

## CMBI Credit Commentary

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

- *Asia IG space was 2-5bps wider this morning. JP long-end insurance bonds were down by 0.1pt amid light selling flows. VLLPM 29 edged up 1.1pts. LIHHK 26/EHICAR 26 were 0.5pt lower. IG LGFVs were firm, while there were two-way flows for higher-yielding LGFVs.*
- **RAKUTN:** Rakuten plans US listing for Rakuten Card per media report. RAKUTN 29s were 0.2pt higher this morning. See below.
- **IIFOIN:** Fitch has revised the outlook on IIFL Finance to positive from stable and affirmed B+ rating. IIFOIN 28s were 0.3pt higher yesterday and unchanged this morning.

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the new CWAHK 30 was down by 0.2pt from RO at 98.9. The trading activities on CWAHK'30 were muted given the smaller than expected issue size and ineligibility for indices. TW lifers closed unchanged amid two-way flows on FUBON 35/NSINTW 34-41s. NWDEVLs rose another 0.8-2.1pts. LASUDE 26 was up by 0.5pt. LIHHK 26 lowered 0.6pt. CASHLD 4 Perp was down by 0.2pt. The US Federal Communications Commission took steps to revoke PCCW's 214 authorization. We understand that the US only contributes a low single-digit percentage of PCCW's total revenue and margin of the US revenue is very low. The impact resulting from the US ban should be limited. In Chinese properties, VNKRL 27-29 recovered 0.2-0.4pt. FTLNHD 26/FUTLAN 28/LNGFOR 27-32 were 0.1pt lower to 0.1pt higher. YUZHOU 27 was down by 0.7pt. We saw better buying on Chinese FRNs from PBs. There were mixed two-way flows on HYNMTR FRNs and better buying on KOROIL 28s FRN. In Japan space, NTT/MITCO FRNs were up to 2bps wider. In the EU banks FRN space, there were sellers on HSBC and buyers on STANLN. Yankee AT1s and insurance hybrids were up to 0.3pt higher. In Southeast Asia, BBLTBs/PETMKs were 1-2bps tighter. OCBSP 32-35s widened 1-2bps amid better-selling from global RMs and PBs. SMGCL Perps were unchanged to 0.2pt higher. VEDLN 28-33s were unchanged to 0.1pt lower. See our comments on VEDLN on [15 Oct'25](#). GARUDA 31 decreased by 1.1pts. The LGFV space was firmer thanks to further buying in higher-yielding Shandong names SDGAOC/BNHAST/SCTGIT/ZOUCAO/QDOCID from RMs and retail and tactical investors.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/8 PERP	42.4	2.1	GARUDA 6 1/2 12/29/31	87.1	-1.1
NWDEVL 4.8 PERP	39.4	1.9	YUZHOU 7 06/30/27	11.7	-0.7
NWDEVL 10.131 PERP	55.8	1.7	LIHHK 4.8 06/18/26	93.4	-0.6
NWDEVL 6 1/4 PERP	41.0	1.7	HCELEC 4.65 12/29/26	68.3	-0.4
NWDEVL 5 1/4 PERP	48.4	1.5	CFAMCI 3 5/8 09/30/30	95.6	-0.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.63%), Dow (-0.65%) and Nasdaq (-0.47%) were lower on Thursday. Zions Bancorp disclosed a USD50mn charge-off for a loan underwritten by its wholly-owned subsidiary, California Bank & Trust. Western Alliance Bancorp said it made loans to the same borrowers. The US crude oil inventories was 3.524mn, higher than the market expectation of 0.3mn. UST yield was lower on Thursday. 2/5/10/30 yield was at 3.41%/3.55%/3.99%/4.58%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ RAKUTN: Rakuten plans US listing for Rakuten Card per media report

Media reported Rakuten plans a US listing of Rakuten Card. Recalled that Mizuho Financial Group acquired a 15% stake of Rakuten Card for JPY165bn (cUSD1.1bn) in Dec'24, implying a valuation of JPY1.1tn (cUSD7.3bn). The Mizuho stake sale and a potential IPO demonstrate Rakuten's ability to monetize its assets if necessary. In 1H25, Rakuten Card generated JPY178.5bn of revenue, up 9.5% yoy, driven by sustained growth in shopping GTV from a larger customer base and higher average transaction value. As of Jun'25, Rakuten Card's total equity was JPY181.2bn, and we estimate its 1H25 ROE at 16.4%.

