

Asia Credit Monday Morning Ideas

Value in 1-yr China HY property bonds; OW HRINTH'30, UW China Bank Tier 2

Rating Change - Credit

We highlight some of our views, thoughts and trade ideas

This week we have three ideas in China HY property and financial sectors.

Attractive risk-reward in some 1-yr China HY property papers

We reiterate OW YUZHOU 7.9 '21 (15.3% YTM, 92.5 price), EVERRE 6.25 '21 (26.3%, 79.5), KAISAG 11.75 '21 (22.4%, 91.5) [as we see attractive risk-reward in these 1-year papers on attractive yield, high repayment clarity and potential technicals support from companies' bond repurchases](#). (1) We view the liquidity profiles of EVERRE, KAISAG and YUZHOU as decent. They all have sufficient unrestricted cash on hand to cover their bonds maturing/puttable until end-2021 (EVERRE: 2.7x, KAISAG: 2.5x & YUZHOU: 2.9x). (2) Our analysis shows they already have no offshore bond refinancing gap this year post their YTD strong USD bond issuance. (3) Also, with their issuance amount significantly exceeding maturity amount, we see scope for them to buy back some of their short-dated bonds with low dollar prices to achieve decent interest savings, similar to SUNAC's repurchase of its 2020 bonds this week. This could lend further support to the technicals of their short-dated bonds. (S. Chan)

Reit. OW HRINTH'30 on valuation, decent market liquidity

We reiterate OW on HRINTH 3.375 2030 on valuation and decent market liquidity. HRINTH'30 has been oversold due to its high beta nature and large outstanding size of 22.2bn USD bonds, in our view. Trading at c. 85 for dollar price, 450bp for Z-spread, the bond is at all-time wide since China Asset Management Companies started to issue 10-year senior in 2014. The market liquidity of the bond is decent with bid-offer spread at 10-15bps, which is one of the narrowest among Asian financial space. The near term repayment risk is manageable. HRINTH has issued USD5.52bn bonds since early 2019, which is more than enough to finance its 4.47bn USD bonds come to due until end 2021. In terms of fundamentals, we expect to see improved credit profile. (see Asian Credit 2020 Year Ahead, 19 November) of HRTINTH in its 2019 earnings at end-March. From forward looking perspective, it is likely to be a secondhand negative effect of COVID-19 (see WUHAN Virus and China Gov't Related Entities: It is not only about bull case, 8 February) to put pressure on the capitalization in the medium term. The near term impact should be manageable, in our view. (LF.LI)

D/G CCB Tier-2 to UW from MW on potential downside

We downgrade CCB 4.25 2029 callable in Jan.'24 (CCB tier-2) to UW from MW. The bond currently still trades above par at 101.3 for dollar price, 335bp for G-spread. The high dollar price may pose downside risk amid the fund redemption pressure. Since the market started to plunge on 9 March, CCB tier-2 has outperformed most of the BBB-rated high Beta name in Asian credit space by only dropping 5pt. We see further downside risk from here assuming the redemptions pressure continues in the EM space. We have been underweight the China Banks tier-2 space on expensive valuation, supply risk and non-domestic-demands driven client base. We also reiterate UW on ICBCAS 4.875 2025 (dollar price at 104.9) and BCHINA 5 2024 (dollar price at 104.3). (LF.LI)

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Refer to important disclosures on page 9 to 12. Analyst Certification on page 7. Valuation & Risk on page 5.

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Global Emerging Markets | Corporate Credit
Asia-Pacific

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GEMS Corporate Credit Rsch
BofAS

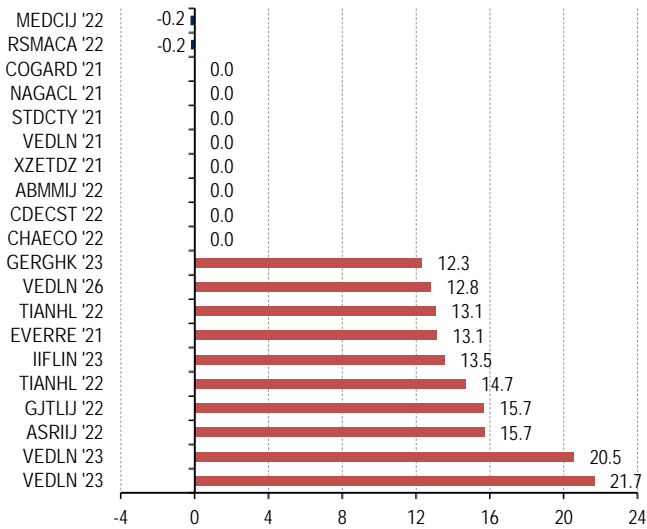
Companies/ideas mentioned in this note:

