

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- *This morning, the new PINGIN 5 10/08/35 was 2-3bps tighter from pricing at T+89. The new CKHH 4.25 09/26/30s were initially 1-2bps wider but recovered to RO at T+62.5. The new KOCRGF 28 was 2-3bps tighter from pricing at SOFR+65. There was slight recovery in demand across higher-yielding LGFV names.*
- **VEDLN:** Take profits on VEDLN 10.875 09/17/29. VEDLNs were unchanged this morning. See below.
- **SJMHOL:** Media reported SJM plans to issue its first dim sum bonds of at least RMB1bn as early as next month to fund its hotel project in Zhuhai. SJMHOLs were unchanged this morning.

❖ Trading desk comments 交易台市場观点

Yesterday, the space was overall quiet amid the arrival of typhoon and holiday in Japan. The new KOROIL 3yrs FRN tightened 2-3bps from pricing at SOFR+67. The new KOROIL 4 09/29/28 and KOROIL 4.125 09/29/30 tightened 1-2bps from issuing at T+50. The new CBAAU 5yrs FRN tightened 10bps from pricing at SOFR+78. In Yankee AT1s, we saw overall light flows skewed to slightly better buying. TW lifers NSINTWs/FUBON 35/CATLIFs/SHIKON were 1-2bps tighter. In Macau gaming, SJMHOL 26-28s/STCITY 28-29s were unchanged to 0.1pt lower. WYNMAC 27-34s/MPEL 26-32s were 0.2pt lower to 0.1pt higher. See our comment on MPEL on [22 Sep'25](#). EHICAR 26-27s rose another 1.2-1.7pts. CTFSHK 29 was 0.9pts higher. The NWDEVL complex was unchanged to 0.7pt lower. In Chinese properties, VNKRL 27-29s dropped 4.1-4.5pts. Media report that Vanke skipped interest payments on certain onshore loans. We expect that to be resolved soon taking cues from SZ Metro's financial support for onshore bond repayment due on 21 Sep'25. FUTLAN 28/FTLNHD 26 were down by 0.3pt. See our comment on the FV of Seazen's new issue [yesterday](#). In Southeast Asia, GLPSP 4.5 PERP was down by 0.9pt. SMCGL Perps were unchanged to 0.1pt higher.

In LGFV space, liquidity was thin. On one hand, there was more hitting in liquidity bids across a few higher-yielding issues down the credit curve. On the other hand, we continued to see sporadic demand from asset managers in selected higher-yielding names and AAA-guaranteed papers across CNH and USD.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
EHICAR 7 09/21/26	80.0	1.7	VNKRL 3.975 11/09/27	75.4	-4.5
EHICAR 12 09/26/27	68.9	1.2	VNKRL 3 1/2 11/12/29	68.3	-4.1
CTFSHK 4 1/4 06/27/29	93.3	0.9	LNGFOR 3.85 01/13/32	79.5	-1.1
TEMASE 2 1/2 10/06/70	58.4	0.8	LNGFOR 3.95 09/16/29	86.6	-1.1
RILIN 4 7/8 02/10/45	93.7	0.8	GLPSP 4 1/2 PERP	69.7	-0.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.55%), Dow (-0.19%) and Nasdaq (-0.95%) were lower on Tuesday. US Sep'25 S&P Global Manufacturing/Services PMI was 52.0 and 53.9, respectively, lower than the market expectation of 52.2 and 54.0. UST yield was lower on Tuesday. 2/5/10/30 yield was at 3.53%/3.68%/4.12%/4.73%.

❖ Desk Analyst Comments 分析员市场观点

➤ VEDLN: Take profits on VEDLN 10.875 09/17/29

We recommend investor to take profit from VEDLN 10.875 09/17/29, which rose c8pts since our initiation of buy recommendation in May'25. Meanwhile, we maintain buy on VEDLN 9.475 07/24/30 on better risk-adjusted profile within VEDLN curve.

Table 1: VRL's o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Issue rating (I/M/S/F)
VEDLN 10.25 06/03/28	US92243XAJ00	300	103.8	7.8%	-/B/B+
VEDLN 10.875 09/17/29	US92243XAH44	1,200	105.2	8.8%	-/B/-
VEDLN 9.475 07/24/30	US92243XAM39	550	101.3	9.1%	B2/B/-
VEDLN 11.25 12/03/31	US92243XAK72	500	107.5	9.0%	-/B/B+
VEDLN 9.85 04/24/33	US92243XAL55	550	102.2	9.2%	B2/B/-

Source: Bloomberg.

