

CMBI Credit Commentary

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

- *BBLTB senior and JP financials tightened 1-2bps this morning. VNKRL 27-29 recovered 0.5-1.2pts. VLLPM 29/SOFTBK 31/CHIOLI 35 were 0.6-1.1pts higher. TSIVMG 29/BHP 53 were 0.7-1.0pt lower.*
- **MEITUA:** Meituan's 3Q25 adj. EBITDA dropped to negative RMB14.8bn amid price war. MEITUAs were unchanged to 3bps wider post 3Q25 results announcement last Friday and were unchanged this morning. See below.
- **IDASAL:** Mineral Industri Indonesia repurchased USD95.848mn of IDASAL 6.53 11/15/28, USD31.35mn of IDASAL 6.757 11/15/48, and USD49.872mn of IDASAL 5.8 05/15/50. IDASALs were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Last Friday, we saw small better buying on JP/AU financial names MIZUHO/SUMIBK/QBEAU/ANZ/WSTP and TW lifers like NSINTW. There were balanced two-way flows on Chinese AMCs CCAMCL/ORIEAS 2-5yr notes, which closed 1-2bps tighter. MEITUAs were unchanged to 3bps wider. See comments below. In FRN space, PBs were buying Chinese banks AGRBK, Chinese leasing BCLMHK and SEA MAYMK, while AM flippers were taking profit. FAEACO 12.814 Perp dropped by 5.6pts after posting weaker 1HFY26 results and mentioning the priority of loan reduction. See our comments [last Friday](#). We maintain buy on FAEACO 12.814 Perp as we believe that the perp continues to offer a decent risk-return profile in view of the larger cushion against the covenanted adj. net gearing ratio, as well as expected cash inflow from project deliveries in Australia and the UK. LASUDE 26 increased by 0.5pt. CWAHK 26-30 edged 0.1-0.5pt firmer. China Water Affairs secured USD100mn long-term financing from Asian Development Bank for its integrated wastewater treatment and pipeline rehabilitation project. In Chinese properties, VNKRL 27-29 lowered another 0.8-1.3pts. S&P downgraded China Vanke by one notch to CCC- from CCC on potential maturity extension, and placed its ratings on CreditWatch Negative. LNGFOR 29 was 1.7pts lower. On the other hand, ROADKG 28 edged 0.6-0.9pt higher. We saw AMs buying ZHHFGR while selling CPDEV. Yankee AT1s were 0.1pt firmer whilst Japanese AT1s and insurance subs were largely stable, ACPM 5 1/8 Perp was 0.6pt higher. In SE Asia, IHFLIN 26-30s/MEDCIJ 26-30s were unchanged to 0.2pt higher. VLLPM 27-29s/INDYIJ 29s were up by 0.3-0.5pt. SMCGP Perps were unchanged to 0.5pt higher.

In LGFV space, we saw better buying across the credit curve. Chinese RMs/AMs were buying the front end, whilst HFs and retails the higher-yielding issues.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ACPM 5 1/8 PERP	87.1	0.6	CHIOLI 6.45 06/11/34	98.0	-12.6
ROADKG 6.7 03/30/28	19.4	0.6	FAEACO 12.814 PERP	66.0	-5.6
ROADKG 5.9 09/05/28	19.4	0.6	LNGFOR 3.95 09/16/29	76.8	-1.7
AXIATA 3.064 08/19/50	73.1	0.5	VNKRLE 3.975 11/09/27	21.5	-1.3
JFCPM 4 3/4 06/24/30	101.3	0.5	PTTTB 4 1/2 10/25/42	89.0	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.54%), Dow (+0.61%) and Nasdaq (+0.65%) were higher on last Friday. UST yield was higher on last Friday. 2/5/10/30 year yield was at 3.47%/3.59%/4.02%/4.67%.

❖ Desk Analyst Comments 分析员市场观点

➤ **MEITUA: Meituan's 3Q25 adj. EBITDA dropped to negative RMB14.8bn amid price war**

The intense competition in China's food delivery market materially weighed on Meituan's 3Q25 profitability, primarily driven by elevated incentives and marketing expenses aimed at defending market share against aggressive subsidy campaigns from its competitors. While the aggressive price war has eroded sector-wide margins, we anticipate this pressure to persist until the competitive landscape becomes more rational, that could be driven by regulatory intervention to curb excessive subsidies.

Despite near-term headwinds, we view Meituan's overall credit profile remains robust with a strong net cash position of RMB90.0bn as of Sep'25. This should help cushion the near-term impact on its earnings as the price war continues in 4Q25. We would not be surprised to see some near-term pressure on MEITUAs but consider further volatility will present better entry opportunities. We maintain buy on MEITUA 3.05 10/28/30 and MEITUA 0 04/27/28 (CB).

