

CMBI Credit Commentary

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

- *This morning, long-end TENCNTs were 3-5bps wider amid small better selling, ahead of the new TENCNT issues. Asian Perps were marked up 0.1-0.3pt amid PB better buying. SOFTBKs recovered 0.3-0.5pt. NWDEVL 6.25 Perp/VNKRLE 27-29 edged 0.4-0.5pt higher. GLPSP 28 lost 0.5pt. FTLNHD 27 was 0.3pt lower. We saw two-way flows in LGFV IG USD issues.*
- **HNMNWP:** IPT at mid-high 9% for the new HNMNWP 41 is roughly fair. See below.
- **FOSUNI:** Media reported Fosun International aims to raise RMB10bn (cUSD1.5bn) from debut public REIT issue, backed by Hainan island tourism asset Sanya Atlantis project, in 2026 to repay debt. FOSUNIs were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Yesterday in Asian IG space, we saw better-selling interest on front-end papers of TAISEM/HYUELE/GRWALL, and their spreads were 2-3bps wider. ZHOSHK stabilized and closed unchanged amid two-way flows. Taiwanese lifers CATLIF/NSINTW/SHIKON widened 2-5bps. FOSUNI 28-29 were 0.1-0.2pt lower. In Chinese/HK properties, ROADKG 28 lost another 1.8pts. LNGFOR 27-32s leaked 0.3-0.6pt. The NWDEVL/VDNWDL complexes were unchanged to 0.5pt lower. FAEACO 12.814 Perp was down 0.6pt. On the other hand, VNKRLE 27' and 29' gained 0.3-0.4pt. FUTLAN 28/FTLNHD 27-29 were 0.4pt lower to 0.2pt higher. In SE Asian space, GARUDA 31 lost 1.6pts. GLPSPs were 0.3-1.2pts weaker. SMCGL Perps/INDYIJ 29/MEDCIJ 28-30 leaked 0.1-0.5pt. See our comments on SMCGL [last Friday](#). In JP space, SOFTBKs were up to 1.2pts weaker. Insurance subs were 0.3-0.5pt weaker across Japanese and European names amid better-selling flows from PBs and prop desks. The belly and long-end European AT1s dropped by 0.3-0.4pt amid selling pressure from RMs and prop desks, and their front-end counterparts closed 0.3pt lower. In LGFV space, we saw better selling across USD and CNH issues. Non-LGFV CNH papers continued to retrace by 0.1-0.3pt amid better selling in higher-beta names and/or long-end issues.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 7 1/4 07/20/27	51.9	1.2	ROADKG 6.7 03/30/28	17.5	-1.8
DAHSIN 7 3/8 11/15/33	104.5	0.6	GARUDA 6 1/2 12/28/31	82.1	-1.6
CDECST 6 1/2 11/18/27	99.6	0.6	PERTIJ 6 05/03/42	96.8	-1.3
TAISEM 2 1/2 10/25/31	89.9	0.5	SOFTBK 7 1/2 07/10/35	102.1	-1.2
VNKRL 3.975 11/09/27	46.8	0.4	SOFTBK 8 1/4 10/29/65	97.3	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.30%), Dow (-0.16%) and Nasdaq (+0.86%) were mixed on Monday. 10/30 year UST yield were higher on Monday. 2/5/10/30 year yield was at 4.15%/4.29%/4.56%/5.03%.

❖ Desk Analyst Comments 分析员市场观点

➤ HNMNWP: IPT at mid-high 9% for the new HNMNWP 41 is roughly fair

Table 1: Bond profiles of HNMNWP's peers

Security name	ISIN	Amt o/s (USD mn)	Px	YTW	Mod dur	Payment rank	Issue rating (M/S/F)
ADGREG 6.7 03/12/42	XS2777626685	404.599	97.8	7.0%	7.1	Secured	Ba1/-/BBB-
RPVIN 6.5 02/02/31	USY72910AA35	600	98.9	6.8%	3.9	Secured	Ba3/-/BB-
SAELLT 7.8 07/31/31	USY7389MAA81	276.421	101.3	7.4%	3.2	1 st lien	-/BB+

Source: Bloomberg.

Energy Absolute PCL (EA) proposes to issue 15-year RegS/144A USD senior secured amortizing bonds (Moody's: Ba1). We view the IPT at mid-high 9% for the new HNMNWP 41 is roughly fair, in view of the valuation of its closest peers, adjusted for its much smaller operating scale (c5% and c10-30% of total operational capacity and wind power generation capacity of Adani Green and ReNew Energy, respectively), tenor differential and new issue premium for a debut issuer. The apparently large yield pick-up over peers, in our opinion, reflects the concern on EA's corporate governance issue in relation to the ongoing legal proceeding related to its major shareholder, founder and former CEO Somphote Ahunai.

