CMB INTERNATIONAL 招銀国际

CMBI Credit Commentary

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

The Asset G3 Bond Benchmark Review 2026

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset G3 Bond Benchmark Review 2026". Thank you for your support!

- *This morning, AT1s and insurance subs were down 0.3pt amid thin liquidity. CKINF 4.2 Perp edged 0.4pt higher. CRNAU 29 gained 0.4pt. GLPSP 4.6 Perp was 0.2pt higher. On the other hand, VNKRLE 27' and 29' lost 0.5-0.7pt. PTTGC 7.125 Perp was 0.5pt lower.*

- ***INCLEN/INGPHL/RPVIN:**. FY26 PBT jumped 36% yoy on stronger operating portfolio and manufacturing contributions. Maintain buy on INCLEN 4.5 04/18/27. See below.*

- ***INDYIJ:** Indika Energy issued USD100mn INDYIJ 8.75 05/07/29 to fund capex in connection with the development of the gold mining project located within the gold mining concession in South Sulawesi, Indonesia. INDYIJ 8.75 05/07/29 down 0.9pt this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, the new OCBCSP Float 29 was unchanged from RO at SOFR+47. The new KOCRGF 4.591 05/28/29 traded 3bps tighter from RO at T+45. In secondary KR IG space, LGENSO 5-10yr papers widened 1-3bps, while 3yr bank-guaranteed papers traded 1-2bps tighter amid better buying. In JP space, 10yr bank papers leaked 1-2bps wider. SOFTBKs closed unchanged to 0.3pt higher, while RAKUTNs traded 0.1-0.2pt lower. See our comments on Rakuten on 18 May'26. In HK, the recent new issue BNKEA 32 tightened 3bps amid overall better buying in T2 space. LASUDE 26 edged 0.4pt higher. Media reported that Lai Sun Development is considering improving the terms of the LME for its USD493mn LASUDE 26. The LME could include an upfront payment of c30% of the principal and exchanging the remaining 70% into a new 3yr note. The NWDEVL/VDNWDL complex were 0.3pt lower to 0.2pt higher. Media reported that NWD is in talks to pay a fee to end its long-term rental obligations to the troubled 11 Skies shopping mall project. In Chinese IG space, we saw two-way flows in beta names like FRESHK and ZHOSHK, though they closed largely unchanged. HCELEC 26 dropped 2.6pts. Media reported that Huachen Energy sounded out plan for 5-7yr extension of USD627mn HCELEC 26. WESCHI 28-29 lowered another 0.4-1.3pts, amid the ongoing concern of the Ebola outbreak in Africa, where West China Cement has significant operations. In Chinese Properties, VNKRLE 27' and 29' closed 0.1pt lower. Vanke gained approval to delay partial repayment on puttable onshore bond by one year. FUTLAN 28/FTLNHD 27-29/LNGFOR 27-32 were unchanged to 0.3pt higher. In SE Asian space, PCORPM 7.35 Perp leaked 0.1pt.

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See our comments on Petron 1Q26 results yesterday. TOPTB/PTTGC Perps were 0.1pt lower to 0.1pt higher. The ReNew Energy complex were unchanged to 0.1pt lower. See comments below. European AT1s and insurance subs closed unchanged to 0.1pt higher amid light two-way flows. In the Middle East, EBIUH 6.25 Perp gained 0.5pt. The LGFV space remained rather stable amid mixed two-way flows. Quality higher-yielding papers remained sought after by cross-border RMs, whilst IG USD papers continued to face selling pressure.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PMBROV 11 1/2 02/18/30	**85.8**	**1.2**	HCELEC 4.65 12/29/26	**63.4**	**-2.6**
EBIUH 6 1/4 PERP	**100.8**	**0.5**	WESCHI 10 1/2 11/11/29	**87.8**	**-1.3**
LASUDE 5 07/28/26	**83.8**	**0.4**	KZOKZ 5 3/4 04/19/47	**93.4**	**-1.1**
TOPTB 5 3/8 11/20/48	**90.5**	**0.3**	BHP 5 3/4 09/05/55	**98.6**	**-0.9**
FTLNHD 11.88 09/30/27	**98.0**	**0.3**	CNOOC 7 1/2 07/30/39	**124.8**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.67%), Dow (-0.65%) and Nasdaq (-0.84%) were lower on Tuesday. UST yield was higher on Tuesday. 2/5/10/30 year yield was at 4.13%/4.32%/4.67%/5.18%.

