

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!

- *This morning SHIKON/NSINTW 34-35s were unchanged to 2bps tighter. HYSAN Perps were up 0.1-0.2pt, FAEACO Perp declined another 1.1pts. DAIL/ASAMLI Perps were up 0.1-0.3pt*
- **NWDEVL:** *Thoughts after loan refinancing. NWDEVL 30 was 0.2pt higher this morning . See below.*
- **Macau gaming:** *Macau GGR in Jun'25 jumped 19% yoy to MOP21.064bn (cUSD 2.6bn), helped by non-casino attractions. SANLTD 26-31s, STCITY 28.29s and WYNMAC 26-29s were unchanged to 0.1pt higher, MPEL 26-29s were unchanged to 0.2pts higher while SJMHOLs and MGMCHIs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

On Monday, in HK, NWDEVL Perps/27-31s were 0.2pt lower to 0.5pt higher after moving 0.4-2.5pts higher over the last week. NWD announced the completion of loan refinancing. Please see comments below. CTFCHK 28-29s were up 0.4-0.5pt after moving 0.5-0.8pt higher over the last week. FAEACO Perp lowered 1.9pts after moving 4.8pts lower over the last week. Far East Consortium terminated Heads of Agreement regarding an asset swap with Star Entertainment related to the Queen's Wharf Brisbane project, effective on 7 Jul '25. LASUDE 26 lowered 2.1pts. Meanwhile BNKEA 30-34s were unchanged to 1bp tighter under better buying from AMs. On primary, SOBKCO priced 5yr and 10yr USD bonds at T+90 and T+110 (IPT at T+120 and T+140) respectively. See our comments on 30 Jun '25. SOFTBK announced new issue mandate of 3.75yr, 5.5yr, 7yr, 10yr USD bonds. SUMIBK priced 6NC5, 8NC7, 11NC10 fixed rated bonds at T+87, T+97, and T+102 (IPT at T+110-115, T+125, and T+130), respectively, and also priced 6NC5 floating rated bond at SOFR+119. In JP, the recent new MIZUHO Float 31 widened 2bps. NSANY 25-30s were unchanged to 1.7pts lower following media report that Nissan has asked for payment delay to free up short term funds. In Chinese IGs, BABA/TENCNT 27-35s were unchanged to 1bp tighter. In financials, ANZ/WSTP/NAB 30-36s tightened 1-3bps. AHBK/BBLTB/KBANK 30-40s were under buying from AMs and closed unchanged to 2bps tighter. In insurance papers, NSINTW/SHIKON 34-35s were unchanged to 2bps tighter. MYLIFE/NIPLIF 54-55s were up 0.1-0.3pt under buying interest from PBs/AMs. In AT1s, HSBC 7.05 Perp/RV 6.75 85

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were up 0.1pt. INTNED 7.25/SOCGEN 8.5 Perp were up 0.3pt. In Chinese properties, ROADKG 28-30s/Perps were down 0.3-0.9pt after moving 0.8-9.7pts lower over the last week. LNGFOR 28s declined 0.4pt. On the other hand, YUEXIU 26-31s were up 0.2-0.5pt. Outside properties, FOSUNI announced tender offer results and reduced the o/s size of FOSUNI 5.95 10/19/25 to USD178.9mn from USD213.9mn. FOSUNI 25-28s were unchanged to 0.3pt higher. EHICAR 26-27s were up 0.1-1.1pts. In SE Asia, VLLPM 27-29s rose 0.3-1.1pts. VEDLN 28-33s were up another 0.3-0.7pt after moving 2.0-3.6pts higher over the last week.

