

CMBI Credit Commentary

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

- *This morning, the new MUFG 5.159 31/Float 31 tightened 5bps and 7bps from ROs, respectively. The new GRWALL 5.25 28 widened 10bp from RO amid mixed flows. The new GZDZCD 5.75 27 was 0.1pt higher from RO at par.*
- **SMCGL:** San Miguel to subscribe 1bn shares out of SMCGL's 4bn authorized shares increase. SMCGLs moved -0.3pts to +0.3pts this morning. See below.
- **LNGFOR:** Longfor in talks for up to HKD4bn loan to help refinance HKD9.23bn due-Dec'25 loan. Maintain buy on LNGFORs. LNGFOR 27-32s were up 0.2-0.5pts this morning.

❖ Trading desk comments 交易平台市场观点

Yesterday, on primary, GRWALL priced a 3yr bond at CT3+145 (IPT at CT3+195 area). See our comments on [15 Apr '25](#). The old GRWALL 30s closed 2bps tighter. In KR, LGENSO 28-35s were unchanged to 5bps tighter amid two way flows. HYNMTR 29-30s tightened 1-3bps while HYNMTR Float 27-28s widened 2-5bps. In Chinese IGs, BABA/TENCNT/MEITUA/XIAOMI 27-35s tightened 3-7bps under better buying from onshore accounts. In financials, the new FRESHK 6 28s were 0.6pt higher (20bps tighter), the old FRESHK 26-28s were unchanged to 0.2pt higher (unchanged to 3bps tighter) amid two way flows among PBs. BCLMHK/AVIILC Float 27-30s closed 1-2bps wider. AU T2s such as CBAAU/NAB/WSTP 26-36s were 1-5bps tighter on better buying from PBs/AMs. In EU AT1, we saw short covering and risk reloading. BACR/BNP/SOCGEN Perps rebounded 0.3-1.0pts. In JP, SUMIBK Perps increased 1.8-2.4pts, closed 2.3-2.5pts higher WTD. SUMILF Perp and MYLIFE/NIPLIF 53-55s rose another 0.8-1.7pts, closed 1.2-1.9pts higher WTD. RAKUTN 8.125 Perp/27-29s rose 0.6-2.6pts, closed 1.6-4.7pts higher WTD. In HK, PRUFIN/CKPH Perps were down 0.5-0.7pt. In Chinese properties, LNGFOR 27-32s were up 0.3-1.0pt and closed 2.1-2.7pts higher WTD. FTLNHD 25-26s were up 0.3-0.5pt, closed 1.1-1.3pts higher WTD. Outside properties, MPEL/WYNMAC 27-29s were up 0.3-1.2pts. MGMCHI 25-27s were up 0.1-0.4pt. Last night, MGM China announced that it secured an enlarged 5yr revolving loan credit facility of HKD23.4bn (USD3bn) for refinancing the existing revolving credit facilities totaled HKD15.6bn (USD2bn) at funding cost of HIBOR+1.625-2.75%, same as the existing facilities. FOSUNI 26-27s were up 0.7-1.2pts. In the Philippines, SMCGL Perps were unchanged to 0.5pt lower. See comments below. In India, ARENRJs/ADGREGs were up another 0.4-0.6pt. Elsewhere, GLPCHI 26s rose 1.2pts, closed 2.1pts higher WTD.

In LGFVs, the recent new USD Shandong papers HKIQCL 5.4 28s/CONSON 6.1 27s were unchanged to 0.1pt higher. The loose bonds in LGFVs that

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came out in the past week were gradually digested by RM buying. In SOE perps, CTIH 6.4 Perp was up 0.1pt, AVIILC 6.125 Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
RAKUTN 8 1/8 PERP	93.7	2.6	CFAMCI 5 1/2 04/27/47	93.3	-0.7
SUMIBK 6.45 PERP	93.6	2.4	CNOOC 3.3 09/30/49	72.8	-0.7
SUMIBK 6.6 PERP	96.2	1.8	PRUFIN 4 7/8 PERP	85.9	-0.7
MYLIFE 6.1 06/11/55	97.9	1.5	CKPH 3.8 PERP	60.2	-0.5
NIPLIF 5.95 04/16/54	98.6	1.4	NSANY 4.81 09/17/30	92.7	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.17%), Dow (-0.38%) and Nasdaq (-0.05%) were lower on Tuesday. Trump called on China to reach out to kick off negotiations. China orders Boeing jet delivery halt as trade war expands. China 1Q25 GDP was +5.4% yoy, higher than the market expectation of 5.2%. UST yields retreated on Tuesday, 2/5/10/30 yield at 3.84%/3.98%/4.35%/4.79%.

