

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市場日報

- *This morning, the new SMBCAC 35s tightened 5bps from RO at T+115. The new BBLTB 30s tightened 2bps from issuance at T+82, the new BBLTB 35s were unchanged at T+97. TW lifers/TYANLI/NOMURA T2s and BBLTB subs were 1-3bps tighter, and Asian FRNs were 1-2bps tighter amid demand from Chinese AMs. AT1s recovered 0.1-0.3pt.*
- **SMCGL:** *Strong 9M25 earnings on one-off gain; net leverage improved on higher cash balances. SMCGL 8.75 Perp/SMCGL 8.125 Perp/SMCGL 8.95 Perp were 0.1-0.3pt lower post 9M25 results announcement. See below.*
- **VEDLN:** *Losing the JPA bid could be credit positive. VEDLN 28-33s were 0.1-0.2pt lower yesterday. See below.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, Chinese AM accounts were buying Chinese/HK/Australian/Korean FRNs and front-end bank T2s. Taiwan lifers slightly recovered amid small buying on FUBON 35. In KR space, HYNMTR/HYUELE/LGENSO curves were 1-3bps tighter with better-buying flows on bonds of 5yr tenor or shorter. AU/JP spaces were 1-3bps wider with better-selling on T2s while better-buying on FRNs and front-end papers. The NWDEVL complex continued to rise 0.3-1.6pts. NWD increased the cap on exchange offers to USD1.79bn from USD1.6bn, and added an additional early tender date for all bonds and perps on 25 Nov'25 and an extra early payment date on 1 Dec'25. FAEACO 12.814 Perp was 0.2pt higher. BTSDF 9.125 07/24/28 was unchanged. See our comments [yesterday](#) on H&H's 9M25 results. In Chinese properties, VNKRLE 27-29/FUTLAN 28/FTLNHD 26-27 lowered by 0.1-0.7pt. LNGFOR 27-32 were 0.1pt lower to 0.1pt higher. In SEA space, BBLTB curves were under pressure and widened by 1-4bps amid the new BBLTB USD issues. See our comments on BBLTB 30s/35s FV [yesterday](#). VLLPM 29 dropped by 2.2pts. IHFLIN 27-30s were 0.9-1.2pts lower. India's Supreme Court directed the Central Bureau of Investigation to file a first information report in a case against Sammaan Capital. Last evening, Sammaan Capital said the case targets only former promoter. VEDLN 28-33s were down by 0.1-0.2pt. See comments below. On the other hand, Yankee AT1s and insurance hybrids recovered 0.1-0.3pt. We saw more buying in the front-end and belly of the yield curve from Asian prop desks and AMs.

In LGFV space, HFs continued to top up the recent higher-yielding issues, whilst there were mixed two-way flows on the front-end and middle of the credit curve, with tactical investors switching out of these issues while RMs buying.

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### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 10.131 PERP	<b>52.2</b>	<b>1.6</b>	VLLPM 9 3/8 07/29/29	<b>57.8</b>	<b>-2.2</b>
NWDEVL 4.8 PERP	<b>48.8</b>	<b>1.3</b>	CCAMCL 4 3/4 12/04/37	<b>93.2</b>	<b>-1.3</b>
NWDEVL 4 1/8 PERP	<b>48.7</b>	<b>1.3</b>	IHFLIN 7 1/2 10/16/30	<b>99.0</b>	<b>-1.2</b>
NWDEVL 6 1/4 PERP	<b>48.8</b>	<b>1.2</b>	IHFLIN 8.95 08/28/28	<b>103.4</b>	<b>-1.0</b>
NWDEVL 5 1/4 PERP	<b>49.0</b>	<b>1.2</b>	IHFLIN 9.7 07/03/27	<b>103.5</b>	<b>-0.9</b>

### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.38%), Dow (+0.10%) and Nasdaq (+0.59%) were higher on Wednesday. The crude oil inventories was -3.426mn, lower than the market expectation of -0.600mn. UST yield was higher on Wednesday. 2/5/10/30 year yield was at 3.58%/3.71%/4.13%/4.75%.