Within RAKUTN curve, we prefer the perps because of yield pick-up, lower cash prices and Rakuten's access to various funding channels despite the higher volatility. We expect Rakuten to call its perps at the first call dates, supported by improving operating performance and diversified funding access. YTD, Rakuten issued totaled JPY270bn onshore bonds, and scheduled to call the two due-2055 JPY subordinated bonds totaled cUSD707mn on their first call dates in Nov-Dec'25. Out of the 3 perps, we prefer RAKUTN 5.125 Perp and RAKUTN 8.125 Perp for their shorter tenors. We consider RAKUTN 5.125 Perp, trading at a YTC of 5.9% and callable in Apr'26, a short-tenor carry. We also consider RAKUTN 8.125 Perp a good yield pick-up trade. At 104.4, RAKUTN 8.125 Perp offers yield pick-up of 106bps over RAKUTN 9.75 04/15/29 at a cash price 8pts lower for 8 months longer in "tenor". We are neutral on RAKUTN 6.25 Perp.

Table 1: Rakuten's USD bond profile

Security Name	ISIN	Amt o/s (USDmn)	Ask Px	YTW	First call date	Coupon reset	Step- up (bps)	Issue rating (M/S/F)
RAKUTN 11.25 02/15/27	USJ64264AG96	1,800	108.6	4.5%	-	-	-	-/BB/-
RAKUTN 9.75 04/15/29	USJ64264AK09	2,000	112.3	5.8%	-	-	-	-/BB/-
RAKUTN 5.125 Perp	USJ6S87BAA66	750	99.6	5.9%	22 Apr'26	5yUST+4.578%	25	-/B/-
RAKUTN 8.125 Perp	USJ64264AM64	550	104.4	6.9%	15 Dec'29	5yUST+4.000%	25	-/B/-
RAKUTN 6.25 Perp	USJ6S87BAX69	1,000	97.0	6.9%	22 Apr'31	5yUST+4.956%	25	-/B/-

Source: Bloomberg.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Momentive Performance Materials	700	3yr	4.125%	T+75	Aa3/A+/-
Shengzhou Investment Holding	100	3yr	4.25%	4.25%	Unrated

## ➤ 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 155 credit bonds issued yesterday with an amount of RMB152bn. As for month-to-date, 547 credit bonds were issued with a total amount of RMB599bn raised, representing a 44.5% yoy increase
- China plans to build 28mn EV charging facilities by the end of 2027, doubling nationwide charging capacity
- Indonesia extends home purchase tax incentives until Dec'27. Initially, the government had planned to extend the incentives until the end of 2026, as they were set to expire at the end of 2025
- **[DALWAN]** Wanda Hotel Development completes Wanda Hotel Management (HK) disposal
- **[GZRFPR]** Guangzhou R&F to hold bondholder call on 21 Oct'25 over revised restructuring proposal
- **[IIFOIN]** Fitch has revised the outlook on IIFL Finance to positive from stable and affirmed B+ rating
- **[LGELEC]** US authorities found no evidence that LG Electronics and Samsung Electronics undervalued US exports to lower their tariff bill
- **[MONGOL]** Moody's upgraded Government of Mongolia to B1 from B2, outlook stable
- **[NIO]** NIO faces legal action from Singapore's GIC, lawsuit stayed by US court
- **[RAKUTN]** Rakuten Group is exploring an IPO of its credit card business in the US
- **[ROADKG]** Road King bondholder group sends demand notice to company in preparation for filing winding-up petition
- **[SKM]** SK Telecom in talks to sell data home shopping platform SK Stoa
- **[SMCPM]** San Miguel obtained the required consent from bondholders to amend certain terms of five local bonds to help fund an airport project
- **[TAISEM]** TSMC 3Q25 revenue rises 30% yoy to TWD989.9bn (cUSD32.3bn); will start making 2-nanometer chips in the US ahead of schedule amid robust AI demand

- **[TOPTB]** Thai Oil looks to raise up to USD1bn in perps in 2026 to fund clean fuel project
- **[VEDLN]** Vedanta looks to raise funds from hedge funds, investors to fund Jaiprakash Associates bid

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