

Asia Pacific (ex-Japan) HY Bonds League Table Report

2017

A version of this report that includes the underlying data points is available on Debtwire's new Primary Issuance Service

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Summary

The correction in secondary prices in November didn't appear to dampen the Asian USD high-yield bond primary market in 4Q17, which was boosted by the resurgence of offshore-issuance approvals from Chinese regulators and the continued seemingly insatiable appetite for new paper.

The strong final quarter added to what was already by mid-2017 a record year of new HY USD bond issuance for APAC ex-Japan, driven by near-record low yields for Asian speculative-grade bonds and abundant liquidity.

In total, USD 18.69bn bonds* were issued across 56 deals** in 4Q17, a tad more than the USD 18.65bn from 52 deals in 3Q17 and 19% more than the USD 15.7bn raised from 47 deals in 4Q16.

For the whole of 2017, USD 90.8bn was raised from 217 deals, the most active year yet and more than twice the USD 37.9bn issued from 114 deals in 2016.

In 4Q17, Standard Chartered Bank (USD 1.7bn from 13 deals) topped the bookrunner league table for both volume and number of deals, accounting for a 9.07% by value market share, followed by Citi (USD 1.33bn from 10 deals) and Deutsche Bank (USD 1.21bn from 10 deals).

Despite not being in the top-3 in the final quarter, Credit Suisse (USD 6.87bn from 45 deals) topped the bookrunner volume for the full 2017 thanks to its involvement in the mammoth multi-tranche **China Evergrande** and **Kaisa Group** exchange and new money deals, and accounted for a market share of 7.57% by value. HSBC (USD 6.6bn from 62 deals) and Haitong Securities (USD 6bn from 56 deals) rounded out the top-3 for 2017.

New comers and old

The rapidly growing market is reflected in the surge of new deal advisors as well as maiden issuers.

* The data excludes all AT1s, Perpetual Capital Securities for IG rated issuers, issuances sold to a single investor and issuances with a tenor of 18 months or less.

** Multi tranche deals are counted once even though the constituent tranches have their own IDs.

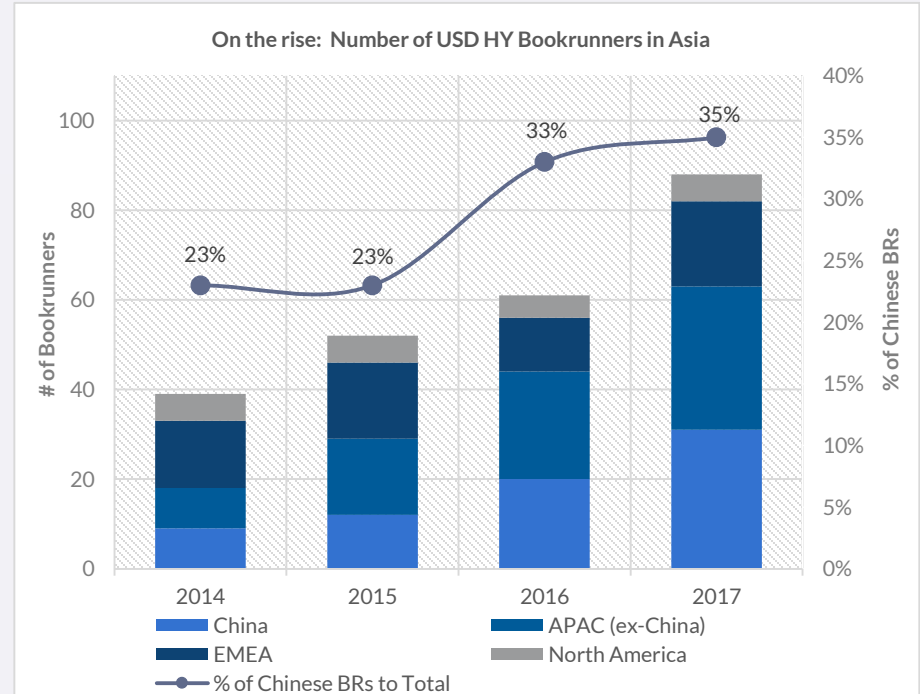
Summary (Continued)

The number of bookrunners on USD high yield deals in Asia continued to jump in 2017 to 88, from 61 in 2016 and 39 as recently as 2014, with the new entrants mainly consisting of Chinese securities houses.

The rising trend of anchor investors in 4Q17 helped an unusually high 20 first-time USD issuers come to the market -- all non-property -- including pharmaceutical-focused **Wuhan Dangdai Technology Industry Group** and petrochemicals-focused **Wanda Holdings Group**. For the entire 2017, there were 63 new maiden issuers, of which 53 were non-property.

