

CMBI Credit Commentary

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

- Japanese and Yankee AT1s and insurance subs were 0.3pt firmer this morning. FAEACO 12.814 rose 0.9pt. SOFTBK 31-36 were 0.5-0.7pt higher. GARUDA 31 leaked 0.7pt. YPCORP 29 was 0.5pt lower. Asian IG space was largely unchanged. LIHHK 4.8 06/18/26 moved 0.2pt higher after the announcement that Lifestyle's owner will repurchase all outstanding LIHHK 4.8 06/18/26 at par.
- **SHUGRP:** FV of the new SHUGRP 29 to be high 4% vs IPT of 5.1%. SHUGRP 7.2 03/20/27 was unchanged this morning. See below.
- **VEDLN:** Vedanta Resources seeks to expand a USD350mn club loan it raised earlier this year, intending to raise at least an additional USD200mn under the same terms. Vedanta Chair Anil Agarwal was named in case as plant explosion death toll climbs to 24 people. VEDLN 28-33s were unchanged this morning.

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❖ Trading desk comments 交易平台市场观点

Last Friday, in the new issue space, the new AGRBK Float 29 and MAYMK Float 29 both traded around RO levels of SOFR+35 and SOFR+57, respectively. The new EVRGTT 5.25 04/23/29 tightened 10bps from RO at T+160 amid balance two-way flows among RM, PB and fast money accounts. In secondary IG space, Chinese TMT issues were largely stable. We saw slightly better selling on KUAISH 36s and better buying from RMs on ZHOSHK 28. As for higher-yielding papers, FAEACO 12.814 Perp gained 1.0pt. HYSANs were unchanged to 0.5pt higher. The NWDEV/VDNWDL complex closed unchanged to 0.6pt higher. EHICAR 26 leaked 0.6pt, while EHICAR 27 was 0.2pt higher. In Chinese properties, VNKRL 27' and 29' edged 0.1pt higher. LNGFOR 27-32 were 0.1pt lower to 0.1pt higher. In JP space, IG bank papers and corporate credits such as TOHOKU/HOKKEL traded 1-2bps wider, while FRNs remained well bid. RESLIF 6.875 Perp was 0.1pt higher, while NOMURA 7 Perp was 0.1pt lower. In KR space, HYUELE/HYNMTR tightened 1-3bps. In SE Asian space, PCORPM 7.35 Perp led the space and rose 2.0pts. SMCGL Perps closed 0.1-0.2pt higher. On the other hand, VLLPM 29/PTTGC 7.125 Perp/PTTGC 6.5 Perp dropped 0.3-1.4pts. In the Middle East, ARAMCOs were up to 1.1pts firmer.

In LGFV space, the new CNH bond NEJAIN 4.9 04/23/31 climbed 0.8-0.9pt from RO at par on back of top-up demand from non-bank RMs. In contrast, the new CNH ZHHFGR 29 leaked 0.4pt from RO at par amid better selling. See our comments on the new issue [last Friday](#). In the rest of the space, we saw cross-border RMs buying higher-yielding CNH issues.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PCORPM 7.35 PERP	101.2	2.0	VLLPM 9 3/8 07/29/29	37.5	-1.4
CNOOC 3.3 09/30/49	76.7	1.3	TSINGH 6 1/2 01/31/28	89.7	-0.8
ARAMCO 3 1/4 11/24/50	66.0	1.1	EHICAR 7 09/21/26	68.7	-0.6
GARUDA 6 1/2 12/28/31	86.2	1.1	NDPAPE 14 PERP	104.4	-0.4
ARAMCO 5 3/4 07/17/54	95.7	1.0	PTTGC 7 1/8 PERP	99.4	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.20%), Dow (+1.79%) and Nasdaq (+1.52%) were higher last Friday. UST yield bull steepened on Friday. 2/5/10/30 year yield was at 3.71%/3.84%/4.26%/4.88%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SHUGRP: FV for the new 3yr USD bond to be high 4% vs IPT of 5.1%**

We consider the FV of SHUGRP's new 3-yr bond to be high 4%, taking cues from SHUGRP 7.2 03/20/27 which is trading at YTM of c4.6% prior to the new deal announcement and adjusting for almost 2 year extension of maturity. We understand that Shuifa Group Co., Ltd. (Shuifa) will not fully utilize its NDRC quote for this issue. Shuifa could tap the market again later this year.

