

## CMBI Credit Commentary

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

- *This morning, the new CCAMCL 28 tightened 5bps from pricing at T+80, and the new CCAMCL Float 30 tightened 7bps from issuance at SOFR+100. There were sellers on CCAMCL 27s. NSINTWs widened 2-3bps. We saw Asian PBs were buying the recent new STANLN 7 Perp.*
- **EHICAR:** *Refinancing USD bonds via onshore and offshore funding channels. See below.*
- **MEDCIJ:** *9M25 EBITDA decreased 3.4% yoy; new productions and acquisitions partly offset lower oil price. See below.*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, the new CHINA 28-30s initially tightened 40bps from pricing at CT3 flat and CT5+2bps, respectively, and later retraced 7-9bps from tight. The new KORELE Float 11/12/28 and KORELE 4 1/8 30 tightened 2-4bps from issuance at SOFR+62 and T+47 amid balanced two-way flows. Nanshan Life tapped USD258mn of NSINTW 5.875 03/17/41 at T+165, but TW lifers traded heavy in general. FUBON/NSINTWs widened 2-3bps. There were onshore all-in buyers across the MEITUA curve, which tightened 1-4bps. NWDEVL 27-31s dropped another 0.9-2.2pts, and NWDEVL Perps were 2.1pts lower to 0.5pt higher. MTRC 5 5/8 Perp retraced 0.3pt lower. In Chinese properties, GRNLGR 29-31s gained 2.2-2.4pts. Chinese accounts/PBs were selling Middle Eastern names ADQABU/TAQAUH/DHBKQD. The Korea secondary IG space was unchanged to a touch tighter. We saw better buying on LGENSO 30s and HYNMTR front-end notes/FRNs, while better selling on HYNMTR 30s. HYUELE curve tightened 1-2bps. In SEA space, there were better-buying flows on OCBCSP/PETMK curve. MEDCIJ 26-30s were unchanged to 0.1pt higher. See comments on MEDCIJ's 9M25 results below. AU T2s were 1-3bps tighter. In Japan space, we saw two-way flows on NTT curve and small selling on bank 10yr papers. Japanese insurance hybrids were largely stable. Elsewhere, the recent STANLN 7 Perp remained afloat and sought after by PB clients in Asia, despite profit-taking from AMs in Asia and New York. Another recent Yankee AT1 issue LLOYDS 6.625 Perp was subject to selling pressure from AMs. In LGFV space, IG and higher-quality names continued to attract buying interests from onshore RMs. CPDEV and ZHHFGR were demanded by Chinese RMs.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GRNLGR 7 1/4 01/22/31	11.6	2.4	NWDEVL 4 1/8 07/18/29	69.4	-2.2
GRNLGR 6 1/8 04/22/29	11.4	2.2	NWDEVL 10.131 PERP	47.0	-2.1
KORELE 7.95 04/01/2096	147.3	1.5	NWDEVL 4 1/2 05/19/30	68.1	-1.8
TENCNT 3.94 04/22/61	81.5	1.3	NWDEVL 8 5/8 02/08/28	84.2	-1.2
PETMK 5.848 04/03/55	106.4	1.2	NWDEVL 4 3/4 01/23/27	85.5	-1.1

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.12%), Dow (-0.84%) and Nasdaq (-1.90%) were lower on Thursday. UST yield was lower on Thursday. 2/5/10/30 year yield was at 3.57%/3.69%/4.11%/4.69%.

## ❖ Desk Analyst Comments 分析员市场观点

➤ **EHICAR: Refinancing USD bonds via onshore and offshore funding channels**

eHi Car Services (EHi) is preparing to refinance EHICAR 7 09/21/26 and EHICAR 12 09/26/27 simultaneously, through a combination of onshore loans and a new offshore bond issuance. It holds a NDRC quota of up to USD400mn. In addition to new issuance, EHi may continue market repurchases, subject to price, as part of its deleveraging and interest cost optimization strategy. In Mar'25, EHi repurchased USD30.97mn of EHICAR 7 09/21/26.

