

CMBI Credit Commentary

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

- *Asia IG space overall tightened 1-2bps this morning. VNKRL 27-29 recovered 0.9-1.0pt. MINAU 31/ACPM 4.85 Perp were 0.7-0.8pt lower. Higher-yielding LGFVs were 0.5-1.0pt higher, led by CQSXGU/QDJZWD/TAIANH.*
- **EHICAR:** Stronger yoy 3Q25 results. EHICAR 26-27 were 0.3pt lower this morning. See below.
- **MINMET:** FV of the new PerpNC3.5 and PerpNC5 to be c4.3% and c4.4%, respectively. See below.

❖ Trading desk comments 交易平台市场观点

Last Friday, we saw better buying on Japanese corps FRNs and Japanese/Middle Eastern/Australian/European banks FRNs. JP 10yr tranches like SMBCAC 35/MUFG 35-36s tightened 4-6bps. SAMTOT 5.5 07/18/29 widened 6bps. Moody's downgraded Hanwha TotalEnergies' senior unsecured rating to Ba1 from Baa3 and the rating on review for further downgrade. AMs continued to buy front-end Japanese and Yankee AT1s and insurance subs. Taiwan lifers CATLIF/FUBON/NSINTW traded 1-2bps tighter amid PB buying. See our comment on Taiwan lifers [last Friday](#). The Macau gaming bonds SJMHOL /MGMCHI/MPEL/SANLTD/STCITY/WYNMAC edged 0.1-0.4pt higher. FOSUNI 26-29 were unchanged to 0.2pt higher. EHICAR 26-27 were 0.2pt lower to 0.1pt higher. See comments below. In Chinese properties, VNKRL 27-29 were 0.3pt lower. The market is waiting for the outcome of the 10 Dec'25 voting regarding Vanke's proposal to extend the RMB2bn 3% bonds by one year. FUTLAN 28/FTLNHD 26-27/LNGFOR 27-32 were 0.3-0.7pt higher. YLLGSP 26 was 0.1pt higher. In SE Asia, RILIN 32-62s rose 0.3-1.1pts after S&P upgraded Reliance Industries' ratings to A- from BBB+ and maintained stable outlook. VEDLN 28-33s increased by 0.1-0.7pt. Moody's changed the outlook of VRL to positive from stable and affirmed B1 rating on improvement in VRL's earnings and cash flow. SMCGP Perps were unchanged to 0.4pt higher. PTTGC Perps edged 0.2-0.4pt higher. PTT Global Chemical raised THB10bn (cUSD313.3mn) in perpetual bond offering. On the other hand, VLLPM dropped by 1.7pts. In LGFV space, Chinese RMs continued to buy quality, higher-yielding papers, whilst there were two-way flows on names down the credit curve among retail investors. KNMIDI 26 lowered 1.4pts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
RILIN 3 3/4 01/12/62	72.7	1.1	VLLPM 9 3/8 07/29/29	54.6	-1.7
RILIN 4 7/8 02/10/45	94.0	1.1	CFAMCI 4.95 11/07/47	90.6	-1.7
CHINAM Float 07/10/27	101.0	1.0	KNMIDI 8 1/2 08/20/26	98.1	-1.4
RILIN 3 5/8 01/12/52	74.1	1.0	PMBROV 11 1/2 02/18/30	98.1	-0.9
BIMLVN 7 3/8 05/07/26	93.1	0.8	CCAMCL 4 3/4 12/04/37	93.5	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.19%), Dow (+0.22%) and Nasdaq (+0.31%) were higher on last Friday. US Sep'25 Core PCE Price Index was +2.8% yoy, lower than the market expectation of 2.9%. UST yield was higher on last Friday. 2/5/10/30 year yield was at 3.56%/3.72%/4.14%/4.79%.

❖ Desk Analyst Comments 分析员市场观点

➤ **EHICAR: Stronger yoy 3Q25 results**

In 3Q25, EHICAR's EBITDA increased 7.2% yoy to RMB836.8mn. The LTM EBITDA increased 24% yoy to RMB2.5bn. Higher utilization rate more than offset lower ADRR, reflecting the continued recovery in demand despite intense competition. We are impressed with the trend of higher utilization rate despite EHICAR's fleet size increased 11% in 9M25 to 139,592. In 3Q25, the utilization rate was 72.3%, the highest since 1Q23 while RevPAC was RMB157.5, the highest since 3Q23. 3Q is the seasonal high of the year and we expect utilization rate and RevPAC in 4Q25 to moderate from the levels of 3Q25. That said, EHICAR saw stronger yoy operating performance in 4Q25.

As of Sep'25, EHICAR's net debts were RMB9.6bn, declined from RMB9.8bn as of Jun'25 and RMB10.4bn as of Sep'24. Net debts/LTM EBITDA and LTM EBITDA/LTM int. slightly improved to 3.9x and 3.1x in 3Q25 from 4.0x and 2.9x in 2Q25 and 5.2x and 2.6x in 3Q24, respectively. We expect EHICAR's net debt reduction to remain gradual given its expectation of small increase in fleet size in 2026.

