

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- *The new WESCHI 28 was down 0.8pt this morning. There were buyers for Chinese AMC Perps and TW lifers, while sellers on SEA names MAYMK/AHBMK/RILIN. We saw dip buying on JP names NOMURA Perps/SUMILFs. GRNCH 28 was 0.3pt lower. VLLPM 29/KNMIDI 26 rose 0.8-1.3pts.*
- **ORIEAS:** *FV of the new ORIEAS 28 to be T+85bps vs IPT at T+140bps. See below.*
- **VNKRLE:** *Thoughts on rumors of debt restructuring. VNKRLE 27-29 dropped 3.8-4.2pts. See below.*

❖ Trading desk comments 交易台市場观点

Yesterday, the Asia IG flows skewed towards better selling in 5-10yr Korea corps HANMIL/LGENSO/HYNMTR/HYUELE, HK banks DAHSIN/BNKEA/SHCMBK T2s, Chinese AMC GRWALL/CCAMCL Perps, and BBLTBs. These names were unchanged to 2-3bps wider. On the other hand, we saw better buying on 2-3yr senior financial papers and FRNs for lower-risk plays towards end of year, such as AMs picking up names like CHILOV with a shorter duration. LASUDE 26 gained 2.1pts after the headlines that Lai Sun Development would sell 50% stake in CCB Tower in HK with net proceeds of HKD2bn (cUSD257mn). The NWDEVL complex were 0.2-1.4pts lower. WESCHI 26 was 0.2pt higher. See our FV estimate of the new WESCHI 28 yesterday. In Chinese properties, VNKRLE 27-29 plunged 8.2-11.6pts after the rumors on debt restructuring next year. See our comments below. GRNCH 28 was 1.0pt lower. LNGFOR 28-32 lowered by 0.4-1.4pts. However, CHJMAOs closed unchanged to 0.2pt lower. Japanese AT1s and insurance hybrids edged 0.1-0.3pt higher as the JPY slightly recovered. As macro tone was softer into the London session compared to a decent open in Asia, Yankee AT1s were largely unchanged amid mixed two-way flows. In SEA space, GLPSP Perps dropped 1.9pts. SMCGL 5.7 Perp was 0.2pt lower after the company launched exchange and tender offers on the perp, while the rest of SMCGL Perps were unchanged to 0.1pt higher.

In LGFV space, HFs continued to buy higher-yielding issues down the credit curve, while RM clients continued to look for onshore AAA-guaranteed issues. We also saw further recovery in demand for papers yielding in between the curves as investors expanded their radar for assets.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LASUDE 5 07/28/26	69.5	2.1	VNKRL 3.975 11/09/27	44.0	-11.6
AGILE 13.476 PERP	4.1	1.0	VNKRL 3 1/2 11/12/29	40.7	-8.2
CCAMCL 4 3/4 12/04/37	94.9	0.8	GLPSP 4.6 PERP	62.5	-1.9
SUMIBK 5.836 07/09/44	105.4	0.6	GLPSP 4 1/2 PERP	65.9	-1.9
TACHEM 5.8 07/05/64	100.7	0.6	LNGFOR 3.95 09/16/29	80.4	-1.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.91%), Dow (+1.43%) and Nasdaq (+0.67%) were higher on Tuesday. US Sep'25 PPI was +0.3% mom, in line with market expectation. US Sep'25 retail sales was +0.2% mom, lower than the market expectation of +0.4%. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.43%/3.55%/4.01%/4.67%.

❖ Desk Analyst Comments 分析员市场观点

➤ ORIEAS: FV of the new ORIEAS 28 to be T+85bps vs IPT at T+140bps

China Orient AMC proposes to issue 3yr senior unsecured Reg S USD bond. We view the FV of the new ORIEAS 28 to be T+85bps vs IPT at T+140bps, in view of the valuation of its own ORIEAS 27 (T+82bps/YTM 4.3%) and ORIEAS 29 (T+90bps/YTM 4.5%). The new ORIEAS 28 should also trade above CCAMCL 4.375 28 (T+79bps/YTM 4.3%) to reflect China Orient AMC's weaker credit profile and credit rating compared to that of China Cinda AMC. See Table 1.

The proceeds will be used to repay its offshore debts. The new ORIEAS 28 will be issued by China Orient AMC's offshore subsidiary Joy Treasure Assets Holdings, and guaranteed by China Orient Asset Management (International) (COAMI), an offshore immediate holding company of Joy Treasure Assets Holdings.

Table 1: China Orient AMC's peers

Security name	ISIN	Amt o/s (USD mn)	Px	T-spread (bps)	YTM	Mod dur	Issue rating (M/S/F)
CCAMCL 4.375 11/13/28	XS3223038665	500	100.3	79	4.3%	2.7	-/BBB+/-
ORIEAS 5.5 02/01/27	XS2757520452	750	101.1	82	4.3%	0.8	-/BBB/BBB+
ORIEAS 5.75 06/06/29	XS2826701604	650	104.1	90	4.5%	3.1	-/BBB/BBB+

Source: Bloomberg.