### ❖ Desk Analyst Comments 分析员市场观点

#### ➤ SMCGL: Strong 9M25 earnings on one-off gain; net leverage improved on higher cash balances

San Miguel Global Power (SMCGL)'s revenue fell by 23% yoy to PHP119bn in 9M25, primarily reflecting deconsolidation effects. SMCGL reclassified SPPC, EERI and IPIEC from subsidiaries to associates following the dilution of its ownership to 33% from 100%. Consequently, earnings of from these entities were re-classified from consolidated revenue to share of net earnings from associate, which surged to PHP7bn in 9M25 from PHP236mn in 9M24. The dilution also triggered a revaluation of these investments, resulting in one-off gain of PHP22bn recognized as other income. Revenue was further weighed by downward adjustment in fuel tariffs amid lower coal price, as average GC Newcastle coal price dropped by 22% yoy to USD104/mt in 9M25 from USD134/mt in 9M24. This was partly offset by incremental output from newly operational facilities during the period.

Gross profit increased 4% yoy to PHP41bn in 9M25, driven by lower cost of sales from lower coal price. We expect additional generating capacity to support the gross profit growth in 4Q25. At the time of writing, average GC Newcastle price was cUSD106/mt QTD, compared to cUSD144/mt a year earlier. SMCGL's 9M25 EBITDA surged 57% yoy to PHP68bn mainly due to one-off revaluation gain of PHP22bn. Excluding this one-off gain, proforma EBITDA would be PHP46bn, representing 6% yoy increase from 9M24 and broadly in line with gross profit growth.

Operating cash flow declined by 38% yoy to PHP27bn in 9M25 on higher net working capital. Capex fell 35% yoy to PHP18bn, indicated disciplined capex. We expect that SMCGL continues to fund its capex through operating cash inflow with discipline. As of Sep'25, SMCGL's cash and cash equivalent increased to PHP104bn from PHP68bn as of Dec'24, attributable to preferred shares redemption from the deconsolidated entities totaled PHP79bn, shares issued to parent San Miguel of PHP59bn, free cash flow of PHP9bn, and net of debt repayment. Net debt/LTM EBITDA was lowered to 6.5x, supported by lower total debt, higher cash balances and higher LTM EBITDA. The cash to ST debt also increased to 1.4x.

Within the SMCGL curve, we prefer SMCGL 5.7 Perp, SMCGL 5.45 Perp and SMCGL 8.125 Perp for better risk-return profiles in view of their lower cash prices and higher YTC. We also have buy recommendation on PCORPM 7.35 Perp issued by SMCGL's affiliate Petron Corp. We consider these Philippine perps low-beta and good carry plays. We maintain our view that SMCGL will redeem its perps on their respective first coupon reset dates given its good access to funding channels onshore and offshore, as well as the high coupon step-up. We acknowledged that SMCGL maintains track records of calling its perps on the first coupon reset, i.e.

SMCGL 7.5 Perp in Nov'19, SMCGL 6.75 Perp in Feb'21, SMCGL 6.5 Perp in Apr'24, SMCGL 5.95 Perp in May'25, and SMCGL 7 Perp in Oct'25.

**Table 1: SMCGL o/s USD bonds**

Security name	ISIN	Ask px	Yield to next reset	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)
SMCGL 5.7 Perp	XS2098881654	99.9	6.3%	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%
SMCGL 5.45 Perp	XS2346954873	99.3	6.1%	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	XS2883979705	103.9	7.5%	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%
SMCGL 8.125 Perp	XS2943809900	101.6	7.7%	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%
SMCGL 8.95 Perp	XS3121131125	104.6	7.7%	400.0	24 Apr'30	24 Jul'30	5yUST+744.5%

Source: Bloomberg.

**Table 2: SMCGL 9M25 financial highlights**

PHP mn	9M24	9M25	Change
Revenue	153,592	118,795	-23%
- Power generation	126,376	85,160	-33%
- Retail and other power-related services	26,626	32,692	23%
- Others	589	943	60%
Gross profit	39,437	40,818	4%
EBITDA	43,286	67,948	57%
Net profit	13,465	42,399	215%
Operating cash flow	43,181	26,573	-38%
Capex	26,932	17,507	-35%
Free cash flow	16,249	9,066	-44%
Gross profit margin	25.7%	34.4%	8.7 pct pt
EBITDA margin	28.2%	57.2%	29.0 pct pt
Net profit margin	8.8%	35.7%	26.9 pct pt
	Dec'24	Sep'25	Change
Cash and ST investment	67,867	104,017	53%
Total debt	647,868	596,232	-8%
Net debt	580,000	492,215	-15%
Total debt/ LTM EBITDA	11.4x	7.9x	-
Net debt/ LTM EBITDA	10.2x	6.5x	-
Cash/ST debt	0.8x	1.4x	-

Note: Debt incl. perpetual securities.