Still, investors are not just taking any deal. A whopping 15, mostly Chinese, would-be debutants failed to cross the line in 4Q15, including five -- **Avation Plc**, **Inner Mongolia Baotou Steel Union**, **Sawit Sumbermas Sarana**, **Concord New Energy Group**, **Guirenniao Co** -- that pulled offerings after announcing guidance. In each of the previous two quarters, only two deals were pulled.

What isn't new is that China accounted for the largest market share -- 57% of total issuance value in 4Q17 and 59% for the entire 2017. It was 50% in 2016.



Source: Debtwire Data

Summary (Continued)

The surge in Chinese companies coming to the market in 4Q17 was partly driven by the National Development & Reform Commission (NDRC) hastening its pace in granting offshore bond issuance quota following the Chinese leadership meetings in late October. Prior to that, Chinese companies had often been forced to use remaining legacy quota capacity or circumvent the regulations, including by selling super-short dated paper, which do not need NDRC sanctioning.

Some of the boost in supply from China for the full year was driven by the higher cost of borrowing onshore as well as restrictions on Chinese developers issuing domestic bonds since November 2016.

Even as China's market share increased, issuers' country-of-risk diversified in 2017 because of USD 4.4bn of bonds from sovereigns Pakistan and Maldives and corporates in Thailand (**PTT Exploration & Production**), Malaysia (**Press Metal Aluminium** and **Yinson Holdings**) and South Korea (**Korean Air Lines**). There was no USD HY issuance from any of these countries in 2016.

Indonesian corporates in 4Q17 continued their steady growth in issuance,

selling USD 1.34bn notes across five deals, versus USD 950m from four deals a quarter earlier and USD 870m across three deals in 4Q16 – when the then-still crossover sovereign printed USD 3.5bn notes. For the full-year, Indonesian companies issued USD 6.75bn of bonds across 20 deals, helped by the recovery in coal and oil prices enabling prints from miners including **Indika Energy** and gas and oil explorers including **Medco Energi**. In addition, the sovereign printed USD 3bn bonds in March, before S&P in May became the final of the big three rating firm to mark Republic of Indonesia as investment grade.

On the other hand, India returned to its tepid pace, issuing only USD 475m bonds from two deals, compared to USD 2.59bn from four deals in 3Q17 – boosted by USD 1bn deals each from **Vedanta Resources** and **Greenko Energy** – and USD 822.6m from two deals in 4Q16. Despite the relatively quiet final quarter, 2017 was a bumper year for India bond deals: principal value of new USD bonds surged 175% YOY to USD 6.11bn from 12 deals with the aid of the recovery in metals miner Vedanta, which printed USD 2bn paper, and the growing appeal of new energy generators, including Greenko, as well as maiden issuers **Azure Power Global** and **ReNew Power Ventures**.

Summary (Continued)

Real estate replaced government as the most active sector in 2017, partly because a slowdown in bond issuances by Chinese local government financing vehicles (LGFVs) at a time Beijing is trying to deleverage local governments.

Asian developers raised USD 5.78bn from 20 deals in 4Q, making up 30.9% of total issuance in the quarter. Of the property deals in the quarter, 87.2% (USD 5.04bn) by value was from Chinese companies. For 2017, USD 40.31bn was raised by the sector region-wide from 95 deals or 44.4% of the total funds raised, compared to only 21.9% in 2016, when Chinese developers were able to issue more cheaply onshore. Of the property deals in 2017, 92.5% (USD 37.29bn) was from Chinese players.

Government was the second most active sector in 4Q17, raising USD 3.96bn from 7 deals, thanks to Pakistan's USD 2.5bn dual-tranche deal -- the largest deal in the quarter -- and an USD 800m issue from Mongolia partially in exchange for some of its USD 500m, 4.125% due-January 2018s and CNH 1bn 7.5% due-June 2018s.

