

CMBI Credit Commentary

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

- *MEITUA 30-35s/TYANLIs widened 2-4bps this morning. QBEAUs were unchanged to 1bp tighter with AM buyers. NWDEVL 30 was 0.9pt higher while RILIN 40 were 0.5pt higher. LUSOIB 33-34 dropped 0.2-0.7pt. EHICAR 26/SOFTBK 61-65 were 0.4pt lower.*
- *INCLN/INGPHL/RNW/RPVIN: Solar manufacturing operations continue to fuel adj. EBITDA growth in 1HFY26. RNW bond complex were unchanged this morning. See below.*
- *VNKRLE: Loans from SZ Metro approaching the cap. VNKRLE 27-29 were 0.3-0.5pt lower this morning. See below.*

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❖ Trading desk comments 交易台市场观点

Yesterday, flows were light overall as US was out on holiday. There were buyers on MITCO 28 FRN and T2 papers of TYANLI/OCBCSP/STANLN/SHIKON/ANZ. We saw two-way flows on JP financial names MIZUHO/MUFG and better selling on KR quasi-sovereign names KHFC/KOBCOP and AU bank papers. NWDEVLs rose another 0.3-1.1pts. NWD clarified that any principal received by BondC and PerpCo under an intercompany loan that backs the bond and perp shall be used to redeem the debt at the two issuers, and not to make any new loan or distribution to any NWD entity. ROADKG Perps were 0.3pt higher, while ROADKG 28-30s were 0.1-0.4pt lower. FOSUNI 26-29 were largely unchanged. See our thoughts on FOSUNI's EUR new issue and the concurrent tender offer [yesterday](#). EHICAR 26-27 were down by 0.5-1.0pt. The Macau gaming bonds SJMHOL/MGMCHI/MPEL/SANLTD/STCITY/WYNMAC were overall unchanged to 0.2pt lower. See comments on WYNMAC 3Q25 and 9M25 results [yesterday](#). In Chinese properties, GRNLGR 31 recovered 1.3pts, while VNKRLE 27-29s were unchanged to 0.4pt lower. See comments below. Yankee AT1s edged up to 0.3pt firmer led by the recent STANLN 7 Perp, which continued to have relentless PB buying out of Asia. In SEA space, GLPSP Perps increased by 0.4-0.5pt, and INDYIJ 29s edged 0.2pt higher. MEDCIJ 26-30s/SMCGL Perps/INCLN 27s/RNW 26s were 0.1pt lower to 0.1pt higher. See comments on ReNew Energy 1HFY26 results below.

In LGFV space, onshore AAA-guaranteed CNH and USD papers remained demanded by RMs, whilst HFs continued to buy higher-yielding names for tactical interests in preparation for next year. KAFEDI 28 was up by 1.5pts. Meanwhile, lower-yielding names (<3% for CNH and <5% for USD) had balanced two-way flows among AMs.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
KAFEDI 6 1/2 06/04/28	97.2	1.5	EHICAR 7 09/21/26	81.9	-1.0
GRNLGR 7 1/4 01/22/31	10.6	1.3	EHICAR 12 09/26/27	67.6	-0.5
NWDEVL 10.131 PERP	48.4	1.1	CFAMCI 4.95 11/07/47	92.6	-0.5
NWDEVL 4 1/8 07/18/29	71.5	1.0	CRNAU 9 1/4 10/01/29	92.9	-0.5
NWDEVL 4.8 PERP	45.1	0.8	ROADKG 6.7 03/30/28	19.1	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.21%), Dow (+1.18%) and Nasdaq (-0.25%) were mixed on Tuesday. US bond market was closed on Tuesday for Veterans Day. 2/5/10/30 year yield was unchanged at 3.58%/3.72%/4.13%/4.71%.

❖ Desk Analyst Comments 分析员市场观点

➤ **INCLN/INGPHL/RNW/RPVIN: Manufacturing operation continues to fuel adj. EBITDA growth in 1HFY26**

We continue to view ReNew Energy (RNW)'s credit profile as underpinned by strong operating cash inflows and scalable operations as India's second-largest renewables platform by installed capacity after Adani Green Energy. We maintain buy on INCLN 4 ½ 04/18/27, which is trading at YTM of 6.3% at 97.6. We view upcoming catalysts for the bond performance include ownership structure clarity and rating updates post privatization.

Table 1: RNW o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask px	Ask YTM	Mod dur	Security structure	Issue rating (M/S/F)
RNW 7.95 07/28/26	USV28479AA77	525	100.4	7.4%	0.7	Asset backed Holdco issuance	Ba3/-/BB-
INGPHL 4 02/22/27	USV4819LAA09	429	97.6	6.0%	1.2	Restricted Group issuance	Ba3/-/BB-
RPVIN 5 ¾ 03/05/27	USY7279WAA90	270	100.0	6.0%	1.2	Asset backed Holdco issuance	Ba3/-/BB-
INCLN 4 ½ 04/18/27	USV4605MAA63	400	97.6	6.3%	1.4	Holdco issuance	Ba3/-/BB-
RPVIN 4 ½ 07/14/28	USY7280PAA13	585	96.5	5.9%	2.4	Restricted Group issuance	Ba3/-/BB-

Source: Company filing, CMBI FICC Research.

