招银国际 CMB INTERNATIONAL

**Fixed Income**
**Credit Commentary**

25 Jun 2026

# CMBI Credit Commentary

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

- *This morning, the new NTT 28-31 FRNs were largely unchanged in spreads from ROs amid active two-way flows. The new fixed-rate NTT 28-36s traded unchanged to 2bps wider from ROs. Recent new issues NOMURA 31/HDFCB 31/POINTL 31 and TENCNT 36/46 were 2-3bps wider. SNE 31-36 widened 1-2bps. Perps and AT1s were marked 0.3pt higher.*

- ***VEDLN:** FV of the new '32, '34 and '37 to be low-7%, mid-7% and c8%, respectively. See below.*

- ***DBMMN:** Development Bank of Mongolia proposes to issue 5yr USD bond to fund the concurrent tender offer for any and all of the DBMMN 28. We view the FV of the new DBMMN 31 to be low-to-mid 7% vs IPT at 7.6%. See our comments in our daily on 22 Jun'26.*


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

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

**Yujing Zhang** 张钰婧
(852) 3900 0830
zhangyujing@cmbi.com.hk


### ❖ Trading desk comments 交易台市场观点

Yesterday in financials, the new NOMURA Float 29-31 tightened 2-7bps from ROs, while fixed-rate NOMURA 29-36s were unchanged from ROs. The new AXSBIN 6.875 Perp closed 0.4pt higher from RO at par. The other existing AT1s edged 0.1pt higher amid small better buying in the front end of the curve from AMs. Insurance subs were largely unchanged amid two-way flows skewed to small better buying among RMs. The new SNE 31-36 widened 2-3bps from RO at T+40 and T+60, respectively. We consider the pricing of the new SNE 31-36 to be tight. See our comments yesterday. The recent new issues SKONKRs and POINTL traded 2-3bps tighter. Existing front-end HYUELE papers held unchanged, while the belly and long-end bonds widened 1-3bps. TENCNT 36/46 tightened 1-2bps amidst mixed, two-way flows. As for higher-yielding issues in Greater China, EHICAR 29 lost 0.6pt, while EHICAR 26-27 gained 0.5-1.0pt. The NWDEVL/VDNWDL complexes were up to 1.0pt firmer. In Chinese properties, LNGFOR 28-32 traded 0.1-0.3pt higher. VNKRLE 27-29/FUTLAN 28/FTLNHD 27-29 closed 0.3pt lower to 0.1pt higher. In LGFV space, we continued to see AMs and PBs selling lower-yielding USD IG issues, whilst we saw balanced two-way flows in higher-yielding names across USD and CNH issues.

In SE Asia, VEDLN 28-33s were 0.2pt lower to 0.1pt higher. Vedanta Resources circulated IPTs for proposed USD bonds. See comments below. Meanwhile, Vedanta Ltd completed demerger and listed four spun-off companies on BSE and NSE. GLPSPs/GLPCHI closed 0.4pt lower to 0.4pt higher. PTTGC Perps edged 0.1pt higher. SMCGL Perps were up to 0.2pt higher. The CNH space overall remained well bid despite occasional AM selling. The new CNH SIASP 31 traded 0.8pt higher from RO at par thanks to PB buying. See our comments on 23 Jun'26.


**CMBI Fixed Income**
fis@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|---|---|---|---|---|---|
| BABA 4.4 12/06/57 | **83.6** | **1.7** | EHICAR 10 10/14/29 | **43.1** | **-0.6** |
| PETMK 5.848 04/03/55 | **105.3** | **1.6** | MGMCHI 6 1/4 05/15/33 | **98.3** | **-0.4** |
| PETMK 4.8 04/21/60 | **89.7** | **1.6** | HCELEC 4.65 12/29/26 | **61.5** | **-0.4** |
| BABA 5 5/8 11/26/54 | **101.5** | **1.5** | GLPCHI 7 3/4 04/30/29 | **85.1** | **-0.4** |
| TACHEM 5.8 07/05/64 | **99.7** | **1.5** | ACPM 3.9 PERP | **58.9** | **-0.3** |

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.10%), Dow (+0.35%) and Nasdaq (-0.43%) were mixed on Wednesday. US May'26 New Home Sales were 580k, lower than the market expectation of 638k. US latest Crude Oil Inventories declined 6.088mn to 412.1mn barrels, compared to the market expectation of -3.9mn. UST yield were lower on Wednesday. 2/5/10/30 year yield was at 4.11%/4.17%/4.41%/4.86%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➢ VEDLN: FV of the new '32, '34 and '37 to be low-7%, mid-7% and c8%, respectively