In LGFVs, higher yielding CNH and USD papers names were being chased after. There were two way interests on CNH names such as SMXHBI 8.5 26s/LUOCHU 8 26s/ZCHLIM 6.98 27s. In SOE perps, CHSCOI Perp was up 0.1pt, CHPWCN Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CCAMCL 5 02/08/48	88.8	1.4	LASUDE 5 07/28/26	56.4	-2.1
VLLPM 9 3/8 07/29/29	68.1	1.1	FAEACO 12.814 PERP	57.5	-1.9
EHICAR 7 09/21/26	70.7	1.1	NSANY 7.05 09/15/28	102.3	-1.7
BABA 4.4 12/06/57	80.0	0.8	NSANY 4.81 09/17/30	92.0	-1.3
RILIN 4 7/8 02/10/45	88.1	0.8	NSANY 5.55 09/13/29	96.5	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.11%), Dow (+0.91%) and Nasdaq (-0.82%) were mixed on Tuesday. Media reports that President Trump will stick with his 9 Jul'25 deadline for higher tariffs to resume. UST yield was higher on Tuesday, 2/5/10/30 yield at 3.78%/3.84%/4.26%/4.78%.

❖ Desk Analyst Comments 分析员市场观点

➤ NWDEVL: Thoughts after loan refinancing

On 30 Jun'25, NWD announced the long-awaited the completion of loan refinancing of HKD88.2bn. NWD also announced that it had achieved FY25 contract sales and NCD target of HKD26bn and Adrian Cheng resigned as non-executive and non-executive vice-chairman of the company.

As we wrote on 2 Jun'25, the completion of loan refinancing is our base case. We believe that banks are incentivized to roll over NWD's loans, helped by the credit enhancement, the lower HIBOR and progress in contract sales and NCD. 1M HIBOR lowered from c4.6% at the beginning of the year to the current level of 0.7%. There is no detail on the loan refinancing as to the amortization schedule, collaterals, funding costs, etc. was provided. According to media reports, banks extend the maturities of loans coming due 2025 and 2026 to 2028 with collaterals, NWD provides credit enhancement (Victoria Dockside asset on a first lien basis) for the loans due 2028. The funding cost is in the range of HIBOR+100-130bps. There is no update as to additional loans of up to cUSD2bn as reported.

While NWD provides collaterals for the loan refinancing, the near-term refinancing pressure of NWD over the coming 2 years will be substantially relieved. With a sharply lower HIBOR and better sales momentum, NWD's liquidity should also be notably improved. Recently, we had numerous discussions with clients on the scenarios of LME, if any, we continue to believe that even if there is a LME, NWD has to come up with a proposal friendly enough for bond and perp holders to accept. We see no timing pressure for USD bond and perp holders to accept an unfriendly proposal given the next maturity for USD bonds will only be in Jan'27.

As we have been arguing, even if NWD can arrange additional loans of up to USD2bn for any LME uses, we do not see much room for NWD to push through an distressed exchange without a negative impact to its

continuous access to bank loans. For the USD perps, if NWD plans to buy back the perps at distressed prices, NWD has to fully settle the perp coupons in arrears before any buy-back.

We believe that NWDEVLs have priced in a LME and an significant downside at current levels. 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 and large issue size. In case of any LME, NWDEVL 5 1/4 PERP should be in a higher priority In case of any market repurchases and tender offers.