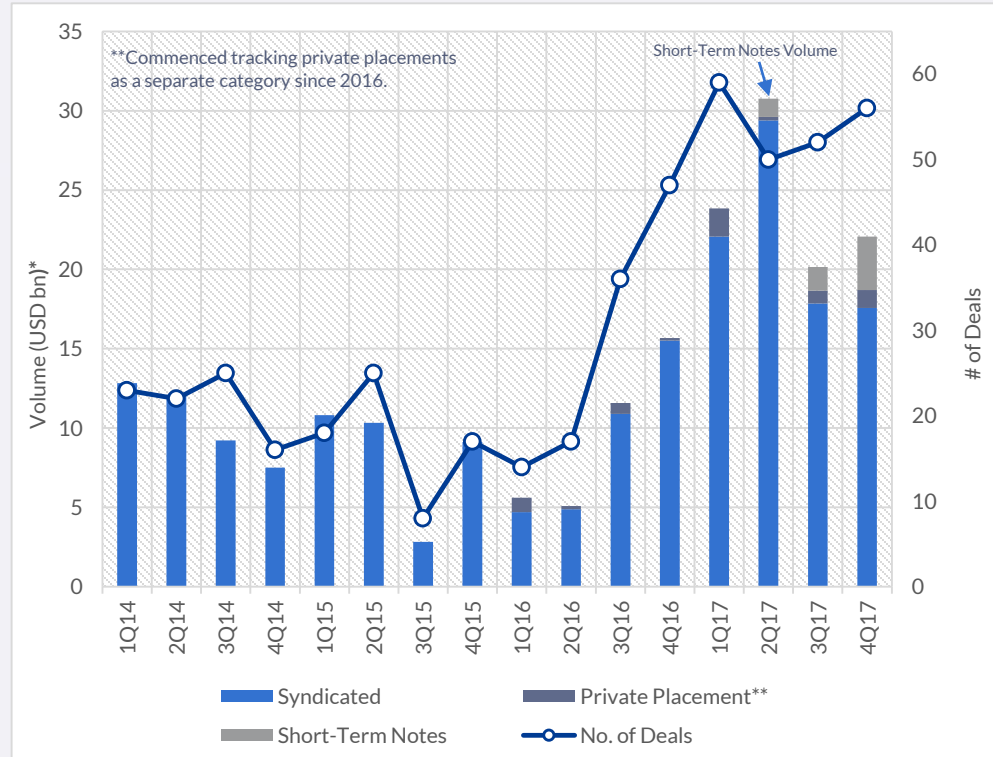
For 2017, the energy sector -- helped by the recovery in the oil and coal prices -- was the second most active, with USD 12.23bn issued through 27 deals, compared to only USD 1.97bn from 5 deals in 2016. The recovery in the sector enabled Beijing-based drilling services company Anton Oilfield Services Group to print a USD 300m, 9.75% due-2020 exchange and new money deal at a 10% yield even though it legacy notes were trading in 20s at the beginning of 2016.

Despite the strong flow in 4Q17, the quarter also displayed signs that 2018 might be less bountiful.

The yield on the JPMorgan Asia Credit Index (JACI) for corporate non-investment grade rose to 6.8%-7% in 4Q17 from as low as 6.53% earlier in the year, driven in part by rising UST rates. In the meantime, the return on the index for the quarter tapered to only 0.69%, for a full year rise of 6.15%. The index jumped 11.36% in 2016 and 5.82% in 2015.

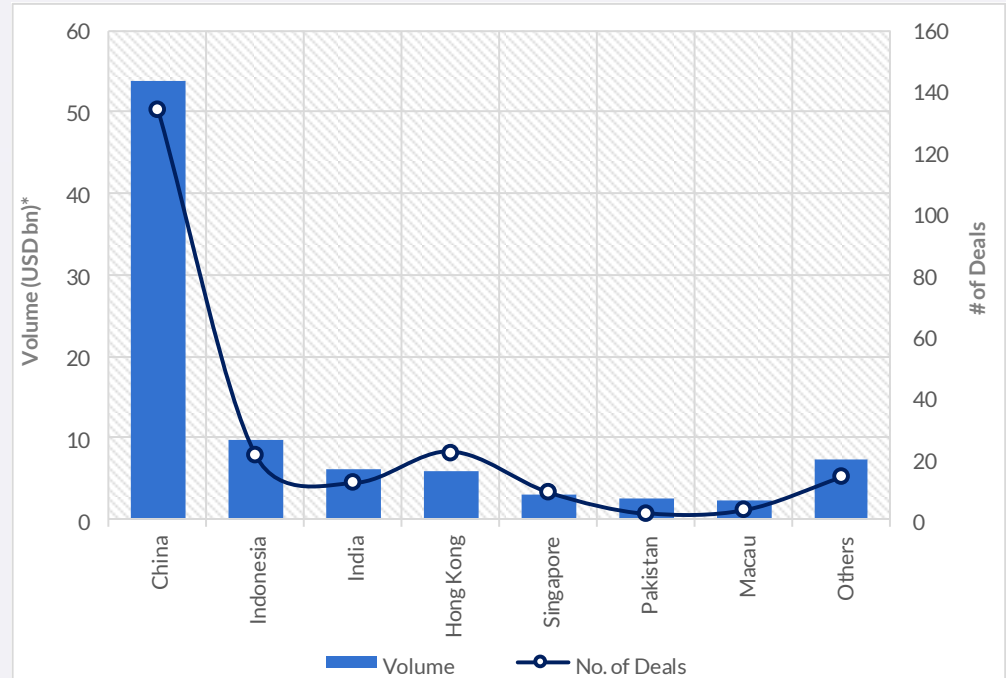
Quarterly Asia Pacific (ex-Japan) Volume