As of Jun'25, EHi reported cash of RMB395.5mn and total debt of RMB10.1bn, slightly down from RMB10.5bn at end-2024. Net debt fell to RMB9.7bn, while the net debt/LTM EBITDA ratio improved to 4.0x as of Jun'25 from 4.4x at end-2024, supported by stronger 1H25 EBITDA. The improvement reflects higher vehicle utilization rates and largely stable fleet size. We expect EHi to slowly deleverage with higher EBITDA, driven by higher utilization and lower net debts, supported by FCF generation as capex will be more contained. Near-term refinancing risk appears manageable. EHi has undrawn credit facilities of RMB1.6bn and RMB1.0bn in onshore bilateral loans, which provide additional liquidity buffers despite delays in securing syndicated loan approvals. We maintain buy on EHICARs, as we consider they offer superior risk-return profiles in Chinese HY space.

**Table 1: EHi o/s USD bonds**

Security name	ISIN	Amt o/s	Maturity	Coupon	Ask Px	Ask YTM
EHICAR 7 09/21/26	XS2384059122	269.0	9/21/2026	7.0%	83.1	31.2%
EHICAR 12 09/26/27	XS2782510049	320.0	9/26/2027	12.0%	68.3	37.2%

Source: Bloomberg.

➤ **MEDCIJ: 9M25 EBITDA decreased 3.4% yoy; new productions and acquisitions partly offset lower oil price**

Despite modestly weaker 9M25 results given the lower oil price, we like Medco's table credit story and its good access to funding channels. During 9M25, Medco Energi (Medco) conducted proactive liability management, i.e. issued USD400mn USD bonds and retired totaled USD519mn USD bonds via tender offers and buybacks. Medco also issued IDR1tn onshore bonds in Jun'25. We expect Medco to conduct more early redemptions given its sufficient liquidity and good access to onshore and offshore funding channels. Hence, we maintain buy on MEDCIJ 8.625 05/19/30 for better risk-adjusted return profile with better trading liquidity, despite the conviction is now lower which up c6pt YTD. At 105.7, MEDCIJ 8.625 05/19/30 is trading at YTM of 7.1%.

**Table 2: Medco o/s USD bonds**

Security Name	ISIN	Amt o/s	Ask Px	Ask YTM	Issue rating (M/S/F)	Payment rank
MEDCIJ 7 ¾ 05/14/26	USY59501AA78	91.72	101.2	5.0%	B1/BB-/BB-	Secured
MEDCIJ 6 ¾ 01/30/27	USY56607AA51	107.77	100.3	6.1%	B1/BB-/BB-	1 <sup>st</sup> lien
MEDCIJ 6.95 11/12/28	USY59500AA95	299.42	100.9	6.6%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.96 04/27/29	USY5951MAA00	500.0	105.0	7.3%	B1/BB-/BB-	Sr unsecured
MEDCIJ 8.625 05/19/30	USY56616AA68	400.0	105.7	7.1%	B1/BB-/BB-	1 <sup>st</sup> lien

Source: Bloomberg.

Medco's 9M25 revenue was flat and fell only 1.5% yoy to USD1,757mn despite lower oil prices. The resilience was a result of new oil and gas fields and Power IPPs put into use in FY25 and several acquisitions. Revenue from oil and gas segment declined by 0.8% yoy in 9M25, owing to the 14.6% drop in oil average realized price to USD68.3/boe in 9M25 compared to USD79.9/boe in 9M24, but partially offset by the opening of new fields and acquisitions. In Sep'25, Medco's oil and gas production run-rate was 174mboepd, driven by increases from the new projects delivered in Natuna, Corridor and Oman. This aligns with the revised FY25 guidance of 155-160mboepd as announced in 2Q25, from 145-150mboepd announced in 1Q25. The new wells in the Senoro and Rimau PSCs will further support 4Q25 production.

