

CMBI Credit Commentary

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

The Asset G3 Bond Benchmark Review 2026

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 G3 Bond Benchmark Review 2026". Thank you for your support!

- This morning, we saw better selling on long-end higher-beta Asian IG credits, front-end AMCs, and HK names BNKEA/NANFUN, and the spreads were 1-3bps wider. NTT widened 3-5bps. Chinese TMTs were largely unchanged amid two-way flows. GLPSPs/GLPCHI 29 were up another 0.6-0.8pt. WESCHI 28-29 gained 0.3-0.4pt.*
- VEDLN:** *Our thoughts on the plan to tap USD bond market. VEDLN 28-33s were unchanged this morning. See below.*
- NWDEVL/VDNWDL:** *NWD unit will defer coupon payments due in Jun'26 on NWDEVL 10.131 Perp, NWDEVL 5.25 Perp, NWDEVL 4.125 Perp and NWDEVL 4.8 Perp; NWD is in final stage of talks to sell commercial site in Hong Kong for USD128mn. The NWDEVL/VDNWDL complex were 0.2pt lower to 0.1pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new HANFGI 4 7/8 06/02/31 opened 2bps tighter but eventually closed around RO at T+77. In SE Asian space, GLPSP Perps/GLPCHI 29 edged another 0.1-1.0pt higher, while GLPSP 28 leaked 0.1pt. GLP Pte informed investors that the providers of a loan to one of its logistics funds, China Value-Add Venture I (GLP CVA 1), have agreed to a deferred payment on the facility. VEDLN 28-33s were unchanged to 0.3pt firmer. Vedanta Resources Ltd. (VRL) is looking to tap the USD bond market in Jun'26 to lengthen debt maturities and lower funding costs. See comments below. GENTMKs/INDYIJ 29/MEDCIJ 28-30 increased 0.1-0.2pt. SMCGL/PTTGC Perps closed unchanged to 0.2pt higher. In JP space, the NTT curve experienced better selling and widened up to 4bps. S&P downgraded NTT by one notch to BBB+ with a stable outlook from A- on delayed financial recovery. SOFTBKs gained another 0.1-0.3pt. RAKUTNs were 0.1-0.2pt higher. Japanese insurance hybrids closed up to 0.3pt firmer amid better buying from AMs and PBs. In Chinese IG space, we saw better selling on HAOHUA while better buying on MEITUA and LENOVO. In TW lifers, SHIKON/NSINTW tightened 1-3bps amid better buying. WESCHI 28-29 gained 0.3-0.6pt. In Chinese/HK properties, the NWDEVL/VDNWDL complex closed 0.1pt lower to 0.1pt higher. NWD will defer coupon payments due in Jun'26 on NWDEVL 10.131 Perp, NWDEVL 5.25 Perp, NWDEVL 4.125 Perp and NWDEVL 4.8 Perp. VNKRL 27-29/LNGFOR 27-32s were up by 0.1-0.5pt.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吴蓓莹
(852) 3900 0801
cyrenang@cmbi.com.hk

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

Elsewhere, European AT1s traded 0.1pt lower to 0.1pt higher amid moderate two-way flows among AMs, fast-money accounts and dealers. The new SEB 6.75 Perp leaked 0.1pt from RO at par amid selling pressure. LGFV issues were largely stable amid two-way flows among RMs and AMs in IG USD issues and among tactical investors and HFs in higher-yielding CNH issues.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
YANTZE 3.2 10/16/49	75.2	1.2	BABA 5 5/8 11/26/54	99.2	-0.8
GLPSP 4.6 PERP	53.0	1.0	GARUDA 6 1/2 12/28/31	81.2	-0.7
PLBIJ 5 3/8 05/05/45	92.0	0.8	ACPM 3.9 PERP	59.8	-0.4
SINOPE 3.1 01/08/51	72.0	0.8	SFHOLD 2 7/8 02/20/30	94.4	-0.4
DEVPHI 2 3/8 03/11/31	90.7	0.8	NTT 5.502 07/16/35	101.0	-0.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.02%), Dow (+0.36%) and Nasdaq (+0.07%) were higher on Wednesday. UST yield were lower on Wednesday. 2/5/10/30 year yield was at 4.00%/4.17%/4.48%/5.01%.