Quarter	Volume (USD bn)	# of Deals
1Q14	12.83	23
2Q14	12.10	22
3Q14	9.22	25
4Q14	7.50	16
1Q15	10.81	18
2Q15	10.32	25
3Q15	2.84	8
4Q15	9.12	17
1Q16	5.60	14
2Q16	5.08	17
3Q16	11.58	36
4Q16	15.67	47
1Q17	23.85	59
2Q17	29.61	50
3Q17	18.65	52
4Q17	18.69	56



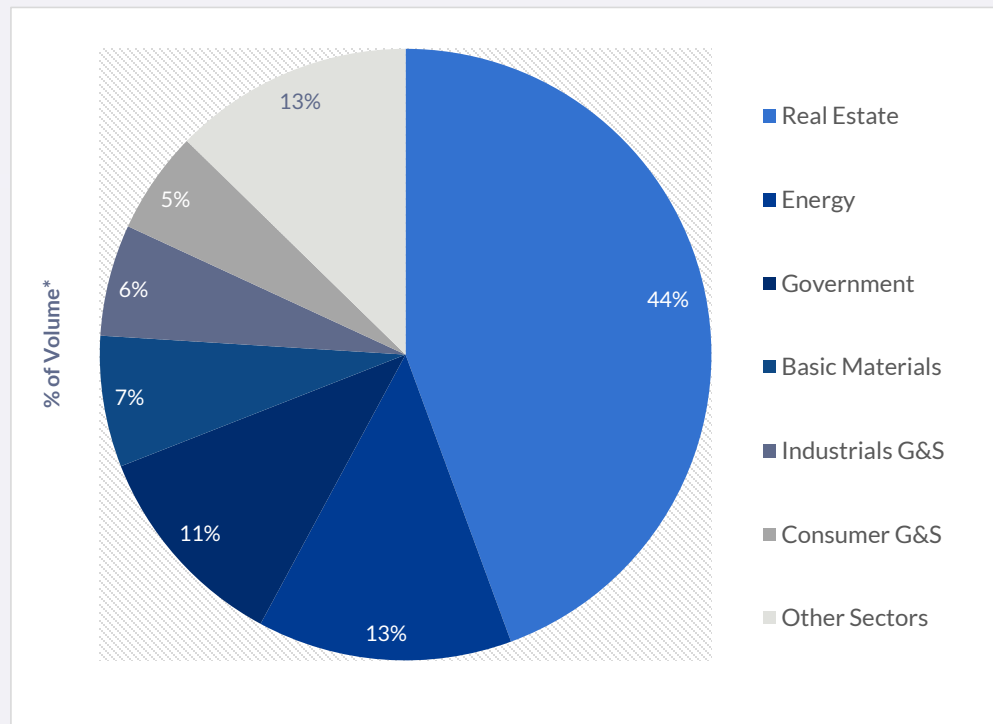
Volume by Country

Country of Risk	Volume (USD bn)	# of Deals
China	53.81	134
Indonesia	9.75	21
India	6.11	12
Hong Kong	5.87	22
Singapore	3.02	9
Pakistan	2.50	2
Macau	2.35	3
Australia	1.85	2
Sri Lanka	1.50	1
Mongolia	1.40	2
Thailand	0.85	2
Philippines	0.75	2
Others	1.05	5
Total	90.81	217

