

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *Asian IGs were 1-3bps tighter this morning. HSBC Float 31s/STANLN Float 31s were under better buying and tightened 1-2bps. NIPLIF/MYLIFE 55s were up 0.2pt. RAKUTN/SOFRBK Perps were up 0.2-0.6pt.*
- **NWDEVL:** *Will NWDEVL 6.15 PERP be called? NWDEVL 5.25 Perp was 0.5pt lower this morning while NWDEVL 4.8 Perp was 0.1pt higher. See below.*
- **CSIPRO:** *New 3NC2 USD bond issuance and concurrent tender offer. CSIPRO 5.45 07/21/25 was unchanged this morning. See below.*

❖ Trading desk comments 交易平台市场观点

Yesterday, NWDEVL Perps dropped 1.9-7.0pts, closed 2.7-8.0pts lower WTD. NWDEVL 27-31s dropped 1.3-2.7pts, closed 1.4-2.9pts lower WTD. See comments below. On primary, KHFC priced a 5yr bond at SOFR+80 (IPG at +115). The recent new TYANLI 35s widened 9bps. PKX 30-35s/LGENSO 29-34s closed 1-5bps tighter. KTGC 28s/CITNAT 30s tightened 4-5bps. In Chinese IGs, BABA/TENCNT 27-35s were unchanged to 2bps wider. In JP, RAKUTN Perps/27-29s were up another 0.3-0.6pt. In financials, JP/AU papers such as SUMIBK/ANZ/CBAAU 28-40s were 1-3bps tighter. CATLIF/NSINTW 33-34s were unchanged to 5bps tighter. BNKEA/DAHSIN/SHCMBK 30-34s were 2-10bps tighter. However, BBLTB 34-40s widened 1-5bps. JP insurance hybrids remained sought after by PBs/AMs. NIPLIF/MYLIFE 55s were up 0.2pt. In EU AT1s, BACR/BNP/SOCGEN Perps were unchanged to 0.2pt higher. In Chinese properties, VNKRL 27s/29s rose another 2.8-3.2pts and closed 4.9-5.3pts higher WTD on talks of Shenzhen Metro Group considering to consolidate Vanke's financials. Media also reported holders of the matured VNKRL 3.15 05/12/25 confirmed receiving payment in full. GRNCH 28s/FTLNHD 25-26s were up 0.2-0.3pt. SHUION 26s closed unchanged amid media report of loan refinancing. Outside properties, EHICAR 27s/FOSUNI 26-27s were up 0.1-0.4pt. In SE Asia, VEDLN 28-33s were up another 0.3-0.8pt, closed 3.1-4.8pts higher WTD. Media reported Vedanta Ltd is looking to raise INR30bn (cUSD350mn) via NCDs by end of May. UPLLIN Perp/28-30s were up another 0.5-0.8pt following its strong FY25 results, closed 1.0-1.2pts higher WTD. KJAIJ 27s were up 0.7pt.

LGFVs remained stable. BJCONS 26s/SHPORT 30s were up 0.1-0.2pt. CPDEV 25-26s were unchanged to 0.1pt higher. There were mixed flows on CNH names such as QDOCID 6.8 27s/TZXHIG 6.9 28s and USD names such as QICHEN 7 27s. In SOE perps, CHPWCN Perp was up 0.1pt.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|----------------------|-------|--------|-----------------------|-------|--------|
| VNKRL 3.975 11/09/27 | 82.5 | 3.2 | NWDEVL 6.15 PERP | 69.1 | -7.0 |
| VNKRL 3 1/2 11/12/29 | 72.8 | 2.8 | NWDEVL 5 1/4 PERP | 44.6 | -4.2 |
| UPLLN 4 5/8 06/16/30 | 88.8 | 0.8 | NWDEVL 4 1/8 PERP | 33.0 | -3.5 |
| VEDLN 9.475 07/24/30 | 95.5 | 0.8 | NWDEVL 6 1/4 PERP | 28.1 | -2.8 |
| VEDLN 9.85 04/24/33 | 95.0 | 0.7 | NWDEVL 5 7/8 06/16/27 | 77.2 | -2.7 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+3.26%), Dow (+2.81%) and Nasdaq (+4.35%) were higher on Monday. The US and China have agreed to put most tariffs on pause for 90 days. The US will cut tariffs imposed on Chinese imports to 30% from 145% while China would cut tariffs on US imports to 10% from 125%. US to lower the de minimis tariff to 54% from 120%. UST yield was higher on Monday, 2/5/10/30 yield at 3.98%/4.09%/4.45%/4.89%.

