

CMBI Credit Commentary

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

- *Asian IGs were unchanged to 3bps tighter this morning. AT1s were under better selling and Japan names dropped 0.15-0.25pt. China developers were weak, CHIOLI/VNRKLE were unchanged to 0.4pt lower.*
- **ADANEM:** Higher cash balance post the completion of DTTP sale. Maintain buy on ADANEM 3.867 07/22/31. See below for comments.
- **CIFIHG:** CIFI announced that creditors holding c77.9% of the outstanding principal amount of the In-Scope Debts have either duly executed or acceded to [the RSA](#).

❖ Trading desk comments 交易台市场观点

Asia IG space was skewed to better buying last Friday. In JP, the recent new SEKIS 30/34 were 2bps tighter. SUMIFLs/SMBCACs were 1-2bps tighter on some AM buying. KRKPSCs tightened 3-5bps. BBLTBs/SBIINs were 1-4bps tighter. In Chinese IGs, HAOHUA 28-30s tightened 3bps. BABA/TENCNT 30-31s were 1-2bps tighter. MEITUA 28-30s tightened 3-4bps. In financials, Chinese AMCs were firm. CCAMCL/ORIEAS 26-30s were 2-5bps tighter. In AT1s, HSBC/INTNED/SOCGEN Perps were 0.1-0.2pt lower. In insurance hybrids, FUKOKU Perp/ASAMLI Perp/MYLIFE '54 were 0.1-0.2pt higher on RM buying. ZURNVX '55 was up 0.1pt. In HK, CKHH/AIA 33-34s were 2-4bps tighter on small buying. LIHHK '26 increased 0.9pt. FAEACO Perp was up 0.3pt. In Chinese properties, FTLNHD '26/CHJMAO '29 rose 0.5-0.7pt. DALWAN 25-26s were 0.3-0.4pt higher. On the other hand, VNRKLE 25-29s were 0.2-0.3pt lower. Outside properties, EHICAR '26 declined 0.6pt. In Macau gaming, WYNMAC '27/STCITY '28 were 0.3-0.5pt lower. In India, VEDLN 26-29s were unchanged to 0.2pt higher. Moody's upgraded Vedanta Resources' corporate family rating one notch to B3 with stable outlook. ADANEMs/ADTINs were unchanged to 0.3pt higher following its 2Q25 results. See comments below. In Indonesia, MDLNIJ '25 rose 1.2pts. MEDCIJ 27-29s were up 0.2-0.4pt.

In LGFVs, ZHESTA (keepwell provided by Zhejiang State-owned Investment Holding) priced a CNH1.05bn 3-yr bond at par to yield 2.92%. The new ZZMTRG '27 was unchanged around RO at par. On the secondary front, there were mixed two-way flows in USD/CNH LGFVs. HNFARM '27/HNYUZI '26/SIDEVE '26 were 0.1-0.2pt higher. KMRLGP/XANCON 25s were up 0.1pt. On the other hand, ZHANLO '26/GSHIAV '25 were 0.1pt lower. In SOE perps, SPICPF 3.38 Perp/CHCOMU 3.65 Perp were up 0.1pt. CHSCOI 3.4 Perp/CHPWCN 4.25 Perp were down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
MDLNIJ 5 06/30/25	46.0	1.2	MUFG 4.7 03/10/44	92.9	-0.8
LIHHK 4.8 06/18/26	89.3	0.9	ROADKG 7 PERP	23.4	-0.7
FTLNHD 4 1/2 05/02/26	78.3	0.7	CHGDNU 4.8 09/11/48	91.5	-0.7
PERTIJ 4.175 01/21/50	78.8	0.6	HAOHUA 4 3/4 06/19/49	90.8	-0.6
INDON 5.65 01/11/53	103.6	0.6	EHICAR 7 09/21/26	71.7	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.03%), Dow (-0.61%) and Nasdaq (+0.56%) were mixed on last Friday. China 9M24 industrial profits weakened to -3.5% yoy from +0.5% yoy in 8M24. UST yield edged higher on Friday, 2/5/10/30 yield reached 4.11%/4.07%/4.25%/4.51%.