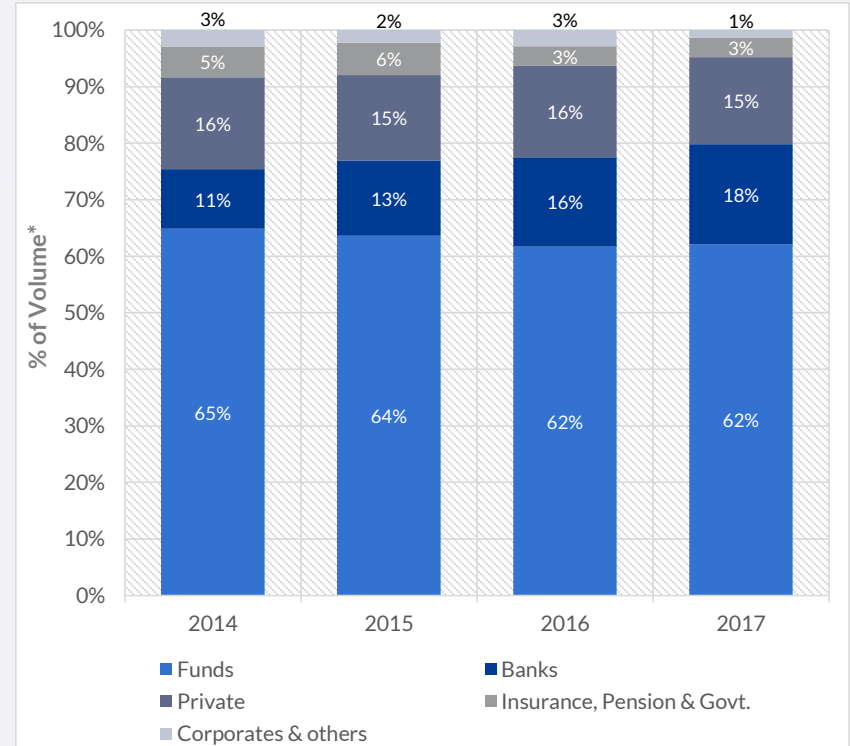
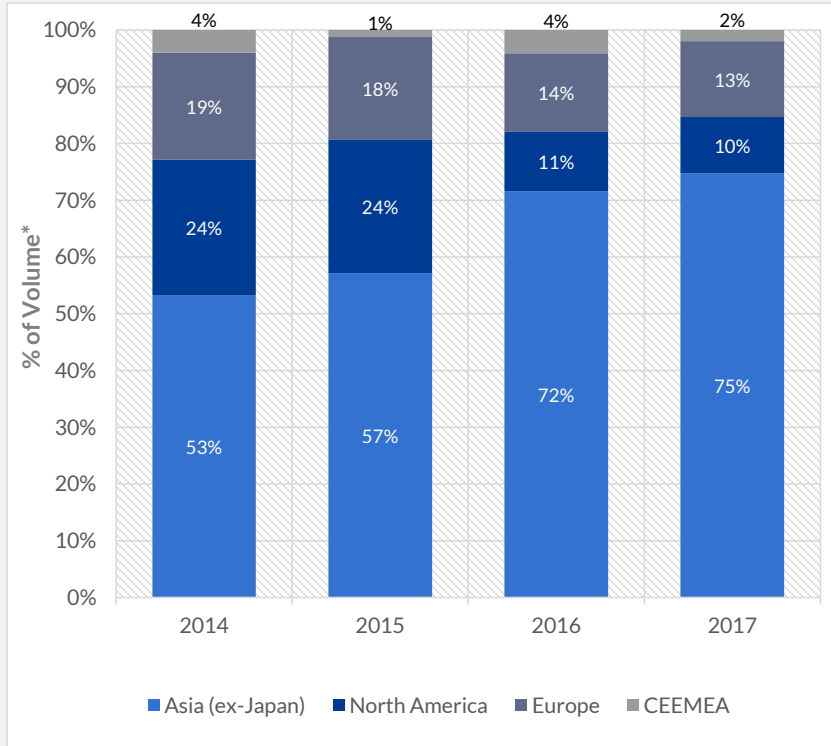


Volume by Sector

Industry	Volume (USD bn)	# of Deals
Real Estate	40.31	95
Energy	12.23	27
Government	10.16	15
Basic Materials	6.30	12
Industrials Goods & Services	5.36	20
Consumer Goods & Services	4.93	14
Financial Services	3.34	11
Other	2.60	5
Transportation	2.43	9
Telecommunications	1.17	2
Technology	0.89	4
Medical	0.80	2
Agriculture	0.30	1



Distribution by Geography & Investor Type



2017 USD HY Bonds League Table Bookrunner

Rank	YoY Change	Bank	Volume (USD m)*	# of Deals	2017 Market Share	2016 Market Share
1	▲3	Credit Suisse	6,871	45	7.57%	6.50%
2	-	HSBC	6,606	62	7.27%	8.58%
3	▲7	Haitong Securities	6,001	56	6.61%	4.48%
4	▲2	Deutsche Bank	5,933	47	6.53%	6.05%
5	▼4	Standard Chartered Bank	5,461	45	6.01%	8.62%
6	▲5	Bank of China	4,568	39	5.03%	3.64%
7	▼4	Citi	4,543	35	5.00%	6.99%
8	▲26	China CITIC Bank	4,252	20	4.68%	0.51%
9	▲3	JPMorgan	4,047	35	4.46%	3.56%
10	▼3	DBS Bank	3,305	36	3.64%	4.97%
11	▲18	Morgan Stanley	3,231	28	3.56%	0.75%
12	▲8	China Merchants Bank	2,796	25	3.08%	1.36%
13	▼5	UBS AG	2,488	44	2.74%	4.93%
14	▲1	Goldman Sachs	2,485	23	2.74%	2.18%
15	▼6	Guotai Junan Securities	2,458	42	2.71%	4.63%
16	▲12	Industrial and Commercial Bank of China	1,634	16	1.80%	0.82%
17	▼4	Barclays	1,485	13	1.64%	2.27%
18	▼13	BofA-Merrill Lynch	1,362	18	1.50%	6.27%
19	▼3	BNP Paribas	1,291	12	1.42%	1.57%
20	▼5	China Everbright Bank	1,188	20	1.31%	1.75%

