CMBI Credit Commentary

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

- *Light flows this morning. Chinese IG recovered, TMT names BABA /MEITUA/TENCNT tightened 2-3bps and we saw two-way flows on financial FRNs. LGFVs were under better buying from onshore client. SOFTBKs further dropped 0.1-1.8pts.*
- ***MEDCIJ:** Diverse funding access continues to support its credit profile. MEDCIJ '32s were 0.2pt higher this morning. See below.*
- ***ZHHFGR:** Media reported that Zhuhai Huafa to sell Marriott-branded hotel to Zhuhai Gree for RMB2bn (cUSD300mn). CNH ZHHFGR were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, Asia IG proved resilient despite heavy risk-off sentiment across broader risk assets, with spreads only 3-5bps wider while duration holding up well. TENCNT '36s opened 5bps wider but retraced back to unchanged, though KUAISH '36/MEITUA '36 closed 2-3bps wider. Amid lower rates, we saw better selling across front-end China IG TMT/SOE/AMC, while there were onshore buying in China/HK T2s CINDBK '33/BNKEA '34, and the FRESHK curve stabilized as global RM topped up '28/29. TW lifers were mixed with CATLIF 3bps wider while NSINTW/SHIKON/FUBON closed flat.

In AT1 space, the new HSBC 7.625 Perp priced generously and traded nearly 1.0pt higher into the Asia close, repricing the existing '31/32s curve 0.25-0.5pts lower, while the INTNED 7.75 Perp opened 0.5pt lower before AM/HF buying lifted it 0.2pt off the lows. Other EU names SOCGEN/BNP/UBS followed a similar theme of selling the front end to buy duration. LGFVs remained weak with light flows. CPDEV/BCDHGR decreased 0.1-0.2pt. Chinese developer CHJMAO/LNGFOR/GRNCH were 0.1-0.5pt lower. GLPSP/GLPCHI lost 0.1-0.5pt. SOFTBKs further dropped 1.0-3.3pts.

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❖ **Last Trading Day's Top Movers**

Top Performers	Price	Change
WLISRC 7 7/8 06/23/36	**88.0**	**3.0**
NWDEVL 4 1/8 07/18/29	**80.3**	**1.0**
NWDEVL 12.179 PERP	**91.4**	**1.0**
GARUDA 6 1/2 12/29/31	**76.7**	**0.8**
AVAPLN 8 1/2 05/15/31	**91.3**	**0.7**

Top Underperformers	Price	Change
SOFTBK 9 3/4 04/01/34	**95.4**	**-3.3**
SOFTBK 9 1/4 04/01/32	**96.2**	**-2.6**
SOFTBK 7 1/4 07/10/32	**91.1**	**-2.1**
SOFTBK 8 1/4 10/29/65	**88.5**	**-1.6**
SOFTBK 5 1/4 07/06/31	**87.6**	**-1.5**

❖ **Marco News Recap 宏观新闻回顾**

Macro – S&P (+0.31%), Dow (-0.46%) and Nasdaq (+1.09%) were mixed on last Friday. US Oct'26 Nonfarm Payrolls were +165k, higher than the market expectation of +65k. US Oct'26 Unemployment Rate was 4.1%, below the market expectation of 4.2%. US Oct'26 Average Hourly Earnings were +0.4% mom, higher than the market expectation of +0.3%. UST yield was higher on last Friday. 2/5/10/30 year UST yield was at 4.51%/4.64%/4.86%/5.26%.

❖ **Desk Analyst Comments 分析员市场观点**

➢ **MEDCIJ: Diverse funding access continues to support its credit profile**

Last week, Medco Energi priced USD300mn of Reg S/144A senior unsecured bonds (Ba3/BB-/BB-) due 2032 at 8.875%. The new bonds are issued by Medco Redwood Tree Limited, its wholly-owned subsidiary, and guaranteed by Medco Energi. Net proceeds will be used to refinance or repay existing debts, including the USD261mn MEDCIJ 6.95 11/12/28 and USD482mn MEDCIJ 8.96 04/27/29. From a RV perspective, we view the new MEDCIJ '32s were priced wider than expected relative to the outstanding MEDCIJ '28-30s curve, partly reflecting a premium for longer duration amid rate volatility.

We view the transaction as credit positive from a liability management perspective. It demonstrates continued access to the offshore bond market and should extend the debt maturity profile to the extent that proceeds replace shorter-dated debt, reducing refinancing risk and providing greater flexibility to manage upcoming dues. That said, the impact the financing costs will depend on the debt being repaid, as the new coupon is higher than the MEDCIJ 6.95 11/12/28 but slightly below the MEDCIJ 8.96 04/27/29. As discussed before, we view Medco Energi's 1H26 results as supportive of its credit profile, with adequate liquidity and good access to diverse funding channels. We maintain buy on MEDCIJ '29-30s. Please refer to our 1H26 results comments in our daily on 28 Sep'26.

➢ **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	IPT/IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➢ News and market color

- Regarding onshore primary issuances, there were 40 credit bonds issued last Friday with an amount of RMB59bn. As for Month-to-date, 284 credit bonds were issued with a total amount of RMB293bn raised, representing a 35.9% yoy decrease

- **[ADEIN]** Media reported that Adani Enterprises plans to invest up to USD4.3bn annually to boost airports and data centers in the next two years

- **[INCLEN/INGPHL/RPVIN]** ReNew to redeem early USD84mn INGPHL 4 02/22/27 on 19 Nov'26, USD284mn to remain outstanding

- **[VEDLN]** S&P affirmed Vedanta Resources at BB with stable outlook

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