

**CMBI Credit Commentary****Fixed Income Daily Market Update 固定收益部市场日报**

- *Market tone was cautious this morning. Asian IG benchmarks tightened 1-2bps. AMCs remained heavy. VNKRLs rebounded 0.5-1pt. NWDEVLs were unchanged to 0.5pt higher.*
- **VEDLN:** *VRL to issue USD900mn VEDLN 10.875 09/17/29; VEDL expects to complete the demerger by FY25. VEDLNs were unchanged to 0.1pt higher this morning. See comments below.*
- **GRNCH:** *Greentown China announced that USD73.35mn of GRNCH 2.3 01/27/25 validly tendered pursuant to tender offer. GRNCHs were unchanged to 0.25pt lower this morning.*

**❖ Trading desk comments 交易台市场观点**

Yesterday, the new CKHH 30/34 were 4-5bps wider from their ROs (CT5+95 and CT10+115, respectively). JP/AU insurance hybrids such as MYLIFE '54/QBEAU 5.25 Perp were 0.1-0.4pt higher. In Chinese IGs, HAOHUA/SINOCH 28-31s were 2-5bps wider. In financials, S&P revised the outlook to developing from negative on ratings of Haitong and HTI, affirmed ratings. Moody's also affirmed GTJA and Guotai Junan Intl's ratings with outlooks stable. GTJAs/ HTISECs/HAISECs/ UNFILEs closed unchanged to 2bp tighter. See our comments on [6 Sep '24](#). Chinese AMCs were mixed. CCAMCLs/ORIEASs widened 2-5bps. GRWALL 26/30 were 3-4bps tighter. In AT1s, Aussie bank AT1s were firm. ANZ 6.75 Perp/MQGAU 6.125 Perp/WSTP 5 Perp closed another 0.1-0.2pt higher after gaining 0.7-1.4pts on Tue. Their T2s closed unchanged in spreads. See our comments on [11 Sep '24](#). The recent new BNP 7.375 Perp/HSBC 6.875 Perp/HSBC 6.95 Perp were 0.2-0.3pt lower. In HK, NWDEVL Perps/27-31s were another 1.1-3.1pts lower. LIFUNG Perp was down 0.9pt. On the other hand, HYSANs were 0.2-0.4pt higher. Chinese properties moved lower. VNKRL 25-29s dropped 2.6-3.3pts, closed 9.2-10.2pts lower WTD. FUTLAN/FTLNHD 25-26s and LNGFOR 27-32s declined 1.3-2.2pts. ROADKGs were down 0.3-0.8pt. On the other hand, GRNCH 2.3 '25 rose 0.7pt to 99.4 and other GRNCHs were unchanged. Greentown China announced the repurchases of USD73.35mn in aggregate principal amount of the GRNCH 2.3 '25 through tender offer, leaving only USD26.65mn outstanding. In industrials, FOSUNI 25-27s were another 1.1-1.3pts lower. EHICAR 24/26 were down 0.5-0.8pt. In Macau gaming, MPELs/SANLTDs/WYNMACs were 0.2-0.6pt lower. In India, the new VEDLN '29 was 0.6pt lower from RO at par. VEDLN 26-28s were unchanged to 0.3pt lower. See comments below. UPLLINs were down 0.4-0.9pt. In Indonesia, MEDCIJ 26-28s were down 0.3-0.6pt. Elsewhere, SMCGL 8.75 Perp was down 0.1pt. GLPSP Perps declined another 1.0-1.2pts, closed 3.9-4.2pts lower WTD.

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

**Cyrena Ng, CPA 吳倩瑩**  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Jerry Wang 王世超**  
(852) 3761 8919  
jerrywang@cmbi.com.hk

In LGFVs, SDGOLD '26 was up 0.3pt. ZHEBAR/GZGETH 27s were 0.2pt higher. CPDEVs/BCDHGRs were unchanged to 0.1pt higher. In SOE perps, CHCOMU 3.65 Perp/CHSCOI 3.4 Perp/SPICPT 3.45 Perp were up 0.1-0.4pt, CCBINT 3.329 Perp was down 0.1pt.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CATIC 3.3 09/23/30	95.4	0.9	VNKRLE 3 1/2 11/12/29	40.8	-3.3
INDON 4 3/4 07/18/47	98.4	0.8	NWDEVL 5 1/4 PERP	75.2	-3.1
INDON 4.3 03/31/52	90.5	0.7	NWDEVL 4 1/8 PERP	54.0	-3.0
GRNCH 2.3 01/27/25	99.4	0.7	VNKRLE 3.15 05/12/25	74.8	-2.6
INDON 4.35 01/11/48	92.1	0.7	VNKRLE 3.975 11/09/27	44.9	-2.6