2017 USD Corporate HY Bonds League Table Bookrunner

Rank	YoY Change	Bank	Volume (USD m)*	# of Deals	2017 Market Share	2016 Market Share
1	-	Credit Suisse	6,111	40	8.27%	9.11%
2	▲8	Haitong Securities	5,734	52	7.76%	3.62%
3	▼1	HSBC	4,391	56	5.95%	8.55%
4	▲2	Deutsche Bank	4,311	42	5.84%	5.61%
5	▲3	Bank of China	4,307	34	5.83%	4.39%
6	▲29	China CITIC Bank	4,137	18	5.60%	0.36%
7	▲4	Standard Chartered Bank	3,674	36	4.97%	3.58%
8	▼1	JPMorgan	3,266	32	4.42%	5.30%
9	▲14	Morgan Stanley	3,231	28	4.37%	1.23%
10	▼1	Citi	2,787	31	3.77%	3.78%
11	▲10	China Merchants Bank	2,603	22	3.52%	1.26%
12	▼7	DBS Bank	2,469	27	3.34%	5.83%
13	▼10	UBS	2,413	43	3.27%	7.85%
14	▼1	Guotai Junan Securities	1,932	34	2.62%	3.53%
15	▼3	Goldman Sachs	1,880	18	2.55%	3.57%
16	▼1	Barclays	1,448	12	1.96%	2.18%
17	▼13	BofA-Merrill Lynch	1,362	18	1.84%	6.51%
18	▲1	BNP Paribas	1,291	12	1.75%	1.69%
19	▼2	AMTD Asset Management	1,153	23	1.56%	1.96%
20	▼4	China Everbright Bank	837	14	1.13%	2.04%