Source: Company filing, CMBI FICC Research.

### ➤ VEDLN: Losing the JPA bid could be credit positive

The Committee of Creditors of Jaiprakash Associates (JPA) has approved the resolution plan submitted by Adani Enterprises (AEL). The implementation of the resolution plan is subject to the terms of the Letter of Intent, and requisite approvals from regulatory authorities and courts. As per media report, AEL's proposal was selected over a competing bid from Vedanta Limited (VEDL) despite VEDL's offer is higher. Lenders prioritized AEL's offer due to its faster payment structure within two years, compared to VEDL's proposed five-year timeline.

We view this outcome could be credit positive for VEDL, as it alleviates our previous concerns regarding the VEDL's deleveraging trajectory, such that VEDL to focus on its existing operations and deleveraging. The

acquisition of JPA, a capital-intensive business in a cyclical industry, would have introduced additional funding requirements and operational complexity for VEDL, in our view. We like VEDL's demonstrated access to diverse funding channels and a lengthened debt maturity profile at VRL, following several LME since Jan'24. Furthermore, VEDL reported a record-high recurring EBITDA in the 2QFY26. Please refer to our comments in our daily on [5 Nov'25](#). Within the VRL bond complex, we continue to prefer the VEDLN 9.475 07/24/30 for its more attractive risk-adjusted profile. At 100.9, VEDLN 9.475 07/24/30 is trading at YTW of 9.2% and offers c130bps yield pickup over NICAU 9 09/30/30 (B1/-/B+).

**Table 3: 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	103.0	8.1%	-/B/B+
VEDLN 10.875 09/17/29	USG9T27HAG93	1,200	104.5	9.0%	-/B/-
VEDLN 9.475 07/24/30	USG9T27HAL88	550	100.9	9.2%	B2/B/-
VEDLN 11.25 12/03/31	USG9T27HAJ33	500	105.4	9.6%	-/B/B+
VEDLN 9.125 10/15/32	USG9T27HAN45	500	97.9	9.6%	B2/-/B+
VEDLN 9.85 04/24/33	USG9T27HAK06	550	100.1	9.8%	B2/B/-

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bangkok Bank	500/	5yr/	4.507%	T+82/	Baa1/BBB+/BBB
	600	10yr	5.082%		
Chengdu Ronghe Jiatai Modern	49.3	3yr	6.5%	6.5%	Unrated
	1100/	5yr/	4.5%		
Government of Indonesia	900	10yr	5.0%	4.5%/	Baa2/BBB/BBB
	750	10yr	5.25%		

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Agricultural Bank of China Limited, Singapore Branch	USD	-	3yr	SOFR+100	A1/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 124 credit bonds issued yesterday with an amount of RMB121bn. As for month-to-date, 1,309 credit bonds were issued with a total amount of RMB1,418bn raised, representing a 33.4% yoy increase
- Media reported China is contemplating new measures to revitalize its property market amid increasing concerns that further decline could destabilize the financial system
- [ADTIN]** Adani Energy Solutions won 2.5GW power transmission project in western India
- [BTSDF]** Health & Happiness expects Australia Taxation Office to review objection by Jun'26

- **[CCAMCL/ORIEAS]** CICC plans to acquire Dongxing Securities and Cinda Securities
- **[IHFLIN]** Sammaan Capital said Supreme Court case targets only former promoter
- **[LENOVO]** Lenovo Group 1HFY26 revenue jumped 18% yoy to USD39.3bn
- **[MPEL]** Melco Resort to close the slot hall Mocha Grand Dragon Hotel on 24 Nov'25 11:59pm
- **[NSANY]** Nissan Motor will reduce production at its Kyushu plant by an additional 1,400 vehicles next week due to the shortage of semiconductor supply
- **[PERTIJ]** Pertamina has made its largest discovery in a decade of potential non-conventional oil and gas reserves, amounting to 724mn barrels of oil equivalent; pays IDR23tn (cUSD1.4bn) in dividend to Danantara as of Sep'25
- **[PLNIJ]** The Asian Development Bank approved a USD470mn results-based loan to Perusahaan Listrik Negara (PLN) to accelerate Indonesia's transition to renewable energy
- **[SHCMBK]** Shanghai Commercial Bank looking to sell HKD1.7bn NPL portfolio backed by HK real-estate assets

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