RNW's 1HFY26 results benefitted from diversification into manufacturing operations and resilient operating cash flow generation. 1HFY26 revenue rose 52% yoy to INR75.3bn and adj. EBITDA increased 24% yoy to INR53.5bn, primarily driven by solar manufacturing. The facilities were fully operational and stabilized in 2QFY26, contributing INR23.4bn revenue and INR8.6bn adj. EBITDA in 1HFY26. RNW continued to ramp up the scale and output reached 2GW of modules and 900MW of cells YTD. In 2QFY26, RNW received INR8.7bn (cUSD100mn) from British International Investments to fund construction of 4GW TOPCon cell facility, targeting production by end of FY27. On completion, total cell capacity will increase from current 2.5GW to 6.4GW. We view manufacturing as a near-term EBITDA driver that also diversifies revenue beyond power generation.

Revenue growth was further supported by increase in operational capacity to 11.6GW, up 15% yoy or 22% yoy adjusting for 600MW assets sold during the period. Due to extended spell of monsoons, 1HFY26 weighted-average wind PLF improved to 35.1% from 33.4% in a year earlier, while solar PLF declined to 21.9% from 24.4% from lower irradiation.

We view RNW is on track to its FY26 guidance. RNW reiterated FY26 adj. EBITDA guidance of INR87-93bn, comprising INR10-12bn from manufacturing (raised from INR8-10bn previously) and INR1-2bn from asset sales,

and targets the higher end of the guidance subject to the weather. We estimate that RNW has achieved 58-61% of the FY26 adj. EBITDA target in 1HFY26, with manufacturing running at 72-86% of its FY26 target. Cash flow to equity (CFe) guidance remains INR14-17bn while reporting INR19.9bn in 1HFY26, as RNW's cash outflows are typically concentrated in 4Q.

As of Sep'25, cash and bank balance was INR82.1bn, up 2% from the level as of Mar'25 on higher operating cash inflows and lower capex. We expect strong operating cash inflows and continued capital recycling to fund the remaining FY26 capex. Net debt/LTM adj. EBITDA improved to 7.1x in Sep'25 from 7.6x in Mar'25, supported by higher LTM adj. EBITDA despite increased total debts. We expect RNW's leverage to be lower on growing adj. EBITDA and asset monetization. On 8 Oct'25, RNW agreed to sell a 300MW solar project in Rajasthan to Sembcorp Industries at an EV of USD191mn. The deal is expected to generate USD98mn cash to RNW, subject to closing adjustments.

RNW's next USD bond maturity is RNW 7.95 07/28/26 of USD525mn due Jul'26. We also aware three USD bonds totaled USD1.1bn maturing in 2027 where refinancing risk is higher. RNW intends to refinance in the onshore or offshore markets, depending on cost. We take comfort from RNW's strong access to diversified funding channels across bank loans and bond markets.

RNW reached an agreement in principle in Oct'25 on a cash offer at USD8.15 per share from a consortium comprising Masdar, CPP Investments, ADIA's Platinum Hawk and founder/CEO Sumant Sinha to take RNW private. The price was revised from USD8 per share in Jul'25 and USD7.07 per share in Dec'24. RNW board's special committee is evaluating the proposal, which remains subject to due diligence and regulatory approvals, with a final binding offer expected in Nov'25. We view the investor mix with a UAE state-linked strategic investor and global pension fund as credit positive for long-term funding access and enhanced financial flexibility. We also expect RNW to continue providing timely financial reports to bondholders as per bond covenants post privatization, albeit potentially less frequent than listing requirements.

Table 2: 1HFY26 financial and operational highlights

INR mn	1HFY25	1HFY26	Change
Revenue	49,546	75,264	52%
Adj. EBITDA	43,188	53,459	24%
Profit before tax	9,965	13,318	34%
Operating cash flow	30,072	40,690	35%
Capex	56,914	44,523	-22%
Cashflow to equity (CFe)	15,683	19,910	27%
Plant load factor			
Wind	33.4%	35.1%	1.7 pct pt
Solar	24.4%	21.9%	-2.5 pct pt
INR mn	Mar'25	Sep'25	Change
Cash and bank balances	80,518	82,134	2%
Total debts	737,682	766,408	4%
Net debts	657,164	684,274	4%
Net debt/ LTM adj. EBITDA	7.6x	7.1x	-

Source: Company filling, CMBI FICC Research.

➤ **VNKRLE: Loans from SZ Metro approaching the cap**

Table 3: 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%	60.3	32.7%
VNKRLE 3 1/2 11/12/29	300	11/12/2029	3.500%	53.3	21.5%

Source: Bloomberg.