❖ Desk Analyst Comments 分析员市场观点

➤ **ADANEM: Higher cash balance post the completion of DTTP sale. Maintain buy on ADANEM 3.867 07/22/31**

Adani Electricity (ADEL) reported 21% yoy increase in revenue to INR61bn in 1HFY25 driven by higher energy sales. The gross profit margin decreased 0.4 pct pt to 43.4% compared to that of 1HFY24, mainly due to higher cost of power purchased. During 2QFY25, ADEL signed a business transfer agreement to dispose of Dahanu Thermal Power Plant (DTPP) with 500MW capacity to Adani Power, 72.7% owned by Adani group, for a cash consideration of INR8.15bn. Recalled that one-off impairment losses of INR15.1bn were already recognized in 1QFY25 upon the board's approval on the disposal. As a result in 1HFY25, ADEL booked a LBT of INR12.7bn compared to a PBT of INR1.3bn in 1HFY24. Excluding the losses from divesting DTPP, the recurring net profit before tax of ADEL in 1HFY25 increased 81% yoy to INR2.3bn from 1HFY24. Besides, ADEL maintained capex at INR5.5bn in 1HFY25, same as that of 1HFY24.

As we discussed in [our daily on 21 Aug'24](#), we are not too concerned of the losses resulting from the sale of DTPP to a related party within Adani group. Per our discussion with ADEL, the transaction price of the sale of DTPP was determined by independent valuers and duly approved by the board of directors. The transaction price, albeit lower than the book value (BV), is slightly higher than the regulatory power generation asset base as at Mar'24.

Moreover, we view ADEL has higher financial flexibility after the completion of DTTP sale in 2QFY25. Its cash and bank balances was boosted to INR15.1bn at Sep'24 from INR9.1bn at Mar'24 and this is sufficient to cover the debts of INR6.9bn due within a year. As at Sep'24, ADEL had total debts of INR128.5bn, decreased by 2% compared with the level at Mar'24.

We maintain buy on ADANEM 3.867 07/22/31. At 84.8, ADANEM 3.867 07/22/31 was traded at YTM of 6.7% (z-spread of 293bps). While ADEL does not have near-term refinancing pressure that the two USD bonds will be due in 2030-31, we expect ADEL to tap on the USD bond market for refinancing.

Table 1: Bond profiles of ADEL

Bond	Amt o/s (USD mn)	Mod duration	Px	YTM (%)	Z-spread (bps)	Issue rating (M/S/F)
ADANEM 3.949 02/12/30	880	4.6	88.2	6.62	284	Baa3/BBB-/BBB-
ADANEM 3.867 07/22/31	300	5.6	84.8	6.71	293	Baa3/-/BBB-

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)
GLP Pte Ltd	USD	-	3yr	10.375%	-/-/BB

➤ News and market color

- Regarding onshore primary issuances, there were 113 credit bonds issued last Friday with an amount of RMB78bn. As for month-to-date, 1,262 credit bonds were issued with a total amount of RMB1,158bn raised, representing a 2.5% yoy increase
- [CHIOLI]** China Overseas Land 9M24 revenue down 6.7% yoy to RMB109.6bn and operating profit down 19.6% yoy to RMB18.2bn
- [CIFIHG]** CIFI announced that creditors holding c77.9% of the outstanding principal amount of the In-Scope Debts have either duly executed or acceded to the RSA
- [GLPSP]** GLP extended tender offer deadline for due-2025 notes from 28 Oct'24 to 1 Nov'24; Media reported that GLP divestiture of share in Chinese unit may have stalled
- [GWFOOD]** Wens Foodstuff Group repurchased USD34.8mn of GWFOOD 2.349 10/29/25
- [SINOCE]** Sino-Ocean offshore bondholder AHG, advisors to hold all-creditor call on 28 Oct'24 to oppose London sanction hearing
- [VEDLN]** Moody's upgraded Vedanta Resources to B3 from Caa1 with stable rating outlook

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