

## €MBI Credit Commentary

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

- *Asian IG space tightened 2-4bps overall this morning. We saw better buying on MEITUA/KUAISH, and AMs buying JP FRNs. SOFTBK 65 edged 0.9pt higher. PTTGC 7.125 Perp gained 0.6pt. VNKRL 27 leaked 0.4pt. LNGFOR 28 was 0.3pt lower.*
- **SMCGL:** *Margin expansion across the portfolio drove solid earning uplift in FY25. See below.*
- **GLPSP/GLPCHI:** *Media reported NFRA delivered window guidance to onshore insurance companies to refrain from adding exposures in GLP China funds. GLPSP Perps/GLPSP 28 dropped 10.6-10.8pts this morning while GLPCHI 29 down 7.7pts.*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, GLPSP Perps/GLPCHI 29 lost 2.0-2.9pts. There were market rumors that China's regulatory authority delivered "window guidance" to Chinese onshore insurance companies to limit transactions with GLP China funds, but GLP China's spokesperson said that the company had not received any such notifications. For the rest of SE Asian space, SMCGL Perps were unchanged to 0.2pt lower. See comments below. VEDLN 28-33s and the ReNew Energy complex were unchanged to 0.1pt lower. TOPTB/PTTGC Perps recovered to 0.3-0.5pt higher. In Chinese IG space, ZHOSHK 28 was down another 0.8pt after the profit warning. See our comments [yesterday](#). The HAOHUA curve tightened 1-5bps amid better-buying, and KUAISH tightened 1-3bps amid balanced two-way interests. Taiwanese lifers tightened 1bp in subdued trading. In HK, the NWDEV/VDNWDL complex leaked 0.1-0.8pt. LASUDE 26 was 0.2pt lower. In Chinese properties, VNKRL 27 edged 0.5pt higher, while VNKRL 29 closed unchanged. LNGFOR 27-32 lost 0.2-0.6pt. In KR space, HYUELE 33s/HYMNTR 29-31s/POHANG 31-36s traded 2-4bps tighter amid PB buying on dip. On the other hand, front-end financial and quasi-sovereign FRNs of KOROIL/KHFC/KDB faced better selling pressure and widened 1-2bps. In JP space, SOFTBK 61-65 rose 1.0-1.1pts. As for Japanese and Yankee AT1s and insurance space, we saw two-way flows skewed to slightly better buying from PBs and dealers. RESLIF 6.875 Perp was 0.2pt lower, while NOMURA 7 Perp/BNP 6.875 Perp were 0.1-0.8pt higher. In the Middle East, long-end KSA tranches edged 0.1-0.5pt higher amid two-way flows. ARAMCO 30-36s/SECO 29-36 closed unchanged to 0.2pt higher. The LGFV space remained largely stable and firm with flows gradually skewed towards better buying.

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CFAMCI 4.95 11/07/47	92.7	1.2	GLPCHI 7 3/4 04/30/29	88.9	-2.9
SOFTBK 8 1/4 10/29/65	90.0	1.1	GLPSP 4.6 PERP	57.8	-2.5
SOFTBK 7 5/8 04/29/61	90.4	1.0	GLPSP 4 1/2 PERP	61.2	-2.0
TACHEM 5.8 07/05/64	96.9	0.8	UPLLIN 4 5/8 06/16/30	91.7	-0.8
BHP 5 1/2 09/08/53	97.6	0.8	VDNWDL 9 PERP	101.9	-0.8

## ❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.25%), Dow (+0.10%) and Nasdaq (+0.47%) were higher on Tuesday. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.68%/3.79%/4.20%/4.85%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ SMCGL: Margin expansion across the portfolio drove solid earning uplift in FY25

Within the SMCGL curve, we prefer SMCGL 8.125 Perp and SMCGL 8.95 Perp for better risk-return profiles in view of their higher YTC in the Asia corporate perps universe, better trading liquidity, and high likelihood of first call redemption. We turn neutral on SMCGL 5.45 Perp, trading at YTC of 5.7% at 99.8. We also have buy recommendation on PCORPM 7.35 Perp issued by SMCGL's affiliate Petron Corp. We consider these Philippine perps low-beta, good carry plays.

