

CMBI Credit Commentary

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

- *This morning, the new SHINCA Float 29 tightened 2bps from RO at SOFR+82. The new KOHNPW 31 was unchanged from T+43. The new SMCGL 8.875 Perp traded around RO at par amid two-way flows from PBs. The new TENCNT 36s/46s were unchanged from T+50 and T+60, respectively. The new CNH TENCNT 36/56 edged 0.1-0.3pt higher from ROs at par. Chinese TMT space widened 2-5bps, led by BABA.*
- **VEDLN:** *Early redemptions of 28-29s and tender offers for 30-33s, partly funded by new 5-, 7-, 10yr USD bond issues. Maintain buy on VEDLN 9.475 07/24/30 and VEDLN 9 1/8 10/15/32. VEDLN 33 was 0.1pt lower this morning, while the rest of VEDLNs were unchanged. See below.*
- **GLPSP:** *Media reported GLP plans for USD2bn disposals during 2026, including a possible sale of overseas data-center holdings. GLPSPs/GLPCHI were 0.3pt lower to 0.2pt higher this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, LASUDE 26 led the space and rose 1.8pts. There have been ongoing market talks on LME on LASUDE 26. As for the rest of the HK/Chinese properties, VNKRL 27' and 29' gained 1.1-1.7pts. On the other hand, ROADKG Perps lost 0.8pt. NANFUN 5 Perp/FAEACO 12.814 Perp leaked 0.6pt. In Chinese IG space, TENCNT curve widened 2-4bps amid better selling, ahead of the new TENCNT issues. FRESHK 26-27s closed unchanged amid Chinese RM selling. In SE Asian space, INDYIJ 29 was 0.9pt firmer. GENTMK 8.3 Perp was up by 0.8pt. VEDLN 28-33s were unchanged to 0.3pt higher. Vedanta Resources launched cash tender offer for VEDLN 30-33s and conditional early redemption of VEDLN 28-29s, funded by concurrent new USD bonds issuance and new loan facilities. See comments below. SMCGL Perps closed 0.2pt lower to 0.1pt higher. San Miguel Global Power received USD271.478mn of SMCGL 5.45 Perp tendered for exchange offer and USD153.542mn tendered for tender offer. GLPSPs/GLPCHI 29 were 0.6pt lower to 0.1pt higher. Media reported that GLP aims to offload approximately USD2bn in assets this year to strengthen its finances ahead of the planned IPO by 4Q26. In JP, RESLIF 6.875 Perp/NOMURA 7 Perp were 0.1pt firmer. European AT1s recouped 0.1-0.3pt, led by on-the-run issues. We saw mixed two-way flows from AMs and small better buying from PBs across the yield curve. In LGFV space, lower-yielding IG USD issues remained generally better offered, while higher-yielding issues across USD and CNH had another slow session amid thin liquidity.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LASUDE 5 07/28/26	87.3	1.8	VLLPM 7 1/4 07/20/27	50.5	-1.4
VNKRLE 3.975 11/09/27	48.5	1.7	ROADKG 7 3/4 PERP	17.0	-0.8
VNKRLE 3 1/2 11/12/29	44.8	1.1	ROADKG 7 PERP	17.0	-0.8
INDYIJ 8 3/4 05/07/29	100.4	0.9	ROADKG 7.95 PERP	17.0	-0.8
GENTMK 8.3 PERP	97.1	0.8	NANFUN 5 PERP	75.7	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.26%), Dow (+0.17%) and Nasdaq (-0.97%) were mixed on Tuesday. US May'26 Existing Home Sales 4.17mn, higher than the market expectation of 4.07mn. UST yield were lower on Tuesday. 2/5/10/30 year yield was at 4.13%/4.26%/4.53%/5.01%.

❖ Desk Analyst Comments 分析员市场观点

➤ **VEDLN: Early redemptions of 28-29s and tender offers for 30-33s, partly funded by new 5-, 7-, 10yr USD bond issues**

Vedanta Resources (VRL) launched a cash tender offer and consent solicitation for '30-33s. See Table 1. VRL plans to fund the tender consideration and accrued interest for accepted bonds using net proceeds from its concurrent new USD bonds issuance (5-, 7- and 10yr tenors) as well as new loans facilities. The aggregate amount of bonds accepted under the tender offer will be capped by available financing proceeds, after reserving funds required for the full redemption of VEDLN 10.25 06/03/28 (USD300mn) at 102.563, and VEDLN 10.875 09/17/29 (USD1.2bn) at par plus premium on 16 Jul'26. As per media report, VRL aims to reduce funding costs by 300bps through the liability management exercise from 10%, and to reduce near-term refinancing risk.