Vanke secured additional loan of RMB1.666bn from SZ Metro for the call redemption of 20VANKE08 (149297.SZ) on 13 Nov'25. The bond can be called by Vanke or put by investors at par on 13 Nov'25. The loan size is equivalent to principal plus last annual coupon payment. The terms of new loan terms are the same as those previously granted, i.e. tenor of 3 years and funding cost at 2.34%. We expect SZ metro to request collaterals for latest loan provided. Cumulatively, SZ metro has provided Vanke with loans totaled cRMB31bn. We estimate that the remaining headroom Vanke can draw down SZ Metro loans to be cRMB620mn according to the loan framework agreement with SZ Metro on 2 Nov'25. We take comfort that Vanke could explore the secured financing secured by its IPs. Furthermore, Vanke's debt maturity profile, especially offshore debt maturity profile, is notably more manageable after early redemptions and repayments of public bonds totaled cRMB31bn (including 20VANKE08) YTD with shareholder's loans from SZ Metro. Vanke has o/s offshore bonds totaled USD1.3bn and the next offshore bond maturity will be VNKRLE 3.975 11/09/27 (o/s USD1.0bn) in Nov'27. The current valuation have already priced in the loan cap, in our view. We maintain buy on VNKRLEs.

As we discussed on 3 Nov'25, our take on the cap on shareholder's loans is that SZ Metro is pushing Vanke to stand on its own feet after hand-holding the company through the maturity wall of public bonds YTD. Going forward, SZ Metro will be more reluctant to provide direct financial support to Vanke, but we still see the strong incentive for SZ Metro to ensure Vanke's financial viability after providing Vanke with shareholder's loans totaled cRMB30bn, cRMB19.7bn of which are on unsecured basis, YTD. Indeed, we believe the support from SZ Metro to Vanke will be more in the forms of coordinating the arrangement of bank loans and refinancing activities of Vanke. In early Oct'25, media reported that the Shenzhen authorities convened a meeting with creditors of Vanke to lower Vanke's loan interest rates to level of SZ Metro after Vanke missing interest payments on onshore loans. Vanke was subsequently reported to settle the interest payments.

We believe that alternative funding channels Vanke can turn to are long-term operating loans and CBICL-guaranteed bonds secured by IPs. These are funding channels successfully utilized by Longfor and Seazen over the past 2 years to lengthen their maturity profiles and manage their funding costs. As of Jun'25, the book value of Vanke's IPs was cRMB152bn. We understand that the book value of pledged IPs were cRMB80bn (vs. cRMB74bn as of Dec'24). Hence, c48% of IPs should remain unencumbered. Assuming a LTV of 50%, Vanke can secure additional financing of cRMB36bn from its unencumbered IPs. This should provide Vanke a good financial flexibility to deal with public bond maturities. Currently, the total o/s onshore and offshore bonds of Vanke is cRMB31bn, including onshore bonds totaled RMB21.9bn and offshore bonds totaled USD1.3bn.

➤ **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	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Inventive Global Investments/ ABC International Holdings	USD	-	2yr/ 3yr	T+85/ SOFR+105	A2/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 94 credit bonds issued yesterday with an amount of RMB113bn. As for month-to-date, 620 credit bonds were issued with a total amount of RMB682bn raised, representing a 45.2% yoy increase
- China tightens rules for state-owned firms to add foreign debt
- **[ANTOIL]** Anton Oilfield Services sells 3% stake in Geo-Jade Petroleum for RMB246mn (cUSD35mn)
- **[BIOLIN]** Biocon 1HFY26 EBITDA falls 28% yoy to INR17.7bn (cUSD200mn); allocated INR8bn (cUSD90mn) to redeem certain debentures early and acquire secured, CCDs of subsidiary Biocon Biologics
- **[DAESEC]** Mirae Asset Securities faces lawsuit from former Kakao executive for 2023 cyberattack
- **[FAEACO]** Far East Consortium (FEC) to dispose certain interest in the company holding the title of The Ritz Carlton Hotel in Perth, Australia. FEC will receive AUD20mn as first instalment which is refundable in accordance with the relevant terms, the company will be jointly owned by FEC and the buyer after completion
- **[IHFLIN]** Sammaan Capital to repurchase all NCDs maturing by 30 Jun'26
- **[JSTLIN]** JSW Steel plans to divest up to 50% stake in Bhushan Power
- **[LNGFOR]** Longfor plans to seek waivers for expected interest-coverage breach on some offshore syndicated loans
- **[MINAU/PKX]** Mineral Resources sold 30% of its lithium business under a new incorporated joint venture which will hold its existing 50% ownership of the Wodgina and Mt Marion lithium mines to POSCO Holdings
- **[MTCTB]** Muangthai Capital 3Q25 revenue climbs 10% yoy to THB7.9bn (cUSD244mn)
- **[SOFTBK]** SoftBank Group 1HFY26 net sales rise 7.7% yoy to JPY3.7tn (cUSD24.3bn); sold entire stake in Nvidia for USD5.8bn in Oct'25 to pay for OpenAI deal

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