

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市場日報

- *This morning, the new MITEST 4.352 10/02/30 was 1bp tighter from RO at T+58. The new HANMIL 4 1/4 10/01/30 was 1bp wider from RO at T+78. The recent CHKK 4 1/4 09/26/30 tightened 1-2bps. OCBCSP 35 widened 1-2bps. HYUELEs tightened 1-2bps. BABA 35s tightened 2-3bps.*
- **VNKRL**: *Maintains bond payment priority. VNKRL 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 交易台市場观点

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, VNKRL 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.

**Glenn Ko, CFA** 高志和  
(852) 3657 6235  
glennko@cmbi.com.hk

**Cyrena Ng, CPA** 吳蒨瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Yujing Zhang** 張鈺婧  
(852) 3900 0830  
zhangyujing@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

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

## ❖ 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

### ➤ VNKRL: 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 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. VNKRLs have been performing well and have moved c20-25pts higher YTD. Nonetheless, offered at 76.7 and 68.6, VNKRL 3.975 11/09/27 and VNKRL 3 1/2 11/12/29 still offer good carry with YTM of 17.6% and 13.7%, respectively. We maintain buy on VNKRLs.

**Table 1: Bond profiles of VNKRL**

Security name	O/s Amt (USD mn)	Maturity	Coupon	Offer price	YTM
VNKRL 3.975 11/09/27	1,000	11/9/2027	3.975%	76.7	17.6%
VNKRL 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

- **[VNKRLE]** 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

*Fixed Income Department*

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

**Author Certification**

**CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.**

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

**Important Disclosures**

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

**Disclaimer:**

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.