Table 1: SMCGL o/s USD bonds

Security name	ISIN	Ask px	Yield to next reset	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)
SMCGL 5.45 Perp	XS2346954873	99.8	5.7%	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	XS2883979705	101.9	8.1%	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%
SMCGL 8.125 Perp	XS2943809900	99.9	8.2%	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%
SMCGL 8.95 Perp	XS3121131125	102.6	8.2%	400.0	24 Apr'30	24 Jul'30	5yUST+7.445%
SMCGL 8.375 Perp	XS3242497538	100.0	8.4%	300.0	20 Oct'30	20 Jan'31	5yUST+7.123%

Source: Bloomberg.

San Miguel Global Power (SMCGL)'s FY25 revenue fell 23% yoy to PHP157.2bn, with offtake volumes declined 20% yoy to 29.2mn MWh, primarily reflected the divestment of the Illjan and EERI power plants. Excluding the divestment impact, volumes remained broadly stable, supported by strong output from Masinloc Plant, higher generation from San Roque, and the full-year contribution of the Mariveles plant and BESS facilities.

FY25 EBITDA grew 27% yoy PHP70.5bn, with the EBITDA margin expanded to 45% from 27% in FY24, driven by higher margin across the portfolio. Net income jumped by 290% yoy to PHP48.3bn, largely attributable to an one-off gain of PHP21.9bn from the Chromite transaction, in which SMCGL divested 67% equity interest in gas assets to Chromite Gas Holdings for USD3.3bn. Excluding the one-off gain, net income would have been PHP26.4bn, representing 113% yoy increase from FY24.

Looking ahead, SMCGL continues to advance its energy transition strategy through major renewable wins under auction program and new capacity additions in 2026, including Units 4 and 5 of the Masinloc Power Plant at 94.52% and 75.24%, respectively.

We like SMCGCL for its good access to onshore and offshore funding channels. On 17 Mar'26, SMCGCL received regulatory approval to issue up to PHP30bn (cUSD500mn) in onshore bonds, planned across three tranches, i.e. 5.25yr, 7yr and 10yr. Part of the net proceeds are earmarked to refinance its onshore Series J and Series C bonds due in Apr'26 and Jul'26, respectively. SMCGCL has also been active in managing offshore debt profile through exchange and tender offers in 2025.

➤ **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Power Construction Corporation of China	300	3yr	3.8%	T+16	-/-/BBB+

➤ **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 146 credit bonds issued yesterday with an amount of RMB133bn. As for month-to-date, 1,208 credit bonds were issued with a total amount of RMB979bn raised, representing a 21.7% yoy increase
- Iraq plans to restart the Kirkuk-Turkey crude pipeline within a week using a route that bypasses the Kurdistan Region; in contact with Iran to allow some oil tankers through Hormuz
- **[ADEIN]** Adani Enterprises said NCLT has orally approved the resolution plan for Jaiprakash Associates
- **[BHP]** BHP Group won its bid to dismiss a UK contempt of court case over funding proceedings that sought to stop some Brazilian municipalities from filing overseas lawsuits against the miner after a 2015 dam collapse; a US JV owned by Rio Tinto and BHP completed the federal land exchange required to unlock the full potential of the project
- **[BNP]** Media reported BNP Paribas Cardif is close to acquiring Warburg Pincus' 26% stake in IndiaFirst Life Insurance
- **[CBQKQD]** Commercial Bank of Qatar AGM approved USD9bn in debt programs
- **[CTFSHK]** Chow Tai Fook Enterprises seeks to refinance HKD7.3bn loan due in Jun'26
- **[GCCGRP]** Media reported GCL looking to offer first tranche of planned USD500m bonds in May'26 and sounds 7.5%-9.8% pricing, to further extend the maturity of its USD280mn GCCGRP 12.75 11/15/26

- **[HYUELE]** SK Hynix is accelerating plans to list its shares in the US market via American Depositary Receipts
- **[HSBC]** HSBC priced USD1.25bn PerpNC5.5 at 6.75% and USD1.25bn PerpNC10 at 7%, tightened 50bps from IPT at 7.25% and 7.5% respectively
- **[LGCHEM]** LG Chem's subsidiary and Tesla signed an agreement to build a battery cell manufacturing facility worth USD4.3bn in the US
- **[MITELC]** Media reported Mitsubishi Electric plans to sell 50% stake in automotive equipment business to Hon Hai Precision Industry
- **[NBOBOM]** National Bank of Oman announced to redeem USD300mn NBOBOM 8 Perp in Apr'26
- **[SMPM]** SM Investments Corp updates USD3bn multi-issuer EMTN programme to tap offshore bond market
- **[TYANLI]** Woori Financial Group is reviewing the prospect of a merger of its units, Tongyang Life Insurance and ABL Life Insurance, to strengthen the group's insurance business

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