

CMBI Credit Commentary

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

- *The new STESP 30s tightened another 3bps to T+50 this morning. PKX 30s/35s tightened 2-3bps. CATLIF 33s/NSINTW 34s were 8-10bps wider on the sharp appreciation of TWD. KBANK/BBLTB 31-36s were 1-3bps wider. NIPLIF/MYLIFE 55s were down 0.2pt.*
- **MEDCIJ:** *Tender offers and concurrent new 5NC2 USD bonds issuance. MEDCIJ 26-27s were 0.5-0.6pts higher this morning while MEDCIJ 28-29s were 0.2pts higher. See below.*
- **ADGREG:** *Adani Group representatives met Trump officials seeking to end bribery cases. ADGREG 42s/ARENRJ 39s/ADANEMs were 0.3-0.5pts higher this morning.*

❖ Trading desk comments 交易平台市场观点

Last Friday, the new STESP 30s tightened 2bps. The recent new PETMK 35s/55s widened 2-3bps. PKX 30s/35s widened 2-3bps. On the other hand, the recent new TYANLI 35s tightened 12bps to T+237. KOB COP/KOROIL 28-30s tightened 1-2bps. In financials, BBLTB 34-40s closed unchanged to 2bps wider. KBANK 4/BBLTB 5 Perps were 0.1pt lower. In JP, NIPLIF/MYLIFE 54-55s were down 0.2-0.3pt. In HK, HKAA/MTRC 30-35s tightened 1-2bps. NWDEVL 27-31s were unchanged to 0.3pt higher. In Chinese IGs, CNOOC/SINOPE/SINOCH 39-50s were 1.5-1.8pts lower (3-8bps wider). In Chinese properties, LNGFOR 27-32s were 0.2-0.6pt higher. In Macau gaming, SANLTD/MGMCHI 27-31s were 0.2-0.8pt lower. See our comments on [2 May'25](#). In SE Asia, ADSEZ/ADANEM 27-41s were up 0.2-0.7pt. MEDCIJ 26-27s were up 0.1-0.2pt. Yesterday, Medco announced tender offer on MEDCIJ 26-27s and concurrent new issue 5NC2 bond. See comments below.

In LGFVs, there were two way interests on the USD names such as CDECTH 5.8 28s/CQNANA 4.5 26s and CNH papers such as JDZUDG 6.5 28s. In SOE perps, AVIILC Perp were 0.4pt higher. CHPWCN/SPICPT Perps were up 0.2pt, while HUADIA Perp was down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ADSEZ 3.1 02/02/31	81.4	0.7	CNOOC 4 7/8 04/30/44	95.5	-1.8
ADSEZ 4.2 08/04/27	94.9	0.7	CNOOC 7 1/2 07/30/39	127.5	-1.7
SOFTBK 6 7/8 PERP	96.1	0.7	SINOPE 5 3/8 10/17/43	101.1	-1.7
LNGFOR 4 1/2 01/16/28	88.7	0.6	SINOCH 6.3 11/12/40	107.8	-1.7
GRNKEN 4.3 12/13/28	92.0	0.5	SINOPE 3.35 05/13/50	73.3	-1.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.64%), Dow (-0.24%) and Nasdaq (-0.74%) were lower on Monday. US Apr'25 nonfarm payroll was +177k, higher than the market expectation of +138k. US Apr'25 unemployment rate was 4.2%, same as the market expectation. Trump announced a 100% tariff on movies produced outside the US but provided no details on how such levies would be implemented. UST yields was higher on Monday, 2/5/10/30 yield at 3.83%/3.95%/4.36%/4.83%.

❖ Desk Analyst Comments 分析员市场观点

➤ MEDCIJ: Tender offers and concurrent new 5NC2 USD bonds issuance

Medco Energi (Medco) launches tender offers for MEDCIJ 7 ¾ 05/14/26 and MEDCIJ 6 ¾ 01/30/27, to purchase up to all the outstanding amount of the two bonds. See Table 1. The tender offers will be funded by a concurrent 5NC2 USD bonds issuance, drawdowns from committed bank loan facilities and internal cash. The tender offers are subject to the completion of the new bonds issuance of at least USD400mn.

