

CMBI Credit Commentary

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

- *This morning, the new KEBHNB Float 28 tightened 5bps from issuance at SOFR+60, and KEBHNB 30 was 2bps tighter from T5+43. TW lifers/HYUELEs/HYNMTRs/OCBCSP 35 were unchanged to 2bps tighter. JP AT1s and insurance hybrids recovered 0.1pt. IPT of the new CWAHK 30 at 6.375%. See our comment on the FV [yesterday](#). CWAHK 26 was unchanged this morning.*
- **VEDLN:** CCI approved JPA acquisition. Maintain buy on VEDLN 9.475 07/24/30. VEDLN 30-33s were 0.1-0.2pt higher this morning. See below.
- **European AT1:** Swiss Federal Administrative Court ruled that the Mar'23 decree to write down the CHF16.5bn (cUSD20.5bn) AT1 bonds was unlawful, but has not yet decided on the reversal request. European AT1s were unchanged to 0.1pt higher this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, the macro sentiment remained fragile amid more trade headlines. Korean IG space was 1-4bps wider. There was better selling on the HYUELE curve and front-end FRNs. JP bank FRNs and the recent issues NOMURA/HOKKEL/MITEST widened 2-5bps. Yankee and Japanese AT1s and insurance hybrids were down by 0.1-0.2pt even with dip buying from AMs, prop desks, and PB clients in tactical sizes. TW lifers space widened 3-5bps amid global money and China AM accounts selling. We saw better buying on China TMTs MEITUA/BABA, but the overall China IG spreads were unchanged to 3bps wider. There was small selling on BNKEA 28/34s, as well as long-end HKAAAs/HKINTLs. In Greater China higher-beta credits, FOSUNI 26-29s/LIFUNGS as well as HK property HYSAN Perps/LASUDE 26 were down by 0.5-1.4pts. FAEACO 12.814 Perp/CWAHK 26 edged 0.1pt higher. See our comment on FAEACO on [13 Oct'25](#), and analysis on the fair value of the new CWAHK 30 [yesterday](#). In Chinese properties, VNKRL 27-29 were down another 1.2-1.3pts amid headlines on the detention of Vanke's former President and CEO Zhu Jiusheng. Zhu had already resigned from Vanke back in Jan'25, and we view that the detention should have limited impact to Vanke and its relationship with SZ metro. In Southeast Asia space, OCBCSP 35 widened another 2bps. PETMK curve was 2-5bps wider amid Banks/AMs selling. BBLTB sub curve was up to 5bps wider, while there was better buying on BBLTB 33-34s senior. VLLPM 29 increased by 1.1pts. GARUDA 6 1/2 12/28/31 dropped 2pts. VEDLN 28-33s lowered 0.2-0.8pt. See comments below. AU bank FRNs were up to 3bps wider. PBs/Chinese AMs were selling ANZ/NAB Bank T2 papers.

LGFVs were largely stable across the credit curve as the sector once again showed some negative-correlation against the broader risk sentiment. Buying flows further recovered in higher-yielding LGFV names amid weakness in equities.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|-----------------------|-------|--------|-----------------------|-------|--------|
| VLLPM 9 3/8 07/29/29 | 53.5 | 1.1 | GARUDA 6 1/2 12/28/31 | 89.5 | -2.0 |
| BHP 5 1/2 09/08/53 | 102.6 | 0.9 | LASUDE 5 07/28/26 | 65.7 | -1.4 |
| MUFG 3.751 07/18/39 | 88.9 | 0.6 | LIFUNG 5 1/4 PERP | 58.6 | -1.4 |
| ARAMCO 4 3/8 04/16/49 | 84.7 | 0.6 | VNKRLE 3.975 11/09/27 | 74.5 | -1.3 |
| WSTP 2.963 11/16/40 | 77.6 | 0.5 | VNKRLE 3 1/2 11/12/29 | 66.9 | -1.2 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.16%), Dow (+0.44%) and Nasdaq (-0.76%) were mixed on Tuesday. UST yield was lower on Tuesday. 2/5/10/30 yield was at 3.48%/3.60%/4.03%/4.62%.