Table 1: Meituan's o/s USD bonds

Security name	ISIN	Amt o/s (USDmn)	Ask px	YTW	Z-spread (bps)	First put date	Put px
MEITUA 4.5 04/02/28	USG59669AE46	1,200	100.4	4.3%	101	-	-
MEITUA 0 04/27/28	XS2333569056	1,500	99.4	4.8%	-	04/27/26	101.28
MEITUA 4.625 10/02/29	USG59669AF11	1,300	100.7	4.4%	112	-	-
MEITUA 3.05 10/28/30	USG59669AC89	1,250	93.7	4.5%	116	-	-
MEITUA 4 ½ 05/05/31	USG59669AG93	600	99.6	4.6%	122	-	-
MEITUA 4 ¾ 11/05/32	USG59669AH76	600	99.5	4.8%	138	-	-
MEITUA 5 ½ 11/05/35	USG59669AJ33	800	100.0	5.1%	150	-	-

Source: Bloomberg

Meituan's 3Q25 performance reflected the costly battle for user retention. Total revenue only increased by 2% yoy to RMB95.5bn as strong growth from new initiatives largely offset by weakness in core local commerce. Core local commerce segment revenue decreased by 2.8% yoy to RMB67.4bn and turned into operating loss of RMB14.1bn, due to heavy incentives to counter competitor actions. New initiative segment revenue rose 15.9% yoy to RMB28.0bn, driven by expansion of grocery retail and overseas business, including rollout of Keeta in Qatar in Aug'25, as well as Kuwait and the UAE in Sep'25. However, the segment loss increased by 24.5% yoy to RMB1.3bn on accelerated international expansion.

Due to the cut-throat market competition, Meituan's promotional spending increased sharply in 3Q25 such that selling and marketing expenses increased by 90.1% yoy to RMB34.3bn. R&D expenses also increased by 31.0% to RMB6.9bn for AI investments. As a result, Meituan reported an operating loss of RMB19.7bn in 3Q25 and negative adj, EBITDA of RMB14.8bn. Meituan expects losses in core local commerce segment as well as at consolidated level to continue into 4Q25 as the competition remains high. Meanwhile, Keeta continues to expand its coverage and pilot operations were launched in Brazil in Oct'25. We expect the operating loss in the new initiative segment to widen in 4Q25 for overseas expansion upfront investment. We understand that Keeta in Hong Kong turned profitable in Oct'25 after commencing operation for 29 months, ahead of its original schedule to breakeven of 36 months. We expect Meituan to leverage on the model in Hong Kong to other regions to improve operational efficiency and speed up the time table for breakeven.

Nonetheless, Meituan's liquidity position remained solid with net cash position of RMB90.0bn as of Sep'25, down from RMB106.7bn as of Dec'24, as mitigated by lower total debts. In our view, this should provide buffer to absorb near-term earnings volatility. Meituan had net cash position averaged RMB70.6bn in past five years.

Table 2: 3Q25 financial performance

RMB mn	3Q24	3Q25	Change
Revenue	93,577	95,488	2.0%
-Core local commerce	69,373	67,447	-2.8%
-New initiatives	24,204	28,041	15.9%
Gross profit	36,754	25,181	-31.5%
Operating profit/(loss)	13,685	(19,759)	N/A
Adj. EBITDA	14,529	(14,842)	N/A
Net profit	12,865	(18,632)	N/A
Operating cash flow	15,246	(22,148)	N/A
Gross margin	39.3%	26.4%	-12.9 pct pt
Adj. EBITDA margin	15.5%	-15.5%	N/A
Net profit margin	13.7%	-19.5%	N/A

Source: Company filling, CMBI FICC Research.

Table 3: Sep'25 financial position

RMB mn	Dec'24	Sep'25	Change
Unrestricted cash and cash equivalent	70,834	99,234	40.1%
Short-term treasury investments	97,409	42,054	-56.8%
Unrestricted Cash and ST investment	168,243	141,288	-16.0%
ST debts	19,191	19,011	-0.9%
LT debts	42,319	32,255	-23.8%
Total debts	61,510	51,266	-16.7%
Net cash	106,734	90,022	-15.7%
Cash/ST debts	3.7x	5.2x	-

Source: Company filling, CMBI FICC Research.

➤ **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)
Agricultural Bank of China Limited Tokyo Branch	USD	-	3yr	SOFR+100	A1/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 70 credit bonds issued on last Friday with an amount of RMB59bn. As for Nov'25, 2,133 credit bonds were issued with a total amount of RMB2,286bn raised, representing a 17.8% yoy increase
- [CHJMAO]** China Jinmao pledged a major Shanghai property asset valued at RMB4.8bn (cUSD672mn) as collateral for RMB9.9bn (cUSD1.4bn) of syndicated loans
- [CWAHK]** China Water Affairs 1HFY26 EBITDA dropped 18.6% yoy to HKD2.2bn (cUSD277.8mn)
- [EHICAR]** eHi Car 3Q25 fleet utilization rate rose 4.9 pct pt to 72.3%
- [FTLNHD/FUTLAN]** Seazen issued RMB616mn ABS backed by Shanghai shopping mall
- [HYUNHI]** HD Hyundai Heavy, partner failed to win Poland's KRW8tn (cUSD5.5bn) submarine project
- [IDASAL]** Mineral Industri Indonesia repurchased USD95.8mn of IDASAL 6.53 11/15/28
- [MPEL/STCITY]** Melco Resorts Finance 9M25 operating revenue up 14% yoy; Studio City 9M25 operating revenue up 10% yoy
- [NWDEVL]** Hong Kong tycoon Cheng seeks sale of some Rosewood Hotels
- [VEDLN]** Vedanta Resources is looking to raise USD600mn bank loan for refinance; is preparing to secure INR20bn (cUSD225mn) via INR-denominated NCDs at its subsidiary ESL Steel
- [VNKRLE]** Vanke provided its entire stake in property management arm Onewo as loan collateral to controlling shareholder Shenzhen Metro

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