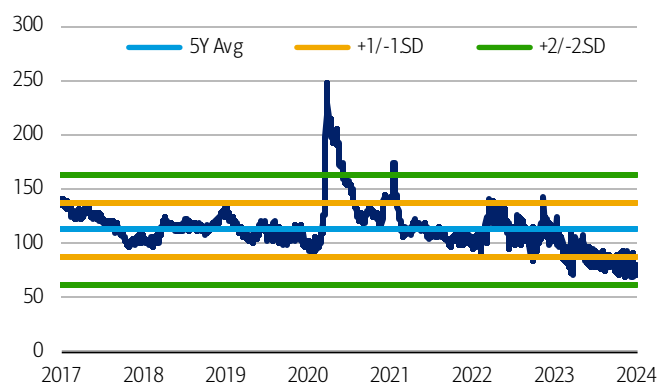


Source: ICE Data Indices, LLC

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Exhibit 71: China oil major spread

WoW, China oil major spread remained at 79bp, below 5-year average of 113bp

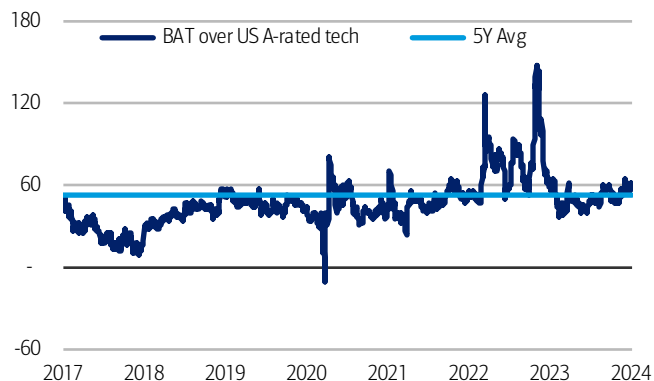


Source: ICE Data Indices, LLC

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

WoW, China BAT over US A-rated tech tightened 2bp to 57bp, above 5-year average of 53bp

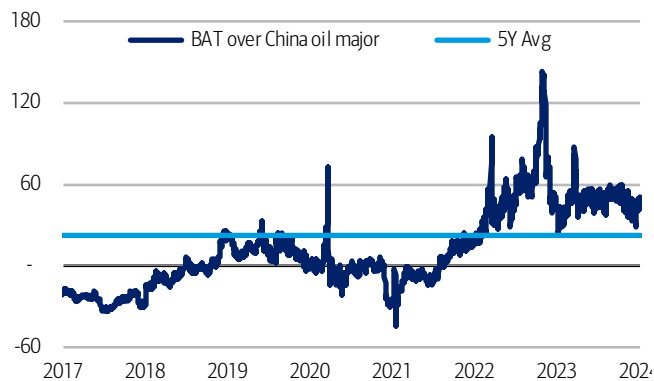


Source: ICE Data Indices, LLC

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

WoW, China BAT over China oil major widened 2bp to 42bp, above 5-year average of 22bp

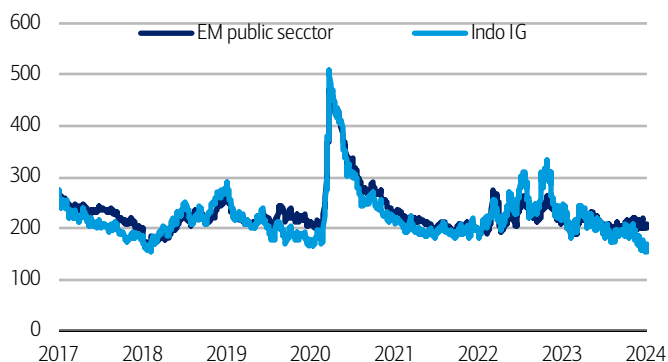


Source: ICE Data Indices, LLC

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Exhibit 74: Indonesia IG vs. EM public sector spread

Indonesia IG is trading 38bp tighter than EM public sector issuer



Source: ICE Data Indices, LLC

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