We view the potential acquisition of Jaiprakash Associates (JPA) by Vedanta Ltd (VEDL) could slow down its deleveraging effort. VEDL is the highest bidder for JPA under the Insolvency and Bankruptcy Code. The Committee of Creditors will vote on the revised plans, and the closing of the transaction will be subject to multiple regulatory approvals which could take 8-12months. The proposed transaction is valued at INR170bn (cUSD1.9bn), funded by a mix of debt and internal cash, comprising an upfront payment of INR38bn (cUSD428mn) with INR25b-30bn to be paid annually over the subsequent five years.

At Jun'25, VEDL reported total debts of INR803.6bn (cUSD9.4bn), cash and cash equivalent of INR221.4bn (cUSD2.6bn), and net debt/LTM EBITDA of 1.3x. Assuming the INR38bn upfront payment is all debt-funded, pro-forma net leverage would rise modestly to 1.4x. While we view the increase in net leverage as manageable for VEDL, the acquisition will slow down the deleveraging effort, or could push leverage higher if subsequent installments are mainly debt-funded. Moreover, JPA is an industrial conglomerate with operations in power, cement, real estate, and fertilizers business and most of them are loss-making. This could raise the risk of incremental capex and working capital needs for VEDL post acquisition. Diversification into non-core segments could also weaken VEDLN's operating profile. We see limited near-term upside catalysts for further yield compression as deal overhang and integration risk, as well as after the bond prices rally YTD.

The Indian Ministry of Petroleum & Natural Gas rejected the application submitted by VEDL, Oil & Natural Gas Corporation (ONGC), and Invenire Energy (formerly Tata Petrodyne) for extension of the production sharing contract (PSC) for the CB-OS/2 offshore block (Lakshmi and Gauri fields). We view the decision, communicated on 22 Sep'25, will have a limited impact on VEDL's credit profile, as the block contributes less than 0.3% to group EBITDA. As an interim measure, ONGC, holding the largest 50% interest, has been directed by the government to take control of the block to ensure continuity of petroleum production and safeguard petroleum reserves until the block is re-awarded.

Separately, the hearing on VEDL's proposed demerger by the National Company Law Tribunal (NCLT) has faced multiple deferrals, most recently to 8 Oct'25, amid regulatory concerns flagged by authorities. The government has raised issues regarding potential financial risks post-demergers, insufficient disclosure of liabilities, possible misrepresentation of hydrocarbon assets, and potential violations of SEBI disclosure. The Ministry of Petroleum & Natural Gas has specifically pressed for further disclosures related to VEDL's Rajasthan oil and gas block.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Ping An Insurance Overseas	300	10yr	5.0%	T+89	Baa2/-
CK Hutchison International	500	5yr	4.25%	T+62.5	A2/A/A-
Clifford Capital Holdings	500	3yr	3.97%	T+40	-/AA+/AAA
Korea Credit Guarantee Fund	300	3yr	SOFR+65	SOFR+65	Aa2/AA/-
Longkou Urban Rural Construction	110	3yr	4.85%	4.85%	Unrated
New Metro Global/ Seazen	160	2yr	11.88%	13.0%	-/-B-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Guangxi Communications Investment	USD	-	2yr	4.75%	-/-/BBB
Nickel Industries	USD	-	5NC2	9.25%	B1/-/B+
Orient ZhiSheng Limited	USD	300 (capped)	3yr	SOFR+110	Baa2/-

➤ News and market color

- Regarding onshore primary issuances, there were 183 credit bonds issued yesterday with an amount of RMB110bn. As for month-to-date, 1,825 credit bonds were issued with a total amount of RMB1,644bn raised, representing a 43.9% yoy increase
- China asked brokerages to halt the tokenization of real-world assets (RWAs) in Hong Kong amid concerns about a frenzy in digital offshore assets
- [BABA]** Alibaba's internet browser operator was reprimanded by China's internet regulator amid a wider crackdown on online content
- [FUTLAN/FTLNHD]** Seazen Holdings proposes to offer up to RMB900mn MTNs guaranteed by CBICL
- [HYUELE]** SK Hynix is raising prices of its core memory chip products amid surging demand from the AI industry

- **[VNKRLE]** Media reported China Vanke will meet banks this week to discuss lowering interest rates on its debt even as the company missed an interest payment on an onshore loan that came due last week

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