VRL will accept bonds for purchase with priority, with acceptance conditional upon the relevant extraordinary resolutions being passed for each series. The purchase of bonds will be on an all or nothing basis (with no pro-ration) in following acceptance order: '31, '33, '30 and '32, effectively prioritizing higher coupon bonds within the capital structure.

VRL is soliciting bondholder consent across the four series in two extraordinary resolutions: (1) amendments to certain covenants, and (2) add an optional issuer redemption provision at par plus accrued and unpaid interest. Bondholders voting in favor of Resolution (2) will be deemed to have voted in favor in Resolution (1). We view the proposed optional redemption provision would allow VRL to redeem the bonds with not less than five business days nor more than 60 calendar day's written notice, that provide VRL with flexibility to refinance the bonds at par instead of at the originally call prices after specific dates.

Besides, the early redemption of VEDLN 28-29s are in line with our expectation as discussed in our daily on [28 May'26](#), given they represent the higher coupon bonds within the VEDLN complex. We have turned neutral on these two bonds in view of the higher likelihood to be called at call prices below current market prices. Within the VEDLN complex, we prefer VEDLN 9.475 07/24/30 and VEDLN 9 1/8 10/15/32 more as these bonds offer more balanced risk-return profile, i.e. lower cash prices and higher YTM.

Table 1: Summary of the tender offer and consent solicitation

Security name	VEDLN 9.475 07/24/30	VEDLN 11.25 12/03/31	VEDLN 9.125 10/15/32	VEDLN 9.85 04/24/33
ISIN	USG9T27HAL88	USG9T27HAJ33	USG9T27HAN45	USG9T27HAK06
Amt o/s (USD mn)	550	500	500	550
Ask px	107.3	112.1	106.9	109.6
YTM	7.4%	8.4%	7.7%	8.0%
Call date	07/24/2027	12/03/2027	10/15/2027	01/24/2028
Call px	104.738	105.625	104.563	104.925
Tender offer:				
Early tender px	107.57	111.88	106.69	109.62
Early tender px (incl. consent fee)	107.82	112.13	106.94	109.87
Tender px	100	100	100	100
Acceptance priority	3	1	4	2
Consent:				
Tendering consent fee	0.25	0.25	0.25	0.25
Non-tendering consent fee				
(i) consent provided for covenants resolution only and passed	0.1	0.1	0.1	0.1
(ii) consent provided for both covenants resolution and the issuer redemption resolution, and both are passed	7.82	12.13	6.94	9.87
Timetable				
Early tender and voting deadline	23 Jun'26 5pm EDT			
Announcement of maximum purchase amount	On or about 29 Jun'26			
Meetings	From 2 Jul'26 9am HKT			
Tender and voting deadline	To be announced			
Expiration Time	14 Jul'26 5pm EDT			
Expected payment date	16 Jul'26			
Quorum				
- Resolution (1)	Two or more persons holding or representing a clear majority in principal amount of the bonds for the time being outstanding are present			
- Resolution (2)	Two or more persons holding or representing in the aggregate of not less than two-thirds in principal amount of the Bonds for the time being outstanding are present			
Passing thresholds	A majority of not less than two-thirds of the votes cast at the meetings are in favor of the extraordinary resolutions.			

Source: Bloomberg, Company filing.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Korea Hydro & Nuclear Power	500	5yr	4.5%	T+43	Aa2/-/AA-
San Miguel Global Power	430	PerpNC5	8.875%	8.875%	Unrated
Shinhan Card	400	3.5yr	SOFR+82	SOFR+82	A2/-/-
Tencent Holdings	1750/ 700	10yr/ 20yr	5.0%/ 5.6%	T+50/ T+60	A1/A+/A

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Hanuman Wind Power	USD	380	15yr	9.8%	Ba1/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 139 credit bonds issued yesterday with an amount of RMB160bn. As for month-to-date, 630 credit bonds were issued with a total amount of RMB711bn raised, representing a 77.7% yoy increase
- China is planning to invest RMB2tn (cUSD295.3bn) during the coming five years to build data centers
- **[BABA]** Alibaba, NIO vow legal action after US adds the firms to 'Chinese military' list
- **[GLPSP]** GLP has plans for USD2bn disposals during 2026
- **[MPEL]** Melco Resorts & Entertainment extended HKD15.2bn (cUSD1.9bn) revolving credit facility's maturity date to 9 Jun'31 from 29 Apr'27
- **[PCORPM]** Petron will expand storage capacity at its Bataan terminal by 58% to respond to rising aviation fuel demand
- **[SMCGL]** San Miguel Global Power received USD271.478mn of SMCGL 5.45 Perp tendered for exchange offer and USD153.542mn tendered for tender offer
- **[WESCHI]** West China Cement plans to prioritise potential China asset-sale proceeds towards reducing USD bond outstanding

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