

CMBI Credit Commentary

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

- *This morning, the new CDBFLC 35 widened 2bps from pricing at T+93. The new QBEAU 37 tightened 3bps from issuance at T+135. The new STANLN PerpNC10 was 0.2pt higher from RO at par. JP insurance bonds and MTRC Perps were down by 0.1-0.3pt. NUFAU 30 rose 0.9pt higher, while SOFTBK 61/65s and NWDEVL 30 were 0.6-0.7pt lower.*
- **VEDLN:** All-time high first half recurring EBITDA. Maintain buy on VEDLN 9.475 07/24/30. See below
- **NSINTW:** Nanshan Life proposes to tap NSINTW 5.875 03/17/41 with IPT at T+185. TW lifers widened 2-4bps this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, the recent USD MEITUA 31-35s widened 2-4bps with RM selling. In financials, TW lifers SHIKON/FUBON/NSINTWs widened 2-5bps amid better-selling flows. BBLTB sub curve was 1-4bps wider. JP bank FRNs held up well and closed unchanged, while JP AT1s dropped by 0.3pt in the morning and RMs were buying at the dip. JP insurance hybrids were also marked lower amid lighter flows. Yankee AT1s were down by 0.4pt led by a flurry of hitting from AMs ahead of London open on the recent long-end issues, before stabilizing on back of buying from retails and dealers. In HK, NWDEVL Perps lowered 0.7-2.0pts, and NWDEVL 27-31s were down by 0.6-1.3pts. See our comments on NWD's exchange offers on [3 Nov'25](#). LASUDE 26 was 1.4pts lower. MTRC perps were relatively resilient against the broader weakness and only lost up to 0.2pt. In Chinese properties, VNKRLE 27-29 recovered 2.7-2.9pts after yesterday's plunge. See our thoughts on SZ Metro's loan cap on [3 Nov'25](#). GRNCH 28 fell by up to 0.5pt as RMs trimmed risk. In Macau gaming, SJMHOLS/MGMCHIs/MPELs/SANLTDs/STCITYs/WYNNMACs were 0.2pt lower to 0.1pt higher. See our comments on Macau Oct'25 GGR [yesterday](#). In KR space, HYNMTRs/HYUELEs traded 1-3bps wider. In JP space, NTT curve was 1-3bps wider. We saw small buying on KYUSEL/TACHEM. In SEA, PETMK curve was 2-4bps wider on the long end. SMCGL Perps/GARUDA 31 were down by 0.1-0.2pt. VEDLN 28-33s were 0.3-1.1pts lower. See comments below on VEDL's 1HFY26 results. In LGFV space, onshore AAA-guaranteed papers remained sought after by cross-border RMs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.975 11/09/27	60.3	2.9	NWDEVL 6 1/4 PERP	42.3	-2.0
VNKRLE 3 1/2 11/12/29	52.0	2.7	NWDEVL 5 1/4 PERP	44.0	-1.9
FABUH Float 07/22/29	101.8	0.7	NWDEVL 4 1/8 PERP	42.7	-1.9
TACHEM 5.65 07/05/54	100.1	0.6	NWDEVL 4.8 PERP	42.4	-1.5
LUSOIB 7 1/2 05/29/34	102.2	0.5	LASUDE 5 07/28/26	69.5	-1.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.17%), Dow (-0.53%) and Nasdaq (-2.04%) were lower on Tuesday. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.58%/3.69%/4.10%/4.67%.

❖ Desk Analyst Comments 分析员市场观点

➤ VEDLN: All-time high first half recurring EBITDA

Vedanta Limited (VEDL) delivered another record-high recurring EBITDA in 2QFY26 at INR116.1bn, up 12% yoy, driven by record production across aluminum, alumina, mined metal at Zinc India, and pig iron segments. In 1HFY26, EBITDA rose to INR223.6bn, the highest first-half level ever, achieving 42% of its full-year target of USD6bn (cINR532bn). In VEDLN complex, we prefer VEDLN 9.475 07/24/30 for a better risk-adjusted profile. At 101.3, VEDLN 9.475 07/24/30 is trading at YTW of 9.0%, and offer 106bps yield pickup over NICAU 9 09/30/30 (B1/-/B+).

Table 1: 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	103.3	8.0%	-/B/B+
VEDLN 10.875 09/17/29	USG9T27HAG93	1,200	104.7	9.0%	-/B/-
VEDLN 9.475 07/24/30	USG9T27HAL88	550	101.3	9.0%	B2/B/-
VEDLN 11.25 12/03/31	USG9T27HAJ33	500	105.6	9.6%	-/B/B+
VEDLN 9.125 10/15/32	USG9T27HAN45	500	98.5	9.4%	B2/-/B+
VEDLN 9.85 04/24/33	USG9T27HAK06	550	100.6	9.7%	B2/B/-

Source: Bloomberg.

VEDL's average borrowing cost declined to c9.0% in 1HFY26 from c9.7% in 1QFY26, reflecting lower interest rates. VEDL expects this to fall further below 8% in the near-term, supported by proactive credit management. Besides, VEDL recorded two one-off losses in 1HFY26 in relations to receivable write-off in the power segment, as well as settlement on contract termination with SEPCO, totaled INR15.5bn on a net of tax basis. As a result, the PAT dropped by 26% yoy to INR79.4bn.