- EVERRE
- KAISAG
- YUZHOU
- HRINTH
- CCB
- BCHINA
- ICBCAS

HY bond performance

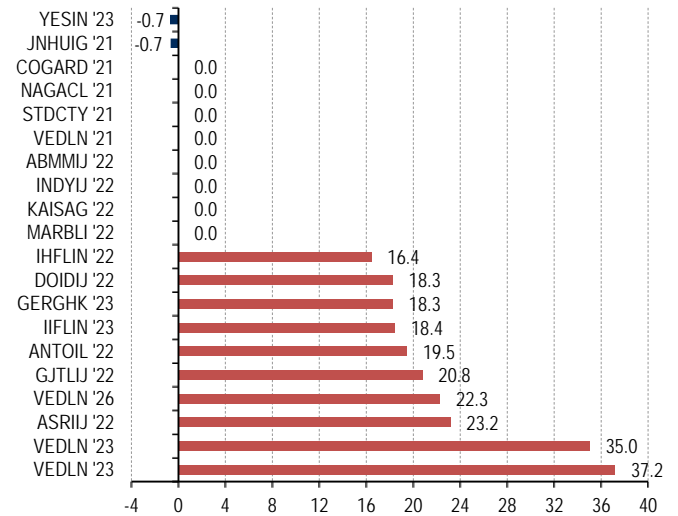
Top and bottom performers for 1 week, 1 month, 3 months and YTD

Chart 1: HY bonds yield change (1 week)



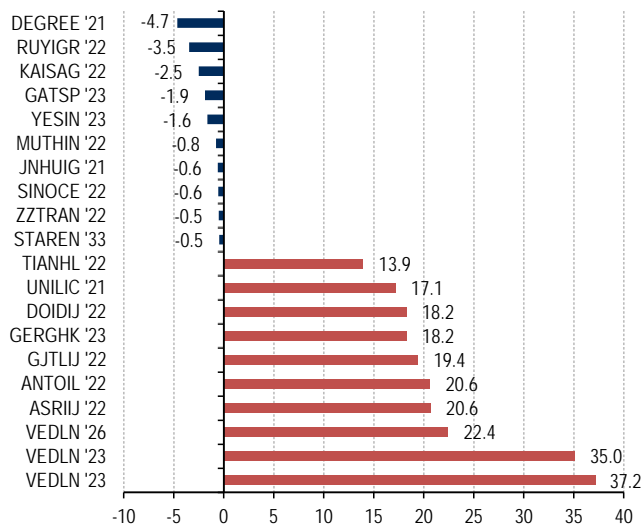
Source: XPort

Chart 2: HY bonds yield change (1 month)



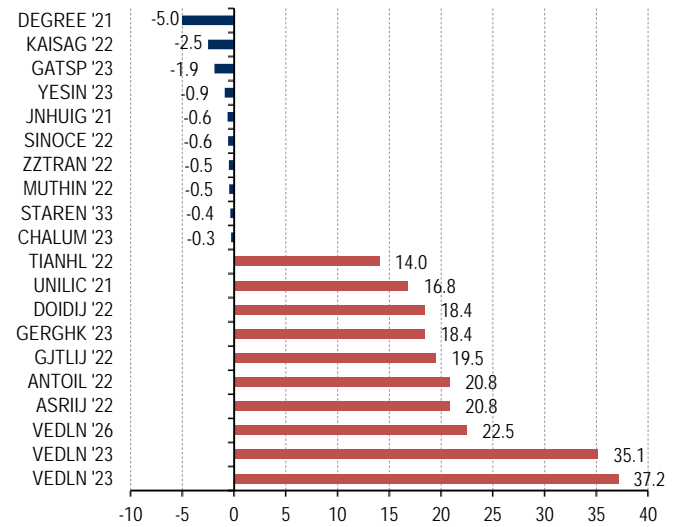
Source: XPort

Chart 3: HY bonds yield change (3 months)



Source: XPort

Chart 4: HY bonds yield change (YTD)



