

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!

- *Asian IGs were unchanged to 2bps tighter this morning. The recent new HSBC 7.05 Perp/RY 6.75 2085 were unchanged to 0.1pt higher. The new CNH CHGRID 2 30/CHGRID 2.25 35 closed unchanged from ROs at par.*
- *NWDEVL: USD3bn equity funding plan. NWDEVLs perps moved 5-25pts lower after the coupon deferral while dated bonds moved 4-8pts lower. See below.*
- *VEDLN: Vedanta Ltd raised INR50bn (cUSD582mn) from privately placed NCDs in three tranches, coupon at 9.31%, 9.45% and 3MOIS+328bps, respectively. VEDLN 28-33s moved 0.3-0.6pt higher yesterday and were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, KR IG space remained firm. PKX 30-35s/HYUELE 27-33s tightened 1-3bps. HANFGI/DAESEC 26-28s were also 1-3bps tighter. LGENSO 34s/35s tightened 1-2bps. Chinese IGs retraced. BABA/TENCNT/MEITUA 27-35s were 2-3bps wider. XIAOMI 51s widened 1bp amid mixed flows. In financials, CCAMCL/ORIEAS 27-30s were better sold by AMs and widened 1-3bps. In HK, the new HKINTL 4.125 30s widened 3bps. NWDEVL Perps were 0.1-1.3pts higher, closed 4.7-25.3pts lower from last Thu closes. NWDEVL 27-31s were up 0.2-0.9pt, closed 4.4-8.3pts lower from last Thu closes. Media reported NWD plans USD3bn equity funding. See comments below. In financials, BBLTB 33-40s were 1-3bps wider. EXIMTH/KBANK 27-33s were unchanged to 2bps wider on profit taking from PBs. In AU/JP, CBAU/WSTP 30-36s were unchanged to 2bps wider. SUMIFL/SMBAC/NTT 26-33s were unchanged to 2bps tighter. Insurance hybrids were sought after. MYLIFE/NIPLIF 54-55s were up 0.3pt. In AT1s, the new RY 6.75 2085 closed 0.1pt higher from RO at par amid mixed flows with buying from RMs/PBs vs selling from AMs. In Chinese properties, LNGFOR 27-32s lowered 0.3-0.7pt. VNKRL 27/DALWAN 26s declined 0.3-0.4pt. Outside properties, WESCHI 26s/EHICAR 26-27s lowered 0.4-0.9pt. In SE Asia, TOPTB 43-50s widened 1-2bps on flow from RMs. VLLPM 27-29s dropped 2.3-5.8pts and closed 6.4-7.0pts lower WTD. Adani complex bonds were up 0.1-0.3pt. The long end of PLNII/INDOIS 48-51s were 0.9-1.1pts higher (unchanged to 6bps tighter).

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The higher yielding CNH LGFVs such as WFBHIN 6.9 27s/BNHAST 6.9 28s/QDOCID 6.8 28s continued to compress on deployment demand from RMs, though there were more profit taking in the CNH/USD LGFVs that experienced yield compression recently. There were two way interests on USD papers such as ANQYIX 6.9 28s/CQLGST 6.25 27s.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 6.15 PERP	33.3	1.3	VLLPM 9 3/8 07/29/29	73.8	-5.8
PLNIJ 4 7/8 07/17/49	80.2	1.1	VLLPM 7 1/4 07/20/27	81.7	-2.3
PLNIJ 6.15 05/21/48	96.5	1.1	WESCHI 4.95 07/08/26	80.1	-0.9
PLNIJ 4 3/8 02/05/50	74.3	1.1	LNGFOR 3.95 09/16/29	78.2	-0.7
INDOIS 3.55 06/09/51	70.4	1.1	LNGFOR 3.85 01/13/32	70.5	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.01%), Dow (-0.22%) and Nasdaq (+0.32%) were mixed on Wednesday. US May'25 ADP nonfarm employment change was +37k, lower than the market expectation of +111k. US May'25 ISM non-manufacturing PMI was 49.9, lower than the market expectation of 52.0. UST yield retreated on Wednesday, 2/5/10/30 yield at 3.87%/3.93%/4.37%/4.89%.

❖ Desk Analyst Comments 分析员市场观点

➤ NWDEVL: USD3bn equity funding plan

Media reported NWD plans USD3bn equity funding includes convertible preferred shares, involves 50% funding from its controlling Cheng family and the remaining 50% to be contributed by potential equity investors, and NWD is in talks with international private equity funds, Chinese insurers and Chinese funds in relation to the proposal. While the deal will go through and what are the details of the deal are subject to lots of uncertainties, the news reinforce our belief that supporting NWD is in the best interests of the Cheng family. NWDEVLs perps moved 5-25pts lower after the coupon deferral while dated bonds moved 4-8pts lower. At current levels, we believe that NWDEVLs have priced in significant downside. For bonds with dated maturities, we prefer NWDEVL 8 5/8 02/08/28 for its highest cash yield. For perps, we can no longer look at these on a cash yield basis. That said, we believe that NWDEVL 5 1/4 Perp offer better risk-return profile amongst the outstanding perps given the largest coupon step-up. NWDEVL 5 1/4 Perp should be in a higher priority in case of any market repurchases and tender offers.

As media reported earlier, NWD has received over 80% of loans confirm commitment to the HKD87.5bn (cUSD11.1bn) refinancing deal of which more than 60% have confirmed their commitment in writing, NWD expects to receive written confirmation from the remaining 20% in the coming few days. We believe that completing the loan refinancing is NWD's focus now. Given our base case of loan refinancing will be completed and next scheduled maturity of USD bonds on Jan'27, we believe that NWD is under less pressure to conduct a holistic restructuring on its USD bonds and perps in the near-term. If NWD can secure additional loans, such as the DB loan as reported, NWD could draw down the loans to buy back or tender offer the higher coupon-paying and lower cash price bonds and perps. Please also read our commentary on [NWDEVL on 2 Jun'25](#).

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chengdu Jianjiang Investment Group	93	3yr	4.73%	4.73%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issue Pipeline Today					

➤ News and market color

- Regarding onshore primary issuances, there were 101 credit bonds issued yesterday with an amount of RMB150bn. As for Month-to-date, 232 credit bonds were issued with a total amount of RMB244bn raised, representing a 19.3% yoy decrease
- China urges carmakers to 'self-regulate' on prices amid concerns about industry
- **[BABA]** Alibaba-Apple AI partnership stalled by Chinese government amid growing US-China tensions
- **[CERCG]** China Energy Reserve plans exchange offer for its eight tranches of USD2.05bn-equivalent offshore bonds
- **[CKHH]** CKH port sale sparks concerns of potential dominance by Mediterranean Shipping Company
- **[COGARD]** Country Garden extends deadline to support offshore revamp until further notice, no action required for existing RSA acceders
- **[DEXICN]** Dexin China reports no commitment and no formal agreement in respect of a potential restructuring has been reached or entered into
- **[VEDLN]** Vedanta Ltd says US doubling tariff on aluminum damaging, seeks curbs on imports. Media reported Vedanta Resources talks with banks for USD550mn to prepay the high-cost loan with 18% coupon in Apr'26

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