

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *KRKPCS'27/29 widened 19/12bps after S&P revised the rating outlook to negative and affirmed BBB- rating. DALWANs dropped 0.1-0.2pt. For LGFV, new ZJXCID'27 rose c0.1pt this morning. We also saw profit taking on CNH LGFVs.*
- *MEDCIJ: Tender offer for MEDCIJ'26/27. Maintain buy on MEDCIJ'28/29. MEDCIJs were unchanged to 0.15pt higher this morning.*
- *CPDEV: Media reported that Beijing Capital plans to issue an offshore SBLC-backed bond to refinance its USD500mn CPDEV 5.75 Perp. CPDEVs moved -0.1 to +0.1pt this morning.*

❖ Trading desk comments 交易台市场观点

Asia IG space was stable while the flows were a bit mixed last Friday. NSINTW/CATLIF 34s closed 1bp tighter. HYUELE 28-33s tightened 5-10bps. In Chinese IGs, HAOHUA '28/SINOCH '31/TENCNT '30 were 1-2bps tighter. However, MEITUA 30s widened 5bps on some profit taking flows. In financials, HRINTHs were up 0.25-0.5pt (5-10bps tighter). CCAMCLs were 5bps tighter. ANZ/MQGAU/WSTP 31-34s tightened 3-5bps. In AT1s, the new NDAFH 6.3 Perp closed 0.1pt lower at 99.9 in light of more profit taking from primary. The recent new BNP 7.375 Perp/INTNED 7.25 Perp rose another 0.1-0.3pt. In HK properties, NWDEVL 27-31s/Perps rose 0.7-1.9pts, closed 1.0-3.7pts higher WoW. In Chinese properties, LNGFOR 27-32s were up 1.4-1.9pts, closed 1.2-2.2pts higher WoW. VNKRL 25-29s were up 1.4-2.8pts, closed unchanged to 0.3pt higher WoW. FUTLAN/FTLNHD 24-26s were 0.7-1.2pts higher. SHUION 25-26s were up 0.4-0.6pt. Outside properties, FOSUNI 26-27s and CHIOIL '26 were up 0.3-0.4pt. EHICAR '26 was down 0.7pt. In Macau gaming, MPEL/STCITY 27-29s were 0.2-0.5pt higher. In Indonesia, MEDCIJs were 0.2-0.3pt higher. After Fri close, MEDCIJ launched tender offers for MEDCIJ 7.375 '26 and MEDCIJ 6.375 '27. See comments below. LPKRIJs were up 0.1pt. See our comments on Lippo's further sale of Siloam stake on 20 Sep '24. In Thailand, Fitch revised the outlook on PTT Global Chemical to stable from negative, rating affirmed at BBB. PTTGCs tightened 4-8bps, its affiliates TOPTBs closed 2-4bps tighter amid active two-way flows. In India, ADANEMs/ADTINs and UPLLINs were up 0.2-0.4pt. Elsewhere, GLPCHI '26 and GLPSP '25/Perps rose 0.5-1.2pts, closed 3.8-5.8pts higher WoW.

In LGFVs, the sentiment remained firm. ZJXCID priced a USD200mn 3-yr bond at par to yield 5.95%. We saw the LGFVs/SOE perps that were yielding high-5% had a round of yield compression on RM/AM buying. GZDZCD '26/GETDZS '25/TYSTOW '25 were up 0.1-0.2pt. In SOE perps, HUANEN/SPICPT Perps were 0.2pt higher. CHPWCN/COFCHK Perps were down 0.1pt.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRL 3 1/2 11/12/29	45.5	2.8	MUFG 4.153 03/07/39	94.2	-1.1
LNGFOR 3.85 01/13/32	63.3	1.9	CCAMCL 5 02/08/48	89.4	-0.8
NWDEVL 8 5/8 02/08/28	90.1	1.9	SINOPE 3.44 11/12/49	81.7	-0.7
LNGFOR 3.95 09/16/29	68.1	1.9	EHICAR 7 09/21/26	76.5	-0.7
LNGFOR 4 1/2 01/16/28	74.0	1.8	SINOPE 3.68 08/08/49	85.2	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.19%), Dow (+0.09%) and Nasdaq (-0.36%) were mixed on last Friday. UST yields retreated on Friday, 2/5/10/30 yield reached 3.55%/3.48%/3.73%/4.07%.

❖ Desk analyst comments 分析员市场观点

➤ **MEDCIJ: Tender offer for MEDCIJ'26/27. Maintain buy on MEDCIJ'28/29**

Medco Energi (Medco) launched a tender offer for MEDCIJ 7.375 05/14/26 and MEDCIJ 6.375 01/30/27. The maximum acceptance amount of MEDCIJ'26 is USD100mn and MEDCIJ'27 is USD50mn, representing 33% and 10% of the respective outstanding amounts. The bonds tendered on or before the early tender deadline will be accepted before any bonds tendered after the early deadline. The early tender premium of USD3 is included in the early tender considerations. The early deadline will be on 3 Oct'24 and the offer will expire on 21 Oct'24. The tender offer will be funded by cash on hand and/or funds borrowed from existing debt facilities.

