

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!

- *SHIKON/NSINTW/CATLIF 34-35s tightened 3-8bps this morning. TENCNT/BABA 30-31s tightened 1-2bps. VLLPM 29 was up 0.9pt. The new CNH SWIPRO 28-35s were unchanged.*
- **SMCGL:** *Issues USD400mn SMCGL 8.95 Perp and accepted totaled USD223.2mn in the exchange offers. The new SMCGL 8.95 Perp rose 0.1pt from RO at par this morning. We maintain buy on SMCGL 5.7 Perp, SMCGL 5.45 Perp and SMCGL 8.125 Perp. See below.*
- **ROADKG:** *Road King announced a new consent solicitation for senior bonds due 2028-30. Proposed amendments include PIK interest and mandatory repurchase or redemption. Early/base consent fee is 0.6%/0.2% of the principal amount of the bonds, respectively, early deadline/expiration time will be 29 Jul'25/5 Aug'25 4pm GMT.*

❖ Trading desk comments 交易平台市场观点

Yesterday, the new KOHNPW Float 30 tightened 4bps from RO. The recent new NHSECS 30s/NACF 29-30s tightened 1-2bps. In Chinese IGs, BABA 31s/TENCNT 30s/XIAOMI 30s were 1-3bps tighter. In financials, MIZUHO/HSBC/STANLN Float 30-31s tightened 1-2bps. In insurance, NSINTW/SHIKON 34-35s were 2-3bps tighter amid mixed flows. NIPLIF 55s/SUMILF Perp were 0.1pt lower. In AT1s, SOCGEN 9.375/UBS 7.125 Perps were 0.2-0.3pt lower. In HK, MTRC 55-62s were 0.2-0.4pt higher (unchanged to 4bps tighter in spread). NANYAN/BNKEA 34s were 1-2bps tighter on AM buying. NWDEVL Perps/27-31s were 0.3pt lower to 0.1pt higher following media report of NWD's potential sales of K11 Skies. SUNHKC 26 was unchanged. Last night, SUNHKC announced it has repurchased USD21.9mn of SUNHKC 5 09/07/26 and cut the o/s size to USD359.8mn. In Chinese properties, ROADKG 28-30s/Perps were unchanged to 0.1pt higher. Last night, Road King announced new consent solicitation for outstanding senior bonds due 2028-2030. YXREIT 26s/CHIOLI 34-43s were 0.1-0.4pt higher under better buying from RMs/PBs. Outside properties, WESCHI 26 was up 0.6pt. In SE Asia, VLLPM 27-29s closed 0.1-0.3pt lower. SMCGL priced NC5 Perp of USD400mn at par to yield 8.95% and accept the exchange offers totaled USD223.2mn for SMCGL 7 Perp and USD192.914mn for SMCGL 5.7 Perp. The old SMC Complex Perps were unchanged to 0.1pt higher. See our comments below.

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In CNH space, the new CNH CGB 27-35s were unchanged from ROs at par. The CNH SWIPRO 28-35s were unchanged to 0.1pt higher. In LGFVs, there were active two way flows in the higher yielding CNH names such as ZCHLIM 6.98 27s/LUOCHU 8 26s and USD names such as WFURCD 7.5 27s/TAIANH 6.9 28s. We also saw more profit taking on the front end CNH papers which had compressed into 6% or lower. In SOE perps, AVILC Perp was 0.2pt higher, CHPWCN Perp was 0.3pt lower.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHGDNU 4.8 09/11/48	88.0	1.2	SOCGEN 9 3/8 PERP	106.0	-0.3
CDECST 6 1/2 11/18/27	97.6	1.1	VLLPM 9 3/8 07/29/29	65.1	-0.3
FWDGHD 8.4 04/05/29	104.3	0.8	ARION 8 1/8 PERP	102.3	-0.3
WESCHI 4.95 07/08/26	88.3	0.6	NWDEVL 3 3/4 01/14/31	47.3	-0.3
FWDGHD 6.675 PERP	98.2	0.5	VONTOB 9.68 PERP	115.3	-0.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.54%), Dow (+0.52%) and Nasdaq (+0.75%) were higher on Thursday. US Jun'25 core retail sales/retail sales was +0.5%/+0.6% mom, higher than the market expectation of +0.3%/+0.1%, respectively. UST yield was higher on Thursday, 2/5/10/30 yield at 3.91%/4.01%/4.47%/5.01%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SMCGL: Issues USD400mn SMCGL 8.95 Perp and accepted totaled USD223.2mn in the exchange offers**

San Miguel Global Power (SMCGL) accepted all of the USD30.277mn of SMCGL 7 Perp and USD192.914mn of SMCGL 5.7 Perp validly offered for the exchange, totaled USD223.191mn. The o/s amount of SMCGL 7 Perp and SMCGL 5.7 Perp will reduce to USD163.115mn and USD300.423mn, respectively.

