Fixed Income
Credit Commentary

31 Oct 2025

CMBI Credit Commentary

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

- *We saw sellers on the new HSBC 31s/35 this morning. The new USD MEITUA 31s/32s/35s were 1-2bps wider. AU FRNs were 3-5bps wider. HYNMTRs were 1-2bps tighter, Hyundai Motor reported 8.8% yoy increase in 3Q25 revenue to KRW46.7tn. LASUDE 26/PEAKRN Perp rose 0.2pt.*

- ***VNKRLE:** Another loan from SZ Metro for bond repayment. Maintain buy on VNKRLEs. VNKRLE 27-29 were 0.9-1.1pts lower this morning. See below.*

- ***VEDLN:** India's NCLT further defers Vedanta demerger hearing to 12 Nov'25 from 29 Oct'25. VEDLNs were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, Asia IG spreads tightened 3-5bps. In China, the new USD MEITUA 31s/32s/35s tightened 3-5bps. TENCNT 50s were 1.2pts lower (unchanged in spread). In KR, HYUELE 26s were 2bps tighter while HYUELE 28s/33s were 2bps wider. See our comments on SK Hynix's 3Q25 result on 30 Oct'25. We saw block sellers on LGENSOs and block buyers on HYNMTR 28s/30s FRNs. In AU, RIOLN 51/53/55/65 were 5-6bps wider (0.5-0.9pt lower). Media reported that Rio Tinto mandated investment banks to help with the sale of its non-core assets to fund capex and repay debts. In financials, JP insurance hybrids and Yankee AT1s dropped by 0.2-0.5pt led by the long end. In HK, LASUDE 26/LIHHK 26 were 0.5-0.7pt higher. NWDEVL Perps were 0.5-0.8pt lower while NWDEVL 29-31 were 0.2-0.4pt lower. NANFUN Perp/REGH Perp rose 0.4pt. In Chinese properties, VNKRLE 27-29 were 1.3-1.9pts lower. See comments below. Macau gaming bonds were unchanged. See our comment on MGM China's 3Q25 result on 30 Oct'25. In SEA, INCLEN 27s/INGPHL 27s/RPVIN 27-28s/RNW 26s were unchanged. ReNew Energy agreed in principle to USD8.15/share buyout offer. PTTGC Perps were 0.2-0.4pt lower.

LGFVs remained mixed as IG and onshore AAA-guaranteed issues remained demanded by RM, whilst some high-yielding names were still heavy. We saw active flows in the new CNH MEITUA 35 with profit taking from primary holders and was 0.2pt higher at close, while the CNH MEITUA 30 was 0.1pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
LASUDE 5 07/28/26	**70.3**	**0.7**
CFAMCI 4.95 11/07/47	**93.2**	**0.5**
LIHHK 4.8 06/18/26	**93.4**	**0.5**
NANFUN 5 PERP	**81.2**	**0.4**
REGH 6 1/2 PERP	**31.5**	**0.4**

Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	**62.9**	**-1.9**
VNKRLE 3.975 11/09/27	**70.9**	**-1.3**
TENCNT 3.24 06/03/50	**74.8**	**-1.2**
RIOLN 5 1/8 03/09/53	**95.8**	**-0.9**
RIOLN 5 7/8 03/14/65	**105.3**	**-0.9**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.99%), Dow (-0.23%) and Nasdaq (-1.57%) were lower on Thursday. UST yield was higher on Thursday. 2/5/10/30 yield was at 3.61%/3.72%/4.11%/4.65%.

❖ Desk Analyst Comments 分析员市场观点

➢ VNKRLE: Another loan from SZ Metro for bond repayment

SZ Metro provided a new loan of RMB2.2bn to Vanke ahead of scheduled bond redemption of RMB2.5bn today. The loan terms are largely the same as those of previous loans: funding cost is 1-yr LPR-0.66%, i.e. 2.34% at the current LPR level and final maturity to be no longer than 3 years. SZ Metro can request Vanke to provide collaterals for the loan. This is the first loan provided by SZ Metro since the appointment of HUANG Liping as the new chairman on 13 Oct'25. The new loan reinforces our belief that the strategic direction, including honouring public bond repayments, of Vanke will be largely unchanged taking cues from the fact that the new chairman is also a member of senior management in SZ Metro.

