

## CMBI Credit Commentary

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

- *Asian IG space was unchanged to 3bps tighter with buying flows on front-end names. CHINLP Perps down 0.25pt. HKAAAs were two-way traded. EU AT1 and JP insurer perps down 0.25-0.375pt. VNKRLEs further down 1pt.*
- ***BTSDf:** Tender offer for BTSDf'26 and concurrent new issuance. We maintain buy on BTSDf '26, which was unchanged this morning. See below comments.*
- ***VEDLN:** New bank loans and bonds issuance to fund early redemptions of USD bonds. We maintain buy on VEDLN 10.25 06/03/28. VEDLNs were unchanged to 0.1pt lower this morning. See below comments.*

#### ❖ Trading desk comments 交易台市场观点

Last Friday, the new HKAA 35s tightened 2bps and new HKAA 28s/30s were unchanged to 1bp tighter amid balanced two-way flows. In KR, DAESEC 27-29s were 2-5bps tighter amid mixed flows. HYUELE 29-31s/LGENSO 27-34s closed 1-2bps tighter. In Chinese IGs, BABAs/TENCNTs were unchanged to 3bps tighter. In financials, NANYAN/BNKEA T2s closed 1-2bps wider. In EU AT1s, the longer-dated-to-call papers such as BNP 8/UBS 7.75 Perps were down 0.1-0.4pt after 10-yr UST yield moved 7bps higher to 4.76%. The recent new STANLN 7.625/BBVASM 7.75 Perps were unchanged to 0.2pt lower. In JP, DAIL Perp/MYLIFF 54s/NIPLIF 54s declined 0.1-0.2pt. In HK, the new CHINLP 5.45 Perp closed 0.4pt higher from RO at par. See our comments on [10 Jan '25](#). NWDEVL 27-31s/Perps were up 0.4-1.2pts. Media reported NWD's parent, CTF hired banks to explore options for potential stake sale of Alinta Energy. LIFUNG Perp lowered 1.2pts. In Chinese properties, VNKRLE 25-29s dropped another 0.8-1.5pts, closed 6.8-9.6pts lower WoW. LNGFOR 27-32s declined another 0.2-0.4pt, closed 3.7-4.2pts lower WoW. CHJMAO 29s decreased 0.2pt and closed 2.7pts lower WoW. Outside properties, WESCHI 26s were down 0.3pt. In India, VEDLN 26-31s were 0.1-0.5pt higher on news of securing new loans. See our comments below.

LGFVs were under better buying across USD and CNH papers from cross-border RMs. CPDEV 25-26s were 0.1p higher. There were two-way interests on the CNH names such as LYGIIH 27s/ZOUCAO 27s/XYDXIV 28s. In SOE perps, SPICPT 3.45/SPICPD 4.95/HUADIA 3.375 Perps were up 0.1pt.

**Glenn Ko, CFA** 高志和  
(852) 3657 6235  
glennko@cmbi.com.hk

**Cyrena Ng, CPA** 吳倩瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/2 05/19/30	60.2	1.2	VNKRLE 3.975 11/09/27	43.4	-1.5
NWDEVL 4.8 PERP	30.5	0.9	LIFUNG 5 1/4 PERP	48.5	-1.2
NWDEVL 4 1/8 PERP	35.2	0.8	VNKRLE 3 1/2 11/12/29	39.4	-1.1
NWDEVL 6.15 PERP	60.8	0.8	CSSSHI 3 02/13/30	89.2	-0.9
NWDEVL 8 5/8 02/08/28	70.9	0.7	RILIN 6 1/4 10/19/40	102.5	-0.8

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.54%), Dow (-1.63%) and Nasdaq (-1.63%) were weak on Friday. US Dec'24 NFP was +256k, higher than the expectation of +164k. China Dec'24 export/import increased 10.7%/1.0% yoy, higher than the expectation of +7.3%/-1.5% yoy. UST yield rallied higher on Friday, 2/5/10/30 yield reached 4.40%/4.59%/4.77%/4.96%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ BTSDf: Tender offer for BTSDf'26 and concurrent new issuance

H&H International (H&H) announced the tender offer for its only outstanding USD bonds BTSDf 13.5'26 and concurrent new USD bond issuance to refinancing of its debts, including the proposed tender offer. The purchase price of tender offer is 109.8 and maximum acceptance amount will be announced after the tender offer expiration date of 21 Jan'25 when the new issuance would have been priced. Bondholders who subscribe the new issuance may receive priority of acceptance in the tender offer. The non-preferred tendered bonds will be accepted on a pro-rata basis after acceptance of preferred tendered bonds.

At 107.3, BTSDf'26 is trading at YTM of 8.1%. We maintain buy on BTSDf'26 in view of H&H's good access to various funding channels and a notably improved debt maturity profile. The proposed tender offer and new issuance, as well as the full prepayment of due Jun'25 USD term loans with a remaining amount of USD581mn in Nov'24, will lengthen H&H's debt maturity profile. Please read [Asian Credit Outlook 2025](#) for more detailed discussions on H&H.