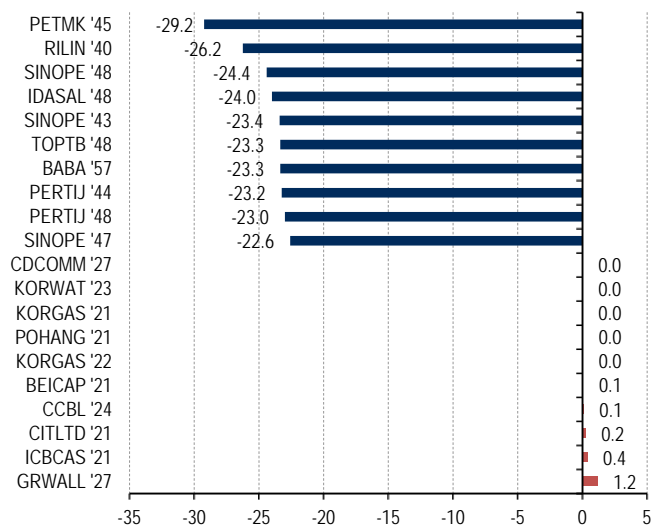
Source: XPort



HG bond performance

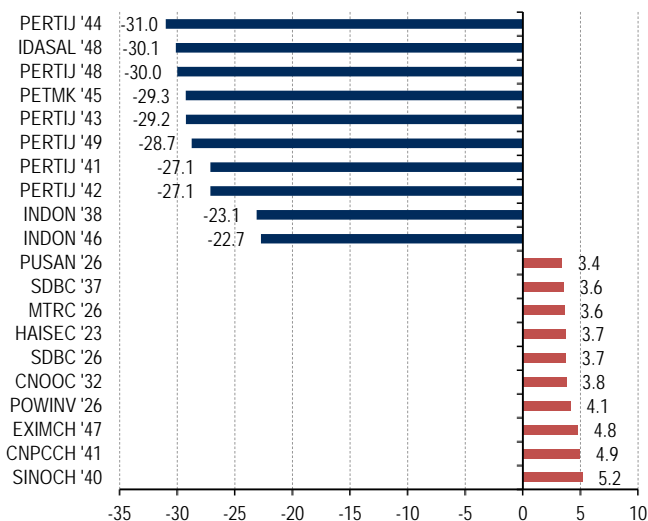
Top and bottom performers for 1 week, 1 month, 3 months and YTD

Chart 5: HG bonds price change (1 week)



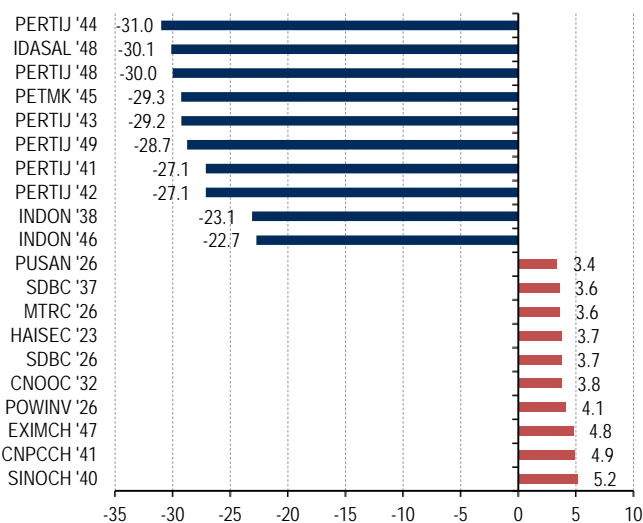
Source: XPort

Chart 6: HG bonds price change (1 month)



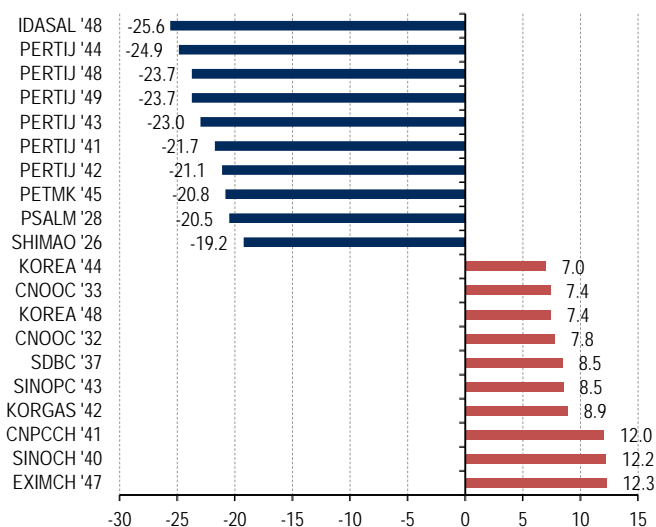
Source: XPort

Chart 7: HG bonds price change (3 months)