❖ Desk Analyst Comments 分析员市场观点

➤ VEDLN: Our thoughts on the plan to tap USD bond market

Media reported that VRL would tap the USD bond market to raise 5-10 year bonds of up to USD3.6bn. Previously, media also reported that VRL would explore opportunities to refinance its debts totaling USD5.25-5.5bn through 10-year bonds of up to USD3.7bn and 5-year amortizing loan of USD1.7bn. While the exact scale of funding exercises, as well as issue sizes and tenors of new bonds will depend very much on market condition, our base case is that VRL would target to call the two high coupon bonds; VEDLN 10.25 06/03/28 and VEDLN 10.875 09/17/29, as well as tender offer for part of VEDLN 11 1/4 12/03/31, the company's highest coupon outstanding bond. The funding exercises aim at extending maturity, lower funding costs and aligning the annual debt repayments at VRL with dividend income (estimated to be USD600-700mn p.a.) and brand fees (estimated to be USD350mn p.a.) from operating subsidiaries. We expect VRL to raise at least cUSD1.6bn, sufficient to call VEDLN 10.25 06/03/28 and VEDLN 10.875 09/17/29. The coupon rate of 7-handle for new 5-year bond is achievable taking cues from where VEDLN 9.475 07/24/30, VEDLN 9 1/8 10/15/32 and VEDLN 9.85 04/24/33 are trading. See Table 1.

We acknowledge VRL's improving credit story given its stronger operating results driven by the production ramp-up and higher commodity prices, good access to diversified funding channels, lengthening debt maturity profile and declining funding costs. On 5 May'26, Moody's upgraded VRL's rating by one notch to Ba3 from B1 with positive outlook on improving earnings and cash flows. The funding exercises, if successfully go ahead, will help further relieve VRL's refinancing pressure over the coming 3-4 years, lower its funding costs and reduce cash flow mismatch between debt repayment obligations at VRL and cash inflow from operating subsidiaries.

We like the credit story of VRL and consider VEDLNs good carry plays. Under the backdrop of potential funding exercises, we turn neutral on VEDLN 10.25 06/03/28 and VEDLN 10.875 09/17/29 given the high likelihood of these two bonds to be called at call prices below current market prices soon. 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 YTM/YTC.

Table 1: VRL's o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Mod dur (Maturity)	Call date	YTC	Call price	Mod dur (Next Call)	Issue rating (M/S/F)
VEDLN 10.25 06/03/28	USG9T27HAH76	300	103.0	8.6%	1.7	06/03/26	-2.0%	102.563	0.0	-/B/B+
VEDLN 10.875 09/17/29	USG9T27HAG93	1,200	106.8	8.4%	2.7	09/17/26	5.7%	105.438	0.3	-/B/-
VEDLN 9.475 07/24/30	USG9T27HAL88	550	107.2	7.4%	3.3	07/24/27	6.9%	104.738	1.1	B2/B/-
VEDLN 11.25 12/03/31	USG9T27HAJ33	500	111.5	8.6%	4.0	12/03/27	6.7%	105.625	1.3	-/B/B+
VEDLN 9.125 10/15/32	USG9T27HAN45	500	106.6	8.0%	4.8	10/15/27	7.2%	104.563	1.3	B2/-/B+
VEDLN 9.85 04/24/33	USG9T27HAK06	550	109.4	8.0%	5.0	01/24/28	6.6%	104.925	1.5	B2/B/-

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Shandong Finance Investment	350	3yr	4.25%	4.25%	A2/-/A

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Jinan Licheng	USD	-	3yr	5.2%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB103bn. As for month-to-date, 1,250 credit bonds were issued with a total amount of RMB1,428bn raised, representing a 2.5% yoy decrease
- **[ASIAST]** Asia Standard International completed refinancing of HKD760mn loan
- **[EIBKOR]** Export-Import Bank of Korea announced IPT for new HKD 3yr notes at MS+40
- **[GRNKEN]** Greenko unit seeks INR16bn loan from Varde to fund capex and refinance existing debt
- **[HYUNHI]** HD Hyundai Heavy bids for USD5.18bn South Korean Navy project
- **[INDYIJ]** Indika Energy is in talks for additional bank loans to fund remaining gold project capex
- **[NTT]** S&P downgraded NTT by one notch to BBB+ from A- on delayed financial recovery; outlook stable
- **[PDD]** PDD Holdings 1Q26 revenue was up 11% yoy to RMB106.23bn (cUSD15.64bn)
- **[ROADKG]** Road King reached offshore debt restructuring deal with key creditor group

- **[SMCPM]** Media reported that San Miguel scrapped USD126mn Boracay bridge project in Philippines, but San Miguel later denied the report
- **[TAISEM]** TSMC will boost employee payouts more than 30% this year

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.