Bond	BTSDf 13.5 06/26/2026
O/s amt (USDmn)	300
Tender price	109.8
Pricing of the new note	Before 21 Jan'25
Announcement of maximum acceptance amount	As soon as reasonably practicable after 21 Jan'25
Expiration	21 Jan'25
Settlement date	On or about 24 Jan'25
Ask price	107.3
Ask YTM (%)	8.1

Source: Company filling, Bloomberg.

## ➤ VEDLN: New bank loans and bonds issuance to fund early redemptions of USD bonds

Vedanta Resources (VRL) has secured 3.25-year bank loans totaled USD300mn at SOFR+440bps to refinance its two USD bonds, VEDLN 13.875 12/09/28 of USD460mn and VEDLN 9.25 04/23/26 of USD600mn. The bank loans were raised at the Twin Star Holding's level with guarantees from VRL and Welter Trading Limited, and ranks pari passu with VRL's USD bonds. VRL is in advance discussion for additional loans of USD200mn.

The early redemption of VEDLN 13.875 12/09/28 is in line with our expectation as discussed in our [Asia Credit Outlook 2025](#). We expect VRL to incur new borrowings at lower cost to fund the full redemption of VEDLN 13.875 12/09/28 so as to further reduce its weighted average funding cost. In 1HFY25, VRL's average interest rate was 11.7%, and it had net debt of USD11.4bn as at Sep'24.

Separately, VRL proposed to issue 5.5NC2.5 and/or 8.25NC3 USD bonds (expected issue rating by Moody's/S&P: B2/B) to refinance the above two USD bonds. We view the FV of the new 5.5-year issue at 9.70-9.75%, in view of VEDLN 10.875 09/17/29 and VEDLN 11.25 12/03/31 are trading at YTM of 9.6% and 9.9%, respectively. Per media report, VRL targets to issue USD500mn. The new funds raised totaled USD1bn, i.e. USD300mn bank loan secured, potential USD200mn upsize of bank loan, as well as USD500mn bonds issuance pipeline, almost cover the two USD bonds above with a total o/s amount of USD1,060mn in full.

The recent funding exercises have demonstrated VRL's smooth access to funding channels, allowing VRL to actively manage its maturity profile. Among VEDLNs, we prefer VEDLN 10.25 06/03/28 for higher trading liquidity and lower cash price. At 102.6, VEDLN 10.25 06/03/28 is trading at YTM of 9.3%.

**Table 1: VRL's o/s USD bonds**

Security name	ISIN	Amt o/s (USD mn)	Px	YTM (%)	Guarantor	Issue rating (M/S/F)
VEDLN 9.25 04/23/26	US92243X AA90	600	100.9	8.5	VRL	B3/B/-
<b>VEDLN 10.25 06/03/28</b>	<b>US92243X AJ00</b>	<b>300</b>	<b>102.6</b>	<b>9.3</b>	<b>VRL, Twin Star, Welter Trading</b>	<b>-/B-/B-</b>
VEDLN 13.875 12/09/28	US92241T AM45	460	100.4	13.7	Twin Star, Welter Trading	B3/B/-
VEDLN 10.875 09/17/29	US92243X AH44	1,200	104.7	9.6	VRL, Twin Star, Welter Trading	-/B/-
VEDLN 11.25 12/03/31	US92243X AK72	500	106.4	9.9	VRL, Twin Star, Welter Trading	/B-/B-

Source: Bloomberg, Company filing.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Commonwealth Bank of Australia	USD	-	5yr	SOFR+72	Aa2/AA-/AA-
Great Eastern Life	USD	-	PNC7	-	-/A/-
H&H Holdings	USD	-	3.5NC1.5	-	Ba3/BB/-
Korea Housing Finance Corp	USD	-	5yr	T+95/SOFR Equiv	Aa1/AA/-
Vedanta Resources	USD	-	5.5NC2.5/8.25NC3	-	B2/B/-

## ➤ News and market color

- Regarding onshore primary issuances, there were 126 credit bonds issued last Friday with an amount of RMB72bn. As for month-to-date, 789 credit bonds were issued with a total amount of RMB551bn raised, representing a 34.3% yoy increase
- Media reported that more than RMB5tn (cUSD696bn) loans were approved for China's white list real estate projects
- Media reported that MIND ID is considering listing its aluminum unit Indonesia Asahan Aluminium on IDX in 2026
- **[COGARD]** Media reported that Country Garden's restructuring proposal yet to secure support from key bondholder group which holds more than 30% of COGARD's USD bonds
- **[FUTLAN/FTLNHD]** Seazen Holdings' contracted sales in 2024 slumped 47% to RMB40.2bn
- **[NIO]** NIO Inc announced to repurchase 0.5% convertible senior notes due 2027 at option of noteholders

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

## Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.