

CMBI Credit Commentary

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

- *This morning, the new DAESEC 29-31 were unchanged to 1bp wider from ROs. The new SUMI 31 tightened 6bps from RO at T+90, and SUMI 36 tightened 1bp. SUMIBK 41 and ADVANC 31-36 were unchanged in spreads from ROs. Rest of secondary Asian IG space recovered and tightened 1-3bps.*
- **MEDCIJ:** Call MEDCIJ 6 ¾ 01/30/27 on 27 Mar'26 at par. Maintain buy on MEDCIJ 8.625 05/19/30. See below.
- **RAKUTN:** Rakuten will call RAKUTN 5.125 Perp of USD750mn on the first call date in Apr'26. Maintain buy on RAKUTN 8.125 Perp. Please also read our comments on Rakuten's FY25 results in our daily on [23 Feb'26](#).

❖ Trading desk comments 交易台市场观点

Yesterday, Chinese IG space overall widened 3-5bps, driven by better selling on 30yr BABA/TENCNT/XIAOMI and HAOHUA 27-30, while other belly-to-front-end papers held up relatively well. TW lifers also widened 3-5bps. We saw block selling on FUBON, small but steady offers on CATLIF, balanced two-way interests in NSINTW, and quiet trading in SHIKON. In HK space, LINREI 36 widened 3bps. CKHs remained largely quiet. The Panamanian government took control of 2 ports on the Panama Canal from CK Hutchison (CKH). Over the past 28 years, CKH invested cUSD1.7bn in the 2 Panamanian ports compared with CKH's total assets was USD147bn as of Jun'25. We estimated the dividend income from its 90% stakes in the 2 Panamanian ports to be cUSD1.1bn, i.e. USD40.5mn p.a. on average compared with CKH's 1H25 operating cash flow was USD4bn. Additionally, the 2 Panamanian ports handled c4% of CKH's global throughput in 1H25. Hence, we believe that the impact of concession cancellation and take-over of port assets should be relatively small. NWDEVL Perps rose 0.6-1.4pts, while VDNWDL Perp closed unchanged. In Chinese properties, FUTLAN 28 was 0.9pt higher, while FTLNHD 26-27 were unchanged to 1.0pt lower. VNKRL 27-29 leaked 0.4-0.6pt. In KR space, POHANG/LGENSO/HYUELE with tenor longer than 7yrs and HYNMTR 33-36s widened 3-5bps on back of Chinese onshore block selling. DAESEC 28-29 closed 1-2bps wider. Mirae Asset Securities priced the new 3yr/5yr USD bonds. In SE Asian space, IG bonds traded 2-4bps wider, with notable selling on 5yr Malaysian bank notes and 10yr EXIMBK tranches. MEDCIJ 28-30s were 0.1pt lower, while MEDCIJ 27s edged 0.2pt higher. Medco Energi will call MEDCIJ 6.375 01/30/27 on 27 Mar'26 at par. See comments below. In JP space, IG credits widened 2-4bps across the board, led by better selling on MIZUHO, MUFG and fixed 10yr SUMIBK papers. JP insurance subs managed to grind a touch firmer. In contrast, Yankee AT1s retraced by 0.1pt, driven mainly by selling flows during London session. In AU, there was increased selling pressure on long-dated callable T2s.

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In LGFV space, RMs remained better buyers while tactical investors and some AMs were better sellers of Shandong papers down the credit curve, as well as several other short-dated issues.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/8 PERP	75.2	1.4	CNOOC 5 3/4 01/26/41	109.5	-1.0
NWDEVL 4.8 PERP	63.4	1.1	FTLNHD 11.88 09/30/27	94.6	-1.0
NWDEVL 5 1/4 PERP	81.7	0.9	BABA 3 1/4 02/09/61	65.7	-0.7
FUTLAN 11.88 06/26/28	98.1	0.9	VNKRLE 3 1/2 11/12/29	45.4	-0.6
NWDEVL 10.131 PERP	83.6	0.8	BABA 5 5/8 11/26/54	102.5	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.77%), Dow (+0.76%) and Nasdaq (+1.04%) were higher on Tuesday. US Feb'26 CB Consumer Confidence was 91.2, higher than the market expectation of 87.4. 5/10 year UST yield was higher on Tuesday. 2/5/10/30 year yield was at 3.43%/3.61%/4.04%/4.70%.

