

CMBI Credit Commentary

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

The Asset Asian G3 Bond Benchmark Review 2025

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 Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *This morning, the new CNH TEMASE 1.85 30/TEMASE 2.05 35 were 0.1-0.2pt lower, while TEMASE 2.55 55 was 0.5pt higher from ROs at par. The new CNH CHMEDA 2 30/CHMEDA 2.3 35 were unchanged to 0.1pt lower. VLLPM 29 was up 0.5pt.*
- **WESCHI:** Positive profit alert. Maintain neutral on WESCHI 4.95 07/08/26 which was up 1.0pt this morning post positive profit alert. See below.
- **HYUELE:** SK Hynix 2Q25 EBITDA rose 47% yoy to KRW12.7tn (cUSD9.1bn). HYUELEs were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, GUOTJU priced 3yr floating rated bond at SOFR+60 (IPT at SOFR+115). In KR, DAESEC/SHINFN/NACF 26-30s were 1-2bps wider. HYNMTR Float 30 tightened 8bps, HYNMTR 5.3 29/HYNMTR 3.5 31 tightened 2-4bps. In Chinese IGs, BABA/HAOHUA 28-35s were unchanged to 1bps tighter, while MEITUA 30 widened 2bps. In financials, BBLTB/KBANK 31-40s tightened 2-4bps. NANYAN/BNKEA 30-34s tightened 2-3bps. In insurance, SHIKON/CATLIF 34-35s were unchanged to 1bp tighter. MYLIFE/NIPLIF 54-55s and SUMILF/FUKOKU Perps were up 0.1-0.3pt. In AT1s, NWG 7.3/BNP 7.375/HSBC 6.95 Perps were up 0.2-0.8pt. In HK, AIA/CKHH 30-35s tightened 1-2bps under buying from PBs. LIFUNG 5.25 Perp was 3.1pts higher, LIFUNG 5.25 08/18/25 was up 0.1pt. Li & Fung launched a tender offer for LIFUNG 5.25 Perp up to USD50mn at USD55 and mandated 3.5yr USD bond issuance. HYSAN/FAEACO Perps were up 0.2-0.5pt. LASUDE 26 was up 0.7pt. Media reported Lai Sun Development has been working to win banks' backing for a HKD3.5bn 5yr loan refinancing deal. NWDEVL 27-31s/Perps were unchanged to 0.4pt lower. In Chinese properties, ROADKG 28-30s were 0.5-3.6pts lower, ROADKG Perps were unchanged to 0.2pt lower. Outside properties, WESCHI 26 was up 0.2pt. See our comments below on WESCHI's positive profit alert. FOSUNI 25-28s were up 0.3-0.5pt. Elsewhere, MONMIN 30 was up 0.7pt, closed 2.6pts higher WTD.

In CNH space, TEMASE priced 5yr, 10yr and 30yr CNH bonds at par to yield 1.85%, 2.05% and 2.55% (IPT at 2.3%, 2.55% and 3.05%) respectively.

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CHMEDA priced 5yr and 10yr CNH bonds at par to yield 2% and 2.3% (IPT at 2.55% and 2.85% area) respectively. See our comments on [23 Jul '25](#). In LGFVs, there were two way interests on CNH names such as LZJHFH 7 28s/QDOCID 6.8 28s and USD names such as BADNHI 6.9 28s/TAIANH 6.9 28s. In SOE perps, SPICPD Perp was up 0.1pt, CHPWCN Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LIFUNG 5 1/4 PERP	51.4	3.1	ROADKG 5 1/8 01/26/30	22.8	-3.6
NSANY 5 1/4 07/17/29	100.9	1.1	ROADKG 6.7 03/30/28	26.5	-1.7
NWG 7.3 PERP	102.3	0.8	ROADKG 6 03/04/29	25.8	-1.7
MONMIN 8.44 04/03/30	97.4	0.7	GRNLGR 5 7/8 07/03/30	21.9	-0.9
LASUDE 5 07/28/26	52.0	0.7	ROADKG 5.2 07/12/29	25.9	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.78%), Dow (+1.14%) and Nasdaq (+0.61%) were higher on Wednesday. Trump says countries will face tariffs ranging from 15% to 50% as he sets rates ahead of a 1 Aug'25 deadline. US may impose a broad tariff of 15% on EU goods imported into US which mirror the framework agreement with Japan. UST yield was higher on Wednesday, 2/5/10/30 yield at 3.88%/3.94%/4.40%/4.95%.

