

## CMBI Credit Commentary

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

- *The recent new CDBALF 4.75 30 tightened 1bp this morning. HONGQI launched new issue of 3.5yr USD bonds, ZTFIIN launched new issue of 2yr USD bonds. DAIL/SUMILF Perps and NIPLIF 55s were 0.1-0.4pt lower.*
- *WB: 1Q25 revenue remained flat yoy. Maintain buy on WB 3.375 07/08/30. WB 3.375 07/08/30 was unchanged post results announcement. See below.*
- *UPLLIN: S&P affirmed UPL Corp's BB rating and revised the outlook to stable from negative on improving leverage, in line with our expectation. UPLLIN 28-30s were unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, UST 10yr and 30yr yields widened 10-12bps. On IG primary, the new CDBALF Float 30 widened 4bps, CDBALF 4.75 30 tightened 1bp from ROs respectively. The new KUB 4.791 28s tightened 5bps from RO. KOLAHO 4.25 27 closed 1bps tighter from RO amid mixed flows. The recent new KORAIL 4.375 28 widened 1bps from last close. In Chinese and HK IGs, BABA/MEITUA/XIAOMI/WB/HAOHUA 27-35s were unchanged to 2bps tighter. MTRC/HKAA 30-55s were 1-2bps tighter on RM buying. The long end of SINOPE/CHGRID 47-48s were 1.4-1.6pts lower (unchanged to 4bps wider). In financials, the recent new HSBC Float 31s widened 1bps on banks selling, STANLN Float 31s tightened 1bps. SUMIBK/CBAAU/WSTP 30-36s were unchanged to 2bps tighter. In AT1s, BACR 4.375/BNP 8 Perps were down 0.2-0.3pt. In insurance hybrids, MYLIFE 55s/NIPLIF 54s and SUMILF/DAIL Perps were 0.1-0.4pt lower. In HK, NWDEVL Perps were up 0.5-0.8pt, closed 0.4-5.8pts lower WTD. NWDEVL 27-31s were down 0.2-0.6pt, closed 0.9-2.1pts lower WTD. CSIPRO 28 closed 0.4pt higher, CSIPRO 25 closed unchanged. Last night, CSI Properties announced to accept to the tender offer of USD150mn of its o/s USD296.1mn CSIPRO 5.45 25. In Chinese properties, VNKRLE 27-29s rebounded 0.2-0.7pt, closed 0.3-0.5pt lower WTD. CHIOIL/WESCHI 26s were up 0.2-0.3pt. Elsewhere, RAKUTN 27-29s were up 0.1-0.3pt. PCORPM 5.95 Perp was up 0.1pt. See our comments on 21 May '25. GLPSP 4.6 Perp rose 0.4pt. VEDLN 28-33s were down 0.1-0.6pt, closed 0.4-1.8pts lower WTD. 28-33s were down 0.1-0.6pt, closed 0.4-1.8pts lower WTD.

In LGFVs, BCDHGR/BJAFHO 26s were up 0.2-0.3pt. There were two way interests on shorter dated LGFVs such as SZCONS 25s/HEDGCN 26s and the recent new issues such as HKIQCL/TAIANH 28s. In SOE perps, SPICPD 4.95 Perp was up 0.1pt.

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

**Cyrena Ng, CPA 吳蒨瑩**  
 (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
NWDEVL 6 1/4 PERP	28.1	0.8	SINOPE 4 09/13/47	81.3	-1.6
NWDEVL 4.8 PERP	25.9	0.8	EXIMCH 4 11/28/47	82.1	-1.5
VNKRL 3 1/2 11/12/29	74.4	0.7	CHGRID 4 05/04/47	82.2	-1.4
NWDEVL 4 1/8 PERP	30.6	0.6	SINOPE 4.6 09/12/48	88.9	-1.4
NWDEVL 5 1/4 PERP	40.9	0.5	CHGDNU 4.8 09/11/48	85.9	-1.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.61%), Dow (-1.91%) and Nasdaq (-1.41%) were lower on Wednesday. Treasury yields spiked on worries that US government debt would swell by trillions of dollars if Congress passes Trump's proposed tax-cut bill. UST yield was higher Wednesday, 2/5/10/30 yield at 4.00%/4.15%/4.58%/5.08%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ WB: 1Q25 revenue remained flat yoy

Weibo (WB)'s 1Q25 revenue was flat yoy. The advertising and marketing revenue was also flat yoy in 1Q25, lower advertising revenue from non-Ali advertiser was offset by higher advertising revenue from Alibaba. By sector, e-commerce, interest services, automobile and food and beverage were the key contributors of revenue growth; beauty and personal care, online game and handset manufacturers showed yoy decline in revenue. We expect the revenue from headset manufacturing sector to recover in 2Q25 and onward, supported by national subsidy for device upgrade as well as new product launches, while online game sector should remain under pressure due to intense competition.

The 1Q25 adjusted EBITDA was 5% yoy higher than 1Q24 at USD140mn, due to lower sales and marketing as well as product development cost. During 1Q25, investment and other income reversed to a profit of USD22mn from a loss of USD24mn in 1Q24. As a result, net profit surged to USD108mn in 1Q25.