Source: XPort

Chart 8: HG bonds price change (YTD)



Source: XPort



Results Calendar

MONDAY, 23 March	TUESDAY, 24 March	WEDNESDAY, 25 March	THURSDAY, 26 March	FRIDAY, 27 March
<ul style="list-style-type: none"> Agile Group (Conf) Anton Oilfield (Conf) Henderson Land (Conf) Mongol Mining (Conf) Road King Infrs (Conf) Tingyi (Conf) BJ Capital Land (Est) China Res Gas (Est) China Resources Power (Est) Ronshine China (Est) 	<ul style="list-style-type: none"> China Aoyuan Group (Conf) Far East Horizon (Conf) Longfor Group (Conf) Sino Ocean Group (Conf) Country Garden (Est) Maoye International (Est) Modern Land (Est) 	<ul style="list-style-type: none"> China Jinmao Holdings (Conf) China Life Insurance (Conf) CNOOC (Conf) KWG Group (Conf) Soho China (Conf) Jingrui Holdings (Est) Pakuwon Jati Tbk (Est) Sinopec Shang (Est) 	<ul style="list-style-type: none"> China Dili Group (Conf) China Overseas (Conf) China Resources Land (Conf) Guangzhou R&F (Conf) Lonking (Conf) Agricultural (Est) CGN New Energy (Est) China Citic Bank (Est) Fosun Int'l (Est) Hon Hai (Est) K Wah International (Est) Lai Fung Holdings (Est) Lippo Karawaci (Est) Petrochina (Est) Poly Property (Est) Regal Hotel Int'l (Est) Shimao Property (Est) 	<ul style="list-style-type: none"> Bank of China (Conf) Bank of Communication (Conf) Brilliance China (Conf) China Longyuan (Conf) China Oil & Gas (Conf) China Shenhua (Conf) CIFI Holdings Group (Conf) Hydoo International (Conf) Logan Property (Conf) Seazen Group (Conf) Shangri-La Asia (Conf) BJ Ent Water (Est) Bumi Resources (Est) Dahsing Banking (Est) Gajah Tunggal (Est) Hopson Development (Est) Indika Energy (Est) Industrial & Comm Bank (Est) Matahari Putra (Est) Yanzhou Coal (Est)
MONDAY, 30 March	TUESDAY, 31 March	WEDNESDAY, 1 April	THURSDAY, 2 April	FRIDAY, 3 April
<ul style="list-style-type: none"> China Evergrande (Conf) China Merchants (Conf) China SCE Group (Conf) China Singyes (Conf) China Qinfa (Conf) Fantasia Holdings (Conf) Geely Automobile (Conf) Gemdale Properties (Conf) Greenland Hong Kong (Conf) Panda Green Ent (Conf) Shimao Property (Conf) Shui On Land (Conf) Zoomlion Heavy (Conf) Arpeni Pratama (Est) Bakrie Sumatera (Est) Beijing Enterprises Holdings (Est) CCB (Est) Central China (Est) Central Proteina (Est) China Cinda (Est) China Properties (Est) China Rail Group (Est) China Taiping Insurance (Est) Citic Ltd. (Est) Dr Peng Telecom (Est) E-Commodities Holdings (Est) GCL New Energy (Est) Glorious Property (Est) Guorui Property (Est) GW Tiandi Holdings (Est) Honghua Group (Est) Media Nusantara (Est) Shanghai Zendai (Est) Sinopec Group (Est) SRE Group Ltd. (Est) Sunac China (Est) Wynn Macau (Est) Xinyuan Real Estate (Est) Yuzhou Properties (Est) 	<ul style="list-style-type: none"> China Huarong (Conf) China Oriental (Conf) Fufeng Group (Conf) Golden Eagle Ret (Conf) Guorui Property (Conf) Hengdeli (Conf) Hidili Ind. Int'l (Conf) Kaisa Group (Conf) Huaneng Power (Est) MIE Holdings (Est) 	<ul style="list-style-type: none"> China XD Plastic (Est) 		