At 80.2 and 66.8, EHICAR 7 09/21/26 and EHICAR 12 09/26/27 are trading at YTM of 38.7% and 39.4%, respectively. We consider the current valuations have priced in too much downside for a non-distressed credit with a slowly improving credit profile despite EHICAR has yet to come out with a concrete refinancing plan for EHICAR 7 09/21/26 (o/s USD267mn as per 1H25 interim report) due Sep'26. We expect to EHICAR to buy back the bonds and tap the USD bond market in an opportunistic manner taking cues from its track records.

Table 1: Bond profile of EHICAR

Security name	ISIN	Amt o/s (USD mn)	Maturity	Coupon	Offer price	YTM
EHICAR 7 09/21/26	XS2384059122	269.03	9/21/2026	7.00%	80.2	38.7%
EHICAR 12 09/26/27	XS2782510049	325	9/26/2027	12.00%	66.8	39.4%

Source: Bloomberg.

➤ **MINMET: FV of the new PerpNC3.5 and PerpNC5 to be c4.3% and c4.4% , respectively**

China Minmetals Corp (MINMET) proposes to issue USD PerpNC3.5 and PerpNC5, both rated at Baa2 by Moody's. We view the FV of the PerpNC3.5 to be c4.3% vs IPT at 4.8%, while FV of the PerpNC5 to be c4.4% vs IPT at 4.9%, taking cues from its peers and adjusted for tenor and rating differentials.

Table 2: MINMET and peers

Security name	ISIN	Amt o/s (USD mn)	Px	YTM/YTC	Mod dur	Issue rating (M/S/F)	First call date
MINMET 4.2 07/27/26	XS1450332256	700	99.9	4.4%	0.6	Baa1/-/BBB+	-
SPICPE 4.795 Perp	XS3096301653	1000	100.9	4.4%	2.3	A3/-/-	27 May'28
HUANEN 4.15 Perp	XS3225833972	1000	100.1	4.1%	2.8	A3/-/-	3 Dec'28
CHPWCN 4.65 Perp	XS2915938448	300	100.8	4.4%	3.3	-/-/BBB-	21 Jul'29
GEZHOU 4.25 Perp	XS3137681394	100	99.8	4.3%	4.1	-/-/BBB-	27 Jul'30

Source: Bloomberg.

The two perps will be issued by MINMET's offshore subsidiary and guaranteed by MINMET. The proceeds will be used for working capital and general corporate purposes, including debt refinancing. The coupon of the PerpNC3.5 will be reset to 3yrUST+initial spread+step-up of 300bps at the end of 3.5 years, and reset every 3 years thereafter. The coupon of the PerpNC5 will be reset to 5yrUST+initial spread+step-up of 300bps at the end of 5 years, and reset every 5 years thereafter. The coupon of the two perps could be deferred at issuer's discretion, cumulative and compounding, unless the occurrence of compulsory distribution payment event. The two perps carry dividend stopper clause.

MINMET is wholly-owned by the Chinese government, through 94.1% ownership by central SASAC and 5.9% held by National Council for Social Security. It is one of the largest metal and mining conglomerate in the mainland China with 41 mines across the globe. MINMET had nine listed subsidiaries span across metal and minerals, metallurgical construction, trade and logistic, finance and real estate sectors. In FY24, MINMET generated revenue of RMB833bn, of which 48.4% was from metallurgical construction, 22.1% from trade and logistics, 13.7% from metals and minerals, 11.7% from technology industry, and remaining 4.1% from real estate and financial services. Gross profit was RMB87bn and EBITDA was RMB55bn in FY24. As of Dec'24, MINMET had total assets of RMB1.3tn and cash and cash equivalent of RMB143bn.

➤ 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)
China Minmetals Corp	USD	-	PerpNC3.5/ PerpNC5	4.8%/ 4.9%	Baa2/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 78 credit bonds issued on last Friday with an amount of RMB87bn. As for Month-to-date, 447 credit bonds were issued with a total amount of RMB435bn raised, representing a 30.9% yoy increase
- [BIOLIN]** Biocon to buy out Biocon Biologics minority shareholders at USD5.5bn valuation

- **[MINAU]** Mineral Resources targets the first iron ore production from its Lamb Creek project in 4Q26, as it commenced construction following receipt of all regulatory approvals
- **[PERTIJ]** Pertamina suspended the operations at three oil and gas production facilities on Sumatra Island due to massive floods and landslides
- **[SNBAB]** Saudi National Bank received a non-binding offer for its entire 84.5% stake in Samba Bank Pakistan
- **[SOFTBK]** SoftBank is in discussions to acquire data center-focused DigitalBridge Group to bolster AI portfolio
- **[VNRKLE]** Vanke proposes to extend the maturity of 22VANKEMTN004 of RMB2bn by 12 months to 15 Dec'26 from 15 Dec'25 with coupon unchanged at 3%; seeks consent to delay the payment of 22VANKEMTN005 of RMB3.7bn 3% bond due 28 Dec'25
- **[XIAOMI]** Fitch upgraded Xiaomi by one notch to BBB+ from BBB with stable outlook, attributed to Xiaomi's improved EBITDA generation, particularly from its IoT and internet service segments, and enhanced profitability in the EV sector
- **[YLLGSP]** Yanlord repurchased USD31mn YLLGSP 5 1/8 05/20/26, the outstanding amount reduced to USD281.94mn

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