

CMBI Credit Commentary

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

- *This morning, the new MARUB 35s tightened 3bps while the new SMBCAC 30s closed unchanged from ROs. The new AVILC 28-30s and the new KOROIL 28-30s widened 1-2bps from ROs. The new HYNMTR 27-30s were 1-5bps wider from ROs. The old LGENSO 26-34s were 5-10bps wider amid new issue mandate. LGFVs were firm.*
- **FRESHK:** *FV of the new FRESHK 28 to be T+215bps. FRESHKs were unchanged this morning. See below.*
- **JFCPM:** *FV of 5-yr USD bonds to be T+110-115bps vs IPT of T+160bps. JFCPMs were unchanged this morning. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, KOROIL priced 3yr floating rated bond at SOFR+77, 3yr and 5yr fixed rated bonds at CT3+65 and CT5+70, tightened from IPTs at CT3+95 and CT5+105, respectively. HYNMTR priced 2yr, 5yr floating rated bonds at SOFR+99 and SOFR+135. HYNMTR also priced 2yr, 5yr, 7yr fixed rated bonds at CT2+85, CT5+110, CT7+122 from IPTs at CT2+110, CT5+135, CT7+145 respectively. AVILC priced a 3yr fixed rated bond at CT3+63 and a 5yr floating rated bond at SOFR+83. SMBCAC priced a 5yr bond at CT5+103. MCAIRH priced a 3-yr bond at CT3+120. POHANG/MTRC /PETMK/QBEAU/JFCPM announced new issue mandates yesterday as well. In Chinese AMCs, the front end CCAMCL/GRWALL/ CFAMCI 26-29s were better sold and closed 1-2bps wider. CBAAU/ANZ/NAB 30-36s were 1-3bps tighter on better buying from AMs/PBs. In EU AT1s, HSBC 6.95/BACR 8 Perps were 0.1-0.4pt lower. In insurance hybrids, SUMILF Perp/NIPLIF 51-54s were 0.1-0.3pt lower. In Chinese IGs, the long end of CNOOCs/CHGRIDs/YANTZEs were 1.0-1.5pts lower. AACTEC 26-31s were 1-4bps tighter. See our comments on [24 Mar '25](#). In HK, DAHSIN 33s tightened 2bps on better buying from Chinese AMs. BNKEA/NANYAN 34s closed 1-5bps wider. CKHH 30-34s were 1-2bps wider. CKINF/CKPH Perps declined another 0.4-1.0pt after the fall of 2.6-4.2pts over the last week. NWDEVL Perps/27-31s dropped 0.3-0.8pt. In Chinese properties, YUEXIU 31s increased 0.5pt. VNKRLE/SHUION 25-26s were up 0.3pt. Outside properties, CHIOIL 26s rose 0.4pt. In Indonesia, INDYIJ 29s/KIJAIJ 27s declined 0.5-0.8pt.

In LGFVs, the new CNH JNUCGC 3.15 '28 closed unchanged around RO at par amid some topping up interests. There were two way interests on USD papers such as PXCONS 28s/DAZAKI 28s. In SOE perps, SPICPT Perp was up 0.1pt, CHPWCN Perp was down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
YUEXIU 3.8 01/20/31	87.6	0.5	YANTZE 3.2 10/16/49	75.1	-1.5
CHIOIL 4.7 06/30/26	96.7	0.4	CNOOC 4 7/8 04/30/44	97.9	-1.4
VNKRLE 3.15 05/12/25	97.5	0.3	CHGRID 4 05/04/47	87.7	-1.3
SHUION 5 1/2 06/29/26	97.6	0.3	SINOPE 5 3/8 10/17/43	104.5	-1.1
SHGUOH 4.7 06/15/25	99.9	0.2	TAISEM 4 1/2 04/22/52	91.9	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.76%), Dow (+1.42%) and Nasdaq (+2.27%) were higher on Monday. US Mar'25 S&P Global Manufacturing PMI was 49.8, lower than the market expectation of 51.9. US Mar'25 S&P Global Services PMI was 54.3, higher than the market expectation of 51.2. UST yield was higher on Monday, 2/5/10/30 yield at 4.04%/4.09%/4.34%/4.66%.

❖ Desk Analyst Comments 分析员市场观点

➤ FRESHK: FV of the new FRESHK 28 to be T+215bps

Far East Horizon (FEH) proposes to issue 3.5-year senior unsecured USD bonds (S&P: BBB-). The net proceeds from the issuance will be used for working capital purposes, and may also be on-lent to onshore subsidiaries by way of intercompany loan subject to all necessary approvals from government authorities. We consider the FV of new FRESHK 28 to be T+215bps vs. IPT of T+255bps, in view of c7 months longer in tenor compared with FRESHK 5.875 03/05/28 (T+201bps/Z+221bps/YTM of 6.0%).

Meanwhile, we maintain buy on FRESHKs on FEH's stable operating performance and asset quality with diversified leasing asset base. FRESHKs also offer more attractive risk-return profiles than those of their peers BOCAVI 26-28s (YTM of 4.4-4.6%). FEH reported largely stable asset quality yet lower profitability in FY24. We expect FEH's asset quality to remain stable in 2025 in view of its prudent policy to contain the scale of non-performing assets along with reducing exposures to LGFVs. Please also read our comments on FEH's FY24 results in [our daily on 10 Mar'25](#).

Table 1: Bond profile of FEH

Security name	ISIN	Amt o/s (USD mn)	Px	T-spread (bps)	Z-spread (bps)	YTM (%)	Issue rating (M/S/F)
FRESHK 4.25 10/26/26	XS2393797530	300	98.1	149	158	5.5	-/BBB-/-
FRESHK 6.625 04/16/27	XS2800583606	500	101.7	170	186	5.7	-/BBB-/-
FRESHK 5.875 03/05/28	XS2886144232	550	99.6	201	221	6.0	-/BBB-/-

Source: Bloomberg.