Meanwhile, SMCGL priced the new NC5 Perp at 8.95%, in line with our FV estimation. The issue size is USD400mn. At 100.1, SMCGL 8.95 Perp rose 0.1pt from RO at par this morning, and trading at YTC of 8.9%. The coupon of the new SMCGL 8.95 Perp will be reset to 5yrUST+initial spread of 494.5bps+step-up margin of 250bps on 24 Jul'30, and the new SMCGL 8.95 Perp is first callable at par three months prior to the coupon reset date, i.e. 24 Apr'30. The coupon reset formula and the 250bps step-up margin of the new SMCGL 8.95 Perp is the same as all SMCGL existing USD perps.

Considering the total issue size of USD400mn and totaled USD223.191mn offered for exchange, the difference is sufficient for SMCGL to repurchase or redeem the remaining SMCGL 7 Perp of USD163.115mn which will be first callable in Oct'25. As discussed before, we view the par for par exchange and concurrent new issue is an active and friendly liability management exercise instead of a distressed debt exchange. We maintain our view that SMCGL will redeem its perps on their respective first coupon reset dates given its good access to funding channels onshore and offshore, as well as the high coupon step-up.

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. We also have buy recommendation on PCORPM 5.95 Perp issued by SMCGL's affiliate Petron Corp. Furthermore, San Miguel Corp announced the redemption of SMCPL 5.5 Perp, which we have buy recommendation, on its first call date on 29 Jul'25. 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)
SMCGL 7 Perp	100.3	5.8%	193.4	21 Oct'25	21 Oct'25	5yUST+9.199%
SMCGL 5.7 Perp	99.2	7.2%	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%
SMCGL 5.45 Perp	96.3	8.3%	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	100.6	8.7%	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%
SMCGL 8.125 Perp	98.8	8.5%	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%
SMCGL 8.95 Perp	100.4	8.9%	400.0	24 Apr'30	24 Jul'30	5yUST+7.445%
SMCPM 5.5 Perp	100.1	3.3%	500.0	29 Jul'25	29 Jul'25	5yUST+10.237%
PCORPM 5.95 Perp	99.7	6.4%	550.0	19 Apr'26	19 Apr'26	5yUST+7.574%

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
QNB Finance/ Qatar National Bank	1000	5yr	4.5%	T+100	Aa3/A+/A+
San Miguel Global Power	400	PerpNC5	8.95%	8.95%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Chengdu Tianfu Dagang Group Co	USD	-	2yr	7.0%	Unrated

➤ News and market color

- Regarding onshore primary issuances, there were 100 credit bonds issued yesterday with an amount of RMB93bn. As for month-to-date, 1,170 credit bonds were issued with a total amount of RMB1,181bn raised, representing a 4.1% yoy increase
- Danantara likely to add more banks for USD10bn 10-year loan facility, with an indicative pricing of SOFR+120bps
- [ADANEM]** Moodys affirmed the rating of Adani Electricity Mumbai at Baa3, outlook remains negative
- [ADGREG]** Moodys affirmed the ratings of Adani Green RG1 and RG2 at Ba1; outlook remains negative
- [ADSEZ]** Moodys affirmed the ratings of Adani Ports and Adani International Container Terminal at Baa3; outlook remains negative
- [ADTIN]** Moodys affirmed the ratings of Adani Transmission Step-One and Adani Transmission RG1 at Baa3, outlook remains negative
- [INCLEN]** IFC-led investor group eyes 30% stake in Renew Power's C&I unit
- [SUNHKC]** Sun Hung Kai further repurchased USD21.942mn of SUNHKC 5 09/07/26, the outstanding amount is reduced to USD359.836mn

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