

CMBI Credit Commentary

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

- *Asian IGs were unchanged to 3bps wider this morning. Front-end FRESHKs were under better selling. DALWANs down 0.3pts. Flows on LGFVs were light.*
- *IDASAL: Tender offers for IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48. IDASAL 25-30s were down 0.1pts while IDASAL 48-50s were down 0.2-0.4pts this morning. See below.*
- *QBEAU: QBE Insurance to buyback USD500mn QBEAU 5.875 Perp (first call date: 12 May'25) and USD400mn QBEAU 5.25 Perp (first call date: 16 May'25) next month. The buybacks are approved by the APRA. QBEAU 35-46s were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Last Thursday, new MUFs were 3-6bps tighter. In IG space, China IG benchmark names tightened 4-7bps amid short covering and buying flows from onshore buyers. Mid-term BABA/TENCNT/XIAOMI/MEITUA were 4-7bps tighter. CCAMCL/ORIEAS 27-29 tightened 1-3bps. In JP space, SUMIBK/MIZUHO/SUMITR/SMBAC were 1-3bps tighter with better buying flow from PB. KR IG names were unchanged with small selling flows on the front-end HLINSU/SKBTAM/SKONKR. In HK space, new MTRC'30-55 were unchanged, the front-end of BNKEAs were under better selling. AU names ANZ/BZLNZ/CBAAU/WSTP tightened 2-5bps. EU AT1s were unchanged to 1pt higher due to recovering buying flows and short covering. In non-IG space, Chinese developers LNGFOR/FTLNHD were unchanged to 1pt higher. NWDEVLs were unchanged to 1.2pts lower. In India and Indonesia, ADSEZ/ADANIM/MEDCIJ/INDYIJ were unchanged to 0.3pt higher.

In LGFVs, we continued to see some compression in names furthest down the credit curve. New GZDZCD 5.75 27 was unchanged after 0.2pts rally in previous trading day. CNSHAN'28 and HKIQCL'28 was unchanged. CPDEV/ZHHFGR moved -0.1 to 0.1pts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
DALWAN 11 02/13/26	93.5	1.0	DBJJP 3.363 04/25/44	74.9	-3.2
HDFCB 3.7 PERP	95.1	0.6	CHINA 9 01/15/2096	144.2	-2.7
GLPSP 4.6 PERP	56.5	0.6	MUFG 5.41 09/27/32	96.8	-2.6
PWONIJ 4 7/8 04/29/28	94.3	0.6	DBJJP 3.665 12/18/43	79.4	-2.5
SINOPE 2.3 01/08/31	89.8	0.6	EXIMCH 4 11/28/47	83.2	-1.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-2.36%), Dow (-2.48%) and Nasdaq (-2.55%) were lower on Monday. Trump escalated his criticism of Powell. China Apr'25 1yr/5yr LPR stayed at 3.1%/3.6%. Long-term UST yields was higher on Monday, 2/5/10/30 yield at 3.75%/3.97%/4.42%/4.91%.

❖ Desk Analyst Comments 分析员市场观点

➤ IDASAL: Tender offers for IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48

Mineral Industri Indonesia (MIND ID) launches cash tender offers for IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48 at 101 plus accrued and unpaid interest in cash, if any, up to, but excluding 5 Jun'25. The expiration deadline will be 2 Jun'25. The tender offers are made pursuant to the change of control provisions of the bonds, because of a reorganization in the shareholding structure of MIND ID, that the Indonesia government ceased to directly own at least 75% of MIND ID's issued and paid-up shares. MIND ID is required to make an offer to purchase all outstanding IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48 for cash at 101 following a change of control.

IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48 were issued back in Nov'18. Apart from these two bonds, MIND ID has three other USD bonds outstanding which were issued in May'20, IDASAL 4.75 05/15/25, IDASAL 5.45 05/15/30 and IDASAL 5.8 05/15/50. The change of control triggering event of these bonds refers to the occurrence of both a change of control and a rating downgrade to below IG from IG within 90 days after the change of control. After the reorganization and at the time of writing, there is no rating downgrade by the rating agencies. Hence, the COC put is not triggered.

