

## CMBI Credit Commentary

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

#### The Asset Asian G3 Bond Benchmark Review 2025

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *The recent new NHSECS/KORGAS 28-30s widened 1-2bps this morning. NOMURA 7/SUMIBK 6.45 Perps were up 0.1pt. HYSAN 4.85 Perp was up 0.3pt. GLPSP 4.6 Perp was down 0.5pt. LGFVs were firm.*
- *BTSDf: Expects adj. net profit to increase up to 15% yoy in 1H25; objected ATO's assessment. BTSDf 9.125 07/24/28 was down 0.3pt this morning. See below.*
- *FAEACO: Far East Consortium (FEC) extends HOA termination date with Star to 31 Jul'25 from 7 Jul'25. FAEACO 12.814 Perp lowered 0.4pts this morning. See our comments on FEC on 4 Jul'25.*

#### ❖ Trading desk comments 交易平台市场观点

Last Friday, the flows in Asia IG space was light with US out for holiday. The recent new NHSECS/KORGAS 28-30s were 1-2bps tighter. The recent new CNMDHL 28 tightened 2bps, while CNMDHL 26 widened 7bps. In Chinese IGs, MEITUA 30s/TENCNT 28s widened 1-2bps. The long end of BABA/CNOOC 43-54s were 0.5-0.9pt higher (1-7bps tighter in spreads). In financials, NSINTW/SHIKON 34-35s tightened 2-5bps. DAIL Perp/KYOBOL 52 were up 0.1pt. In AT1s, the recent new RY 6.75 85/NOMURA 7 Perp were up 0.1pt. BNP 8.5/SOCGEN 9.375/UBS 7.75 Perps were unchanged to 0.1pt higher. In HK, FAEACO Perp was up 0.1pt, but still closed 5.7pts lower WoW. See our comments on FEC on 4 Jul '25. H&H announced 1H25 unaudited financial updates before last Fri close. BTSDf 28 lowered 0.4pt. See comments below. HYSAN Perps lowered 0.1-0.8pt. MTRC Perps were better offered by AMs and closed 0.1pt lower. CKPH/CKINF Perps lowered 0.4-0.5pt. NWDEVL Perps/27-31s were 0.5pt lower to 0.8pt higher, closed 1.3pts lower to 0.6pt higher WoW. CTFCHK 28-29s were up 0.1-0.5pt, closed 0.8-1.2pts higher WoW. In Chinese properties, ROADKG 28-30s/Perps were 0.1pt lower to 0.5pt higher, closed unchanged to 0.4pt lower WoW. DALWAN 26 declined 0.8pt, LNGFOR 32/YXREIT 26 lowered 0.3pt. Outside properties, EHICAR 26-27s lowered 0.5-1.3pts, closed 0.9-2.2pts lower WoW. WESCHI 26 lowered 1.3pts, closed 1.4pts lower WoW. In SE Asia, VLLPM 27-29s lowered 0.2-0.9pt. VEDLN 28-33s were down 0.1-0.3pt.

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LGFVs remained sought after across CNH and USD spaces. The higher yielding CNH LGFVs such as HNSDCC 7 26s/LUOYNG 7.5 26s further compressed around 25bps. There were selling interests on USD BADNHI 6.9 28s and buying interests on CNH QINLID 5.9 28s. In SOE perps, CHPWCN Perp was up 0.1pt, SPICPE Perp was down 0.1pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CNOOC 3.3 09/30/49	74.7	0.9	EHICAR 7 09/21/26	68.7	-1.3
CNOOC 4 7/8 04/30/44	96.9	0.8	WESCHI 4.95 07/08/26	86.1	-1.3
NWDEVL 4 1/2 05/19/30	50.0	0.8	VLLPM 9 3/8 07/29/29	66.2	-0.9
CNOOC 4 1/4 05/09/43	89.8	0.6	HYSAN 4.85 PERP	64.6	-0.8
CTFSHK 6 3/8 08/22/28	96.8	0.5	DALWAN 11 02/13/26	96.0	-0.8

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – US stock markets were closed on last Friday. UST yield was unchanged, 2/5/10/30 yield at 3.88%/3.94%/4.35%/4.86%.