China Orient AMC is one of the big four AMCs in China. It is 100% owned by the Chinese government through China Investment Corporation (CIC), after MoF transferred all of its stake to Central Huijin under CIC in 2025. China Orient AMC manages distressed assets, and has businesses across insurance, banking, securities, trust and others. COAMI is China Orient AMC's only offshore operating platform. As of Dec'24, COAMI had total assets of HKD80.4bn, generated total revenue of HKD1.8bn and net profit of HKD117mn in FY24. Last week, CIC controlled CICC announced a plan to acquire with China Orient AMC's Dongxing Securities and China Cinda AMC's Cinda Securities. These entities are all controlled by CIC. We view the acquisition as an effort by the Chinese government to consolidate the securities business, allowing more efficient use of resources as well as improving their operating performance.

➤ VNKRLE: Thoughts on rumors of debt restructuring

VNKRLEs moved 8.2-11.6pts lower yesterday and 3.8-4.2pts lower this morning on the market rumors on Vanke to launch debt restructuring by latest 1Q26. While we cannot confirm whether the talks on debt restructuring or the timing of any restructuring are true, we would not be surprised if Vanke is considering or in discussions of any liability management exercises. What matter most, to us, will be the extent of “debt restructuring”.

Our initial thoughts are an outright and holistic restructuring across the board is unlikely after SZ Metro has offered shareholder's loan of cRMB30bn, at least cRMB13bn on unsecured basis as per our estimates. As we wrote on [3 Nov'25](#), SZ Metro may be more reluctant to provide direct financial support to Vanke, but we see the strong incentive for SZ Metro to ensure Vanke's financial viability. We believe that debt restructuring, if any, will focus more on lengthening maturity profile and cutting interest expenses of Vanke's bank loans which should be mostly on secured basis. Indeed, media reported in early Oct'25 that the Shenzhen authorities convened a meeting with creditors of Vanke to lower Vanke's loan interest rates to level of SZ Metro after Vanke missing interest payments on onshore loans. Vanke was subsequently reported to settle the interest payments. Arguably, the liability management exercises have already been launched.

Additionally, we believe that maturity profile of Vanke's public bonds is more manageable after early redemptions and repayments of public bonds totaled RMB31.1bn YTD. The total public bonds due or subject to redemption are RMB5.7bn and RMB12.4bn for the rest of 2025 and 2026, respectively. As discussed before, the unencumbered IPs offer Vanke financial flexibility to refinance the repayments and redemptions of public bonds going forward. We estimate the headroom for secured financing from its unencumbered IPs to be cRMB36bn assuming a LTV of 50%. Currently, the total o/s onshore and offshore bonds of Vanke is RMB29.5bn, including onshore bonds totaled RMB20.3bn and offshore bonds totaled USD1.3bn. The next offshore bond maturity will be VNKRLE 3.975 11/09/27 (o/s USD1bn) in Nov'27. We believe that Vanke is not in hurry for an holistic debt restructuring. Interestingly, media reported that Vanke won the bids for 2 land parcels (in Wuhan and Hangzhou) for a gross land premium totaled RMB1.4bn.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
BDO Unibank	500	5yr	4.375%	4.384%	Baa2/-
West China Cement	400	3NC2	9.9%	10.25%	-/B/B

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Huaneng Group	USD	-	PerpNC3	4.7%	A3/-
China Orient Asset Management	USD	-	3yr	T+140	-/BBB/BBB+

➤ News and market color

- Regarding onshore primary issuances, there were 65 credit bonds issued yesterday with an amount of RMB55bn. As for month-to-date, 1,750 credit bonds were issued with a total amount of RMB1,893bn raised, representing a 23.6% yoy increase
- [BABA] Alibaba Group 1HFY26 adjusted EBITDA fell 36% yoy to RMB63.0bn (cUSD8.9bn)

- **[CERCG]** China Energy Reserve and Chemicals launched exchange offer, consent solicitation for 2018, 2019, 2021 and 2022 bonds
- **[CHALUM]** Chalco will buy additional minority stakes in three companies from its controlling shareholders Chinalco for RMB2.3bn (cUSD320mn) to consolidate aluminum assets
- **[FAEACO]** Star Entertainment said DBC divestment to FEC and CTFE unlikely completed by 30 Nov'25, as key conditions including regulatory and lenders approval remain unmet. Star Entertainment is currently negotiating an extension of deadline with FEC and CTFE
- **[HYUELE]** SK Hynix denied report on talks with Indian partner for chip assembly plant
- **[MPEL]** Melco Resort's Mocha Hotel Royal will cease operation on 28 Dec'25 11:59pm
- **[NWDEVL]** NWD will defer distributions on four USD perps in Dec'25
- **[PTTGC]** PTT Global Chemical aims to cut costs by THB5.5bn (cUSD170mn) next year
- **[SOFTBK]** SoftBank Group completed acquisition of Ampere Computing Holdings
- **[TAISEM]** TSMC sued former executive suspected of leaking trade secrets to Intel
- **[VEDLN]** VRL's US-based subsidiary Cooper Tech Metals, which own and operate Konkola Copper Mines in Zambia, has filed draft papers for its proposed IPO
- **[VNKRLE]** China Vanke sold KE Holdings shares

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