

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *KRKPSC'27/29 widened 19/12bps after S&P revised the rating outlook to negative and affirmed BBB- rating. DALWANs dropped 0.1-0.2pt. For LGFV, new ZJXCID'27 rose c0.1pt this morning. We also saw profit taking on CNH LGFVs.*
- *MEDCIJ: Tender offer for MEDCIJ'26/27. Maintain buy on MEDCIJ'28/29. MEDCIJs were unchanged to 0.15pt higher this morning.*
- *CPDEV: Media reported that Beijing Capital plans to issue an offshore SBLC-backed bond to refinance its USD500mn CPDEV 5.75 Perp. CPDEVs moved -0.1 to +0.1pt this morning.*

❖ Trading desk comments 交易台市场观点

Asia IG space was stable while the flows were a bit mixed last Friday. NSINTW/CATLIF 34s closed 1bp tighter. HYUELE 28-33s tightened 5-10bps. In Chinese IGs, HAOHUA '28/SINOCH '31/TENCNT '30 were 1-2bps tighter. However, MEITUA 30s widened 5bps on some profit taking flows. In financials, HRINTHs were up 0.25-0.5pt (5-10bps tighter). CCAMCLs were 5bps tighter. ANZ/MQGAU/WSTP 31-34s tightened 3-5bps. In AT1s, the new NDAFH 6.3 Perp closed 0.1pt lower at 99.9 in light of more profit taking from primary. The recent new BNP 7.375 Perp/INTNED 7.25 Perp rose another 0.1-0.3pt. In HK properties, NWDEVL 27-31s/Perps rose 0.7-1.9pts, closed 1.0-3.7pts higher WoW. In Chinese properties, LNGFOR 27-32s were up 1.4-1.9pts, closed 1.2-2.2pts higher WoW. VNKRL 25-29s were up 1.4-2.8pts, closed unchanged to 0.3pt higher WoW. FUTLAN/FTLNHD 24-26s were 0.7-1.2pts higher. SHUION 25-26s were up 0.4-0.6pt. Outside properties, FOSUNI 26-27s and CHIOIL '26 were up 0.3-0.4pt. EHICAR '26 was down 0.7pt. In Macau gaming, MPEL/STCITY 27-29s were 0.2-0.5pt higher. In Indonesia, MEDCIJs were 0.2-0.3pt higher. After Fri close, MEDCIJ launched tender offers for MEDCIJ 7.375 '26 and MEDCIJ 6.375 '27. See comments below. LPKRIJs were up 0.1pt. See our comments on Lippo's further sale of Siloam stake on 20 Sep '24. In Thailand, Fitch revised the outlook on PTT Global Chemical to stable from negative, rating affirmed at BBB. PTTGCs tightened 4-8bps, its affiliates TOPTBs closed 2-4bps tighter amid active two-way flows. In India, ADANEMs/ADTINs and UPLLINs were up 0.2-0.4pt. Elsewhere, GLPCHI '26 and GLPSP '25/Perps rose 0.5-1.2pts, closed 3.8-5.8pts higher WoW.

In LGFVs, the sentiment remained firm. ZJXCID priced a USD200mn 3-yr bond at par to yield 5.95%. We saw the LGFVs/SOE perps that were yielding high-5% had a round of yield compression on RM/AM buying. GZDZCD '26/GETDZS '25/TYSTOW '25 were up 0.1-0.2pt. In SOE perps, HUANEN/SPICPT Perps were 0.2pt higher. CHPWCN/COFCHK Perps were down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	45.5	2.8	MUFG 4.153 03/07/39	94.2	-1.1
LNGFOR 3.85 01/13/32	63.3	1.9	CCAMCL 5 02/08/48	89.4	-0.8
NWDEVL 8 5/8 02/08/28	90.1	1.9	SINOPE 3.44 11/12/49	81.7	-0.7
LNGFOR 3.95 09/16/29	68.1	1.9	EHICAR 7 09/21/26	76.5	-0.7
LNGFOR 4 1/2 01/16/28	74.0	1.8	SINOPE 3.68 08/08/49	85.2	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.19%), Dow (+0.09%) and Nasdaq (-0.36%) were mixed on last Friday. UST yields retreated on Friday, 2/5/10/30 yield reached 3.55%/3.48%/3.73%/4.07%.

❖ Desk analyst comments 分析员市场观点

➤ MEDCIJ: Tender offer for MEDCIJ'26/27. Maintain buy on MEDCIJ'28/29

Medco Energi (Medco) launched a tender offer for MEDCIJ 7.375 05/14/26 and MEDCIJ 6.375 01/30/27. The maximum acceptance amount of MEDCIJ'26 is USD100mn and MEDCIJ'27 is USD50mn, representing 33% and 10% of the respective outstanding amounts. The bonds tendered on or before the early tender deadline will be accepted before any bonds tendered after the early deadline. The early tender premium of USD3 is included in the early tender considerations. The early deadline will be on 3 Oct'24 and the offer will expire on 21 Oct'24. The tender offer will be funded by cash on hand and/or funds borrowed from existing debt facilities.

