

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!

- *HYNMTR 29-30s widened 2-3bps this morning. NTT 5.171 07/16/32 widened 1-2bps. AU T2s CBAAU/ANZ widened 1-2bps. The new CNH PXCSIN 3.7 08/12/28 rose 0.1pt.*
- **WESCHI:** *Media report on the plans for a new USD bond issuance and concurrent tender offer for WESCHI 4.95 07/08/26, which was 2.0pts higher yesterday and 0.5pt higher this morning. See below.*
- **VNKRLE:** *The 9th loan from SZ Metro ahead of onshore bond maturity. Shenzhen Metro Group lends no more than RMB1.681bn (cUSD235mn) to Vanke. We maintain buy on VNKRLEs. VNKRLEs were unchanged this morning. See comments below.*

❖ Trading desk comments 交易台市场观点

Yesterday, FRESHKs tightened 5-10bps, and TW Lifers NSINTW/SHIKON/CATLIFs were unchanged to 5bps tighter. BABA 27-37s widened 1-7bps, while BABA 41-61s tightened 2-4bps. Media reported that Alibaba plans to close its membership-only supermarket chain Hema X outlets in strategic retreat after an attempt to compete in China against US counterparts Walmart and Costco. MTRC 5 5/8 and 4 7/8 Perps rose another 0.2pts, and UBS 6.6 and UBS 7 Perps were up 0.1-0.5pts. AVICCP 2.375 02/09/26 was 0.4pt higher, after AVIC launched a tender offer and consent solicitation for the bond. See our comment [yesterday](#). Media reported that West China Cement is planning a USD bond issue and a concurrent tender offer for its USD bonds WESCHI 4.95 07/08/26 jumped 2pts. See our comment below. In Macau gaming, MPELs/SJMHOLs/MGMCHIs/WYNMACs/SANLTDs/STCITYs/STDCTY were unchanged to 0.3pts higher. S&P states that Melco's earnings recovery and ongoing deleveraging are likely to continue. See our comments on Macau gaming on [4 Aug'25](#). In Chinese properties, VNKRLE 27-29s rose 1.3-1.5pts. Shenzhen Metro Group provides another three-year loan of cUSD235mn to Vanke. See our comments below. On the other hand, GRNLGR dropped another 0.7-1.1pts, as it launched a tender offer and consent solicitation for offshore bonds due in 2028-31. In JP, SOFTBKs were unchanged to 0.4pts higher. SoftBank Group continues to build up stakes in Nvidia and TSMC, showing its commitment in AI. ADSEZ 27-41s increased 0.1-1.9pts after S&P revised the

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outlook of Adani Ports to positive from negative and affirmed BBB- rating. Adani Ports' 1Q26 EBITDA rose 13.3% yoy. LGFV space was quiet yesterday.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
WESCHI 4.95 07/08/26	94.8	2.0	GRNLGR 6 3/4 09/26/29	20.2	-1.1
ADSEZ 5 08/02/41	81.4	1.9	GRNLGR 7 1/8 04/22/29	20.2	-1.1
VNKRLE 3.975 11/09/27	81.6	1.5	GRNLGR 5.6 11/13/28	20.2	-0.8
VNKRLE 3 1/2 11/12/29	73.4	1.3	GRNLGR 7 3/4 03/03/30	20.2	-0.8
ZZIFIV 6.9 03/18/28	97.5	1.3	GRNLGR 5 7/8 07/03/30	20.0	-0.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.49%), Dow (-0.14%) and Nasdaq (-0.65%) were lower on Tuesday. US Jul'25 ISM Non-manufacturing PMI was 50.1, lower than the market expectation of 51.5. US Jul'25 ISM Non-manufacturing Prices was 69.9, higher than the market expectation of 66.5. US Jul'25 S&P Global Services PMI was 55.7, higher than the market expectation of 55.2. Short-term UST yield was higher on Tuesday, 2/5/10/30 yield at 3.72%/3.77%/4.22%/4.78%.

❖ Desk Analyst Comments 分析员市场观点

➤ WESCHI: Plan for a new USD bond issuance and concurrent tender offer for WESCHI 4.95 07/08/26

As per media report, West China Cement (Weschi) is planning a new USD bond issuance and a concurrent tender offer for its o/s USD600mn WESCHI 4.95 07/08/26 as early as late Oct'25. The company targets a new issuance size of USD300-500mn, aiming for a yield below 10%.

Recalled that Weschi intends to refinance USD300mn of the WESCHI 4.95 07/08/26 with a new USD bond and redeem the remaining USD300mn using internal cash resources. In Jun'25, Weschi announced the disposal of non-core assets in Xinjiang for totaled RMB1.65bn (cUSD230mn), representing c76% of the USD300mn internal cash target. The transactions are subject to regulatory and shareholder approvals, and the EGM to approve the disposal will be held on 14 Aug'25. As per Weschi earlier this year, it plans to sell the projects in Xinjiang, Guizhou and Sichuan for RMB2-3bn (cUSD276-414mn) as well as offshore projects to fund the bond repayment. As of Dec'24, Weschi had unrestricted cash of RMB1.16bn (cUSD161mn).

