

## CMBI Credit Commentary

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

- *Market remained strong this morning. HYUELE'28-33 tightened 3-5bps, other CN/KR IG names tightened 1-2bps. NWDEVL perps/VNKRLEs were unchanged to 1pt higher while DALWANs were unchanged to 1pt lower.*
- **MEDCIJ:** *Tender offers for MEDCIJ'26/27. MEDCIJs were unchanged to 0.5pt higher this morning. See below.*
- **SHIMAO:** *Shimao Group extends early-consent-fee deadline in relation to [offshore debt restructuring](#) to 31 May*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, Asia IG space was firm. In KR, HYUELEs tightened 2-5bps. DAESec 27/29 were also 3-4bps tighter. In JP, SMBCACs edged 1-3bps tighter. Chinese IGs such as HAOHUA/TENCNTs were unchanged to 3bps tighter. In financials, Chinese AMCs were better bid following GRWALL finally released the delayed results. HRINTHs/GRWALLs closed unchanged to 0.25pt higher. The belly of CCAMCLs were 1-2bps tighter under AM buying. BNKEA 30s were under better buying and tightened 2bps. Chinese big-4 banks T2s were 1-3bps wider. In AT1s, EU names such as UBS 7.75 Perp/STANLN 6 Perp were 0.1-0.3pt higher. HK Corp names were mixed. NWDEVL Perps were up 2.1-2.5pts, and closed 2.7-3.9pts higher WTD. However, LIFUNG/REGH Perps declined 1.0-1.4pts. Chinese properties moved higher under the buying from RMs/PBs. FUTLAN/FTLNHD 24s were up 0.8-2.4pts, and its 25-26s increased 3.8-4.9pts. VNKRLE 25-29s were up 2.6-4.7pts and closed 5.8-9.3pts higher WTD. GRNCH '24 gained 3.9pts, CHJMAO '29 was 2.4pts higher. DALWANs and LNGFORs were up 1.8-2.5pts. ROADKs edged 0.9-1.5pts higher. GRNLGRs, on the other hand, were 0.2-1.1pts lower. In industrials, CHIOIL '26 was up 1.4pts. HILOHO '24 dropped another 2.2pts following the decline of 1.1pts on Tue. In Macau gaming, MPEL/STCITY/WYNMAC 27-29s were 0.3-0.6pt higher. Indonesian name APLNIJ '24 was up 0.8pt. MEDCIJs were unchanged to 0.3pt higher. Medco Energi launched a tender offer for up to USD150mn of its 2026, 2027 bonds. See below for comments. In Indian space, VEDLN 26-28s were 0.4-0.5pt higher.

The LGFVs/SOE perps/high-beta spaces remained largely stable amid the absence of onshore Chinese clients on holidays. The flows were skewed to small better buying in the quality LGFVs and SOE perps. In the 5-6% LGFVs, NJYZCO '27/CDCOMM '24 were 0.1pt higher. In SOE perps, CHPWCN/HUADIA Perp were up 0.1-0.2pt whilst SPICPT Perp was down 0.1pt. In the high beta names, FRESHK 25-26s were up 0.1-0.3pt.

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FUTLAN 4.45 07/13/25	57.4	4.9	HILHO 9 3/4 11/18/24	62.7	-2.2
VNKRLE 3 1/2 11/12/29	46.4	4.7	LIFUNG 5 1/4 PERP	44.2	-1.4
FTLNHD 4 5/8 10/15/25	54.0	4.7	GRNLGR 7 3/4 06/25/28	8.9	-1.1
VNKRLE 3.975 11/09/27	49.4	4.5	REGH 6 1/2 PERP	45.0	-1.0
GRNCH 5.95 12/22/24	97.7	3.9	CASHLD 4 PERP	90.3	-1.0

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.91%), Dow (+0.85%) and Nasdaq (+1.51%) rebounded on Thursday. US latest initial jobless claim was +208k, lower than the expectation of +212k. Euro-zone Apr'24 Markit PMI was 45.7, higher than the expectation of 45.6. UST yield retreated yesterday, 2/5/10/30 yield reached 4.87%/4.57%/4.58%/4.72%.