Results Calendar

MONDAY, 6 April	TUESDAY, 7 April	WEDNESDAY, 8 April	THURSDAY, 9 April	FRIDAY, 10 April
MONDAY, 13 April	TUESDAY, 14 April	WEDNESDAY, 15 April	THURSDAY, 16 April	FRIDAY, 17 April
		<ul style="list-style-type: none"> Shanghai Elect (Est) 		<ul style="list-style-type: none"> Bangkok Bank (Est) Kaiskornbank PCL (Est) Reliance Inds (Est) Siam Comm. Bank (Est) Tata Steel (Est)
MONDAY, 20 April	TUESDAY, 21 April	WEDNESDAY, 22 April	THURSDAY, 23 April	FRIDAY, 24 April
<ul style="list-style-type: none"> Giti Tire Corp (Est) 		<ul style="list-style-type: none"> BDO Unibank Inc. (Est) Krung Thai Bank (Est) Yanzhou Coal (Est) 		<ul style="list-style-type: none"> Axis Bank (Est) Bank Negara Indo (Est) Bank Rakyat Indo (Est) KB Financial Group (Est) Posco (Est) State Bank India (Est)

Valuation & risk

Bank of China Ltd (BCHINA)

BCHINA (Bank of China) is one of the largest Chinese National banks with substantial international operations. It is facing less pressure on earnings due to its overseas operation with lower margin pressure from China onshore market. BCHINA's capitalization is a little weaker than ICBC and CCB but the asset quality is comparable. We are OW BCHINA 3.6 Perp (AT1) with BCHINA being a Global Systemic Important bank with AT1 at non-investment grade rating. We believe the valuation is attractive with Global peers based on our ICE BofA Contingent Capital Index. We are MW BCHINA 25 as it has relatively better valuation with shorter duration vs. BCHINA 27, which is an UW on its expensive valuation vs. Asian peers. We find BCHINA 29 (senior bonds) more attractive relative to BBB rate non-bank financial institutions peers, thus OW BCHINA'29 on its better valuation. We are UW BCHINA 24 (10-year bullet tier-2) as we believe its valuation is rich relative to the Asian Tier-2 benchmark. For 5-year senior, we are UW BCHINA 24, BCHINA 22 and BCHINA 21, due to valuation backed by cross-subscriptions between China's commercial banks. We find limited upside for BCHINA 3-5 years seniors. Upside risks is a systemic risk triggers a massive sell-off, in which short-end high-quality senior bond will outperform the benchmark as defensive positions in Asian banking sector, 3) BCHINA's overseas operation suffered from external shock due to interest rate volatilities.

China Construction (CCB)

We consider CCB has the best fundamentals among Big 5 Chinese banks. CCB has the highest capital ratio underpinned by its stable retail client base. We are MW CCB 3.875 25 with fair valuation in Asia tier-2 bond space, but UW CCB 4.25 2029 on its high dollar price. Downside risks to our recommendation are 1) significant deteriorating of asset quality, 2) hard landing of Chinese economy triggers a systemic risk of Chinese banking sector, 3) housing market crisis may impact as CCB has the highest mortgage exposure. Upside risks to our recommendation are 1) CCB keeps improving its fundamentals and getting benefit more on a considerable economic development of China and Hong Kong, and 2) short-dated senior may outperform benchmark in a risk-off environment as a defensive position.

China Evergrande (EVERRE)

Trading significantly wider than other solid B bonds in the China HY property space, we believe the belly and long end of EVERRE curve have largely priced in (1) USD bond



supply risk and (2) slower-than-expected deleveraging. We prefer the longer end over the belly given higher current yields and lower dollar prices. We thus OW EVERRE 9.5% '24/ 10.5% '24/ 8.75% '25 but MW EVERRE 10% '23/ 7.5% '23. In the shorter end, we like EVERRE 7% '20/ 6.25% '21/ 8.25% '22/ 9.5% '22 given their decent yield pickup over other solid B bonds and the company's decent liquidity profile, hence our OW recommendation.

Downside risks are more aggressive land acquisition or investment in non-property businesses, slower-than-expected contracted sales growth and weaker than expected cash collection from contracted sales. Upside risks are a successful A-share restructuring plan, more prudent land acquisition, strong-than-expected sales growth, and unexpected policy easing.

China Huarong (HRINTH)

