

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市场日报

- *This morning, the new MITEST 4.352 10/02/30 was 1bp tighter from RO at T+58. The new HANMIL 4 ¼ 10/01/30 was 1bp wider from RO at T+78. The recent CHKK 4 ¼ 09/26/30 tightened 1-2bps. OCBCSP 35 widened 1-2bps. HYUELEs tightened 1-2bps. BABA 35s tightened 2-3bps.*
- **VNKRLE:** Maintains bond payment priority. VNKRLE 27-29 were 0.4-0.9pt higher this morning. See below.
- **NWDEVL:** NWD signs up to HKD5.9bn (cUSD506mn) term loan backed by Victoria Dockside assets. NWDEVL 27-31/ Perps were down 0.1-0.4pt this morning.

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the recent PINGIN 5 10/08/35 and the new CKHH 4.25 09/26/30 tightened 2bps on continuous deployment. Asia IG names overall tightened 1-3bps. Chinese financials/leasing/corps benchmarks were 2-3bps tighter. See our comments on MEITUA [yesterday](#). We saw better selling on higher-beta Greater China credits such as YXREIT and HONGQI. The NWDEVL complex were down 0.1-0.6pt. However, EHICAR 26-27s were up 0.1-1pt. In Chinese properties, VNKRLE 27-29s recovered 0.9-1pt. See comments below. GRNLGR 28 was down 0.7pt. FUTLAN 28/FTLNHD 26 were 0.1pt lower to 0.1pt higher. In Korea space, HYNMTR/HYUELE/KOROIL/KHFC fixed notes tightened 1-3bps amid local buying from Korea. On the other hand, Korean FRNs were unchanged to 1bp wider. In Japan space, we saw better buying on financial FRNs MIZUHO/MUFG. In Southeast Asia, VLLPM 27-29s were down 0.8-1.9pts. VEDLN 28-33s were 0.1-0.5pt lower. See our comments on Vedanta Ltd on [24 Sep'25](#). SMCGL Perps were unchanged to 0.1pt higher. AT1s were slightly weaker during the London session as buyers from Asian institutions were largely focused on the front end of the curve.

There were mixed flows in the LGFV space. On one hand, we saw moderate demand for AAA-guaranteed papers. On the other hand, higher-yielding issues down the credit curve continued to be repriced towards 11%+ as the market seemed to have found a new equilibrium level from the new ZOUCAO 6.7 09/25/28.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CCAMCL 5 02/08/48	93.0	3.6	VLLPM 9 3/8 07/29/29	59.7	-1.9
EHICAR 7 09/21/26	80.9	1.0	YUZHOU 7 06/30/27	13.9	-0.9
VNKRLE 3.975 11/09/27	75.4	1.0	VLLPM 7 1/4 07/20/27	71.2	-0.8
VNKRLE 3 1/2 11/12/29	67.9	0.9	GRNLGR 6 1/4 12/16/28	18.9	-0.7
TENCNT 3.24 06/03/50	73.2	0.5	CFAMCI 4.95 11/07/47	91.0	-0.7

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.50%), Dow (-0.38%) and Nasdaq (-0.50%) were lower on Thursday. US 2Q25 GDP was +3.8% qoq, higher than the market expectation of +3.3%. The latest initial jobless claims was +218k, lower than the market expectation of +233k. Trump announces 100% tariffs on pharmaceuticals unless drug makers are building U.S. factories. UST yield was higher on Thursday. 2/5/10/30 yield was at 3.64%/3.75%/4.18%/4.75%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ VNKRLE: Maintains bond payment priority

Vanke is again under spotlight this week, with multiple media reported that Vanke had deferred interest on certain onshore bank loans while negotiating rate cuts and maturity extensions with the coordination by the Shenzhen government. We expect this to be resolved soon as we saw Vanke and SZ Metro's strong commitment to honour offshore and onshore bond repayments. While the treatments for different classes of creditors may be different, we believe that the ongoing support from onshore banks will remain very important and hence expect Vanke to resolve the issues, if any, of onshore bank loans in a consensual manner.