1HFY26 operating cash flow decreased by 12% yoy to INR162.3bn, due to higher tax paid and increase in net working capital during 1HFY26. VEDL spent INR102.6bn in capex during 1HFY26, representing 61-68% of its FY26 capex target of cINR151-168bn (USD1.7-1.9bn). We estimate 1HFY26 FCF was INR59.7bn, and we expect VEDL to continue funding capex primarily through operating cash inflows given its strong operating performance.

As of Sep'25, cash and equivalents increased to INR218.6bn from INR207.5bn in Mar'25. Due to higher debts, both total debt/LTM EBITDA and net debt/LTM EBITDA rose slightly, to 1.9x and 1.4x from 1.7x and 1.3x, respectively over the same period. VEDL aims to bring the net leverage down to 1.0x in the near-term, supported by higher projected EBITDA.

As discussed, we view VEDL's deleveraging trajectory may face headwinds from the acquisition of JPA due to increased funding requirements and entry into cyclical, capital-intensive businesses with limited synergies to its core metals and mining operations. That said, we take comfort on VEDL's good access to diversified funding channels, and the lengthened debt maturity profile at VRL following several LME since Jan'24. Separately, India's NCLT has postponed the VEDL demerger hearing to 12 Nov'25 from 29 Oct'25. We view the demerger as moderately credit positive, in anticipation of better data transparency and potentially better funding access over the longer-term.

Table 2: VEDL's 1HFY26 financial highlights

INR bn	1HFY25	1HFY26	Change
Revenue	724.1	766.5	6%
-Zinc, lead and silver	158.0	157.8	0%
-Zinc International	17.7	23.9	35%
-Oil and gas	57.5	46.3	-19%
-Aluminum	272.5	302.3	11%
-Copper	111.1	129.8	17%
-Iron ore	26.9	27.8	3%
-Power	34.6	42.7	23%
-Others	45.8	36.0	-21%
EBITDA	206.4	223.6	8%
EBITDA margin	28.5%	29.2%	+0.7 pct pt
Finance cost	48.9	41.4	-15%
Profit before exceptional items and tax	116.9	130.7	12%
Profit after exceptional items and tax	107.0	79.4	-26%
Operating cash flow	183.5	162.3	-12%
Capex	76.0	102.6	35%
INR bn	Mar'25	Sep'25	Change
Cash and cash equivalent	207.5	218.6	5%
Total debt	751.9	850.7	13%
Net debt	544.4	632.1	16%
Total debt/LTM EBITDA	1.7x	1.9x	-
Net debt/LTM EBITDA	1.3x	1.4x	-

Source: Company filing, CMBI FICC Research.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Alinma Sukuk Limited	500	10NC5	5.792%	T+210	-/-/BBB
China Development Bank Financial Leasing	500	10NC5	4.6%	T+93	-/-/BBB+

Hashemite Kingdom of Jordan	700	7yr	5.75%	5.95%	Ba3/BB-/-
Lao People's Democratic Republic	300	5yr	11.25%	11.25%	-/CCC+/CCC+
QBE Insurance Group	300	12NC7	5.239%	T+135	-/BBB+/BBB+
Sharjah Islamic Bank	500	5yr	4.6%	T+95	-/A-/-
Standard Chartered	1000	PerpNC10	7.0%	7.0%	Ba1/BB-/BBB-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Gaoxin International Investment	USD	-	3yr	5.0%	Unrated
Korea Electric Power Corporation	USD	-	3yr/ 5yr	SOFR+95/ T+80	Aa2/AA/-
Nan Shan Life Insurance (tap)	USD	-	15.5NC10.5	T+185	-/BBB+/BBB
Santos Finance	USD	-	10yr	T+200	Baa3/BBB-/BBB
The Ministry of Finance of the People's Republic of China	USD	4000 (capped)	3yr/ 5yr	T+25/ T+30	A1/A+/A

➤ **News and market color**

- Regarding onshore primary issuances, there were 99 credit bonds issued yesterday with an amount of RMB106bn. As for Month-to-date, 206 credit bonds were issued with a total amount of RMB190bn raised, representing a 19.2% yoy increase
- [ADEIN]** Adani Enterprises 1H FY26 consolidated EBITDA falls 11% yoy to INR76.9bn (cUSD866mn); plans to raise INR250bn (cUSD2.8bn) via rights issue
- [ADSEZ]** Adani Ports 1H FY26 consolidated EBITDA rises 20% yoy to INR110.5bn (cUSD1.2bn). Fitch changed the outlook of Adani Ports to stable from negative and affirmed BBB- rating
- [BABA/TENCNT]** China is boosting subsidies to help Alibaba, Tencent and other tech companies cut their data center-related energy bills by up to half
- [BHARTI]** Moody's upgraded Bharti Airtel by one notch to Baa2 from Baa3 on improved financial profile, increasing market share; outlook changed to stable from positive
- [GLPCHI]** GLP China repurchased USD205mn of GLPCHI 2.95 03/29/26, USD495mn will remain outstanding
- [NICAU]** Nickel Industries to hold non-deal roadshow on 19 Nov'25
- [PCORPM]** Petron 9M25 revenue falls 10% yoy to PHP594.9bn (cUSD10.1bn)
- [PGEIJJ]** Pertamina Geothermal targets 6.1% revenue increase for FY26
- [SKM]** SK Telecom plans full-scale AI infrastructure expansion through partnerships

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