China Huarong Asset Mgm is the largest AMC in China with majority holding by MoF. We are MW HRINTH 2.875 PERP, HRINTH 4.5 PERP and HRINTH 4 PERP, on their fair valuation based on the spread pickup vs. HRINTH 5-year seniors (HRINTH 3.75 2022) and moderate supply risk as senior perp has equity treatment from accounting perspective. We are MW HRINTH 3.25 2021, HRINTH 3.75 2022 due to their fair valuation and short-dated nature. We are OW on HRINTH 3.75 2024 on its relatively attractive valuation vs. other bonds in the HRINTH curve. We are UW HRINTH 5.5 25 as it is the long-end part of the curve with expensive valuation than the short-end bond. We are MW HRINTH 4.625 26 and HRINTH 4.25 2027, HRINTH 4.75 2027 on their fair valuation vs. China commercial banks. We are OW HRINTH 3.875 2029/ 4.5 2029 and 3.375 2030, on their potential downside risk with their nature of the liquid high-beta, long-dated bonds in Asian credit space. We are OW on HRINTH 4.95 2047, the only 30-year senior in China financial space, on scarcity value. The upside risks to our recommendations include (1) AMCs changing their strategy from expansion to deleverage, leading to a fundamental improvement at HRINTH, and (2) government providing explicit support to AMCs vs the current implicit strategic role. Downside risks include (1) substantial weakening in fundamentals of AMCs triggering massive sell-off and/or the whole credit market, and (2) HRINTH keeping on issuing senior perps with high concessions.

ICBC (ICBCAS)

As the largest bank in China with majority government ownership, we expect the government support for ICBC to be high. We recommend to UW ICBCAS 25 (10-year bullet tier-2) because the valuation is expensive relative to Asian Tier-2 space, and the total yield is decent with longer duration. We are Underweight ICBC 21 and ICBC 22 (5-year senior) due to limited upside and distorted valuation from cross-subscriptions. We are UW ICBCAS 5.125% 2020 (10-year bullet tier-2) on its unattractive valuation vs. other Big-5's tier-2 bonds. The upside risks are 1) significant improvement of ICBC's asset quality make ICBC maintaining a better fundamental than BCHINA and 2) strong market rally further push the spread to tighten and outperform peers due to ICBC Tier-2's better liquidity. The downside risks are 1) significant deteriorating of asset quality, 2) hard landing of Chinese economy triggers a systemic risk of Chinese banking sector, and 3) further meaningful breach of 150% NPLs provision buffer and an increase in the special mention account.

Kaisa Group Holdings (KAISAG)

KAISAG has improved its leverage and net gearing in its most recent results. The company has decent liquidity profile with its unrestricted cash covering 2.5x of its bonds maturing/puttable until end-2021. We have OW recommendation on KAISAG 7.25% '20/ 6.75% '21/ 7.875% '21/ 11.75% '21 on attractive risk-reward, driven by attractive valuation with the bonds trading wide vs other similarly maturing solid B bonds and high repayment clarity. That said, we have MW recommendation on the KAISAG 11.25% '22/ 8.5% '22/ 11.95% '22/ '24, considering USD maturity wall, bond supply risk and its c.1x unrestricted cash to bonds maturing/puttable until end-2022.



Downside risks to our recommendation are aggressive land acquisition, slower-than-expected contracted sales growth and further administrative and/or financing tightening by the Chinese government. Upside risks to our recommendation are prudent land acquisition, strong-than-expected sales growth and unexpected policy easing.

Yuzhou (YUZHOU)

YUZHOU's 1H19 results show a mild EBITDA growth, higher net gearing and leverage. We see value in short-dated YUZHOU bonds (including YUZHOU 6.375% '21/ 7.9% '21/ 6% '22/ 8.625% '22) on its strong liquidity profile and sufficiently attractive yield pickup over CAPG/ CIFIHG/ LOGPH/ TPHL bonds. But we see unattractive risk-reward in long-dated YUZHOU 6% '23/ 8.5% '24 on the company's weak sales execution and weak access to the onshore capital market relative to its peers.

Downside risks to our recommendation are aggressive land acquisition, slower-than-expected contracted sales growth and further administrative and/or financing tightening by the Chinese government. Upside risks to our recommendation are prudent land acquisition, strong-than-expected sales growth and unexpected policy easing.

Analyst Certification

We, Lefu Li, CFA and Sirius Chan, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

Some of the securities discussed herein should only be considered for inclusion in accounts qualified for high risk investment.

BofA Securities is currently acting as exclusive financial adviser to Industrial & Commercial Bank of China Ltd. in connection with its proposed transaction involving Industrial and Commercial Bank of China (Argentina) Limited and Standard Bank Group Ltd, which was announced on August 7, 2019.