❖ Desk Analyst Comments 分析员市场观点

➤ MEDCIJ: Call MEDCIJ 6 ¾ 01/30/27 on 27 Mar'26 at par

Medco Energi (Medco) will call the remaining outstanding amount (USD107.77mn) of MEDCIJ 6 ¾ 01/30/27 in full on 27 Mar'26 at par. The call is in line with our expectation that Medco is a candidate for early redemption of its outstanding USD bonds and technical of Indonesian HY will remain strong given the potential early redemptions. Over the past few years, Medco has been actively extending its debt maturity profile, thanks to its sufficient liquidity and good access to various funding channels. It has early redeemed a total of USD542.23mn in principal amount of MEDCIJ 6 ¾ 01/30/27 since Apr'22. Hence, remaining outstanding of the bond had notably reduced to USD107.77mn from the initial issue amount of USD650mn.

During 9M25, Medco conducted proactive liability management despite modestly weaker 9M25 results in a lower oil price environment. It issued offshore bonds of USD400mn and retired USD bonds totaling USD519mn in principal amount via tender offers and buybacks. Medco also tapped on the onshore bond market with issues totaling IDR2.5tn and IDR1tn bonds in Jan'25 and Jun'25, respectively. We expect Medco to continue early redemptions of its USD bonds. We like Medco's stable credit story and maintain buy on MEDCIJ 8.625 05/19/30 for better risk-adjusted return profile with better trading liquidity within the MEDCIJ curve. At 105.6, MEDCIJ 8.625 05/19/30 is trading at YTM of 7.1%.

Table 1: Medco o/s USD bonds

Security Name	ISIN	Amt o/s (USD mn)	Ask Px	Ask YTM	Issue rating (M/S/F)	Payment rank
MEDCIJ 7 ¾ 05/14/26	USY59501AA78	91.72	100.9	3.2%	B1/BB-/BB-	Secured
MEDCIJ 6 ¾ 01/30/27	USY56607AA51	107.77	100.3	2.6%	B1/BB-/BB-	1 st lien
MEDCIJ 6.95 11/12/28	USY59500AA95	299.42	100.7	6.7%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.96 04/27/29	USY5951MAA00	500.0	104.2	7.4%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.625 05/19/30	USY56616AA68	400.0	105.6	7.1%	B1/BB-/BB-	1 st lien

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Advanced Info Service Public Compar	600/	5yr/	4.26%/	T+65/	-/BBB+/-
	400	10yr	4.894%	T+85	
Mirae Asset Securities	300/	3yr/	4.25%/	T+85/	Baa2/-/-
	300	5yr	4.375%	T+88	
Sumitomo Corporation	500/	5yr/	4.2%/	T+65/	Baa1/A/-/-
	500	10yr	4.9%	T+90	
Sumitomo Mitsui Financial Group	1250	15NC10	5.334%	T+130	A2/BBB+/-
The Commercial Bank P.S.Q.C.	500	PerpNC5.5	6.25%	6.25%	A2/A-/A

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
NTT Finance	USD	-	5yr	SOFR+115	A3/A/-/-
Oversea-Chinese Banking Corporatio	USD	-	10NC5	T+120	A2/BBB+/-A
Tohoku Electric	USD	-	5yr	T+105	-/A/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 16 credit bonds issued yesterday with an amount of RMB15bn. As for month-to-date, 938 credit bonds were issued with a total amount of RMB728bn raised, representing a 14.2% yoy decrease
- Macau receives c1.6mn visitors during Chinese New Year holiday
- **[ADSEZ]** Adani Ports received USD101.584mn of ADSEZ 4 07/30/27 and USD95.36mn of ADSEZ 3.1 02/02/31 as of early tender deadline
- **[CFAMCI]** CITIC FAMC International HKD1bn-equivalent unsecured 364 day loan early bird commitments due 13 Mar'26
- **[CGRNEG]** Media reported Continuum Green put India unit IPO plans on hold
- **[EHICAR]** Media reported EHi Car considers to extend the maturity of EHICAR 7 09/21/26 of USD269mn with upfront principal repayment
- **[INDON]** Republic of Indonesia mandated 3-, 5-, and 10-year (CNH) and 8-, 12-, and 20-year (EUR) bonds issuance

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