

CMBI Credit Commentary

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

- *This morning, the new CHINA 28-30s tightened 40bps from pricing at CT3 flat and CT5+2bps, respectively. The new KORELE Float 11/12/28 and KORELE 4 1/8 30 tightened 2-4bps from issuance at SOFR+62 and T+47. The recent CDBFLC 35 tightened 4bps. Yankee AT1s were 0.1pt higher, led by the new STANLN 7 Perp, amid mixed flows.*
- *INDYIJ: 9M25 adj. EBITDA declined 17% yoy on softened coal demand and ASP. Maintain buy on INDYIJ 8.75 05/07/29. INDYIJ 29s were unchanged this morning. See below.*
- *NSINTW: Nanshan Life tapped USD258mn of NSINTW 5.875 03/17/41 at T+165 versus IPT at T+185. TW lifers were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new AT1 STANLN 7 PerpNC10 performed well thanks to top-up demand from PB clients. The new AT1 traded 0.1-0.3pt higher in the morning from RO at par, and was traded up to 100.75 after London opened. The new CDBFLC 35 initially traded a touch wider from pricing at T+93 amid flippers flows, and gradually recovered and closed unchanged with onshore clients topping. The secondary IG space opened 2-5bps wider. In KR space, there were two-way flows on HYNMTR/HYUELE curves, yet the space closed largely unchanged. We continued to see better selling on the recent MEITUA 31-35s. TW lifers were 2-4bps wider after NSINTW announced to tap NSINTW 5.875 03/17/41. NWDEVLs fell another 0.9-2.4pts. HYSANs were up to 0.7pt lower. LIHHK 26 was 0.4pt higher. In Chinese properties, VNKRLE 27-29s lowered 0.9-1.2pts. FUTLAN 28/FTLNHD 27/LNGFOR 27-32s were 0.1-0.2pt lower. In SEA space, we saw small selling on KBANK 31s. PETMK curve was unchanged to 2bps wider. VEDLN 28-33s were 0.2pt lower to 0.1pt higher. See comments [yesterday](#) on VEDL's 1HFY26 results. CKPH 3.8 Perp and ACPM 5 1/8 Perp edged 0.3pt higher. Japanese insurance hybrids and AT1s, as well as MTRC 5 5/8 Perp were down by 0.3pt in the morning. However, we saw a decent reversal in sentiment after London opened, during which Yankee AT1s bounced by up to 0.3pt.

In LGFV space, quality names remained sought after by cross-border RMs across USD and CNH papers, whilst higher-yielding names had two-way interests from retail and tactical investors. Non-LGFV CNH papers were a touch weaker in the long end amid small selling from RMs.

Glenn Ko, CFA 高志和
 (852) 3657 6235
 glennko@cmbi.com.hk

Cyrena Ng, CPA 吳蓓瑩
 (852) 3900 0801
 cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
 (852) 3900 0830
 zhangyujing@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LIHHK 4.8 06/18/26	94.0	0.4	NWDEVL 10.131 PERP	49.0	-2.4
CKPH 3.8 PERP	68.1	0.3	NWDEVL 4 1/2 05/19/30	69.9	-2.0
SHBASS 4 3/8 PERP	98.6	0.3	NWDEVL 4 1/8 07/18/29	71.6	-1.7
CENCHI 7.9 11/07/25	3.2	0.3	NWDEVL 3 3/4 01/14/31	66.0	-1.5
ACPM 5 1/8 PERP	87.9	0.3	NWDEVL 8 5/8 02/08/28	85.4	-1.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.37%), Dow (+0.48%) and Nasdaq (+0.65%) were higher on Wednesday. The US ADP Nonfarm Employment Change in Oct'25 was +42k, higher than the market expectation of +32k. The ISM Non-Manufacturing PMI and Prices were 52.4 and 70.0, respectively, both of which were higher than the market expectation of 50.7 and 68.0. The S&P Global Services PMI in Oct'25 was 54.8, lower than the market expectation of 55.2. The Crude Oil Inventories were +5.202mn, higher than the market expectation of -2.5mn. UST yield was higher on Wednesday. 2/5/10/30 year yield was at 3.63%/3.76%/4.17%/4.74%.

❖ Desk Analyst Comments 分析员市场观点

➤ INDYIJ: 9M25 adj. EBITDA declined 17% yoy on softened coal demand and ASP

Despite the weaker commodity prices, Indonesian HYs' technical remains strong as issuers have been actively making uses

lower-cost onshore funding alternatives to repay, repurchase, tender offer and early call of their offshore bonds. Recalled that starting from Mar'25, Indonesia government tightened the holding of repatriated export proceeds onshore to 100% of the proceeds for 1 year from 30% for 3 months. At 100.3, INDYIJ 8.75 05/07/29 is trading at YTM of 8.6%, we maintain buy on INDYIJ 8.75 05/07/29 as a good carry play. We believe that Indika remains a candidate for early redemptions given its sufficient liquidity, disciplined capex, and track records of tender offers and early calls. These should continue to support the performance of INDYIJ 8.75 05/07/29.