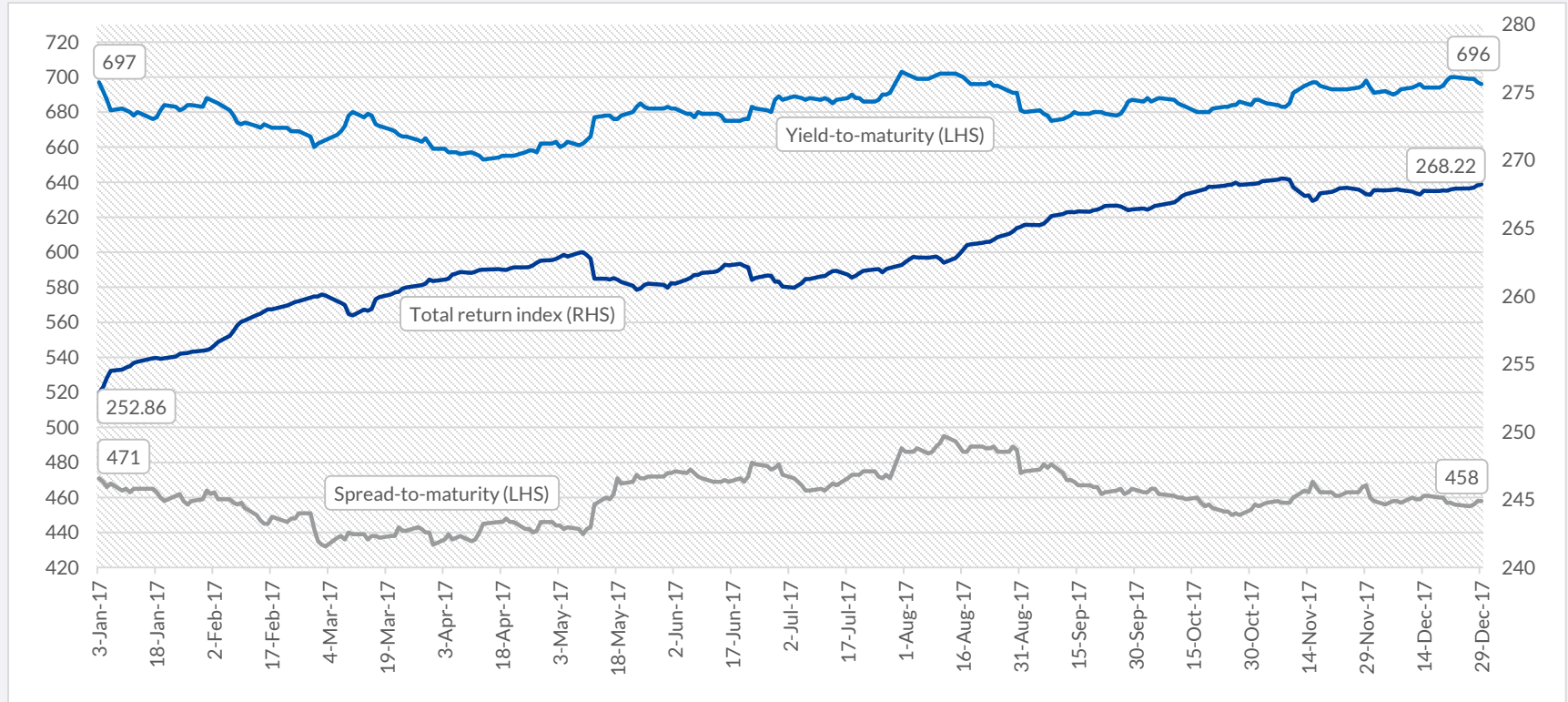
2017 USD HY Bonds League Table Top Tier

Rank	YoY Change	Bank	Volume (USD m)*	# of Deals	2017 Market Share	2016 Market Share
1	▲5	Credit Suisse	8,459	41	9.32%	6.29%
2	-	Deutsche Bank	7,532	39	8.29%	8.83%
3	-	HSBC	7,358	50	8.10%	8.55%
4	▼3	Standard Chartered Bank	5,934	38	6.53%	9.32%
5	▲6	Haitong Securities	5,902	41	6.50%	4.09%
6	▲4	JPMorgan	5,402	32	5.95%	4.42%
7	▲35	China CITIC Bank	4,770	12	5.25%	0.14%
8	▲5	Bank of China	4,758	24	5.24%	2.24%
9	▼5	Citi	4,340	26	4.78%	7.96%
10	▼2	UBS	3,453	40	3.80%	5.48%
11	▲1	Goldman Sachs	3,258	21	3.59%	2.36%
12	▼3	DBS Bank	3,241	28	3.57%	4.91%
13	▲8	Morgan Stanley	3,192	23	3.52%	1.13%
14	▼9	Guotai Junan Securities	2,297	29	2.53%	6.59%
15	▼8	BofA-Merrill Lynch	1,718	17	1.89%	6.06%
16	▲4	BNP Paribas	1,715	11	1.89%	1.24%
17	▼3	Barclays	1,575	9	1.73%	2.04%
18	▲5	China Merchants Bank	1,465	9	1.61%	1.02%
19	▲6	Industrial and Commercial Bank of China	1,274	9	1.40%	0.76%
20	▼5	China Everbright Bank	1,130	10	1.24%	2.01%

2017 USD Corporate HY Bonds League Table Top Tier

Rank	YoY Change	Bank	Volume (USD m)*	# of Deals	2017 Market Share	2016 Market Share
1	▲1	Credit Suisse	7,677	36	10.39%	8.90%
2	▼1	Deutsche Bank	5,909	34	8.00%	10.17%
3	▲10	Haitong Securities	5,677	39	7.69%	2.77%
4	▼1	HSBC	5,069	44	6.86%	8.11%
5	-	JPMorgan	4,621	29	6.26%	6.71%
6	-	China CITIC Bank	4,620	11	6.25%	-
7	▲8	Bank of China	4,243	20	5.74%	2.02%
8	▲1	Standard Chartered Bank	4,163	30	5.64%	4.88%
9	▼5	UBS	3,303	39	4.47%	8.05%
10	▲6	Morgan Stanley	3,192	23	4.32%	1.86%
11	▼3	Citi	2,584	22	3.50%	5.51%
12	▼2	Goldman Sachs	2,218	16	3.00%	3.87%
13	▼6	DBS Bank	2,168	20	2.94%	6.03%
14	▼3	Guotai Junan Securities	1,897	25	2.57%	3.69%
15	▼9	BofA-Merrill Lynch	1,718	17	2.33%	6.16%
16	▲5	BNP Paribas	1,715	11	2.32%	1.15%
17	▲1	Barclays	1,500	8	2.03%	1.59%
18	▲4	China Merchants Bank	1,465	9	1.98%	0.87%
19	▲9	ANZ Bank	978	6	1.32%	0.54%
20	▼3	China International Capital Corp	748	6	1.01%	1.72%