❖ Desk Analyst Comments 分析员市场观点

➢ INCLEN/INGPHL/RPVIN: FY26 PBT jumped 36% yoy on stronger operating portfolio and manufacturing contributions

Table 1: RNW o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Mod dur	Issue rating (M/S/F)
INGPHL 4 02/22/27	USV4819LAA09	399	99.0	5.4%	0.7	Ba3/-/BB-
RPVIN 5.875 03/05/27	USY7279WAA90	270	100.0	5.8%	0.7	Ba3/-/BB-
INCLEN 4.5 04/18/27	USV4605MAA63	400	98.5	6.2%	0.9	Ba3/-/BB-
RPVIN 4.5 07/14/28	USY7280PAA13	585	96.5	6.3%	2.0	Ba3/-/BB-
RPVIN 6.5 02/02/31	USY72910AA35	600	99.3	6.7%	3.9	Ba3/-/BB-

Source: Bloomberg.

ReNew Energy (RNW)'s credit profile continues to be underpinned by robust operating cash inflows and scalable advantages as India's second-largest renewables operator by installed capacity (after Adani Green Energy). Within the ReNew Energy complex, we still prefer INCLEN 4.5 04/18/27 in view of the holdco's more diversified income sources and generation mix despite INCLEN 4.5 04/18/27's out-performance within the curve and the subordination risk. Hence, we maintain buy on INCLEN 4.5 04/18/27. While the valuation is less compelling following a c3pts gain in 2025 and a further c1pt higher YTD, the bond remain a good short-tenor and carry play with YTM of 6.2% at 98.5.

RNW faces USD1.1bn in o/s USD bonds maturities in 2027, of which 60% is asset backed. RNW has secured USD400mn in-principal refinancing commitment and is evaluating additional refinancing via onshore and offshore bond markets depending on funding costs. RNW has cUSD1bn in cash and undrawn bank lines. We take comfort from RNW's demonstrated access to diversified funding channels.

In FY26, RNW's revenue rose 36% yoy to INR132.2bn, primarily driven by higher operational capacity (+16.6% yoy to 12.6GWs as of Mar'26), improved wind PLF, and growing external sales from solar module and cell manufacturing, partially offset by lower solar PLF and revenue loss from asset disposals under capital recycling strategy. Wind PLF improved to 26.3% from 24.4% in FY25, reflected normalized wind speeds following sub-par monsoon patterns in the prior year, as well as replacing older assets with higher-efficiency installations. Lower solar PLF reflected curtailment from sudden weather fluctuations, thermal plant overloading, and weaker irradiation levels.

RNW's adj. EBITDA increased 24% yoy to INR98.5bn in FY26, exceeding the guidance of INR90-93bn and PBT increased 36% yoy to INR13.6bn. Its CFe rose 45% yoy to INR21.6bn, also above guidance of INR14-17bn. Looking ahead, RNW guided FY27 adj. EBITDA to be INR103-109bn (incl. INR10-12bn from manufacturing) and CFe of INR18-22bn. We continue to view manufacturing, which contributed c15% of total adj. EBITDA in FY26, as a near-term growth driver, as well as a diversification beyond power generation. As discussed before, RNW's pivot toward a solar-plus-BESS-heavy portfolio is credit positive, in view of less reliance on the inherently more uncertain wind resources and the associated variability in cash flows generation. Please see our discussion in our daily on 27 Feb'26.