❖ Desk Analyst Comments 分析员市场观点

➤ SMCGL: San Miguel to subscribe 1bn shares out of SMCGL's 4bn authorized shares increase

San Miguel Global Power (SMCGL) increases authorized capital stock by 4bn shares to 7.8bn shares from 3.8bn with a par value of PHP1 per share. SMCGL's parent San Miguel will subscribe 1.0bn shares out of the capital increase at the subscription price of PHP30 per share totaled PHP30.3bn (cUSD533.3mn), subject to the regulatory approval. We maintain our view that good access to funding channels along with parental support will continue to support SMCGL's credit profile and enable SMCGL to refinance its debt obligations.

SMCGL will redeem SMCGL 5.95 Perp of USD113.282mn on the first call date in May'25. Recalled that SMCGL tap USD100mn of SMCGL 8.125 Perp in Feb'25 after the issuance of USD500mn in Dec'24. The tap is to fund the redemption of SMCGL 7 Perp which will be first callable in Oct'25. These reinforces our view that SMCGL will continue to redeem its perps before their respective coupon reset dates due to the high coupon step-up with its good access to funding channels.

Within the SMCGL curve, we prefer SMCGL 5.7 Perp, SMCGL 5.45 Perp and SMCGL 8.125 Perp for better risk-return profiles in view of their lower cash prices and higher YTC. Meanwhile, we have buy recommendations on SMCPL 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	Ask px	Ask YTC	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)
PCORPM 5.95 Perp	98.6	7.4%	550.0	19 Apr'26	19 Apr'26	5yUST+7.574%
SMCGL 5.95 Perp	99.7	13.6%	113.3	5 May'25	5 May'25	5yUST+6.796%
SMCGL 7 Perp	99.2	8.7%	193.4	21 Oct'25	21 Oct'25	5yUST+9.199%
SMCGL 5.7 Perp	96.8	10.2%	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%
SMCGL 5.45 Perp	94.5	9.1%	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	98.2	9.3%	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%
SMCGL 8.125 Perp	95.9	9.2%	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%

SMCPM 5.5 Perp 99.5 7.4% 500.0 29 Jul'25 29 Jul'25 5yUST+10.237%
Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Great Wall AMC	450	3yr	5.25%	T+145	-/-/BBB-
Chongqing Hechuan City Construction Investment (Group)	155.5	3yr	6.0%	6.0%	Unrated
MUFG	1000/ 500/ 1500	6NC5/ 6NC5/ 10NC10	5.159%/ SOFR+148/ 5.615%	T+117/ SOFR+148/ T+127	A1/A-/A-
Science City (Guangzhou) Investment Group	400	2yr	5.75%	5.75%	-/-/BBB
Shanghai (Hong Kong) International Investments/ Lianyungang Port Group	310	3yr	4.85%	4.85%	-/-/BBB

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Agricultural Bank of China Limited Hong	USD	-	3yr	SOFR+105	A1/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 186 credit bonds issued yesterday with an amount of RMB115bn. As for month-to-date, 937 credit bonds were issued with a total amount of RMB839bn raised, representing a 19.9% yoy increase
- China's average new home prices drop 4.5% yoy in Mar'25
- Hong Kong's postal service will stop sending customers parcels to the US
- [ADGREG]** Adani Green Energy sales volume rises 28% yoy at 27.97bn units in FY25
- [LGELEC]** LG Electronics suspends the expansion plans to expand its microwave and refrigerator production in Vietnam and Indonesia amid US tariffs; considers to increase production at its home appliance factories in the US and Mexico
- [LNGFOR]** Longfor in talks for up to HKD4bn loan to help refinance HKD9.23bn due-Dec'25 loan
- [MEITUA]** Meituan to invest RMB100bn (cUSD13.7bn) over the next three years to subsidize restaurant partners
- [MGMCHI]** MGM China signs pact with lenders for up to HKD23.4bn (cUSD3bn) credit facility
- [MONMIN]** Mongolian Mining 1Q25 washed coking sales decline 3% yoy to 1.6mn tons
- [NSANY]** Nissan Motor to cut Japanese production of best-selling US model Rogue SUV on US tariffs

- **[SAELLT]** SAEL plans to file a draft red-herring prospectus for an IPO by Aug'25 and launch the deal nine months afterward
- **[SMCGL]** SMCGL seeks lenders' commitments by 25 Apr'25 up to USD150mn loan

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