Vedanta Resources (VRL) proposes to issue USD 144A/Reg S bonds (Ba3/BB-/BB) in three tranches, comprising 6-, 8- and 11yr tenors to fund concurrent tender offers for '30-33s. We view the FV of the new VEDLN 32 to be low-7% (vs. IPT 7.25%), VEDLN 34 to be mid-7% (vs. IPT 7.625%), and VEDLN 37 to be c8% (IPT at 8.0%), taking cues of the valuations of the existing VEDLN curve and adjusted for the amortizing structure.

The new bonds will be issued by Vedanta Resources Finance II PLC, the same issuing vehicles as the existing VEDLNs, and will be guaranteed by the same entities, VRL, Twin Star Holdings, Welter Trading and Vedanta Holdings Mauritius II. The amortizing profile is a key differentiator compared to the existing VEDLNs, with estimated effective tenors of c5.25yrs for VEDLN 32, c7.1yrs for VEDLN 34 and c9.75yrs for VEDLN 37. We view the structures improve recovery visibility. Covenants are broadly aligned with the existing VEDLNs. The new bonds contain a clause such that VRL will not permit Vedanta Resources Investments Limited to use the collateral as backing for any new loans or debts, unless those debts are explicitly allowed.

As per media report, VRL targets to raise totaled USD2.0-2.5bn across three tranches. The combined effect of the new issuance, concurrent tender offers for '30-33s, and the early redemption of '28-29s should reduce its near-term refinancing pressure and extend VRL's maturity profile. We view the LME as credit positive, the amortizing structure further supports a smoother deleveraging path by spreading repayment obligations over time. See our comment on VRL's concurrent tender offer in our daily on 10 Jun'26.

The recent demerger simplify the group structure and improve funding visibility are constructive to the credit profile of VRL and Vedanta Ltd, in our view. That said, we remain mindful of structural subordination risks at the holdco level, and the dependency on dividend upstream from the key operating companies. Within the VEDLN complex, we prefer VEDLN 9.475 07/24/30 and VEDLN 9 1/8 10/15/32 more as these bonds offer more balanced risk-return profile, i.e. lower cash prices and higher YTW.

### Table 1: VRL’s o/s USD bonds

| Security name | ISIN | Amt o/s (USD mn) | Px | YTM | Mod dur | Issue rating (M/S/F) |
|---|---|---|---|---|---|---|
| VEDLN 10.25 06/03/28 | USG9T27HAH76 | 300 | 102.7 | 7.6% | 0.1 | -/BB-/BB |
| VEDLN 10.875 09/17/29 | USG9T27HAG93 | 1,200 | 106.5 | 8.5% | 2.6 | -/BB-/- |
| VEDLN 9.475 07/24/30 | USG9T27HAL88 | 550 | 107.4 | 7.3% | 3.3 | Ba3/BB-/- |
| VEDLN 11.25 12/03/31 | USG9T27HAJ33 | 500 | 111.4 | 8.6% | 4.1 | -/BB-/BB |
| VEDLN 9.125 10/15/32 | USG9T27HAN45 | 500 | 106.4 | 7.8% | 4.7 | Ba3/-/BB |
| VEDLN 9.85 04/24/33 | USG9T27HAK06 | 550 | 109.6 | 8.0% | 4.9 | Ba3/BB-/- |