❖ Desk Analyst Comments 分析员市场观点

➤ VEDLN: CCI approved JPA acquisition

The Competition Commission of India (CCI) approved Vedanta Ltd (VEDL) proposed acquisition of Jaiprakash Associates (JPA), a key milestone in VEDL's INR170bn (cUSD1.9bn) bid under the Insolvency and Bankruptcy Code (IBC) process. VEDL emerged as the top bidder outbidding the Adani Group in Sep'25, with the transaction structured as an upfront payment of INR38bn (cUSD428mn) followed by annual instalments of INR25-30bn over the subsequent five years, funded by a mix of debt and cash on hand. The closing is still subject to customary approvals and process timelines under IBC.

As discussed in our daily on 24 Sep'25, the acquisition of JPA by VEDL could slow down its deleveraging trajectory given incremental funding needs. JPA's businesses are concentrated in cyclical, capital-intensive segments such as real estate, cement, and infrastructure where synergies with VEDL's core metals and mining platform are limited, and such expansion could also weaken VEDL's operating profile. In addition, JPA's lenders have sought provisions for contingent payments linked to an ongoing Yamuna Expressway Industrial Development Authority land dispute, which create more uncertainties of VEDL's cash flow. The matter is pending before the Supreme Court, after the Allahabad High Court cancelled the 1,000 hectares land allotment in Mar'25 for its sports city project near New Delhi, given JPA's non-payment of dues and failed to develop core sports facilities within deadline.

On a RV basis, we still prefer VEDLN 9.475 07/24/30 for a better risk-adjusted profile. At 100.3, VEDLN 9.475 07/24/30 is trading at 9.4% YTW, and offer 78bps yield pickup over Nickel Industries' recent new issue NICAU 9 09/30/30 (B1/-/B+).

Table 1: VRL's o/s USD bonds

| Security name | ISIN | Amt o/s (USD mn) | Ask Px | YTW | Issue rating (M/S/F) |
|-----------------------|--------------|---------------------|--------|------|-------------------------|
| VEDLN 10.25 06/03/28 | USG9T27HAH76 | 300 | 103.1 | 8.1% | -/B/B+ |
| VEDLN 10.875 09/17/29 | USG9T27HAG93 | 1,200 | 103.8 | 9.3% | -/B/- |
| VEDLN 9.475 07/24/30 | USG9T27HAL88 | 550 | 100.3 | 9.4% | B2/B/- |
| VEDLN 11.25 12/03/31 | USG9T27HAJ33 | 500 | 105.5 | 9.6% | -/B/B+ |
| VEDLN 9.125 10/15/32 | USG9T27HAN45 | 500 | 97.6 | 9.6% | B2/-/B+ |
| VEDLN 9.85 04/24/33 | USG9T27HAK06 | 550 | 100.0 | 9.8% | B2/B/- |

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|-----------------------------|------------------|-------------|------------------|-------------------|-------------------------|
| Jinan Hi-tech International | 190 | 3yr | 4.15% | 4.15% | -/-/BBB |
| KEB Hana Bank | 300/ 300 | 3yr/ 5yr | SOFR+60/ 4.0% | SOFR+60/ T5+43 | Aa3/A+/- |

➤ Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|---|------------------|--------------|--------|--------|-------------------------|
| China Water Affairs | USD | 200 (capped) | 5NC3 | 6.375% | Ba1/BB+/- |
| Chengdu Sino French Ecological Park Investment Development | USD | - | 3yr | 4.5% | Unrated |

➤ News and market color

- Regarding onshore primary issuances, there were 105 credit bonds issued yesterday with an amount of RMB181bn. As for month-to-date, 292 credit bonds were issued with a total amount of RMB387bn raised, representing a 62.3% yoy increase
- Taiwan is urging insurers to give investment mandates worth billions of USD to local wealth managers to help develop the financial industry
- [BHP]** BHP inks USD48.5mn option deal to acquire Serbia's Central Timok copper project
- [POHANG]** POSCO unit wins USD 470m deal to supply battery materials
- [PICAHF]** Piramal Finance, KKR initiate stake sale process in Shriram General Insurance
- [SOFTBK]** SoftBank to list payments app operator by Dec'25, valuation could exceed JPY3tn (cUSD20bn)
- [XIAOMI]** Xiaomi 3Q25 global smartphone shipments tick up 1.8% yoy to 43.5mn units
- [ZHONAN]** ZhongAn 9M25 total gross written premiums rise 5.6% yoy to RMB26.9bn (cUSD3.8bn)

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