During 1Q25, the MAUs and DAUs both increased compared to 1Q24, driven by Spring Festival Gala as well as the integration of DeepSeek-based AI search launched in Mar'25. The DAU/MAU ratio increased by 1 pct pt to 44% demonstrated a higher user engagement during the quarter. WB expects the MAUs to increase with increasing usage of the intelligent search.

WB's cash and short-term investment totaled USD2.1bn as of Mar'25, decreased 11% from the level as of Dec'24. Its net cash position dropped by 55% to USD221mn. The decline in net cash balance mainly due to lower operating cash flow along with purchase of long-term wealth management products, partly offset by lower capex. Nonetheless, WB's liquidity position remains abundant in view of free cash flow generated as well as net cash position over the past few years. Additionally, the refinancing pressure of the coming 1-2 years is low. We have buy recommendation on WB 3.375 07/08/30 in view of WB's solid credit profile. At 91.3, WB 3.375 07/08/30 is trading at YTM of 5.3%/Z+154bps. We are neutral on WB 1.375 12/01/30 (CB, puttable in Dec'27) based on the current valuation. At 109.0, WB 1.375 12/01/30 is trading at YTP of -2.05% and parity of 70.3.

In Chinese TMT space, we also have buy recommendations on MEITUA 3.05 10/28/30 and MEITUA 0 04/27/28 (CB), XIAOMI 3.375 04/29/30 and XIAOMI 2.875 07/14/31, as we believe WB, MEITUA and XIAOMI are proxy plays on domestic consumption as well as less sensitive to incremental sanction measures from the US. For investors with lower risk appetite, we recommend buy on TENCNT 3.595 01/19/28 and TENCNT 3.975 04/11/29

for shorter tenor given our preference for shorter-tenor plays and their lower cash prices among the shorter tenor TENCNT bonds.

**Table 1: WB's financial highlights**

USD mn	1Q24	1Q25	Change
Net revenue	395	397	0.3%
-Advertising and marketing revenues	339	339	0.0%
- Non-Ali advertisers	316	296	-6.3%
- Alibaba as an advertiser	23	43	89.0%
-Value-added services revenues	57	58	2.1%
Adjusted EBITDA	133	140	5.0%
Profit for the year	51	108	111.5%
Operating cash flow	140	113	-18.9%
Capex	22	9	-56.7%
Adjusted EBITDA margin	33.6%	35.2%	1.6 pct pt
Net profit margin	12.9%	27.2%	14.3 pct pt
Monthly active users (MAUs, mn)	588	591	3mn
Average daily active users (DAUs, mn)	255	261	6mn
DAU/MAU	43%	44%	1 pct pt
	<b>Dec'24</b>	<b>Mar'25</b>	<b>Change</b>
Cash and short-term investment	2,350	2,084	-11.3%
ST debts	-	-	-
LT debts	1,861	1,863	0.1%
Total debts	1,861	1,863	0.1%
Net cash (Cash - ST inv - total debt)	490	221	-54.9%

Source: Company filling, CMBI FICC Research.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Asia Development Bank	4000	5yr	4.125%	SOFR MS+42	Aaa/AAA/AAA
China Construction Bank Corporation	1000/	3yr/	SOFR+52/	SOFR+52/	-/-/A
Hong Kong Branch	500	5yr	SOFR+60	SOFR+60	

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Hongqiao Group	USD	270 (capped)	3.5yr	7.4%	-/BB-/BB+
Jinjiang Road and Bridge Construction & Development	USD	-	364d	6.6%	Unrated
Zhongtai International	USD	-	2yr	5.8%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 72 credit bonds issued yesterday with an amount of RMB53bn. As for month-to-date, 743 credit bonds were issued with a total amount of RMB933bn raised, representing a 32.8% yoy increase
- Visitors to Macau rise 19% yoy in Apr'25 to 3.1mn led by mainland China
- **[AVIILC]** AVIC Industry mulls ditching bond delisting plan rejected by creditors
- **[BABA]** Alibaba to buy USD250mn CB from Meitu, a Chinese photo-editing app operator, as part of AI partnership
- **[CSIPRO]** CSI Properties accepts USD150mn of CSIPRO 5.45 07/21/25 in the tender offer, USD146.132mn will remain outstanding after the settlement on or about 26 May'25
- **[IIBIN]** IndusInd Bank uncovers suspected fraud
- **[NSANY]** Nissan to use Ford-SK On US EV battery plant to cut tariff exposure
- **[SFHOLD]** SF Holding launches tender offers for SFHOLD 2.875 02/20/30 at 92.35 and SFHOLD 3.125 11/17/31 at 91.2, aggregate maximum acceptance amount up to USD350mn. Expiration deadline on 29 May'25
- **[SOFTBK]** SoftBank raises USD15bn loan to fund AI investment and the acquisition of US chip designer Ampere Computing Holdings
- **[VNKRL]** China Vanke signs supplemental pact with Shenzhen Metro Group for RMB4.2bn (cUSD582mn) loan, Vanke will pledge up to RMB6bn (cUSD833mn) shares of Onewo to guarantee the loan

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

## 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.