Table 1: NWDEVL's bonds

Security name	ISIN	Maturity/Next call date	Amt Out (USD mn)	Ask Price	Ask YTM/YTNC (%)	Coupon	Cash yield	Cash yield after step-up
NWDEVL 6 1/4 PERP	XS1960476387	First Call on 7 Mar'24	1,300.0	26.5	1567.2%	6.25%	23.6%	NA
NWDEVL 4.8 PERP	XS2268392599	First Call on 9 Sep'23	700.0	25.5	4372.2%	4.8%	18.8%	NA
NWDEVL 10.131 PERP	XS2435611327	First Call on 16 Mar'25	345.3	39.4	2306.1%	10.13%	25.7%	25.2%
NWDEVL 5 1/4 PERP	XS2132986741	3/22/2026	999.0	29.7	275.4%	5.25%	17.7%	39.5%
NWDEVL 4 3/4 01/23/27	XS1549621586	1/23/2027	458.4	72.4	27.9%	4.75%	6.6%	NA
NWDEVL 5 7/8 06/16/27	XS2488074662	6/16/2027	172.0	69.6	27.0%	5.875%	8.4%	NA
NWDEVL 8 5/8 02/08/28	XS2873948702	2/8/2028	400.0	66.1	27.8%	8.625%	13.0%	NA
NWDEVL 4 1/8 PERP	XS2348062899	3/10/2028	1,144.4	27.6	61.4%	4.125%	14.9%	35.1%
NWDEVL 4 1/8 07/18/29	XS2028401086	7/18/2029	717.8	52.2	22.9%	4.125%	7.9%	NA
NWDEVL 4 1/2 05/19/30	XS2175969125	5/19/2030	442.6	50.4	21.4%	4.5%	8.9%	NA
NWDEVL 3 3/4 01/14/31	XS2282055081	1/14/2031	76.1	49.5	18.9%	3.75%	7.6%	NA

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
SoftBank Corp	500	5yr/	4.699%/	T+90/	-/BBB/BBB+
	500	10yr	5.332%	T+110	
	700	6NC5/	4.66%/	T+87/	
	900	6NC5/	SOFR+119/	SOFR+119/	
Sumitomo Mitsui Financial Group	700	8NC7/	4.954%/	T+97/	A1/A-/A-/
	700	11NC10/	5.246%/	T+102/	A1/A-/A-/
	1,000	21NC20	5.796%	T+102	A2/BBB+/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Modern Dairy	USD	-	5yr	T+165	-/BBB/-
Korea Gas Corp	USD	-	3yr/ 5yr	SOFR+105/ T+85	Aa2/AA/AA-

NH Investment & Securities Co., Ltd	USD	-	3yr/ 5yr	T+130/ T+140	A3/A-/-
Qatar Insurance	USD	-	PerpNC6	6.75%	-/BBB/-
Science City(Guangzhou) Financial Leasing Co., Ltd.	USD	-	3yr	6.50%	-/-/BBB
SoftBank Group	USD	-	3.75yr/	6.75%	-/BB+/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 29 credit bonds issued on Monday with an amount of RMB13bn. As for the month of Jun'25, 2,175 credit bonds were issued with a total amount of RMB1,997bn raised, representing a 16% yoy increase
- Chinese authorities promise to crack down on disorderly price wars and work toward a unified national market to bolster consumer spending. Land sales across Chinese cities declined 8% yoy by area in 1H25 as demand for prime locations drove up premiums.
- **[ADEIN]** Adani Enterprises INR10bn (cUSD116.8mn) retail bond issue to open next week
- **[FOSUNI]** Fosun International accepts USD35.042mn FOSUNI 5.95 10/19/25 for purchase in a tender offer, USD178.857mn will remain outstanding
- **[GARUDA]** Garuda shareholders approve business plan allowing USD405mn Danantara loan drawdown
- **[GRNKEN]** ORIX Corp signed an agreement to sell a 17.5% stake in Greenko Energy to its founder group AM Green Power for USD1.28bn
- **[MEDCIJ]** Medco Energi's units sign USD500mn loan deal with foreign banks
- **[NSANY]** Nissan plans 50% production cut at key Oppama plant in Jul-Aug'25. Nissan to slash around 250 jobs in UK to save USD2.77bn
- **[NWDEVL]** New World Development obtains offshore refinancing for HKD88.2bn (cUSD11.24bn) of debt
- **[PKX/POSCOE]** POSCO engineering arm gets USD1bn contract to build liquefied natural gas terminal in Thailand
- **[SOFTBK]** S&P assigned a BBB rating to SoftBank Corp.'s USD-denominated straight bonds; outlook stable
- **[TYANLI/WOORIB]** Tongyang Life acquisition by Woori Financial to be completed on 1 Jul'25

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