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+1.07%), Dow (+0.31%) and Nasdaq (+2.17%) rebounded on Wednesday. US Aug'24 core CPI rose 0.3% mom, higher than the expectation of +0.2% mom. UST yield edged higher yesterday, 2/5/10/30 yield reached 3.62%/3.45%/3.65%/3.96%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ VEDLN: VRL issued USD900mn VEDLN 10.875 09/17/29; VEDL expects to complete the demerger by FY25

Vedanta Resources (VRL) priced the 5NC2 VEDLN 10.875 09/17/29 (S&P: B-) of USD900mn at par, and the bond will be callable from 17 Sep'26. The proceeds will be used to refinance VEDLN 13.875 01/21/27 and VEDLN 13.875 12/09/28 (o/s amt: USD1,008mn), with priority to be given to VEDLN 13.875 01/21/27. Therefore, VEDLN 13.875 01/21/27 of USD470mn will be redeemed in full on 2 Oct'24, according to the conditional redemption notice. Recalled that VRL launched the tender offers for VEDLN 13.875 01/21/27 and VEDLN 13.875 12/09/28 on 3 Sep'24 after sending the notice on conditional call on 2 Sep'24 to prioritize cash proceeds from the new issue to refinance VEDLN 13.875 01/21/27.

The remaining of the proceeds of cUSD430mn will then be used to redeem part of the VEDLN 13.875 12/09/28 (o/s amt: USD1,008mn), after the settlement of the redemption of VEDLN 13.875 01/21/27 together with related accrued and unpaid interests. According to the T&C of the tender offers on above two bonds launched by VRL on 3 Sep'24, bondholders who tendered all of their bonds after the early tender deadline (16 Sep'24) and prior to the expiration time (1 Oct'24) will receive the tender offer consideration (USD96), and will not be eligible for any redemption price (USD100) on 2 Oct'24 in accordance with the conditional redemption notice. Taking cues from current prices, we believe that holders of VEDLN 13.875 01/21/27 will be indifferent of tender offers and calls while holders of VEDLN 13.875 12/09/28 will be reluctant to tender their bonds and have their positions partially called.

This round of funding exercises help moderately relieve VRL's refinancing pressure. The next offshore maturity for VRL will be VEDLN 9.25 04/23/26 of USD600mn in Apr'26, followed by the amortization payment on the two VEDLN 13.875 12/09/28 totaled USD634mn in Aug'27.

Separately, Vedanta Ltd (VEDL) expects to conclude the demerger by Mar'25. VEDL is awaiting clearance for the scheme of demerger from India's National Company Law Tribunal, which typically takes 4-6 months to complete.

The completion of demerge should be slightly positive on VEDL's credit profile, in our view, as a "flatter" organization structure will likely reduce the structural subordination risk although detailed assessments can only come after details on how to allocate the debts among different group companies. We maintain neutral on VEDLNs on valuation.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Jinan Lixia Holding Group	250	3yr	5.7%	5.7%	-/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

#### ➤ News and market color

- Regarding onshore primary issuances, there were 126 credit bonds issued yesterday with an amount of RMB101bn. As for month-to-date, 619 credit bonds were issued with a total amount of RMB532bn raised, representing a 38.5% yoy increase
- [BABA]** Media reported that Alibaba's logistics unit plans to build a second round of e-commerce hubs across the globe
- [GRNCH]** Greentown China announced that USD73.35mn of 2.3% credit enhanced bonds due 2025 validly tendered pursuant to tender offer
- [KAISAG]** Media reported that Kaisa Group plans to convene meeting to vote on debt restructuring later this year
- [MEITUA]** Fitch upgraded Meituan to BBB with positive rating outlook
- [SINOCE]** Sino-Ocean Group winding-up petition hearing adjourned to 23 Sep'24
- [SYNNVX]** Media reported that Sinochem-owned Syngenta plans to cut 150 jobs in headquarter
- [VNKRLE]** China Vanke secured RMB798mn loans from banks

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

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