We consider the FV of new MEDCIJ 30 (B1/BB-/BB-) to be mid high 8%, in view of its own bonds MEDCIJ 8.96 04/27/29 (YTM of 8.3%) adjusting for tenor premium and structural differences. The bonds will be issued by Medco Cypress Tree, guaranteed by Medco and certain of Medco's subsidiaries. The bonds will have first lien on the collaterals consisting of (i) a charge by Medco Strait Services of all the capital stock of the issuer, (ii) security interest granted over all of the issuer's rights in the interest reserve account, and (iii) an assignment by the issuer of its interest and rights under the intercompany loan. Key covenants of the new bonds are FCCR greater than 3.0x and net debt/EBITDA lower than 5.0x, in line with existing bonds. Proceeds from the new bonds are to refinance existing debts, including the tender offers, redemption, or other purchases, or replace committed but currently undrawn facilities.

We maintain buy on MEDCIJs and prefer MEDCIJ 6.95 11/12/28 for better risk-return profile within the curve. We continue to view Medco as a candidate to conduct more early redemptions or early calls given its sufficient liquidity and good access to onshore funds. YTD, Medco repurchased USD37mn of its bonds during 2025 of which USD16.6mn was MEDCIJ 6 ¾ 01/30/27, implying totaled USD20.4mn of MEDCIJ 6.95 11/12/28 and MEDCIJ 8.96 04/27/29 were repurchased and not yet cancelled. Recalled that Medco has been actively managing its maturity profile by riding on improving operating flow and stronger onshore liquidity over the past two years, and repurchased totaled USD337mn of USD bonds through tender offers and market repurchases in 2024.

Table 1: Summary of the tender offers

Security name	MEDCIJ 7 ¾ 05/14/26	MEDCIJ 6 ¾ 01/30/27
Amt o/s (USDmn)	242.319	418.708
Maximum acceptance amt	Any and all	Any and all
Early tender consideration	101.5	100
Late tender consideration	98.5	97

Early deadline	16 May'25
Expiration deadline	3 Jun'25
Results announcement	4 Jun'25
Expected settlement	9 Jun'25

Source: Company filing.

Table 2: Medco o/s USD bonds

Security Name	ISIN	Amt o/s (USDmn)	Ask Px	Ask YTM	Issue rating (M/S/F)	Payment rank
MEDCIJ 7 ½ 05/14/26	US58405FAA30	242.3	100.8	6.6%	B1/BB-/BB-	Secured
MEDCIJ 6 ¾ 01/30/27	US58406LAA98	418.7	99.2	6.9%	B1/BB-/BB-	1 st lien
MEDCIJ 6.95 11/12/28	US58406RAA68	299.4	97.6	7.7%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.96 04/27/29	US58407HAA77	500.0	102.1	8.3%	B1/BB-/BB-	Sr unsecured

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)
Shinhan Bank	USD	-	5yr	T+110	Aa3/A+/A

➤ **News and market color**

- Onshore primary issuances suspend during the Labor Holidays.
- Visitors entering Macau numbered 221,968 on 2 May'25, the highest single-day total since the pandemic
- **[BABA/BIDU/JD/WB]** US lawmakers urge delisting of Chinese companies including Alibaba, JD.com, Baidu, and Weibo on national security grounds
- **[FOSUNI]** Fosun to raise USD 217m by selling office space to Portuguese central bank
- **[GARUDA]** Garuda Indonesia grounds at least 15 jets amid maintenance difficulties
- **[IDASAL/PGN]** MIND ID subsidiary and PGN JV will invest USD3.2bn to develop coal-based substitute/synthetic natural gas
- **[SKM]** SK Telecom told to halt new subscriber sign-ups in wake of data breach
- **[SMCGL]** San Miguel Global Power unit plans 400-MW hydro project in the Philippines
- **[SOFTBK]** SoftBank tells Indian hospitality chain Oyo to delay planned Oct'25 IPO
- **[TTMTIN]** Tata Motors UK unit JLR restarts shipments to US after tariffs halt

- **[TYANLI/WOORIB]** Tongyang Life's acquisition by Woori Financial gets regulatory nod
- **[VEDLN]** Vedanta Resources plans to repay USD920mn debt in FY26 and USD675mn in FY27 as part of deleveraging
- **[YUZHOU]** US court recognizes Yuzhou Group's Hong Kong restructuring as a foreign main proceeding

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