## ❖ Desk analyst comments 分析员市场观点

## ➤ MEDCIJ: Tender offers for MEDCIJ'26/27

Security Name	Amt Out (USD mn)	Tender offer cap (USD mn)	Tender offer consideration	Early tender deadline	Expiration
MEDCIJ 7 ¾ 05/14/26	474		100.8/97.8		
MEDCIJ 6 ¾ 01/30/27	508	150	98/95	15 May'24	31 May'24

Source: Company fillings.

On 2 May'24, Medco Energi launched the tender offer for MEDCIJ'26 and '27 with a tender cap of USD150mn. The priority of acceptance will be given to MEDCIJ'26. The early tender offer consideration for MEDCIJ'26/27 is USD100.8/98pts, slightly higher than the closing prices of USD100.5/97.7pts on 2 May'24. The consideration will be funded with Medco Energi's internal resources. In the past two years, Medco has been proactively managing its USD bond maturities. Recalled that the company repurchased USD397mn of four USD bonds in Nov'23 with concurrent new issuance of USD500mn MEDCIJ'29, and repurchased USD265mn of MEDCIJ'25 in Nov'22 via tender offers.

Medco released largely stable 1Q24 results on 1 May'24. Its 1Q24 revenue lowered 0.3% yoy to USD556mn and its EBITDA rose 0.6% yoy to USD328mn with higher ASP more than offset lower volume. Its LTM EBITDA was cUSD1.25bn. As of Mar'24, Medco had cash & cash equivalent of USD478mn and total debts of USD3.3bn, increased 13% and 0.3% from those in Dec'23, respectively. Its cash on hand and operating cash inflow should provide adequate liquidity to cover its ST debts of USD450mn and guided a capex of USD430mn (increased from USD333mn in 2023) in FY24, and room for further debt reduction. On 29 Apr'24, Fitch upgraded Medco Energi to BB- for improvement in Medco's reserve life and placed stable outlook on the ratings. We maintain Buy on MEDCIJs. Within MEDCIJ curve, we prefer **MEDCIJ 8.96 04/27/29** for its more decent return and better trading liquidity.

Security Name	ISIN	Amt Out (USD mn)	Ask Price	YTM (Ask)	Rating (M/S/F)
MEDCIJ 6 ¾ 01/30/25	US58406HAA86	33	100.8	13.3	B1/B+/BB-
MEDCIJ 7 ¾ 05/14/26	US58405FAA30	474	100.5	7.1	B1/B+/BB-
MEDCIJ 6 ¾ 01/30/27	US58406LAA98	508	97.7	7.3	B1/B+/BB-
MEDCIJ 6.95 11/12/28	US58406RAA68	299	96.3	7.9	B1/B+/BB-
<b>MEDCIJ 8.96 04/27/29</b>	<b>US58407HAA77</b>	<b>500</b>	<b>103.2</b>	<b>8.1</b>	<b>B1/B+/BB-</b>

Source: Bloomberg.

### ➤ 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)
No Offshore Asia New Issues Pipeline Today					

### ➤ News and market color

- Onshore primary issuances suspend during the Labor Holidays.
- **[ADANIG]** Adani Green Energy secured USD400mn financing from consortium of five international banks for 750MW of under-construction solar projects
- **[APLNIJ]** Media reported that Agung Podomoro agreed to repurchase USD132mn APLNIJ 5.95'24 bonds from certain large holders to get support for its proposed exchange offer
- **[HYUELE]** Media reported that SK Hynix's high-bandwidth memory chips for AI has been sold out for 2024 and almost sold out for 2025
- **[PAITON]** RATCH Group invested cUSD590mn in Paiton Energy's Indonesia power plant business
- **[SHIMAO]** Shimao Group extends early-consent-fee deadline in relation to offshore debt restructuring to 31 May

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