Prior to the reorganization, the Indonesia government owned 100% of the shares of MIND ID. On 22 Mar'25, the Indonesia government transferred all its Series B shares in MIND ID to PT Biro Klasifikasi Indonesia (Persero) (BKI). BKI is a holding company that is 1% owned by the Indonesia government and 99% owned by Badan Pengelola Investasi Daya Anagata Nusantara (Danantara), which is fully controlled by the Indonesia government. As a result, the Indonesia government ceased to directly own at least 75% of the issued and paid-up shares of MIND ID, however, it maintains control over MIND ID through the ownership of BKI and Danantara. We believe that the reorganization will have immaterial impact on MIND ID credit profile in view of the Indonesia government retains 100% ownership and control.

Danantara is a sovereign wealth fund with a mandate to accelerate economic transformation and enhance the global competitiveness of Indonesia's SOEs. Danantara is Indonesia's second sovereign wealth fund after the set-up of Indonesia Investment Authority (INA) in 2021. While INA focuses on asset managements and co-investments, Danantara has a direct authority over SOEs including capital allocation, restructuring, and mergers.

Table 1: Summary of the tender offers

Security name	IDASAL 6.53 11/15/28	IDASAL 6.757 11/15/48
Amt o/s (USDmn)	599.193	356.232
Purchase px	101	101
Ask px	104.7	100.4
Z-spread (bps)	155	270
YTM	5.1%	6.7%
Expiration time	2 Jun'25	
Payment date	5 Jun'25	

Source: Company filling.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chengdu Tianfu Dagang Group	60	2yr	7.0%	7.0%	Unrated
Fujian Zhanglong Group Co	500	3yr	5.1%	5.1%	-/-/BBB-
Linyi City Development International	262	3yr	6.0%	6.0%	Unrated

➤ 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 121 credit bonds issued yesterday with an amount of RMB97bn. As for month-to-date, 1,463 credit bonds were issued with a total amount of RMB1,268bn raised, representing a 12.8% yoy increase
- India is ready to levy a 12% temporary tariff on steel imports to control a jump in cheap imports from China and other countries
- **[ADEIN]** Adani Enterprises plans to raise up to USD1.5bn from overseas bond market
- **[ADGREG]** India's electricity regulator refused to intervene in Azure Power's transfer of 2.33GW of solar capacity to Adani Green Energy; bid for a USD478mn Himalayan temple ropeway project by offering a 42% revenue share to the government
- **[BABA]** Alibaba-owned online marketplace Taobao has experienced a surge in US interest amid trade war
- **[DALWAN]** Dalian Wanda Group agreed to sell a hotel services provider to Tongcheng Travel for RMB2.5bn (cUSD342.5mn)
- **[HYUELE]** SK Hynix to invest KRW20tn (cUSD14bn) in HBM facility expansions this year

- **[IDASAL]** MIND ID launches cash tender offer for IDASAL 6.53 11/15/28 and IDASAL 6.757 11/15/48 at 101
- **[JFCPM]** Jollibee Foods has set five-year goals to triple net profits and achieve a 20% ROIC
- **[MEDCIJ]** Medco Energi to raise IDR5tn (cUSD297mn) via onshore bonds to repay debts
- **[MONMIN]** Moody's upgraded Mongolian Mining by one notch to B2 from B3; outlook stable
- **[NIO]** NIO expands its offerings with lower cost EV brand Firefly amid profitability push
- **[NSANY]** Nissan Motor to max out production at large US plant in response to tariff hikes
- **[SOFTBK]** SoftBank to issue JPY-denominated 5-year bonds totaled cUSD4.4bn to repay offshore bonds and fund Arm Holdings acquisition instalment
- **[VEDLN]** Vedanta unit Twin Star raises USD530mn under facility agreement
- **[XINAOG]** ENN Energy Holdings' acquirer, Xinneng (Hong Kong) Energy Investment, has signed an HKD18.5bn bridge loan with BOC (HK)

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