Security/Loan pricing

Bank of China Limited / BCHINA

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5, Lower Tier 2, USD, 2024:B	3,000	13-NOV-2024	Baa2/BBB+/BBB+	104.07	19-Mar-2020	4.03	323
2.25, Senior, USD, 2021:B	1,000	12-JUL-2021	A1/NR/A	101.23	19-Mar-2020	1.30	99
3.875, Senior, USD, 2025:B	500	30-JUN-2025	A1/NR/A	106.56	19-Mar-2020	2.54	165
3.5, Senior, USD, 2027:B	300	20-APR-2027	A1/NR/A	105.40	19-Mar-2020	2.66	162
2.875, Senior, USD, 2022:B	750	20-APR-2022	A1/NR/A	102.60	19-Mar-2020	1.60	122
3.125, Senior, USD, 2024: B	550	17-APR-2024	A1/A/A	105.41	19-Mar-2020	1.74	103
3.625, Senior, USD, 2029: B	300	17-APR-2029	A1/A/A	106.52	19-Mar-2020	2.81	172
3.6%, Jr. Subordinated, USD, Perp: B	2,820	04-Mar-2025	Ba1/BB+/BB+	97.31	20-Mar-2020	4.20	

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

China Construction Bank Asia Corp. Ltd. / CCB

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
3.875, Subordinated, USD, 2025:B	2,000	13-MAY-2025	NR/BBB+/BBB+	99.80	19-Mar-2020	3.92	305
4.25, Subordinated, USD, 2029:B	1,850	27-FEB-2029	NR/BBB+/BBB+	100.00	19-Mar-2020	3.34	226
4.65, Jr Subordinated, USD, Perp/2049:CS	3,050	29-DEC-2049	Ba1/BB/NR	99.69	19-Mar-2020	3.63	342

For pricing information refer to "Other Important Disclosures" below.

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China Evergrande Group / EVERRE

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
7, Senior, USD, 2020: B:B	1,600	23-MAR-2020	B2/NR/B			99.45	20-Mar-2020	70.38	9,145
8.25, Senior, USD, 2022: B:B	2,025	23-MAR-2022	B2/NR/B	17-Apr-2020	104.13	68.01	19-Mar-2020	30.76	3,038
9.5, Senior, USD, 2024: B:B	1,000	29-MAR-2024	B2/NR/B	29-Mar-2021	104.75	58.07	19-Mar-2020	27.30	2,660
6.25, Secured, USD, 2021: B:B	1,473	28-JUN-2021	B2/B/B			74.50	19-Mar-2020	32.17	3,186
7.5, Secured, USD, 2023: B:B	1,345	28-JUN-2023	B2/B/B	28-Jun-2020	103.75	58.05	19-Mar-2020	27.82	2,725
8.75, Secured, USD, 2025: B:B	4,680	28-JUN-2025	B2/B/B	28-Jun-2021	104.38	57.99	19-Mar-2020	22.83	2,195
9.5, Secured, USD, 2022: Bond	1,450	11-APR-2022	B2/B/NR			69.01	19-Mar-2020	30.93	3,055
10, Secured, USD, 2023: B	850	11-APR-2023	B2/B/NR	11-Apr-2021	105.00	68.01	19-Mar-2020	25.72	2,520
10.5, Secured, USD, 2024: B	700	11-APR-2024	B2/B/NR	11-Apr-2022	105.25	57.00	19-Mar-2020	29.27	2,856

For pricing information refer to "Other Important Disclosures" below.

*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

China Huarong Asset Mgmt Corp. / HRINTH

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
5.5, Senior, USD, 2025:B	1,400	16-JAN-2025	Baa1/BBB+/A	103.01	19-Mar-2020	4.79	396
3.25, Senior, USD, 2021:B	900	03-JUN-2021	NR/BBB+/A	101.05	19-Mar-2020	2.36	206
4.625, Senior, USD, 2026:B	900	03-JUN-2026	NR/BBB+/A	100.03	19-Mar-2020	4.62	364
2.875, Senior, USD, Perp/2049:B	500	29-DEC-2049	Baa1/NR/A-	89.25	19-Mar-2020	6.04	570
4.5, Senior, USD, Perp/2049:B	1,500	31-DEC-2049	Baa1/NR/A-	89.00	19-Mar-2020	8.79	843
4.75, Senior, USD, 2027: B	850	27-APR-2027	Baa1/NR/A	91.99	19-Mar-2020	6.16	512
4.95, Senior, USD, 2047:B	700	07-NOV-2047	Baa1/NR/A	85.03	19-Mar-2020	6.07	422
4.25, Senior, USD, 2027:B	1,100	07-NOV-2027	Baa1/NR/A	93.15	19-Mar-2020	5.35	430
4, Senior, USD, Perp/2049:B	700	31-DEC-2049	Baa1/NR/A-	89.51	19-Mar-2020	7.76	731
3.75, Senior, USD, 2022:B	570	27-APR-2022	Baa1/NR/A	102.95	19-Mar-2020	2.30	192
4.5, Senior, USD, 2029:B	700	29-MAY-2029	Baa1/NR/A	91.76	19-Mar-2020	5.66	458
3.75, Senior, USD, 2024:B	900	29-MAY-2024	Baa1/NR/A	96.64	19-Mar-2020	4.64	391
3.875, Senior, USD, 2029:B	500	13-NOV-2029	Baa1/NR/A	86.86	19-Mar-2020	5.66	458
3.375, Senior, USD, 2030:B	700	24-FEB-2030	Baa1/NR/A	83.22	19-Mar-2020	5.60	451

