

## CMBI Credit Commentary

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

- *The new DAESEC 5.25 '28 tightened 2bps from RO (CT2+97) and the rest of DAESECs were unchanged this morning. BABA/TENCNT 30-31s and SUMIBK Float 29-30s widened 1-3bps. CNH LGFVs remained better bid.*
- **SMCGL:** SMCGL tap USD100mn of SMCGL 8.125 Perp. Maintain buy on SMCGL 5.7 Perp, SMCGL 5.45 Perp and SMCGL 8.125 Perp. SMCGL Perps were unchanged to 0.1pts higher this morning. See below.
- **SHUION:** Shui On to use part of and up to USD590mn-equivalent loan to repay part of SHUION 5.5 03/03/25 of USD490mn. SHUION 25 was 0.1pts higher while SHUION 26 was 0.8pts higher this morning.

#### ❖ Trading desk comments 交易平台市场观点

Yesterday, on primary, KANSEL 30s tightened 7bps on PB/banks buying vs AM/FM selling. ORIX 35s/HPHTSP 30s closed unchanged to 1bp tighter amid mixed flows. Meanwhile in KR, DAESEC priced a 3-yr bond at CT2+97/CT3+95. DAESEC 27-29s closed 3bps tighter. LGNSO/HYUELE 27-34s tightened 2-4bps. Chinese IGs were firm. MEITUA/BABA/TENCNT 28-31s tightened 1-3bps. In financials, Chinese AMCs were mixed. CCAMCL/ORIEAS 27-30s were 1-4bps tighter. CFAMCI/GRWALL Perps were better sold and closed unchanged to 0.1pt lower. In T2s, NANYAN 34s widened 5bps, while SHCMBK 33s/BNKEA 34s were unchanged to 2bps tighter on PB chasing. WSTP 35s/NAB 36s tightened 2-4bps. In AT1s, the new SUMIBK 6.45 Perp and BACR 7.625 Perp declined 0.4pt and 0.1pt from ROs at par, respectively. HSBC 6.95/UBS 6.85 Perps were down 0.1-0.3pt on better selling from AMs/PBs. In HK corps, NWDEVL 27-31s/Perps rose another 1.1-2.3pts and closed 4.0-5.5pts higher WTD. HYSAN Perp/NANFUNG Perp/LIHHK 26s were up 0.4-1.2pts. In Chinese properties, GRNCH '28 was 0.1pt higher and GRNCH 25s were unchanged. See our comments on 19 Feb '25. SHUION '26 was up 0.7pt while SHUION '25 unchanged. Media reported SHUION is planning to use part of its RMB4.3bn (cUSD590mn) loan to repay part of the cUSD490mn SHUION 5.5 03/03/25, it was also reported to be in talks of refinancing the USD438.7mn loan due Apr-Jul 2025. VNKRL 25-29s were up 0.8-1.4pts. Media reported China Vanke has secured RMB10bn (cUSD1.4bn) loan from BOCOM with collateral including its shares in Onowo Inc. However, DALWAN 26s declined 0.7pt. In India, ADGREG 42s/ADSEZ 31s were down 0.4pt. In the Philippines, SMCGL tap USD100mn on SMCGL 8.125 Perp. See comments below.

In LGFVs, CPDEV 25-26s were up 0.1pt following the media report on the potential new issuance of 3-yr bond to refinance its 25s. The high-yielding CNH LGFVs such as LZJHFH 7 28s/XXCIG 7.8 27s were skewed to better buying from RMs. In SOE perps, COFCHK/CHPWCN Perps were up 0.2pt.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 5 7/8 06/16/27	68.1	2.3	DALWAN 11 02/13/26	87.2	-0.7
NWDEVL 6.15 Perp	43.2	2.0	CCAMCL 5 02/08/48	87.7	-0.7
NWDEVL 4 3/4 01/23/27	69.1	1.8	GWFOOD 3.258 10/29/30	81.5	-0.5
NWDEVL 8 5/8 02/08/28	64.7	1.7	BEIENT 6 3/8 05/12/41	108.1	-0.5
NWDEVL 4 1/2 05/19/30	54.2	1.4	CHGRID 4 05/04/47	86.4	-0.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.24%), Dow (+0.16%) and Nasdaq (+0.07%) were higher on Wednesday. Trump said he intends to impose auto tariffs "in the neighborhood of 25%" and similar tariffs on semiconductors and pharmaceutical imports. UST yield retreated on Wednesday, 2/5/10/30 yield at 4.28%/4.37%/4.53%/4.76%.

