

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!

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- *Asia IGs were 1-3bps tighter this morning. The new CNH CHMEDA 30/35 were 0.1-0.2pt lower. GLPSP Perp was up another 0.5pt.*
- *VEDLN: USD550mn PCF prepayment in Aug'25. We maintain buy on VEDLN 10.875 09/17/29, changed our recommendation on VEDLN 9.475 07/24/30 from neutral to buy. VEDLNs were unchanged this morning. See below.*
- *HKAA/NWDEVL: Media reported Airport Authority Hong Kong is exploring the possibility of bringing in a new partner to take over and complete the 11 Skies shopping center project, originally led by NWD. NWDEVL 30 was up 0.2pt this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, in KR, LGENSO 26-35s tightened 1-4bps. Its 2Q25 operating profit rose 31% qoq from 1Q25. HYUELE 26-33s were unchanged. See our comments on 25 Jul '25. In insurance, CATLIF 34/39 tightened 1-2bps. MYLIFE/NIPLIF 54s and ASAMLI Perps were up 0.1-0.3pt. Meanwhile in JP, NSANY 26-30s were unchanged to 1.0pt higher. In HK, NWDEVL Perps/27-31s were unchanged to 0.4pt higher. HYSAN Perps were 0.4-0.8pt higher. LASUDE 26 rose 0.7pt. On the other hand, LIFUNG Perp lowered 0.8pt, closed 2.8pts higher WoW. In Chinese properties, DALWAN 26 was up 0.8pt. ROADKG 28-30s were 0.2-1.3pts lower, closed 3.8-5.6pts lower WoW. ROADKG Perps were 0.1pt higher, closed unchanged to 0.1pt lower WoW. Outside properties, EHICAR 26-27s were up 0.4-0.9pt. WESCHI 26 was up 0.3pt, closed 4.1pts higher WoW. FOSUNI 25-27s lowered 0.1-0.5pt. In SE Asia, GLPSP Perps/28 were up 0.4-1.7pts, closed 1.2-2.5pts higher WoW. VLLPM 29 was up 0.8pt. VEDLN 28-33s were unchanged to 0.1pt higher. Media reported Vedanta Resources plans to prepay USD550mn o/s private credit loan. See comments below.

In CNH space, the new CNH TEMASE 30/35/55 and CNH CHMEDA 30/35 were unchanged to 0.1pt lower. In LGFVs, BINHCO priced 3yr bond at par to yield 4.95% (IPT at 5.8% area). DAZAKI priced 3yr bond at par to yield 7% (IPT at 7% area). SCDFGU priced 3yr bond at par to yield 6.8% (IPT at 6.8% area). There were two way interests on CNH LGFVs such as SZYTAM 4.5

28s/XMCYIG 6.5 26s and USD LGFVs such as CHDOHU 7.6 28s/BADNHI 6.9 28s. In SOE perp, CHPWCN Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4.6 PERP	51.2	1.7	ROADKG 5 1/8 01/26/30	21.3	-1.3
GLPSP 4 1/2 PERP	53.8	1.4	LIFUNG 5 1/4 PERP	50.7	-0.8
TSIVMG 1.55 12/17/29	71.5	1.4	ROADKG 5.2 07/12/29	23.0	-0.7
NSANY 4.81 09/17/30	92.5	1.0	ROADKG 5.9 09/05/28	24.3	-0.6
NSANY 7 3/4 07/17/32	102.4	1.0	FOSUNI 5.95 10/19/25	100.0	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.40%), Dow (+0.47%) and Nasdaq (+0.24%) were higher on last Friday. The EU reaches a tariff deal with the US that will see the bloc face 15% tariffs on most of its exports. The US Jun'25 Durable Goods Orders was -9.3% mom, compared to the market expectation of -10.4%. UST yield was lower on last Friday, 2/5/10/30 yield at 3.91%/3.95%/4.40%/4.92%.

❖ Desk Analyst Comments 分析员市场观点

➤ VEDLN: USD550mn PCF prepayment in Aug'25

Vedanta Resources (VRL) has notified providers of its originally USD1.25bn private credit facility (PCF) that it would prepay the remaining USD550mn due Apr'26. The PCF will be prepaid in Aug'25, which will be funded by the bank facilities up to USD600mn that VRL has already obtained commitment of USD500mn. The average maturity of these facilities are 3-year. These bank facilities carry an interest cost of SOFR+450bps, significantly lower than the PCF's 18% interest cost, and represent c900bps reduction in borrowing as per our estimate. Meanwhile, VRL may consider a buyback of its USD bonds to reduce leverage and lower the funding costs following the PCF refinancing and the demerger of Vedanta Ltd.

The credit profile VRL continues to improve given its smooth access to various funding channels. Its debt maturity profile has been notably lengthened and funding costs has been lowered. We also believe that the performance of VEDLNs will be supported by the potential early redemptions. We maintain buy on VEDLN 10.875 09/17/29 and changed our recommendation on VEDLN 9.475 07/24/30 from neutral to buy. We prefer these 2 bonds within the curve in view of their more balanced risk return profile and lower cash prices. Furthermore, we saw a limited impact on VRL's bonds following the short-seller Viceroy's allegations. VEDLN 28-31s down 0.2-0.5pts since Viceroy published its allegations on 9 Jul'25 while VEDLN 33s were up 0.6pt.

Table 1: VRL's o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Issue rating (M/S/F)
VEDLN 10.25 06/03/28	US92243XAJ00	300	103.6	8.1%	-/B/B+
VEDLN 10.875 09/17/29	US92243XAH44	1,200	102.8	9.8%	-/B/-
VEDLN 9.475 07/24/30	US92243XAM39	550	99.2	9.7%	B2/B/-
VEDLN 11.25 12/03/31	US92243XAK72	500	104.5	10.0%	-/B/B+
VEDLN 9.85 04/24/33	US92243XAL55	550	100.8	9.6%	B2/B/-

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Dazhou Kaisheng Construction Development Group	70	3yr	7.0%	7.0%	Unrated
Sichuan Zigong Huidong Development	69.5	3yr	6.8%	6.8%	Unrated
Tianjin Binhai New Area Construction & Investment Group	244	3yr	4.95%	4.95%	Baa2/-/-

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

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

➤ **News and market color**

- Regarding onshore primary issuances, there were 77 credit bonds issued last Friday with an amount of RMB84bn. As for month-to-date, 1,797 credit bonds were issued with a total amount of RMB1,930bn raised, representing a 15% yoy increase
- Macau visitors climb 15% yoy in 1H25 with jump in same-day travelers
- **[BABA]** Alibaba halves prices of cutting-edge AI model to attract developers; senior Alibaba food delivery executive accused of taking USD5.6mn in bribes
- **[FIRPAC]** First Pacific's Philippine power arm expects higher FY25 earnings after strong start
- **[FTHDGR]** Fantasia further delays offshore debt restructuring closing to 1 Aug'25
- **[LIFUNG]** Li & Fung gives tender priority to bondholders who also subscribe to new bonds
- **[VNKRL]** China Vanke sells Shanghai Jinqiao Wanchuang Center project for RMB1.4bn (cUSD195mn)

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