

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报****The Asset Asian G3 Bond Benchmark Review 2025**

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 Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *The new NTT 27-35s were unchanged to 2bps tighter this morning. CNMDHL 28 tightened 3bps. HAOHUA/MEITUA 28-30s tightened 2-5bps. HYNMTR Float 27-30s tightened 3-5bps. LASUDE 26 was up 0.3pt. CKINF/CKPH Perps were 0.4-0.5pt lower.*
- **SMCGL:** *FV of the new SMCGL Perp to be high-8%. SMCGL 7/5.7/5.45 Perps were 0.1-0.2pt higher, SMCGL 8.75 Perp down 0.1pt while SMCGL 8.125 Perp were unchanged after the announcement of exchange offers for SMCGL 7 Perp and SMCGL 5.7 Perp and concurrent new perp issuance yesterday. See below.*
- **FAEACO:** *Media reported Far East Consortium said it may need to reserve liquidity for a possible partial repayment of an AUD1.3bn loan due Dec'25 at its Australian JV; yet to finalize plan to address the USD360mn FAEACO 12.814 Perp. FAEACO 12.814 Perp was 0.5pt lower this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, the new CSILTD Float 28 widened 8bps from RO. The new NTT Float 28s and NTT Float 30s tightened 12bps and 32bps from ROs respectively. NTT 4.567 27/NTT 4.622 28/NTT 4.876 30/NTT 5.171 32/NTT 5.502 35 tightened 6-10bps from ROs. NSANY priced 5yr, 7yr, 10yr bonds at 7.5%, 7.75%, 8.125% (from IPTs at 7.5%, 7.75%, 8.125% area) respectively. The old NSANY 25-30s were unchanged to 0.3pt lower. In KR, HYNMTR Float 27-30s were another 2bps tighter. In Chinese IGs, BABA/TENCNT/WB/HAOHUA 30-35s tightened 1-3bps. See our comments on Alibaba's HKD12.0bn (cUSD1.5bn) issuance of EBs on 10 Jul '25. In financials, BNKEA/NANYAN 27-34s were under better buying from AMs and closed 2-5bps tighter. In insurance, SHIKON 35 tightened 20bps. CATLIF/NSINTW 33-34s tightened 8-10bps. MYLIFE/NIPLIF 51-55s were up 0.1-0.4pt. In AT1s, INTNED 4.25/LLOYDS 6.413/STANLN 4.75 Perps were up 0.2-0.4pt. In HK, FAEACO Perp declined 0.3pt and closed 7.6pts lower WTD. On the other hand, HYSAN 4.85/REGH 6.5 Perps were up 0.4pt. MTRC Perps were 0.1pt higher. CTFSHK 28-29s were 0.1-0.3pt higher. Last night, CTFSHK announced the issue of HKD850mn 2.8% CB due 2027 to fund the concurrent repurchase of HKD780mn CTFSHK 4 07/22/25. In Chinese properties, VNKRL 27-29s were up 0.8-0.9pt. ROADKG 28-30s/Perps were 0.2pt lower to 0.3pt higher. Outside properties, FOSUNI 26-

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32s were up 0.1-0.4pt. In SE Asia, VEDLN 28-33s were unchanged to 0.3pt lower. SMCGL Perps were unchanged to 0.1pt higher. San Miguel Global Power launched an exchange offer for its SMCGL 7 Perp and SMCGL 5.7 Perp, as well as a concurrent new issue of a NC5 Perp. See comments below.

In LGFVs, there were strong cross-border buying flows from RMs. There were also two way interests on CNH names such as JDZUDG 6.5 28s/QDOCID 6.8 28s/CQXHUC 7.5 26s/CWIPDC 7.5 26s and USD names such as CHDOHU 7.6 28s/ZZECON 6.9 28s. In SOE perps, CHPWCN Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	72.5	0.9	CCAMCL 4 3/4 12/04/37	90.3	-0.4
VNKRLE 3.975 11/09/27	81.5	0.8	FAEACO 12.814 PERP	46.2	-0.3
INTNED 4 1/4 PERP	85.1	0.4	AGILE 13.476 PERP	3.6	-0.3
FOSUNI 8 1/2 05/19/28	101.3	0.4	SINOPE 2.95 08/08/29	95.6	-0.3
LLOYDS 6.413 PERP	104.0	0.4	VEDLN 10 1/4 06/03/28	102.5	-0.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.27%), Dow (+0.43%) and Nasdaq (+0.09%) were higher on Thursday. The latest initial jobless claims was +227k, lower than the market expectation of +236k. Trump says the US will impose a tariff of 35% on goods from Canada starting 1 Aug'25. 5yr/10yr UST yield was higher on Thursday, 2/5/10/30 yield at 3.86%/3.93%/4.35%/4.86%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SMCGL: Exchange offers and concurrent new issue. FV of the new SMCGL Perp to be high-8%**