## ❖ Desk Analyst Comments 分析员市场观点

➤ **SMCGL: SMCGL tap USD100mn of SMCGL 8.125 Perp**

San Miguel Global Power (SMCGL) tap USD100mn on SMCGL 8.125 Perp yesterday, and the outstanding amount of SMCGL 8.125 Perp is increased to USD600mn. The net proceeds from the additional issuance is to fund the redemption of SMCGL 7 Perp which will be first callable in Oct'25, or its coupon will be reset and step-up to 5yrUST+9.199% (incl. 250bps step-up) on the first call date.

The retap reinforces our view that SMCGL will continue to redeem its perps before their respective coupon reset dates due to the high coupon step-up given its good access to funding channels. Within the SMCGL curve, we prefer SMCGL 5.7 Perp and SMCGL 5.45 Perp for better risk-return profiles in view of their lower cash prices, higher YTC and shorter effective tenor. We also like SMCGL 8.125 Perp which offers the higher YTC and better trading liquidity. Meanwhile, we have buy recommendations on SMCPM 5.5 Perp and PCORPM 5.95 Perp, issued by SMCGL's parent and affiliate, respectively. We consider these Philippine perps low-beta and good carry plays.

**Table 1: SMC Complex**

Security name	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)	Ask px	Ask YTC (%)
PCORPM 5.95 Perp	550.0	19 Apr'26	19 Apr'26	5yUST+7.574%	100.0	5.9
SMCGL 5.95 Perp	113.3	5 May'25	5 May'25	5yUST+6.796%	100.5	3.1
SMCGL 7 Perp	193.4	21 Oct'25	21 Oct'25	5yUST+9.199%	100.7	5.9
SMCGL 5.7 Perp	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%	99.0	6.8
SMCGL 5.45 Perp	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%	97.0	7.2
SMCGL 8.75 Perp	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%	104.0	7.7
SMCGL 8.125 Perp	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%	101.8	7.7
SMCPM 5.5 Perp	500.0	29 Jul'25	29 Jul'25	5yUST+10.237%	99.7	6.2

Source: Bloomberg, Company filling.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Mirae Asset Securities	400	3yr	5.25%	T+95	Baa2/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Ninghai State-owned Asset Investment Holding Group	USD	-	3yr	5.3%	Unrated
Westpac New Zealand	USD	-	5yr	T+85	A1/AA-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB122bn. As for month-to-date, 704 credit bonds were issued with a total amount of RMB628bn raised, representing a 56% yoy increase
- **[LGELEC]** Moody's revised the outlook of LG Electronics to positive from stable, Baa2 rating affirmed
- **[MEITUA]** Meituan to offer social security benefits to delivery riders starting from 2Q25 to improve retention
- **[SHUION]** Shui On to use part of and up to USD590mn-equivalent loan to repay part of USD490mn SHUION 5.5 03/03/25; also in talks to refinance USD438.7mn loan
- **[SINOCE]** Sino-Ocean's offshore debt restructuring plan sanctioned by Hong Kong court, restructuring effective date pending satisfaction of further conditions
- **[VEDLN]** Vedanta Limited (VEDL) obtained approvals from its shareholders and creditors for the proposed demerger. Separately, VEDL raised totaled INR26bn (cUSD299mn) via two secured NCD issuances, the issuance size is lower than the initial plan of INR35bn (USD403mn)
- **[VNRLE]** Vanke plans to raise RMB1.4bn (cUSD192.6mn) in cash by launching a pre-real estate investment trust

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