❖ Desk Analyst Comments 分析员市场观点

➤ WESCHI: Positive profit alert

West China Cement (Weschi) expects the profit attributable to the owners of the company to increase 80-100% yoy to RMB696-774mn in 1H25, from RMB387mn in 1H24. The significant profit growth was driven by (i) the overseas cement revenue, which doubled to RMB1.9bn in 1H25 from RMB923mn in 1H24, supported by 230% yoy increase in sales volume to 3.8mn tons in 1H25 from 1.16mn tons in 1H24; (ii) gross profit from mainland China cement sales, which increased by 48% yoy to RMB420mn in 1H25 from RMB284mn in 1H24, primarily due to higher ASP and lower COS per ton; (iii) RMB98mn in profit from sales of properties; and (iv) RMB115mn reversal of impairment losses.

Recalled that Weschi plans to utilize the net proceeds from the sale of non-core assets in Xinjiang to partly repay its WESCHI 4.95 07/08/26 due in Jul'26. The transaction prices were totaled RMB1.65bn (cUSD230mn), representing c38% of the o/s amount of the WESCHI 4.95 07/08/26 of USD600mn. Weschi also plans to sell the assets in Xinjiang, Guizhou and Sichuan for RMB2-3bn (cUSD276-414mn) as well as offshore projects to fund bond repayment.

While the Chinese cement market may show signs of recovery through higher ASP, we remain cautious regarding Weschi's ability to remit significant amounts of cash from its African operations. The full and timely repayment of the bond is still subject to uncertainty regarding the timing and value of the Guizhou and Sichuan asset sales. At 92.1, WESCHI 4.95 07/08/26 is trading at YTM of 14.0% with c1 year remaining to maturity. We maintain neutral on WESCHI 4.95 07/08/26. In the China HY space, we prefer BTSDf 9.125 07/24/28 and EHICARs for better risk-adjusted return profiles.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating
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						(M/S/F)
Jiaozuo State-owned Capital Operation (Holding) Group	150	3yr	6.5%	6.5%		Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 123 credit bonds issued yesterday with an amount of RMB119bn. As for month-to-date, 1,592 credit bonds were issued with a total amount of RMB1,699bn raised, representing a 16.6% yoy increase
- [ADSEZ]** Adani Ports in race to set up logistics park in north India
- [FIRPAC/SMCPM]** San Miguel buys 3.8% stake in First Pacific-owned Meralco for PHP3.9bn (cUSD68.4mn)
- [FOSUNI]** Fosun to early redeem USD178.857mn FOSUNI 5.95 10/19/25 at 101 on 22 Aug'25
- [HONGQI]** China Hongqiao seeks USD300mn-equivalent three-year loan at H+250bp for the HKD tranche and H+215bp for the CNH tranche
- [JD]** JD.com to create virtual restaurant chain to boost food delivery business
- [LASUDE]** Media reported that Lai Sun Development has been seeking banks' support for an HKD3.5bn (cUSD446mn) loan refinancing deal, but after around six months of negotiations, about half of the lenders have yet to commit
- [LIFUNG]** Li & Fung says no covenant restriction on perp refi, final plan depends on EBITDA
- [RAKUTN]** Rakuten sells JPY bonds for JPY30bn (cUSD204mn) to fund 5G projects
- [SANTLD]** Sands China 2Q25 adjusted property EBITDA climbs 0.9% yoy to USD566mn
- [VEDLN]** Viceroy alleges Vedanta's promoters siphon margins from Hindustan Zinc

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