Table 1: Summary of the tender offer

Bond	MEDCIJ 7.375 05/14/26	MEDCIJ 6.375 01/30/27
Principal o/s (USDmn)	299.422	485.408
Maximum acceptance amt (USDmn)	100	50
Early tender consideration	101.5	99.75
Early tender deadline	3 Oct'24	
Late tender consideration	98.5	96.75
Expiration deadline	21 Oct'24	
Settlement date	24 Oct'24	

Source: Company filling.

Medco has been proactively managing its USD bond maturities in the past two years. YTD, it early called MEDCIJ'25 in full of USD33mn in May'24. It repurchased USD148.8mn of MEDCIJ'26 in a tender offer completed in Jun'24, and subsequent to the tender offer, Medco repurchased USD15.3mn of MEDCIJ'26 and USD13.3mn of MEDCIJ'27 in the open markets. Recalled that it repurchased USD397.2mn of MEDCIJ'25-28 in Nov'23 with concurrent new issuance of USD500mn MEDCIJ'29, and repurchased USD265mn of MEDCIJ'25 in Nov'22 via tender offers.

Besides, Medco's credit profile remains solid. As of Jun'24, Medco had cash on hand of USD663.5mn, increased 52.3% from USD435.7mn in Dec'24. Its total debts decreased 2.3% to USD3.45bn from USD3.53bn in Dec'24. Its net debt to EBITDA ratio improved to 1.7x from 2.1x in Dec'23. We consider Medco's cash on hand and operating cash inflow to be sufficient to cover its ST debts of USD378mn and capex of cUSD240mn in 2H24. Moreover, we expect Medco to conduct more early redemptions or early calls given its sufficient liquidity and good access to onshore funds. In 1H24, Medco issued IDR bonds of USD95mn with coupon rates ranging from

7.35- 8.5%. We maintain buy on MEDCIJs, and prefer MEDCIJ'28/29 for better risk-return profiles within the curve.

Table 2: Bond profile of MEDCIJ

Security Name	ISIN	Amt Out (USD mn)	Ask Price	YTM (Ask)	Rating(M/S/F)
MEDCIJ 7 ½ 05/14/26	US58405FAA30	299.4	101.3	6.5	B1/BB-/BB-
MEDCIJ 6 ¾ 01/30/27	US58406LAA98	485.4	99.3	6.7	B1/BB-/BB-
MEDCIJ 6.95 11/12/28	US58406RAA68	299.4	99.5	7.1	B1/BB-/BB-
MEDCIJ 8.96 04/27/29	US58407HAA77	500.0	104.9	7.7	B1/BB-/BB-

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)
AIA	USD	-	10.5/30yr	T+155/175	A2/A-/A
ANZ Banking Group	USD	-	3yr	T+65/SOFR Equiv	Aa2/AA-/AA-
ANZ Banking Group	USD	-	11NC10	T+175	A3/A-/A-
Bank of China Sydney Branch	USD	-	3yr	SOFR+105	A1/A/A
Hyundai Capital America	USD	-	3yr	SOFR Equiv	A3/A-/A-
Hyundai Capital America	USD	-	3/5/7yr	T+115/135/145	A3/A-/A-
Industrial Bank of Korea	USD	-	3/5yr	SOFR+95/T+90	Aa2/-/AA-
Meituan	USD	-	-	-	Baa2/BBB+/BBB
REC Ltd	USD	-	5yr	T+160	Baa3/-/BBB-
Shriram Finance Ltd	USD	-	3.5/5yr	-	-/BB/BB

➤ **News and market color**

- Regarding onshore primary issuances, there were 90 credit bonds issued last Friday with an amount of RMB110bn. As for month-to-date, 1,152 credit bonds were issued with a total amount of RMB1,033bn raised, representing a 4.3% yoy decrease
- **[BNKEA]** Bank of East Asia completed redemption of USD650mn AT1 BNKEA 5.875 Perp
- **[CAPG]** China Aoyuan said Multi Gold Group agreed to acquire a 16.48% stake in the company to become the top shareholder
- **[CPDEV]** Media reported that Beijing Capital plans to issue an offshore SBLC-backed bond to refinance its USD500mn CPDEV 5.75 PERP
- **[DALWAN]** Media reported that Dalian Wanda Commercial Management exited Nanjing Wanda Mao Investment Limited
- **[KRKPSC]** S&P affirmed PT Krakatau Posco's BBB- rating and revised rating outlook to negative

- **[PTTGC]** Fitch affirmed PTT Global Chemical's BBB rating and revised the rating outlook to stable from negative
- **[SINOCE]** Sino-Ocean Group announced to effectuate restructuring via two parallel processes including restructuring plan, scheme of arrangement; wind-up hearing adjourned to Dec'24
- **[SUNHKC]** Sun Hung Kai & Co further repurchased USD23.1mn of SUNHKC 5'26
- **[VEDLN]** Vedanta Resources announced early settlement of notes tendered for USD33.6mn of due-2027, USD89.7mn of due-2028 notes
- **[WYNMAC]** Wynn Macau secures three-year extension on existing revolving loan facility of USD1.5bn to Sep'28

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it

shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.