Table 1: Summary of the tender offer

Bond	MEDCIJ 7.375 05/14/26	MEDCIJ 6.375 01/30/27
Principal o/s (USDmn)	299.422	485.408
Maximum acceptance amt (USDmn)	100	50
Early tender consideration	101.5	99.75
Early tender deadline	3 Oct'24	
Late tender consideration	98.5	96.75
Expiration deadline	21 Oct'24	
Settlement date	24 Oct'24	
Source: Company filling.		

Medco has been proactively managing its USD bond maturities in the past two years. YTD, it early called MEDCIJ'25 in full of USD33mn in May'24. It repurchased USD148.8mn of MEDCIJ'26 in a tender offer completed in Jun'24, and subsequent to the tender offer, Medco repurchased USD15.3mn of MEDCIJ'26 and USD13.3mn of MEDCIJ'27 in the open markets. Recalled that it repurchased USD397.2mn of MEDCIJ'25-28 in Nov'23 with concurrent new issuance of USD500mn MEDCIJ'29, and repurchased USD265mn of MEDCIJ'25 in Nov'22 via tender offers.

Besides, Medco's credit profile remains solid. As of Jun'24, Medco had cash on hand of USD663.5mn, increased 52.3% from USD435.7mn in Dec'24. Its total debts decreased 2.3% to USD3.45bn from USD3.53bn in Dec'24. Its net debt to EBITDA ratio improved to 1.7x from 2.1x in Dec'23. We consider Medco's cash on hand and operating cash inflow to be sufficient to cover its ST debts of USD378mn and capex of cUSD240mn in 2H24. Moreover, we expect Medco to conduct more early redemptions or early calls given its sufficient liquidity and good access to onshore funds. In 1H24, Medco issued IDR bonds of USD95mn with coupon rates ranging from

7.35- 8.5%. We maintain buy on MEDCIJs, and prefer MEDCIJ'28/29 for better risk-return profiles within the curve.

Table 2: Bond profile of MEDCIJ

Security Name	ISIN	Amt Out (USD mn)	Ask Price	YTM (Ask)	Rating(M/S/F)
MEDCIJ 7 ¾ 05/14/26	US58405FAA30	299.4	101.3	6.5	B1/BB-/BB-
MEDCIJ 6 ¾ 01/30/27	US58406LAA98	485.4	99.3	6.7	B1/BB-/BB-
MEDCIJ 6.95 11/12/28	US58406RAA68	299.4	99.5	7.1	B1/BB-/BB-
MEDCIJ 8.96 04/27/29	US58407HAA77	500.0	104.9	7.7	B1/BB-/BB-

Source: Bloomberg.

➤ **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)
AIA	USD	-	10.5/30yr	T+155/175	A2/A-/A
ANZ Banking Group	USD	-	3yr	T+65/SOFR Equiv	Aa2/AA-/AA-
ANZ Banking Group	USD	-	11NC10	T+175	A3/A-/A-
Bank of China Sydney Branch	USD	-	3yr	SOFR+105	A1/A/A
Hyundai Capital America	USD	-	3yr	SOFR Equiv	A3/A-/A-
Hyundai Capital America	USD	-	3/5/7yr	T+115/135/145	A3/A-/A-
Industrial Bank of Korea	USD	-	3/5yr	SOFR+95/T+90	Aa2/-/AA-
Meituan	USD	-	-	-	Baa2/BBB+/BBB
REC Ltd	USD	-	5yr	T+160	Baa3/-/BBB-
Shriram Finance Ltd	USD	-	3.5/5yr	-	-/BB/BB

➤ **News and market color**

- Regarding onshore primary issuances, there were 90 credit bonds issued last Friday with an amount of RMB110bn. As for month-to-date, 1,152 credit bonds were issued with a total amount of RMB1,033bn raised, representing a 4.3% yoy decrease
- [BNKEA]** Bank of East Asia completed redemption of USD650mn AT1 BNKEA 5.875 Perp
- [CAPG]** China Aoyuan said Multi Gold Group agreed to acquire a 16.48% stake in the company to become the top shareholder
- [CPDEV]** Media reported that Beijing Capital plans to issue an offshore SBLC-backed bond to refinance its USD500mn CPDEV 5.75 PERP
- [DALWAN]** Media reported that Dalian Wanda Commercial Management exited Nanjing Wanda Mao Investment Limited
- [KRKPSC]** S&P affirmed PT Krakatau Posco's BBB- rating and revised rating outlook to negative

- **[PTTGC]** Fitch affirmed PTT Global Chemical's BBB rating and revised the rating outlook to stable from negative
- **[SINOCE]** Sino-Ocean Group announced to effectuate restructuring via two parallel processes including restructuring plan, scheme of arrangement; wind-up hearing adjourned to Dec'24
- **[SUNHKC]** Sun Hung Kai & Co further repurchased USD23.1mn of SUNHKC 5'26
- **[VEDLN]** Vedanta Resources announced early settlement of notes tendered for USD33.6mn of due-2027, USD89.7mn of due-2028 notes
- **[WYNMAC]** Wynn Macau secures three-year extension on existing revolving loan facility of USD1.5bn to Sep'28

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