As for the power segment, revenue dropped by 17.9% yoy in 9M25 due to decrease in construction revenue after completing Ijen Geothermal and East Bali Solar PV. In 3Q25, Medco achieved 1,194Gwh power sales as a result of new IPP contributions from Ijen and East Bali Solar PV. In 9M25, Medco has generated in total 3,188Gwh power sales, which represents 74.1% of the full-year guidance of 4,300Gwh. Medco is on track to achieve its power sales target, especially with the Batam ELB Expansion project in 4Q25.

The 9M25 EBITDA was down 3.4% yoy to USD946mn, but 3Q24 EBITDA was up 11.3% to USD323mn. New fields, new IPPs and acquisitions fueled the qoq EBITDA growth, though oil prices declined by 14.6% and the dry hole in Beluga PSC cost USD9mn. Medco's cash cost was USD8.8/boe in 9M25, in line with its FY25 target of below USD10/boe. PBT was down 42% yoy to USD296mn from USD507mn. This was primarily due to the share of loss from Amman Mineral Internasional (AMMAN) of USD37mn, compared to share of profit of USD129mn, from the lower production in cooper (-56.9% yoy) and gold (-89.3% yoy) in 9M25, and Indonesian export ban of copper concentrate since early this year. However, Indonesia has agreed to grant AMMAN a concentrate export permit in Oct'25, which will be valid for six months.

Medco's cash on hand was USD755mn as of Sep'25, increased 8.3% from Dec'24 but a 14.4% decrease from Jun'25. During 9M25, Medco spent USD297mn in capex, represented 69% of its capex budget of USD430mn in FY25. We expect Medco's operating cash flow and cash in hand to be sufficient to cover the upcoming budgeted capex of USD133mn in 4Q25 and ST debt of USD375mn. As of Sep'25, the total debt increased to USD3.9bn from USD3.7bn in Jun'25. Its credit profile remain stable and in line with credit ratings despite net debt/LTM EBITDA increased to 2.5x in Sep'25 from 2.3x in Jun'25 and near-term operating performance will likely be affected by weaker oil price.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Cinda	500/ 460	3yr/ 5yr	4.375%/ SOFR+100	T+80/ SOFR+100	-/BBB+/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Jingfa Overseas Investment	USD	-	3yr	5.0%	Unrated

#### ➤ News and market color

- Regarding onshore primary issuances, there were 107 credit bonds issued yesterday with an amount of RMB173bn. As for Month-to-date, 390 credit bonds were issued with a total amount of RMB450bn raised, representing a 38.2% yoy increase
- **[ADEIN]** Adani Enterprises agreed to sell its coal unit in Indonesia to Dubai-based Energico FZCO for USD125mn
- **[JSTLIN]** JSW Steel to hold credit investor meetings next week in Singapore, Hong Kong
- **[LENOVO]** Lenovo Group's worldwide tablet shipments rose 23% yoy in 3Q25 to 3.7mn tablets driven by growth in the chromebook segment
- **[LGELEC]** LG Electronics' Indian subsidiary will get INR10bn (cUSD113mn) investment to establish a new global research & development center; will acquire a stake in French quantum-computing developer Pasqal
- **[MPEL]** Melco Resorts 9M25 adjusted property EBITDA rises 19% yoy to USD1.1bn; to invest USD125mIn in Countdown revamp
- **[NSANY]** Nissan Motor 1HFY26 net sales fall 6.8% yoy to JPY5.6tn (cUSD36.3bn)
- **[UOPSP]** UOB sets aside SGD615mn pre-emptive general loan provision to navigate headwinds, 3Q net profit falls 72% yoy to SDG443mn
- **[UPLLIN]** UPL Limited 1HFY26 EBITDA rises 29% yoy to INR35.1bn (cUSD396mn)
- **[WYNMAC]** Wynn Macau 9M25 adjusted property EBITDAR falls 7.8% yoy to USD814mn

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