Vanke announced to redeem totaled RMB4.1bn puttable bonds over the next two months, i.e. RMB2.5bn 20Vanke07 on 31 Oct'25 and RMB1.6bn 20Wanke08 on 13 Nov'25. This marks a continuation of Vanke's track record of meeting all offshore and onshore public bond obligations throughout 2025. Since Feb'25, SZ Metro had provided Vanke with shareholder's loans totaled cRMB25.9bn, the most recent shareholder's loan was obtained last week of RMB2.064bn for the onshore bond maturing on 21 Sep'25. After the redemption of the two puttable bonds, Vanke will have RMB5.7bn maturing in in Dec'25, with no public offshore bonds maturing before 2027.

We consider Vanke a survivor of the Chinese property sector in view of Vanke's more manageable offshore debt maturities and strong financial support from the SZ Metro. VNKRLEs have been performing well and have moved c20-25pts higher YTD. Nonetheless, offered at 76.7 and 68.6, VNKRLE 3.975 11/09/27 and VNKRLE 3 1/2 11/12/29 still offer good carry with YTM of 17.6% and 13.7%, respectively. We maintain buy on VNKRLEs.

**Table 1: Bond profiles of VNKRLE**

Security name	O/s Amt (USD mn)	Maturity	Coupon	Offer price	YTM
VNKRLE 3.975 11/09/27	1,000	11/9/2027	3.975%	76.7	17.6%
VNKRLE 3 1/2 11/12/29	300	11/12/2029	3.500%	68.6	13.7%

Source: Bloomberg.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Emirate of Abu Dhabi	1000/	3yr/	3.625%/	T+10/	-/AA/AA
	2000	10yr	4.25%	T+18	
KB Capital	300	5yr	4.25%	T+78	A3/-/-
Mitsubishi Estate Company	500	5yr	4.352%	T+58	A2/-/-
Saudi Real Estate Refinance Compar	1500/	3yr/	4.375%/	T+105/	Aa3/-/A+

## ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

## ➤ News and market color

- Regarding onshore primary issuances, there were 119 credit bonds issued yesterday with an amount of RMB89bn. As for month-to-date, 2,104 credit bonds were issued with a total amount of RMB1,893bn raised, representing a 32.9% yoy increase
- [CTFSHK]** CTF Services denied plans to sell a package of toll roads in mainland China
- [FUTLAN/FTLNHD]** Seazen Holdings issues RMB900mn MTNs guaranteed by CBICL; terminates subscription agreement relating to real-world asset applications
- [FRIDPT]** Freeport Indonesia declared force majeure at the Grasberg Block Cave (GBC) mine after a massive mudflow entered the mine earlier this month
- [GARUDA]** Garuda Indonesia 1H25 operating revenue falls 4.5% yoy to USD1.6bn; Indonesian government says Garuda-Pelita merger "must happen"
- [LGELEC]** LG Electronics subsidiary to raise INR115bn (cUSD1.3bn) in India IPO set for next month
- [LOGPH]** Logan says holders of over 80% offshore debt accede to amended holistic CSA
- [NWDEVL]** NWD signs up to HKD5.9bn (cUSD506mn) term loan backed by Victoria Dockside assets
- [PLNIJ]** The Indonesian government has instructed Perusahaan Listrik Negara (PLN) to keep power tariffs unchanged in 4Q25 to safeguard economic stability and purchasing power
- [PKX]** POSCO Holdings sold 7.9mn shares it owns in Japan-based Nippon Steel for KRW238bn (cUSD170mn)
- [SKM]** SK Telecom plans to invest a total of KRW5tn (cUSD3.6bn) in AI over a five-year period
- [TAISEM]** TSMC has been approached by Intel about a potential investment or partnership

- **[VNRLE]** Vanke to redeem RMB2.5bn 3.45% onshore bonds on 31 Oct'25. Media reported Shenzhen authorities convened a meeting on 25 Sep'25 between China Vanke and its creditor banks to discuss lowering onshore loan interest rates and extending loan maturities
- **[WDSAU]** Woodside Energy Group will supply around 5.8bn cubic meters of LNG to the Turkish state-run petroleum firm BOTAS for up to nine years; Woodside, Kansai Electric Power Co and Japan Suiso Energy agreed to develop a liquid hydrogen supply chain between Australia and Japan

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