Shuifa, wholly owned by Shandong SASAC, is the sole financing and operating platform in Shandong for water conservancy and water-related construction, as well as the investment in and development, operation and management of water-related projects and industries within and outside Shandong. Shuifa ranked among top 10 of Shandong provincial state-owned enterprises. In addition, its bulk commodity trading centre for agricultural products ranked first in Shandong in 2024. Shuifa is also a top player in the clean energy sector. In 2024, it had the second largest installed capacity of photovoltaic power generation in Shandong, the 6th largest photovoltaic power station EPC volume in China and the 9th largest market share of photovoltaic curtain wall in China, the largest market share of intelligent dimming film in China, the largest market share of resistive conductive film in China. It also had the largest installed capacity of wind power generation among SOEs in Shandong Province, the largest installed agricultural and forestry biomass power generation capacity in the province. In FY24, its water, clean energy and agriculture segments accounted for 37%, 38% and 24% of its gross profit, respectively.

Shuifa has been enjoying strong business and financial support from the Shandong government. Since its establishment in 2009, Shuifa has received substantial capital injections from the Shandong government. As at 31 Dec'24, the Shandong Provincial Department of Water Resources had made capital injections totaling cRMB52.1bn (Shuifa' equity attributable to the parent company was RMB12.8bn as at 31 Dec'24).

Additionally, the Shandong Provincial Department of Water Resources transferred the equity interests of 22 enterprises to Shuifa in 2016. In Jul'18, the Shandong government also approved the equity transfers of Shandong Agricultural Industrial Group Corporation, Shandong Agricultural Financing Guarantee Co., Ltd. and certain other entities from the Shandong Provincial Department of Agriculture to Shuifa to establish Shuifa as the sole agricultural investment and financing platform in Shandong. These reflect the strategic importance of Shuifa and reinforce our belief of strong support from the Shandong government will continue.

Table 1: SHUGRP o/s bond

Security name	ISIN	Maturity	First call date	Amt o/s (USD mn)	Ask px	YTW	Issue rating (M/S/F)
SHUGRP 7.2 03/20/27	XS2530843759	03/20/2027	-	180	102.3	4.6	Baa3/-/-

Source: Bloomberg.

Table 2: New SHUGRP 29 terms

Issuer:	Shuifa International Holdings (BVI) Co., Ltd., indirectly wholly owned subsidiary of Shuifa Group Co., Ltd.
Guarantor:	Shuifa Group Co., Ltd.
Guarantor rating:	Baa3 (stable) by Moody's
Ranking:	Senior secured
Tenor:	3yr
Size:	USD200mn
UOP:	Refinancing
COC Put:	100, if Shuifa Group Co., Ltd. ceased to be 100% owned by Shandong SASAC or Central government of China

Source: Company filing.

➤ 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)
Korea Ocean Business Corporation	USD	-	3yr	SOFR+105	Aa2/-/AA-
Shuifa Group	USD	-	3yr	5.1%	Baa3/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 94 credit bonds issued last Friday with an amount of RMB127bn. As for month-to-date, 1,254 credit bonds were issued with a total amount of RMB1,295bn raised, representing a 21.3% yoy increase
- **[CENSP]** Centurion entered Australia's worker accommodation segment with key acquisition
- **[CKHH]** Media report that CK Hutchison is in talks to sell Hong Kong supermarket chain ParknShop to long-time rival Jardines. If a deal pans out, Jardines would merge ParknShop with its Wellcome chain and dominate HK's grocery market
- **[CMINVE]** China Minsheng Investment is unable to disclose FY25 results by 30 Apr'26

- **[FOSUNI]** Fosun SPV Fortune Star accepted USD79.4mn of FOSUNI 5 05/18/26, remaining o/s amount USD126.12mn
- **[HYUELE]** SK Hynix reportedly aims to list in US as early as Jun-Jul'26
- **[HYUNHI]** HD Hyundai Heavy won a USD457mn deal to build four very large gas carriers (VLGCs)
- **[JSTLIN/PKX]** JSW Steel board approved signing a JV pact with POSCO for steel plant in India
- **[KYUSEL]** Kyushu Electric Power will raise JPY35bn (cUSD 220.6mn) by issuing six-year and 10-year domestic bullet bonds
- **[LIHKK]** Lifestyle International owner plans to buy all remaining USD350mn LIHKK 4.8 06/18/26 at par before maturity
- **[SAMTOT]** Hanwha TotalEnergies declares force majeure as Gulf conflict causes supply disruption
- **[VNKRLE]** China Vanke has scheduled a 23WankeMTN002 noteholder meeting on 6 May'26 on redemption extension
- **[XIAOMI]** Xiaomi global smartphone shipments dropped 19% yoy in 1Q26 to 34mn units

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