During FY26, RNW's operating cash inflow rose 23% yoy to INR82.8bn, supported by higher operating profit and improved working capital management. Its receivable days shortened to 63 days in FY26 from 71 days in FY25, reflected a rising share of central government receivables, of which collection cycles are materially shorter at 0-15 days. On capex, RNW spent INR135.6bn, 30% yoy increase, driven by higher solar commissioning activities. RNW is setting up a 6.5GW Ingot-Wafer plant, a backward integration of its supply chain, for capex of INR42bn to be funded by c50-60% project debts and the remaining from internal resources. We understand the expansion is partly mandated by India's ALMM framework, which requires domestic procurement of ingots and wafers by Jun'28 under ALMM – III. In our view, this should also allow RNW to capture higher margins at the more complex upstream segment of the manufacturing value chain.

As of Mar'26, RNW's cash and bank balances were down to INR69.6bn, reflected higher ST investment and accelerated debt repayment, partially offset by capital recycled and fund raised totaled USD375mn. We expect strong operating cash generation and continued capital recycling to fund FY27 capex. Its net debt/adj. EBITDA improved to 7.3x in FY26 from 8.3x in FY25, driven by higher adj. EBITDA despite an increase in total debt. We expect leverage continue to decline, underpinned by growing adj. EBITDA and ongoing asset monetization.

Table 2: FY26 financial highlights

INR mn	FY25	FY26	Change
Revenue	97,063	132,196	36%
Adj. EBITDA	79,188	98,503	24%
Profit before tax	10,034	13,620	36%
Operating cash flow	67,565	82,824	23%
Capex	78,188	135,576	73%
Cashflow to equity (CFe)	14,869	21,588	45%
Plant load factor			
Wind	24.4%	26.3%	1.9 pct pt
Solar	23.6%	21.9%	-1.7 pct pt
INR mn	**Mar'25**	**Mar'26**	**Change**
Cash and bank balances	80,518	69,551	-14%

Total debt	737,682	785,246	6%
Net debt	657,164	715,695	9%
Net debt/adj. EBITDA	8.3x	7.3x	-

Source: Company filling, CMBI FICC Research.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Republic of Indonesia	750/ 1250	5yr/ 10yr	5.03%/ 5.69%	5.03%/ 5.69%	Baa2/BBB/BBB

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Huzhou City Investment Development	USD	-	3yr	4.85%	-/-/BBB

➢ News and market color

- Regarding onshore primary issuances, there were 89 credit bonds issued yesterday with an amount of RMB151bn. As for month-to-date, 579 credit bonds were issued with a total amount of RMB755bn raised, representing a 0.1% yoy increase

- **[ADGREG]** US DOJ seeks dismissal with prejudice of charges against Gautam Adani, Sagar Adani, Vneet Jaain and other defendants

- **[CHNAAR]** China Aircraft Leasing may issue 3-year USD200mn bond in the coming months to purchase aircraft, repay existing debt, and for general working capital

- **[FOSUNI]** Fosun plans Hong Kong IPO of vacation resort unit Club Med

- **[GLOPM]** Globe Telecom will earmark PHP56bn (cUSD907.3mn) this year to expand its AI-led infrastructure

- **[GLPSP]** The distribution rate for its USD850mn perp has been reset at 7.865% from 4.5%

- **[HNYUZI]** Zhongyuan Zhicheng launched consent solicitation on USD500mn HNYUZI 5.9 06/20/27 to seek changes to cross-default, narrow the definition of principal subsidiary; vote on 8 Jun'26

- **[JSWIN]** JSW Energy agreed to acquire an additional stake in its joint venture, Toshiba JSW Power Systems, for INR1.5bn (cUSD15.6mn)

- **[LASUDE]** Lai Sun Development looking to improve LME terms for USD493mn LASUDE 5 07/28/26

- **[NSANY]** Nissan Motor is considering sending EVs produced in a JV with its Chinese partner to Canada

- **[NWDEVL]** NWD may exit financial commitments to 11 Skies mall project
- **[VNKRLE]** China Vanke gained approval to delay partial repayment on puttable onshore bond by one year

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