Indika's 9M25 results softened, driven by weaker coal ASP and lower volumes. The ASP of Kideco fell 15% yoy to USD49.4/ton from USD57.9/ton in 9M24, while volume lowered 4.3% yoy to 22.2mt. Indika Resources' sales volume declined sharply to 0.5mt from 2.7mt, reflecting the sluggish export demand. The impact of lower coal ASP and sales volume was somewhat mitigated by growing non-core revenue which increased 22% yoy to USD290.5mn in 9M25, accounting for 19% of Indika's total revenue, increased from 13% in 9M24. The impact is also partly mitigated by lower cash cost (ex. royalty) of coal which decreased 6% yoy to USD34.1/ton amid a lower strip ratio of 5.2x. Including royalty, cash cost dropped 13% yoy to USD44.0/ton, aided by the revised IUPK royalty scheme effective 26 Apr'25, which imposes the 28% maximum royalty rate only when coal prices exceed USD180/ton, compared to USD100/ton previously. Overall in 9M25, Indika's revenue was down 19% yoy to USD1.4bn, its operating profit and adj. EBITDA declined 41% and 17% yoy, respectively.

Indika's leverago ratios worsened to 5.5x (gross) and 2.7x (net), compared to 3.8x and 1.6x in Dec'24, respectively, given lower LTM EBITDA and higher net debts. Its FCF turned negative on capex of USD82mn and operating inflow of USD31mn. Its cash on hand was USD549mn as of Sep'25, 12% lower than the level in Dec'24. That said, we take comfort from Indika's proactive liability management and diversified funding access. In Jun'25, Indika secured a USD375mn 5-year facility (SOFR+1.75% pre-COD, SOFR+1.65% post-COD) to refinance a USD250mn loan, extending tenor and supporting liquidity buffers. We also take comfort from its disciplined capex. YTD capex spending represented only c33% of the FY25 budget of USD246mn. Based on the run-rate, Indika will likely spend much less than the budget amid soft market conditions.

Table 1: Indika 9M25 financial and operational highlights

USD mn	9M24	9M25	Change
Revenue	1,784.2	1,443.0	-19%
Operating profit	136.2	81.0	-41%
Adj. EBITDA	187.4	155.6	-17%
Operating cash flow	(52.5)	30.8	N/A
Capex	80.6	82.1	2%
KIDECO			
ASP (USD/ton)	57.9	49.4	-15%
Production (MT)	23.4	22.2	-5%
Cash cost (ex. royalty, USD/ton)	36.4	34.1	-6%
Cash cost (incl. royalty, USD/ton)	50.6	44.0	-13%
Strip Ratio (x)	5.7	5.2	-9%
Newcastle Benchmark	133.9	104.5	-22%
Indika Resources			
Coal Traded Volume (MT)	2.7	0.5	-81%
	Dec'24	Sep'25	Change
Cash and cash equivalents	455.0	548.6	21%
Total debt	1,068.8	1,066.2	0%
Net debt	613.8	517.6	-16%
Total debt/LTM EBITDA	3.8x	5.5x	-
Net debt/LTM EBITDA	2.2x	2.7x	-

Source: Company filing, CMBI FICC Research.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Gaoxin International Investment	100	3yr	4.4%	4.4%	Unrated
Korea Electric Power Corporation	600/400	3yr/5yr	SOFR+62/4.125%	SOFR+62/T+47	Aa2/AA/-
Nan Shan Life Insurance (tap)	258	15.5NC10.5	5.875%	T+165	-/BBB+/BBB
Santos Finance	1000	10yr	5.75%	T+168	Baa3/BBB-/BBB
The Ministry of Finance of the People's Republic of China	2000/2000	3yr/5yr	3.625%/3.75%	T+0/T+2	A1/A+/A

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Cinda 2020 I Management Ltd	USD	-	3yr/5yr	T3+130/SOFR+150	-/BBB+/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 79 credit bonds issued yesterday with an amount of RMB78bn. As for Month-to-date, 284 credit bonds were issued with a total amount of RMB270bn raised, representing a 1% yoy increase
- South Korea will provide KRW200bn (cUSD138.9mn) in subsidies in a plan to overhaul the steel industry
- **[COGARD]** Country Garden said its USD15.3bn offshore debt restructuring plan has been approved by scheme creditors
- **[DAESEC]** Mirae Asset Securities 3Q25 revenue rose 4% yoy to KRW594.5bn (cUSD411.7mn)
- **[FRIDPT]** Freeport Indonesia 9M25 net revenue fell 5.1% yoy to USD7.7bn
- **[NSANY]** Nissan Motor will sell its 22-storey global headquarters in Yokohama for JPY97bn (cUSD630.8mn); Nissan will slash production of its best-selling model in Japan amid a chip supply shortage from Dutch firm Nexperia, following a diplomatic dispute
- **[PICAHF]** Piramal Finance considers raising capital from strategic foreign investors
- **[PKX]** POSCO Holdings said a serious industrial accident occurred on 5 Nov'25 at its steel factory, leading to the death of one person and injuries to three
- **[RIOLN]** Rio Tinto signed a 12-month deal with Hydro Tasmania to power Bell Bay aluminum smelter, just one month before the contract expiry
- **[SOFTBK]** SoftBank launched a JV with OpenAI to provide AI tools to improve the management of Japanese companies
- **[VNRKLE]** S&P downgraded China Vanke to CCC from B-; outlook negative

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance

of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.