❖ Desk Analyst Comments 分析员市场观点

➤ **NWDEVL: Will NWDEVL 6.15 PERP be called?**

Over the past few days, we have numerous discussions with clients on whether NWDEVL 6.15 PERP will be called before the coupon being reset and step-up to c10.3% starting from 16 Jun'25. Technically, NWD has to send the call notice by 17 May'25 (Sat). As we have been arguing since the loan refinancing discussions exposed in Jan'25, one of the pre-requisites for the perp being called is the completion of the loan refinancing. We believe that the loan refinancing will highly unlikely be concluded by end of this week and hence, we expect that NWDEVL 6.15 PERP will not be called before the first coupon being reset. We continue to value NWDEVLs on a cash yield basis on the assumption that NWD will continue to pay coupons of its bonds and perps. We maintain buy NWDEVL 5 1/4 PERP, NWDEVL 8 5/8 02/08/28 and NWDEVL 4 1/8 PERP given the higher cash yields, lower cash prices and more symmetric risk-return profiles. See [our recommendation changes on NWDEVLs on 3 Mar'25](#) after the sharp rebound of NWDEVLs.

As per media reports, NWD were on track to rollover bank loans totaled HKD63.2bn maturing in 2025 and 2026 for up to 3 years and to secure new 3-year loans of HKD15.6bn for project development and refinancing outstanding bonds. The 3-year refinancing facilities of HKD63.2bn comprises of 7 tranches with different maturities. The funding costs will be HIBOR+105-130bps and upfront fees are 75-135bps. These facilities will be sufficient to refinance NWD's unsecured bank loans of HKD58.2bn maturing in 2025 and 2026. On the other hand, the funding cost, including upfront fee, of 3-year DB loan is HIBOR+130bps. The negotiations with banks are understandably complicated given the involvement of over 50 relationship banks. We believe that a more realistic timetable for concluding the loan refinancing will be end of Jun'25, i.e. FYE25 of NWD.

The loan refinancing and new loans, if successfully concluded, will substantially relieve its refinancing pressure over the coming 1.5 years. As discussed in [our daily on 30 Apr'25](#), the additional loans of cUSD2bn will notably enhance NWD's financial flexibility on coupon payments and early redemptions of NWD's bonds and perps. That said, how and when NWD will utilize the new loans will be subject to a few of moving parts. To illustrate, will NWD call NWDEVL 6.15 PERP in whole or in part? Will the loan be used to buy back or tender offer NWDEVL 6.15 PERP or other NWDEVLs?

Interestingly, the 3 o/s NWDEVL perps with coupon reset and step-up can be called in any business days on or after their respective first call dates, instead of callable only on coupon dates. NWDEVL 6.15 Perp and NWDEVL 4.125 Perp can even be called in part. With HIBOR sharply lower (3M HIBOR at 2.05%) these days, we see that NWD and even, to some extent, its relationship banks are incentivized to minimize the company's funding costs through call (whole or partial) or different forms of early redemptions of NWDEVL 6.15 PERP.

➤ **CSIPRO: New 3NC2 USD bond issuance and concurrent tender offer**

CSI Properties (CSIPRO) proposes to issue 3NC2 USD bond to repay debts. The new bond will be callable anytime on or after 24th month at 103. There are 15% amortization of the principal amount in the 18th month and 24th month, and the remaining 70% of the principal amount to be repaid on maturity. The size cap of the new bond is USD150mn. Concurrently, CSIPRO launches tender offer for CSIPRO 5.45 07/21/25 at par. The tender offer will be funded by cash on hand and proceeds from the new bond issuance. Maximum acceptance amount of the tender offer is up to the aggregate principal amount of the new bonds. See Table 1. Holders of the CSIPRO 5.45 07/21/25 may have priority of acceptance in the tender offer if they subscribe for the new bond, at CSIPRO's sole discretion. The new issue and concurrent tender offer are effectively repay about half of CSIPRO 5.45 07/21/25 and extend the maturity the remaining for 3 years with 30% amortization.

Recalled that CSI Properties raised HKD1,992mn (cUSD256mn) from the controlling shareholder Mr Chung and Gaw Capital through an oversubscribed rights issue of HKD1,492mn and privately placed 4-year senior unsecured bond of HKD500mn in Apr'25. Mr Chung maintains the control over CSI Properties through the Newco, a SPV set up as an intermediate holdco for the stakes of Mr. Chung and Gaw Capital despite Mr. Chung's effective ownership was diluted to c30% from 56.4% prior to the fundraising. The 4-year senior unsecured bonds of HKD500mn carries coupon at 8.22%, was offered at 93 and redeemed at 100.5. The effective yield of the privately placed bonds is c10.8%, compared with the effective IPT of 12.6% (FPG at 95.48/coupon at 10.5%) of the proposed USD issue.