As we wrote on [Weschi's positive profit alert](#) in Jul'25, Weschi expects the profit attributable to the owners of the company to increase 80-100% yoy to RMB696-774mn in 1H25. While the Chinese cement market may show signs of recovery through higher ASP, we remain cautious regarding Weschi's ability to remit cash from its African operations which reflects regulatory and FX challenges in cash transfers. The non-core asset disposals, tender offer and concurrent new issue, if successfully go ahead, will notably reduce its net debts and relieved its refinancing pressure. At 95.6, WESCHI 4.95 07/08/26 is trading at YTM of 10.1%. We consider the current valuation has fairly priced in the recent positive developments and hence maintain neutral on WESCHI 4.95 07/08/26. In the China HY space, we prefer BTSDf 9.125 07/24/28 and EHCARs for better risk-adjusted return profiles.

➤ VNKRLE: The 9th loan from SZ Metro ahead of onshore bond maturity

Further to the loan of RMB869mn secured on 30 Jul'25, Vanke obtained the 9th loan from SZ Metro ahead of onshore bond maturity on 12 Aug'25 (o/s amt RMB2bn). The size of the latest loan is no more than

RMB1.681bn, tenor is no longer than 3-year. The funding cost is again at 2.34%, i.e. 1-yr LPR-0.66%. No collateral or credit enhancement for this loan was specified in the latest announcement. Cumulatively, SZ Metro had provided Vanke with loans totaled cRMB24.4bn since Feb'25. Out of these loans, c61% were on an unsecured basis. As we discussed, SZ Metro has demonstrated its willingness and ability to provide financial support (with signs of more unsecured loans) for Vanke's lumpy onshore and offshore bond maturities.

We maintain buy on VNKREs. Offered at 82.1 and 74.0, VNKRE 3.975 11/09/27 and VNKRE 3 1/2 11/12/29 are still trading at YTM of 13.4% and 11.4%, respectively, despite moving 25-30pts higher YTD. We continue to see VNKREs good value plays with further upside potential given SZ Metro's strong support and Vanke's more manageable offshore debt maturities. We also believe that the current valuations of VNKREs have already priced in Vanke's recent [profit warning on its 1H25 results](#). Pls also see our comments on [31 Jul'25](#).

Table 1: Bond profiles of VNKRE

Security name	o/s amt (USD mn)	Maturity	Coupon	Offer price	YTM
VNKRE 3.975 11/09/27	1,000	11/9/2027	3.975%	82.1	13.4%
VNKRE 3 1/2 11/12/29	300	11/12/2029	3.500%	74.0	11.4%

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Binzhou Smart City Operation	50	3yr	6.8%	6.8%	Unrated
Licheng International Development	110	3yr	4.95%	4.95%	Unrated
Macquarie Bank	1000	11NC10	5.642%	T+145	A3/BBB+/BBB+

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore New Issues Pipeline Today					

➤ News and market color

- Regarding onshore primary issuances, there were 100 credit bonds issued yesterday with an amount of RMB100bn. As for Month-to-date, 229 credit bonds were issued with a total amount of RMB249bn raised, representing a 24.6% yoy increase
- US would initially place a "small tariff" on pharmaceutical imports before hiking it to 150% within 18 months and eventually to 250% in an effort to boost domestic production
- Indonesian government to extend tax incentives for property sector to Dec'25; Danantara aims to complete merger of state-owned construction firms by year end
- [ADSEZ]** Adani Ports & Special Economic Zone 1Q26 EBITDA rises 13.3% yoy to INR55.0bn (cUSD627mn); Gautam Adani re-designated as non-executive chairman of Adani Ports
- [BABA]** Alibaba to close membership-only supermarket chain in strategic retreat

- **[CPDEV]** Central Plaza Development accepted USD90.42mn of CPDEV 4.65 01/19/26 for purchase in the tender offer
- **[GXCMIN]** Moody's upgraded Guangxi Communications to Baa2 with stable outlook, on improved governmental propensity from the Guangxi government, evidenced by substantial government funding and access to low-cost long-term financing
- **[INDYIJ]** Indika expects to spend USD224mn more on gold mine capex through end-2026
- **[PCORPM]** Petron 1H25 revenue falls 13% yoy to PHP386.4bn (cUSD6.7bn)
- **[SKM]** SK Telecom 2Q25 EBITDA drops 15% yoy to KRW1.2tn (cUSD888mn)
- **[SOFTBK]** SoftBank raises stakes in Nvidia and TSMC

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