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Industrial & Commercial Bank of China / ICBCAS

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Price	Price date	Yield (%)	Spread (Govt+bps)
4.875, Subordinated, USD, 2025:B	2,000	21-SEP-2025	Baa2/BBB+/NR	103.09	19-Mar-2020	4.24	333
2.635, Senior, USD, 2021:B	600	26-MAY-2021	A1/A/NR	101.38	19-Mar-2020	1.46	116
2.875, Senior, USD, 2022:B	900	21-FEB-2022	A1/NR/NR	102.74	19-Mar-2020	1.43	106
4.25, Tier1, USD, Perp/2049:B	1,000	29-DEC-2049	Ba1/NR/NR	100.40	19-Mar-2020	3.76	195
5.125, Subordinated, USD, 2020:B	500	30-NOV-2020	Baa2/A-/WD	102.56	19-Mar-2020	1.41	124

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B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

Kaisa Group Holdings Limited / KAISAG

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
7.875%, Senior, USD, 2021: B:B	400	30-JUN-2021	NR/NR/NR	30-Jun-2020	100.00	90.62	20-Mar-2020	16.33	1,605
8.5, Senior, USD, 2022: B:B	1,147	30-JUN-2022	NR/NR/B	30-Jun-2020	104.25	79.01	19-Mar-2020	20.46	2,005
9.375, Senior, USD, 2024:B	3,052	30-JUN-2024	B2/NR/NR	30-Jun-2021	104.69	66.49	19-Mar-2020	21.79	2,104
7.25%, Senior, USD, 2020: B	540	30-JUN-2020	NR/NR/NR			97.36	20-Mar-2020	17.30	1,767
11.75, Secure, USD, 2021: B	400	26-FEB-2021	B2/NR/NR			92.00	19-Mar-2020	21.63	2,138
11.25, Secured, USD, 2022: B	550	09-APR-2022	B2/NR/NR	09-Apr-2021	103.00	84.01	19-Mar-2020	21.24	2,086
11.95%, Senior, USD, 2022: B:B	600	22-OCT-2022	B2/NR/B	22-Oct-2021	103.00	91.09	20-Mar-2020	16.30	1,602
6.75%, Secured, USD, 2021: B	400	18-Feb-2021	NR/NR/NR			89.68	20-Mar-2020	19.80	2,029

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*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.

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Yuzhou Properties Co. / YUZHOU

Security	Amt	Maturity date	Ratings Moody's/S&P/Fitch	Next call Call date	Call price	Price	Price date	YTW* (%)	STW (Govt+bps)
6, Senior, USD, 2023:B:B	650	25-OCT-2023	B1/NR/BB-	25-Oct-2020	103.00	80.00	19-Mar-2020	13.15	1,253
6, Senior, USD, 2022:B	350	25-JAN-2022	B1/NR/BB-	17-Apr-2020	103.00	90.01	19-Mar-2020	12.19	1,183
6.375, Senior, USD, 2021: B	375	06-MAR-2021	NR/B+/BB-	17-Apr-2020	103.19	95.50	19-Mar-2020	11.45	1,119
7.9, Senior, USD, 2021: B	352	11-MAY-2021	NR/B+/BB-	11-May-2020	103.95	95.50	19-Mar-2020	12.22	1,193
8.625, Senior, USD, 2022:B	500	23-JAN-2022	B1/NR/BB-			104.34	20-Mar-2020		
8.5, Secured, USD, 2024:B	500	26-FEB-2024	B1/NR/BB-	26-Feb-2022	104.25	82.00	19-Mar-2020	14.68	1,400

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*For loans, YTW reflects yield to maturity. Floating rate loan yields use forward swap curve.

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Important Disclosures

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Neutral: No purchase or sale of CDS is recommended.

Sell Protection: Sell CDS, therefore going long credit risk.

Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2019)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	135	31.03%	Buy	107	79.26%
Hold	223	51.26%	Hold	186	83.41%
Sell	77	17.70%	Sell	64	83.12%

* Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.



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