San Miguel Global Power (SMCGL) commences par for par exchange offers for SMCGL 7 Perp and SMCGL 5.7 Perp. SMCGL will accept and cancel all the amount offered for exchange, and any amount not offered will remain outstanding. Concurrently, SMCGL intends to issue additional amount with the same T&C and fungible with the new SMCGL NC5Perp. We view the FV of the new SMCGL Perp at high 8% vs the minimum new issue initial distribution rate of 8.8%, in view of its SMCGL 8.125 Perp (first coupon reset on 2 Mar'30) is trading at YTC of 8.7% plus "tenor" premium.

The coupon of the new SMCGL Perp will be reset to 5yrUST+initial spread+250bps step-up margin on the coupon reset date, and the new SMCGL Perp is first callable at par three months prior to the coupon reset date. The coupon reset formula and the 250bps step-up margin of the new SMCGL Perp is the same as all SMCGL existing USD perps.

SMCGL will use the net proceeds for the cost and expenses related to the concurrent exchange offer and the issuance. After the above, SMCGL may apply the net proceeds to (i) repurchase and/or redemption of all remaining outstanding SMCGL 7 Perp and SMCGL 5.7 Perp following the exchange offers; (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects; (iii) but not for any of SMCGL's existing and planned coal-fired power assets and/or liquefied natural gas assets (including, but not limited to, their construction and working capital requirements).

The par for par exchange, in our view, is an active liability exercise than a distressed debt exchange. We maintain our view that SMCGL will redeem its perps on their respective first coupon reset date given its good access to funding channels onshore and offshore, as well as the high coupon step-up. We also expect SMCGL to redeem the amount not tendered for the exchange offers on the perps' respective first coupon reset date in

Oct'25 and Jan'26, respectively. Recalled that SMCGL redeemed SMCGL 5.95 Perp on its first coupon reset date in May'25. 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. Meanwhile, we have buy recommendations on SMCPL 5.5 Perp (will be redeemed on the first coupon reset date in Jul'25) and PCORPM 5.95 Perp, issued by SMCGL's parent and affiliate, respectively. We consider these Philippines perps low-beta and good carry plays.

Table 1: Indicative timetable of the Exchange Offers and concurrent new issue

Event	Time
Expiration deadline	16 Jul'25 4pm GMT
Pricing date	On or around 17 Jul'25
Result announcement date	On or around 18 Jul'25
Settlement date	On or about 24 Jul'25

Source: Company's filing.

Table 2: SMC Complex

Security name	Ask px	Ask YTC (%)	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)
SMCGL 7 Perp	100.3	5.8	193.4	21 Oct'25	21 Oct'25	5yUST+9.199%
SMCGL 5.7 Perp	99.4	6.8	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%
SMCGL 5.45 Perp	96.3	8.3	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	100.6	8.7	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%
SMCGL 8.125 Perp	98.7	8.5	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%
SMCPM 5.5 Perp	100.1	2.0	500.0	29 Jul'25	29 Jul'25	5yUST+10.237%
PCORPM 5.95 Perp	99.7	6.3	550.0	19 Apr'26	19 Apr'26	5yUST+7.574%

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Nissan Motor	1000/	5yr/	7.5%/	7.5%/	Ba2/BB/BB
	750/	7yr/	7.75%/	7.75%/	
	1250	10yr	8.125%	8.125%	
Phoenix Charm International Investment/ Danyang Investment Group	224.2	3yr	5.8%	5.8%	Unrated
Suzhou City Construction Investment	300	3yr	5.0%	5.0%	Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
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San Miguel Global Power	USD	-	PerpNC5	8.8%	Unrated
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➤ News and market color

- Regarding onshore primary issuances, there were 122 credit bonds issued yesterday with an amount of RMB171bn. As for month-to-date, 685 credit bonds were issued with a total amount of RMB789bn raised, representing a 8.1% yoy increase
- Media reported a high-level meeting will be held next week aimed at revitalizing the Chinese property sector
- **[BABA]** Media reported Alibaba leads USD11.6bn mainland China cloud infrastructure market
- **[CTFSHK]** CTF Services to issue HKD850mn 2.8% CBs due 2027 to fund repurchase of HKD780mn CTFSHK 4 07/22/25
- **[NWDEVL]** Media reported NWD denies selling K11 property in Shanghai
- **[PERTIJ]** Several Indonesian companies including Pertamina offer broader partnership in critical minerals with US amid tariffs threat
- **[RAKUTN]** Rakuten to issue JPY bonds totaled JPY20bn (cUSD136mn)

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