*Source: Bloomberg.*

### Table 2: Key T&C of the new bonds

| Proposed new bond | VEDLN 32 | | VEDLN 34 | | VEDLN 37 | |
|---|---|---|---|---|---|---|
| **Tenor** | 6WAL5.35 | | 8WAL7.1 | | 11WAL9.75 | |
| **Maturity date** | 11 Jul’32 | | 11 Jul’34 | | 11 Jul’37 | |
| **Call structure** | Post yr 2: | At par + 50% coupon | Post yr 3: | At par + 50% coupon | Post yr 5: | At par + 50% coupon |
| | Post yr 3: | At par + 25% coupon | Post yr 4: | At par + 25% coupon | Post yr 6: | At par + 25% coupon |
| | Post yr 4: | At par | Post yr 5: | At par | Post yr 7: | At par |
| **Indicative amortization schedule** | Yr 4.5 | 20% | Yr 5.5 | 5.0% | Yr 8.5 | 16.67% |
| | Yr 5.0 | 20% | Yr 6.0 | 5.0% | Yr 9.0 | 16.67% |
| | Yr 5.5 | 30% | Yr 6.5 | 22.5% | Yr 9.5 | 16.67% |
| | Yr 6.0 | 30% | Yr 7.0 | 22.5% | Yr 10.0 | 16.67% |
| | | | Yr 7.5 | 22.5% | Yr 10.5 | 16.67% |
| | | | Yr 8.0 | 22.5% | Yr 11.0 | 16.67% |
| **Optional redemption** | Up to 10% of outstanding amount per bond per year at 103 | | | | | |
| **Ranking** | The bonds will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves | | | | | |
| **Security** | First ranking charge over (x) the receivables and other rights under the Brand Fee Agreements and (y) the Receivables Account, in each case, held by Vedanta Resources Investments Limited (“VRIL”), by no later than ninety (90) days after the earlier of (i) the date of repayment of all Existing Loans and all Existing Notes and (ii) the date of repayment of all Existing Loans and the receipt of the Requisite Consents | | | | | |
| **Covenants** | Limitation on Borrowings:<br>Parent Guarantor and its subsidiaries FCCR ≥ 2.25x (till 31 March 2027); FCCR ≥ 2.50x (thereafter)<br>Subsidiary Guarantors: Attributable Debt / EBITDA of 5.5x<br>Either of:<br>Debt cap excluding inter-company loans of US$5.6bn (against a 51.93% stake held by subsidiary guarantors)<br>Consolidated Parent Guarantor FCCR of 3.5x<br><br>Restricted Payments:<br>50% of Net Income (calculated as Brand fees + Dividends – Holdco Net Interest expense – administrative expenses)<br>Increases to 100% of net income, if consolidated FCCR ≥ 3.5x. | | | | | |

*Source: Bloomberg.*

## Offshore Asia New Issues (Priced)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|---|---|---|---|---|---|
| NTT Finance | 1000/<br>500/<br>750/<br>750/<br>750/<br>1000/<br>750 | 2yr/<br>3yr/<br>3yr/<br>5yr/<br>5yr/<br>7yr/<br>10yr | 4.714%/<br>SOFR+83/<br>4.8279%/<br>SOFR+103/<br>5.0115%/<br>5.2588%/<br>5.483% | T+60/<br>SOFR+83/<br>T+68/<br>SOFR+103/<br>T+83/<br>T+98/<br>T+108 | A3/BBB+/- |
| Shaoxing City Development Group | 698 | 3yr | 4.35% | 4.35% | -/-/BBB+ |

## Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|---|---|---|---|---|---|
| Development Bank of Mongolia | USD | - | 5yr | 7.6% | B1/BB-/- |
| Mirae Asset Securities | USD | - | 3yr/<br>5yr | T+120/<br>T+130 | Baa2/-/BBB |
| Vedanta Resources | USD | - | 6yr/<br>8yr/<br>11yr | 7.25%/<br>7.625%/<br>8.0% | Ba3/BB-/BB |

## News and market color

- Regarding onshore primary issuances, there were 196 credit bonds issued yesterday with an amount of RMB168bn. As for month-to-date, 2,042 credit bonds were issued with a total amount of RMB2,016bn raised, representing a 18.9% yoy increase

- **[FAEACO]** Far East Consortium International delayed dispatch of circular on UK office, hotel, town hall disposal

- **[HUANEN]** Moody's upgraded China Huaneng by one notch to A1 from A2, reflects its strengthening strategic importance to China's power sector and the central government; outlook stable

- **[HYUELE]** Media reported SK Hynix is looking to raise KRW45.5tn (cUSD29.4bn) by selling depositary receipts on the Nasdaq exchange, expects trading to start on 10 Jul'26; considering building a new plant to manufacture NAND flash memory chips in South Korea

- **[NICAU]** Nickel Industries to buy minority stake in two HPAL projects in Central Sulawesi

- **[RAKUTN]** Rakuten seeks Japanese subsidy support of up to JPY150bn (cUSD927.7mn) to build satellite network

- **[SOFTBK]** SoftBank seeks to buy Japanese utility Tepco to help power AI data centers

- **[VEDLN]** Vedanta Ltd listed four newly demerged companies, Vedanta Aluminium, Vedanta Oil & Gas, Vedanta Iron & Steel, and Vedanta Power, on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

*Fixed Income Department*
*Tel: 852 3657 6235/ 852 3900 0801*
*fis@cmbi.com.hk*

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