The issuer is Hanuman Wind Power (HWP), an offshore SPV of EA. The weighted average life of the new bonds is c5.9years under the amortizing structure. The issue size is USD380mn and restricted from future tapping. The net proceeds will be primarily on-lent to EA's five 100%-owned project companies to refinance existing debts of THB3.3bn (cUSD99mn), repay related party loans of THB903mn (cUSD28mn), repay EA's debt of THB3.5bn (cUSD105mn) to release existing security for pledging under the new bonds. The remaining proceeds will be allocated to EA's new renewable projects. The bonds are secured by a package including share pledge over the five project companies, mortgage and other assets. EA will have onshore bonds of THB25bn and loans of THB1.4bn outstanding post USD bonds issuance, totaled THB26.4bn (cUSD805mn).

The five project companies operate wind farms in Chaiyaphum province in Thailand with total installed capacity of 260MW, representing c46% of EA's total wind capacity of 566MW (including 180MW under new PPA). All projects benefit from take-or-pay PPAs with the Electricity Generating Authority of Thailand (EGAT, -/BBB+). The PPAs are evergreen, subject to renewal every five years by either party, and extend through the asset life. As per the PPAs, EGAT is obligated to pay for contracted output regardless of dispatch, with no minimum

generation requirement. Under the bond terms, holders can put the bonds at 100 in case of PPA Renewal Failure Event.

The project companies invoices EGAT once a month, and EGTA is required to pay within 30 days from the date EGAT received the bill. According to EA, EGAT has no history of delayed or missed payments.

EA is a renewable energy company listed on the Stock Exchange of Thailand, with operations across solar (278MW), wind (566MW, including 180MW under new PPA), and waste-to-energy (16MW). Since commencing operations in 2019, generation has consistently exceeded the P90 benchmark of 445GWh annually, except in 2022 due to weaker wind conditions. In FY25, the five project companies generated revenue of THB3.6bn and EBITDA of THB3.3bn, at an EBITDA margin of 93%. As of Dec'25, combined total assets stood at THB24.8bn with shareholder equity of THB17.9bn. Capex requirements are expected to remain limited as major investments have been largely completed, while operating costs should stay low. EA guides for a debt service coverage ratio of 1.3-1.4x over the bonds tenor.

Somphote Ahunai, founder and former CEO, and his affiliated entities directly and indirectly own c20% in EA. In Jul'24, Securities and Exchange Commission of Thailand had filed a criminal complaint against Somphote Ahunai in connection with the alleged fraudulent relating to procurement activities undertaken from 2013 to 2015. As per EA, this matter remains subject to ongoing investigations and subsequent legal proceedings, and no final determination has been made. Somphote Ahunai does not hold any management role in EA, and EA undertakes that he will not be involved in managing the affairs, either directly or indirectly, of the five project companies or the issuer (i.e. restricted group) during the tenor of the bonds. While there remains a bit of uncertainties on the final outcome of the legal proceedings, our concerns are somewhat mitigated by the take-or-pay PPAs with EGAT. These PPAs, in our opinion, provide the key support for EA's credit profile.

➤ Offshore Asia New Issues (Priced)

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

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Hanuman Wind Power	USD	380	15yr	Mid-high 9%	Ba1/-/-
Korea Hydro & Nuclear Power Co	USD	-	5yr	T+75	Aa2/-/AA-
San Miguel Global Power	USD	-	PerpNC5	8.875%	Unrated
Shinhan Card	USD	-	3.5yr	T+115	A2/-/-
Tencent Holdings	USD	-	10yr/ 20yr	T+80/ T+90	A1/A+/A

➤ News and market color

- Regarding onshore primary issuances, there were 80 credit bonds issued yesterday with an amount of RMB84bn. As for month-to-date, 491 credit bonds were issued with a total amount of RMB552bn raised, representing a 71.6% yoy increase

- Macau could report about 10% yoy growth in visitor arrivals during this year's "summer holiday" season, according to Macao Government Tourism Office
- Indonesia is considering easing its 600m-ton coal output ceiling for 2026 to gain from rising global coal prices
- **[BABA]** Alibaba, NIO among companies accused by US of aiding Chinese military
- **[HYUELE]** SK Hynix entered into a multi-year partnership to develop AI semiconductors with fellow chipmaker Nvidia
- **[KYUSEL]** Kyushu Electric Power said an external storage medium containing information on 10.9mn customers has gone missing from its subsidiary's storage place
- **[NWDEVL]** New World Development nets over HKD2.4bn from sale of 42 units at Pavilia Rosa
- **[RIOLN]** Rio Tinto reportedly wins court approval to acquire remaining ERA stake
- **[ROADKG]** Road King AHG advisors to hold public bondholder call at 8pm HKT 9 Jun'26
- **[SKM]** SK Telecom likely to sign pact for 49% stake sale in AI data center by end-Jun'26
- **[SINOCH]** Sinochem Holdings appealed the Italian government's decision to use its so-called golden power to curtail its influence over tiremaker Pirelli
- **[SMCGL]** San Miguel Global Power received USD265.358mn of SMCGL 5.45 Perp tendered for exchange offer and USD153.542mn tendered for tender offer

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