Table 1: Summary of the tender offers

| Security name | CSIPRO 5.45 07/21/25 |
|------------------------|---|
| Amt o/s (USDmn) | 296.132 |
| Maximum acceptance amt | Up to the aggregate principal amount of the new bonds |
| Tender px (USD) | 100 |
| Px (USD) | 97.8 |
| YTM | 18.0% |
| Expiration deadline | 20 May'25 |
| Results announcement | On or about 21 May'25 |
| Expected settlement | On or about 26 May'25 |

Source: Company filling.

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

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|---|---------------|-------|---------|---------|----------------------|
| Korea Housing Finance Corp | 400 | 5yr | SOFR+80 | SOFR+80 | Aaa/AAA/- |
| Liyuan International/ Nanjing Lishui Economic and Technological Development Group | 62 | 3yr | 5.3% | 5.3% | Unrated |

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

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|---|----------|---------------|-------|---------|----------------------|
| CSI Properties | USD | 150 (capped) | 3NC2 | 95.48 | Unrated |
| Guoneng Environmental Protection Investment/ Jinan Energy Group | USD | - | 14M | 5.4% | Baa1/-/- |

| | | | | | |
|--|-----|---|-----|-------|------------|
| ICBC Singapore Branch | USD | - | 3yr | T+85 | A1/-/- |
| Korea Water Resources Corporation | USD | - | 2yr | T+100 | Aa2/-/- |
| PT Pertamina Hulu Energi | USD | - | 5yr | 5.55% | Baa2/-/BBB |
| Qingdao Jimo District Urban Tourism Development and Investment | USD | - | 2yr | 6.9% | Unrated |
| Tai An High-tech Construction Group | USD | - | 3yr | 6.5% | Unrated |
| Xin Fu (BVI) Co/ Taizhou Xintai Group and Taizhou Guokong Investment Group | USD | - | 3yr | 6.8% | Unrated |

➤ News and market color

- Regarding onshore primary issuances, there were 79 credit bonds issued yesterday with an amount of RMB100bn. As for month-to-date, 402 credit bonds were issued with a total amount of RMB450bn raised, representing a 143.6% yoy increase
- **[DIALIN]** Moody's upgrades Delhi International Airport to Ba3 from B1 on improved financial metrics
- **[GRNKEN]** Greenko founders aim to close USD610mN loan to acquire Orix stake by end-May'25
- **[JD]** JD.com 1Q25 net revenue rises 15.8% yoy to RMB301.1bn (cUSD41.7bn)
- **[JFCPM]** Jollibee Foods 1Q25 EBITDA rises 9.2% yoy to PHP9.8bn (cUSD175.6mn)
- **[NSANY]** Nissan FY25 operating income falls 88% yoy to JPY69.8bn (cUSD472mn); to close 7 of 17 plants amid USD3.4bn cost cut plan
- **[POHANG]** POSCO battery business to raise KRW1.1tn (cUSD778mn) via rights issue
- **[QBEAU]** QBE Insurance buys back and cancels USD500mn QBEAU 5.875 Perp in full; plans to issue AUD subordinated bonds to increase T2 capital
- **[SHFLIN]** Fitch upgrades Shriram Finance's rating to BB+ from BB; outlook stable
- **[SHUION]** Shui On Land entity refinances USD390mn due-9 May'25 loan using USD364mn-equivalent facility
- **[SINOPE]** Sinopec plans to raise HKD7.8bn (cUSD995mn) via exchangeable bonds to refinance offshore debt
- **[SOFTBK]** SoftBank FY25 net sales rise 7.2%yoy to JPY7.2tn (cUSD49bn)
- **[SUMIBK/YESIN]** Sumitomo may merge its non-bank arm in India with Yes Bank
- **[SUNAC]** Sunac to hold debt revamp scheme hearing on 15 Sep'25
- **[TTMTIN]** Tata Motors consolidated revenue rises 1.3% yoy in FY25 to INR4.4tn (cUSD51.8bn)
- **[VEDLN]** Vedanta Ltd plans to raise around INR 30bn via NCDs by end of May
- **[VNRLE]** China Vanke's largest shareholder Shenzhen Metro considering consolidating developer's financials

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