

CMBI Credit Commentary

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

- *The new STESP 30s tightened another 3bps to T+50 this morning. PKX 30s/35s tightened 2-3bps. CATLIF 33s/NSINTW 34s were 8-10bps wider on the sharp appreciation of TWD. KBANK/BBLTB 31-36s were 1-3bps wider. NIPLIF/MYLIFE 55s were down 0.2pt.*
- **MEDCIJ:** *Tender offers and concurrent new 5NC2 USD bonds issuance. MEDCIJ 26-27s were 0.5-0.6pts higher this morning while MEDCIJ 28-29s were 0.2pts higher. See below.*
- **ADGREG:** *Adani Group representatives met Trump officials seeking to end bribery cases. ADGREG 42s/AREN RJ 39s/ADANEMs were 0.3-0.5pts higher this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, the new STESP 30s tightened 2bps. The recent new PETMK 35s/55s widened 2-3bps. PKX 30s/35s widened 2-3bps. On the other hand, the recent new TYANLI 35s tightened 12bps to T+237. KOB COP/KOROIL 28-30s tightened 1-2bps. In financials, BBLTB 34-40s closed unchanged to 2bps wider. KBANK 4/BBLTB 5 Perps were 0.1pt lower. In JP, NIPLIF/MYLIFE 54-55s were down 0.2-0.3pt. In HK, HKAA/MTRC 30-35s tightened 1-2bps. NWDEVL 27-31s were unchanged to 0.3pt higher. In Chinese IGs, CNOOC/SINOPE/SINOCH 39-50s were 1.5-1.8pts lower (3-8bps wider). In Chinese properties, LNGFOR 27-32s were 0.2-0.6pt higher. In Macau gaming, SANLTD/MGMCHI 27-31s were 0.2-0.8pt lower. See our comments on [2 May'25](#). In SE Asia, ADSEZ/ADANEM 27-41s were up 0.2-0.7pt. MEDCIJ 26-27s were up 0.1-0.2pt. Yesterday, Medco announced tender offer on MEDCIJ 26-27s and concurrent new issue 5NC2 bond. See comments below.

In LGFVs, there were two way interests on the USD names such as CDECTH 5.8 28s/CQNANA 4.5 26s and CNH papers such as JDZUDG 6.5 28s. In SOE perps, AVIILC Perp were 0.4pt higher. CHPWCN/SPICPT Perps were up 0.2pt, while HUADIA Perp was down 0.1pt.

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

Cyrena Ng, CPA 吳蒨瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ADSEZ 3.1 02/02/31	81.4	0.7	CNOOC 4 7/8 04/30/44	95.5	-1.8
ADSEZ 4.2 08/04/27	94.9	0.7	CNOOC 7 1/2 07/30/39	127.5	-1.7
SOFTBK 6 7/8 PERP	96.1	0.7	SINOPE 5 3/8 10/17/43	101.1	-1.7
LNGFOR 4 1/2 01/16/28	88.7	0.6	SINOCH 6.3 11/12/40	107.8	-1.7
GRNKEN 4.3 12/13/28	92.0	0.5	SINOPE 3.35 05/13/50	73.3	-1.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.64%), Dow (-0.24%) and Nasdaq (-0.74%) were lower on Monday. US Apr'25 nonfarm payroll was +177k, higher than the market expectation of +138k. US Apr'25 unemployment rate was 4.2%, same as the market expectation. Trump announced a 100% tariff on movies produced outside the US but provided no details on how such levies would be implemented. UST yields was higher on Monday, 2/5/10/30 yield at 3.83%/3.95%/4.36%/4.83%.

❖ Desk Analyst Comments 分析员市场观点

➤ MEDCIJ: Tender offers and concurrent new 5NC2 USD bonds issuance

Medco Energi (Medco) launches tender offers for MEDCIJ 7 ¾ 05/14/26 and MEDCIJ 6 ¾ 01/30/27, to purchase up to all the outstanding amount of the two bonds. See Table 1. The tender offers will be funded by a concurrent 5NC2 USD bonds issuance, drawdowns from committed bank loan facilities and internal cash. The tender offers are subject to the completion of the new bonds issuance of at least USD400mn.