#### ❖ Desk Analyst Comments 分析员市场观点

##### ➤ **BTSDF: Adj. net profit to increase up to 15% yoy in 1H25; objected ATO's assessment**

Health & Happiness (H&H) expects its total revenue to increase mid-single-digit yoy in 1H25 on a like-for-like basis, i.e. excluding the impact from forex, with growth across all business segments ANC, BNC and PNC. ANC segment's mid-single-digit growth was driven by double-digit growth in mainland China and other Asia and Middle East markets from higher demand for beauty, anti-aging and detox products. BNC segment recorded low-single-digit growth, supported by high-single-digit growth in IMF and partly offset by double-digit decline in pediatric probiotic and nutritional supplements. As of May'25, Biostime has 15.8% market shares in the super-premium IMF segment in the mainland China, up from market shares of 13.0% a year earlier. PNC segment showed high-single-digit growth under its premiumization strategy and expanding pet population.

H&H expects its adjusted EBITDA to decline up to 5% yoy in 1H25, while the EBITDA margin to stay at mid-to-high teens. The net profit is expected to fall in a range of 45-65% yoy in 1H25, due to one-off premium paid for the tender offer and early redemption of the BTSDF 13.5 06/26/2026 in 1Q25. Adjusting the non-cash and non-recurring items, the adjusted net profit is expected to increase in a range of 1-15% yoy in 1H25. As of Jun'25, H&H had cash of RMB1.8bn, up from RMB1.4bn as of Mar'25. H&H has no major maturity over the next 2 years.

In Apr'25, Australian Tax Office (ATO) had issued notices of amended assessment to H&H's subsidiary Biostime Healthy Australia Pty (BHA). Recalled that ATO conducted an audit on BHA regarding the value of IP and other assets transferred in 2018 where BHA has paid AUD19mn of tax. In Jun'25, BHA has formally objected to the ATO's amended assessments which demanded tax, interest and penalty totaled AUD407mn. ATO then required BHA to provide cash deposit of AUD104mn by 15 Jul'25 which is an administrative practice of ATO for disputed tax debts. Such amount will be classified as assets on BHA's balance sheets as the deposit plus interest will be refunded to BHA in the event BHA is successful in the dispute. BHA does not consider there will be a final fund outflow in relation to the dispute, and it is also prepared to initiate further legal proceedings.

We maintain buy on BTSDF 9.125 07/24/28, in view of H&H's good access to various funding channels as well as the lengthened maturity profile. We believe that H&H is on track to deliver positive revenue growth in FYE25 in view of the IMF recovery in the mainland China and the revenue growth in 1H25. At 101.7, BTSDF 9.125 07/24/28 is trading at YTM of 8.5%, and offering yield pick-up of 55bps over FOSUNI 8.5 05/19/28 (-/BB-/-, YTM of 7.9%), and 142bps over GWFOOD 3.258 10/29/30 (-/BB, YTM of 7.1%) with 2.2 years shorter in maturity.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Tai An High-tech Construction Group	90.2	3yr	6.9%	6.9%	Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Lotte Property & Development	USD	-	3yr	T+100	Aa3/-/-
Shinhan Financial Group	USD	-	5yr2wk	T+90	A1/A/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 50 credit bonds issued on last Friday with an amount of RMB32bn. As for Month-to-date, 258 credit bonds were issued with a total amount of RMB265bn raised, representing a 14.1% yoy decrease
- **[FTHDGR]** Fantasia seeks to wrap up talks with holders of more than 30% of offshore bonds
- **[JFCPM]** Jollibee plans to open more stores in North America
- **[NSANY]** Nissan Motor to begin exports of electric vehicles from China in 2026
- **[PERTIJ]** Pertamina renewable arm partners with LONGi to build 1.6GW solar panel factory
- **[SAMIND]** Samsung Heavy set to win major offshore liquefied natural gas order from US-based Delfin Midstream. Samsung Heavy and Vietnam partner to jointly build four oil tankers
- **[SINOPE]** Sinopec launches offshore solar project in China to cut carbon emissions
- **[SKM]** SK Telecom eyes USD734mn in AI data center-related sales by 2030. SK Telecom to revise down FY25 revenue forecast by 4.5% due to cyber breach. South Korea orders SK Telecom to boost data security following massive breach
- **[TATAIN]** Tata Steel receives USD223mn demand notice for alleged shortfall in mineral dispatch

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