JPMorgan High Yield Index



Source: Debtwire Data, JPMorgan

Largest 2017 Issuances

Click [HERE](#) to see all 2017 Deals

Issuer	Country of Risk	Primary UoP	Deal Size (USD m)	Tranche Size (USD m)	Regulation	Pricing Date	Maturity Date	Coupon	OID	YTM	Seniority
China Evergrande Group	China	Refinancing	6,623	598	Reg S	21-Jun-17	28-Jun-21	6.25%	100%	6.25%	Senior Unsecured
				1,345	Reg S	21-Jun-17	28-Jun-23	7.50%	100%	7.50%	Senior Unsecured
				4,680	Reg S	21-Jun-17	28-Jun-25	8.75%	100%	8.75%	Senior Unsecured
Kaisa Group Holdings	China	Refinancing	3,450	285	Reg S	22-Jun-17	30-Jun-20	7.25%	100%	7.25%	Senior Unsecured
				225	Reg S	22-Jun-17	30-Jun-21	7.88%	100%	7.88%	Senior Unsecured
				820	Reg S	22-Jun-17	30-Jun-22	8.50%	100%	8.50%	Senior Unsecured
				2,120	Reg S	22-Jun-17	30-Jun-24	9.38%	100%	9.38%	Senior Unsecured
Republic of Indonesia	Indonesia	GCP	3,000	1,000	Rule 144A / Reg S	22-Mar-17	29-Mar-22	3.40%	100%	3.40%	Senior Unsecured
				2,000	Rule 144A / Reg S	22-Mar-17	29-Mar-27	4.15%	100%	4.15%	Senior Unsecured

Source: Debtwire Data

* Excludes all AT1s, Perpetual Capital Securities for IG rated issuers, issuances sold to a single investor and issuances with a tenor of 18 months or less.

Largest 2017 Issuances

Click [HERE](#) to see all 2017 Deals

Issuer	Country of Risk	Primary UoP	Deal Size (USD m)	Tranche Size (USD m)	Regulation	Pricing Date	Maturity Date	Coupon	OID	YTM	Seniority
Government of Pakistan	Pakistan	GCP	2,500	1,500	Rule 144A / Reg S	29-Nov-17	29-Nov-27	6.88%	100%	6.88%	Senior Unsecured
				1,000	Rule 144A / Reg S	29-Nov-17	29-Nov-22	5.63%	100%	5.63%	Senior Unsecured
Perusahaan Listrik Negara	Indonesia	CAPEX	2,000	1,500	Rule 144A / Reg S	8-May-17	15-May-27	4.13%	98.99%	4.25%	Senior Unsecured
				500	Rule 144A / Reg S	9-May-17	15-May-47	5.25%	98.51%	5.35%	Senior Unsecured
Fortescue Metals Group	Australia	Refinancing	1,500	750	Rule 144A / Reg S	9-May-17	15-May-22	4.75%	100%	4.75%	Senior Unsecured
				750	Rule 144A / Reg S	9-May-17	15-May-24	5.13%	100%	5.13%	Senior Unsecured
Democratic Socialist Republic of Sri Lanka	Sri Lanka	Infrastructure	1,500	1,500	Rule 144A / Reg S	4-May-17	11-May-27	6.20%	100%	6.20%	Senior Unsecured

Largest 2017 Issuances

Click [HERE](#) to see all 2017 Deals

Issuer	Country of Risk	Primary UoP	Deal Size (USD m)	Tranche Size (USD m)	Regulation	Pricing Date	Maturity Date	Coupon	OID	YTM	Seniority
China Evergrande Group	China	Refinancing	1,500	500	Reg S	17-Mar-17	23-Mar-20	7.00%	100%	7.00%	Senior Unsecured
				1,000	Reg S	17-Mar-17	23-Mar-22	8.25%	100%	8.25%	Senior Unsecured
Wynn Macau	Macau	Refinancing	1,350	600	Rule 144A / Reg S	13-Sep-17	1-Oct-24	4.88%	100%	4.88%	Senior Unsecured
				750	Rule 144A / Reg S	13-Sep-17	1-Oct-27	5.50%	100%	5.50%	Senior Unsecured
Vedanta Resources	India	Refinancing	1,000	1,000	Rule 144A / Reg S	3-Aug-17	9-Aug-24	6.13%	100%	6.13%	Senior Unsecured

Criteria

Debtwire volume and league tables cover primary high-yield bonds transactions for issuers whose operating risk is in Asia-Pacific ex Japan. Only transactions denominated in USD are included and are credited based on the settlement date.

High Yield bond volume and league tables includes transactions that are rated below investment grade.

For unrated transactions, *Debtwire* looks at the issuer's rating and whether a transaction has high yield covenants. For unrated transactions with no high yield covenants, *Debtwire* makes a determination on a case by case basis.

Full league table credit will be awarded to a single Bookrunner/ Top tier bank, or pro rata (equal) league table credit to each Bookrunner/ Top tier bank if there is more than one in a syndicate.

Top tier credit will be awarded to Global Coordinators. If no Global Coordinators title is handed out, then Bookrunner(s) will receive top tier credit.

Multi tranche deals are counted once even though the constituent tranches have their own ISINs / CUSIPs.

Deal nationality is determined by nationality of the operational base of an issuer. If issuer is an operational subsidiary and there is no guarantee, nationality will be determined by the issuer's operational base. If the issuer is an operational subsidiary and there is a guarantee / keepwell clause, nationality will be determined by guarantor's / keepwell provider's nationality.

For our full criteria and all other queries, please email us at Asiabondsdata@debtwire.com

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