We consider the FV of new MEDCIJ 30 (B1/BB-/BB-) to be mid high 8%, in view of its own bonds MEDCIJ 8.96 04/27/29 (YTM of 8.3%) adjusting for tenor premium and structural differences. The bonds will be issued by Medco Cypress Tree, guaranteed by Medco and certain of Medco's subsidiaries. The bonds will have first lien on the collaterals consisting of (i) a charge by Medco Strait Services of all the capital stock of the issuer, (ii) security interest granted over all of the issuer's rights in the interest reserve account, and (iii) an assignment by the issuer of its interest and rights under the intercompany loan. Key covenants of the new bonds are FCCR greater than 3.0x and net debt/EBITDA lower than 5.0x, in line with existing bonds. Proceeds from the new bonds are to refinance existing debts, including the tender offers, redemption, or other purchases, or replace committed but currently undrawn facilities.

We maintain buy on MEDCIJs and prefer MEDCIJ 6.95 11/12/28 for better risk-return profile within the curve. We continue to view Medco as a candidate to conduct more early redemptions or early calls given its sufficient liquidity and good access to onshore funds. YTD, Medco repurchased USD37mn of its bonds during 2025 of which USD16.6mn was MEDCIJ 6 ¾ 01/30/27, implying totaled USD20.4mn of MEDCIJ 6.95 11/12/28 and MEDCIJ 8.96 04/27/29 were repurchased and not yet cancelled. Recalled that Medco has been actively managing its maturity profile by riding on improving operating flow and stronger onshore liquidity over the past two years, and repurchased totaled USD337mn of USD bonds through tender offers and market repurchases in 2024.

Table 1: Summary of the tender offers

Security name	MEDCIJ 7 ¾ 05/14/26	MEDCIJ 6 ¾ 01/30/27
Amt o/s (USDmn)	242.319	418.708
Maximum acceptance amt	Any and all	Any and all
Early tender consideration	101.5	100
Late tender consideration	98.5	97

Early deadline	16 May'25
Expiration deadline	3 Jun'25
Results announcement	4 Jun'25
Expected settlement	9 Jun'25

Source: Company filing.

Table 2: Medco o/s USD bonds

Security Name	ISIN	Amt o/s (USDmn)	Ask Px	Ask YTM	Issue rating (M/S/F)	Payment rank
MEDCIJ 7 ¾ 05/14/26	US58405FAA30	242.3	100.8	6.6%	B1/BB-/BB-	Secured
MEDCIJ 6 ¾ 01/30/27	US58406LAA98	418.7	99.2	6.9%	B1/BB-/BB-	1 st lien
MEDCIJ 6.95 11/12/28	US58406RAA68	299.4	97.6	7.7%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.96 04/27/29	US58407HAA77	500.0	102.1	8.3%	B1/BB-/BB-	Sr unsecured

Source: Bloomberg.

➤ **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)
Shinhan Bank	USD	-	5yr	T+110	Aa3/A+/A

➤ **News and market color**

- Onshore primary issuances suspend during the Labor Holidays.
- Visitors entering Macau numbered 221,968 on 2 May'25, the highest single-day total since the pandemic
- **[BABA/BIDU/JD/WB]** US lawmakers urge delisting of Chinese companies including Alibaba, JD.com, Baidu, and Weibo on national security grounds
- **[FOSUNI]** Fosun to raise USD 217m by selling office space to Portuguese central bank
- **[GARUDA]** Garuda Indonesia grounds at least 15 jets amid maintenance difficulties
- **[IDASAL/PGN]** MIND ID subsidiary and PGN JV will invest USD3.2bn to develop coal-based substitute/synthetic natural gas
- **[SKM]** SK Telecom told to halt new subscriber sign-ups in wake of data breach
- **[SMCGL]** San Miguel Global Power unit plans 400-MW hydro project in the Philippines
- **[SOFTBK]** SoftBank tells Indian hospitality chain Oyo to delay planned Oct'25 IPO
- **[TTMTIN]** Tata Motors UK unit JLR restarts shipments to US after tariffs halt

- **[TYANLI/WOORIB]** Tongyang Life's acquisition by Woori Financial gets regulatory nod
- **[VEDLN]** Vedanta Resources plans to repay USD920mn debt in FY26 and USD675mn in FY27 as part of deleveraging
- **[YUZHOU]** US court recognizes Yuzhou Group's Hong Kong restructuring as a foreign main proceeding

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that

CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.