

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. NWDEV L Perps were 0.5-0.8pt lower while NWDEV L 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.

Glenn Ko, CFA 高志和
 (852) 3657 6235
 glennko@cmbi.com.hk

Cyrena Ng, CPA 吴倩莹
 (852) 3900 0801
 cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
 (852) 3900 0830
 zhangyujing@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LASUDE 5 07/28/26	70.3	0.7	VNKRLE 3 1/2 11/12/29	62.9	-1.9
CFAMCI 4.95 11/07/47	93.2	0.5	VNKRLE 3.975 11/09/27	70.9	-1.3
LIHHK 4.8 06/18/26	93.4	0.5	TENCNT 3.24 06/03/50	74.8	-1.2
NANFUN 5 PERP	81.2	0.4	RIOLN 5 1/8 03/09/53	95.8	-0.9
REGH 6 1/2 PERP	31.5	0.4	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	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	6NC5/6NC 5/11NC10	4.619%/SOFR+119 /5.133%	T+90/SOFR+11 9/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

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.