Vanke posted further deterioration in operating performance in 9M25, reflecting sustained pressures on both profitability and asset quality. In 9M25, Vanke recorded operating losses of RMB11.2bn compared with RMB1.9bn in 9M24. Its gross margin was only 0.7% in 9M25 (vs 8.6% in 9M24 and 5.1% in 1H25). The deterioration was attributable to impairment losses on inventory and credit losses totaled RMB9.4bn in 9M25. Liquidity profile remains tight despite key coverage ratios are largely stable. Given the weak operating performance and tight liquidity, SZ Metro's continuous support is the key to Vanke's credit profile.

We take comfort that SZ Metro has been demonstrating strong support in steering Vanke through the maturity wall in 2025 so far. Year-to-yesterday, Vanke had repaid public bonds totaled RMB28.9bn while SZ Metro had provided shareholder's loans totaled RMB26.9bn before the additional RMB2.2bn announced yesterday. About 2/3 of the shareholder's loans are on unsecured basis. In our view, Vanke's debt maturity profile is much more manageable compared with that of a year ago. Vanke will have an onshore bond of RMB1.6bn subject to put redemption on 13 Nov'25 and RMB5.7bn maturing in Dec'25. The next USD bond maturity will be VNKRLE 3.975 11/09/27 (o/s: USD1bn) in Nov'27.

We consider Vanke a survivor of the sector on expectation that SZ Metro's support will continue. Offered 71.6 and 63.4, VNKRLE 3.975 11/09/27 and VNKRLE 3 1/2 11/12/29 are trading at YTM of 22.2% and 16.3%, respectively. VNKRLEs offering good risk-return profiles, in our view, and hence we maintain buy on VNKRLEs.

Table 1: Bond profiles of VNKRLE

Security name	O/s Amt (USD mn)	Maturity	Coupon	Offer price	YTM
VNKRLE 3.975 11/09/27	1,000	11/9/2027	3.975%	71.6	22.2%
VNKRLE 3 1/2 11/12/29	300	11/12/2029	3.500%	63.4	16.3%

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
HSBC	2250/500/2250	6NC5/6NC5/11NC10	4.619%/SOFR+119/5.133%	T+90/SOFR+119/T+105	A3/A-/A+

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

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

- **News and market color**

- Regarding onshore primary issuances, there were 115 credit bonds issued yesterday with an amount of RMB73bn. As for month-to-date, 1,853 credit bonds were issued with a total amount of RMB1,649bn raised, representing a 17.5% yoy increase

- **[AGRBK]** ABC 3Q25 net profit increases 3.7% yoy to RMB81.4bn

- **[CKHH]** CK Hutchison weighs tie-up with France's Iliad in Italian wireless telecom market

- **[COGARD]** Country Garden issues restructuring plan supplement, warns deal may not complete by 2025

- **[DBMMN]** S&P upgraded Development Bank of Mongolia by one notch to BB- from B+ following the upgrade action on sovereign; outlook stable

- **[HMELIN]** HPCL-Mittal Energy stopped buying Russian crude and was not aware of blacklisted vessels used to transport oil in prior shipments

- **[IIFOIN]** IIFL Finance 1HFY26 interest income rises 12.8% yoy to INR54.0bn (cUSD611.8mn)

- **[MGFLIN]** Manappuram Finance 1HFY26 interest income falls 9.2% yoy to INR44.9bn (cUSD508mn)

- **[MINAU]** Mineral Resources may still consider a sale of its lithium assets if the price is attractive

- **[MONGOL]** S&P upgraded Mongolia by one notch to BB- from B+ on sustained fiscal consolidation and strong growth, outlook stable

- **[NSANY]** Nissan Motor expects JPY275bn loss for FY25

- **[NWDEVL]** NWD key luxury residential project in the Kai Tak, Hong Kong has generated HKD5.2bn (cUSD669mn) in sales

- **[VEDLN]** India's NCLT further defers Vedanta demerger hearing to 12 Nov'25 from 29 Oct'25

- **[XINAOG]** ENN Energy 9M25 natural gas sales edge up 2% yoy to 19,190mn cubic meters

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