➤ JFCPM: FV of 5-yr USD bonds to be T+110-115bps

Details of the issue

- Issuer: Jollibee Worldwide Pte. Ltd., 100% owned by Jollibee Foods Corporation (guarantor)
- Guarantor: Jollibee Foods Corporation
- Status: Senior unsecured
- Format: RegS
- Size: USD300mn (capped)

- Tenor: 5-yr
- UOP: general corporate purposes and refinancing
- IPT: T+160bps
- Major incurrence covenants: net debt/equity>3x

Credit considerations and FV estimation

- Jollibee is the largest food service and restaurant company in the Philippines. As of Dec'24, Jollibee has 3,382 stores in the Philippines, out of which, 2,300 stores were franchised. Jollibee is 54.5% owned by Tony Tan family and the market capitalization was cPHP260bn (cUSD4.5bn) as at the close of 24 Mar'25
- It has a growing presence outside the Philippines with 1,974 owned and operated stores, as well as 4,410 franchise-operated stores. Major overseas operations are in countries or regions (such as the US, Canada, HK, Vietnam, Singapore and Middle East) with sizeable Philippine workers.
- International markets contributed 40% and 35% of system-wide sales (SWS) and EBITDA in FY24, notably diversifying from 20% and 16% in FY15, respectively.
- Jollibee achieved consistent revenue and EBITDA growth over the past few years, driven by SSSG and growing store network. Its SWS and recurring EBITDA grew to PHP390.3bn and PHP35.4bn in FY24 from PHP296.8bn and PHP26.9bn in FY22, respectively. Its gross and EBITDA margins were largely stable at 19.2% and 13.1% in FY24, respectively.
- Its financial profile has been steadily improving. In FY24, Its EBITDA/int and debt/EBITDA ratios were 6.0x and 3.1x, improved from 5.4x and 3.8x in FY22, respectively. Its net debt/total equity was 0.8x as of Dec'24 compared the incurrence test level of over 3x.
- Taking cues from JFCPM 4 ¾ 06/24/30 trading at YTM of 5.1% or 5-yr UST+110bps, we consider FV of new 5-yr JFCPM to be at YTM of low 5% or 5-yr UST+110-115bps, factoring into new issue premium.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
AVIC International Leasing	300/ 500	3yr/ 5yr	4.625%/ SOFR+83	T+63/ SOFR+83	-/-/A-
Hanrui Overseas Investment Co/ Jiangsu Hanrui Investment Holdings	180	3yr	6.0%	6.0%	Unrated
Hyundai Capital	800/ 650/ 750/ 450/ 350	2yr/ 2yr/ 5yr/ 5yr/ 7yr	4.85%/ SOFR+99/ 5.15%/ SOFR+135/ 5.4%	T+85/ SOFR+99/ T+110/ SOFR+135/ T+122	A3/A-/A-
	300/ 400/ 300	3yr/ 3yr/ 5yr	4.625%/ SOFR+77/ 4.75%	T+65/ SOFR+77/ T+70	
	650	3yr	5.2%	T+120	
	500	10yr	5.383%	T+105	
	500	5yr	5.1%	T+103	
Korea National Oil Corporation	200	3yr	6.8%	6.8%	Aa2/AA/-
Macquarie AirFinance Holdings					Baa3/BBB-/BB+
Marubeni Corporation					Baa1/BBB+/-
SMBC Aviation Capital Finance					-/A-/BBB+
Zhengzhou Jinshui Holding Group					Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Far East Horizon	USD	-	3.5yr	T+255	-/BBB-/-
Fujian Jinshang Holding Group	USD	-	3yr	6.1%	Unrated
Jollibee Worldwide Pte/ Jollibee Foods Corp	USD	Up to 300	5yr	T+160	Unrated
LG Energy Solution	USD	-	3yr/	T+165/	Baa1/BBB/-
			5yr/	T+175/	
			5yr/	SOFR Equiv/	
			10/yr	T+205	
MTR Corporation	USD	-	5yr/	T+75/	Aa3/AA+/-
			10yr/	T+85/	
			30yr	T+100	
New Development Bank	USD	-	3yr	SOFR MS+75	-/AA+/AA
Xiangyu Investment (BVI) Co/ Huai'an Development Holdings	USD	-	3yr	5.3%	Unrated

➤ News and market color

- Regarding onshore primary issuances, there were 117 credit bonds issued yesterday with an amount of RMB101bn. As for month-to-date, 1,657 credit bonds were issued with a total amount of RMB1,342bn raised, representing a 19.8% yoy decrease
- [ANTOIL]** Anton Oilfield FY24 EBITDA climbed 3.9% yoy to RMB1.5bn (cUSD203mn)
- [CHIOIL]** China Oil and Gas aims to refinance CHIOIL 4.7 06/30/26 of USD400mn with combination of USD bonds and multicurrency loans
- [GLPCHI]** GLP China expects to fully repay USD115mn loan due next month which is guaranteed by GLP Bidco Ltd
- [KAISAG]** Kaisa Group's offshore restructuring plan approved by Hong Kong court
- [MDLNIJ]** Modernland announces restructuring effective date of 27 Mar'25 for scheme to restructure due-2025 and due-2027 bonds
- [MONMIN]** Mongolian Mining FY24 adjusted EBITDA fell 2.7% yoy to USD495.9mn
- [SINOCE]** Sino-Ocean Group anticipates restructuring effective date to occur on or around 27 Mar'25
- [WESCHI]** West China Cement FY24 EBITDA dropped 10.4% yoy to RMB2.6bn (cUSD364mn)

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