

## CMBI Credit Commentary

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

- *The Asia IG space was overall unchanged to 2bps tighter this morning. We saw two-way flows on TW lifers SHIKON/NSINTWs/FUBON/CATLIFs. HCELEC 4.65 12/29/26 and EHICAR 26 rose 1-1.6pts. GLPSP PERPs were 0.9pt higher. SSW 5.5 08/01/29 and VLLPM 9 3/8 07/29/29 were down 0.7-1pt.*
- **PCORPM:** *Initiate buy on PCORPM 7.35 Perp on attractive carry. PCORPM 7.35 Perp rose 0.1pt this morning. See below.*
- **INCLN:** *Moody's changed the outlook of Holdco bonds (RPVIN 5 7/8 03/05/27, INCLN 4 1/2 04/18/27, RNW 7.95 07/28/26) and INGPHL 4 02/22/27 to negative from stable and affirmed Ba3 rating; affirmed the Ba3 rating of RPVIN 4 1/2 07/14/28 with stable outlook. RPVIN 27s/INCLN 27s/RNW 26s/INGPHL 27s/RPVIN 28s were unchanged this morning.*

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#### ❖ Trading desk comments 交易台市场观点

Yesterday, tone was firm in the Asia IG space post the 25bps FED rates cut. In China IG space, TENCNT curve tightened 4-7bps, HAOHUA 3-5bps, MEITUA 1-4bps and the rest 1-2bps. TW lifer space opened 2-5bps tighter but slightly retraced in the afternoon amid profit-taking. In Macau gaming, SJMHOL 4.85 28 and STCITY 5 01/15/29 were 0.5-0.6pt higher. In Chinese properties, VNKRL 27-29s were 0.1-0.3pt lower. See our comment on [17 Sep'25](#). FUTLAN 28/FTLNHD 26 were unchanged to 0.1pt higher. LNGFOR 27-32s were unchanged to 0.3pt higher. See our comments [yesterday](#) on Seazen. EHICAR 7 09/21/26 rose 1.3pts. NWDEVL PERPs rose 0.3-0.7pt, and NWDEVL 27-31s edged 0.1-0.8pt higher. LASUDE 5 07/28/26 and CTFCHK 4 1/4 06/27/29 gained 0.9-1.9pts. We saw profit-taking on MTRC 5 5/8 PERP and Japanese insurance hybrids. KR/JP IG names overall tightened 1-2bps. There was better buying on NTT 32/35, NOMURA 36s by AMs/PBs. Yankee AT1s gained another 0.3-0.4pt during the London session while risk sentiment remained afloat. In Southeast Asia, we saw better selling for OCBCSP 34s and better buying on OCBCSP 35s. We still think that OCBCSP 35s offer better value compared to its 34s counterparts, given that 35s are only 1yr longer in duration but 15bps wider. BBLTB sub curve opened 5bps tighter but closed unchanged. The recent PCORPM 7.35 PERP was 0.2pt higher. See comments below. The recent SMPHPM 4 3/4 09/16/30 rose 0.5pt. LGFVs managed to slightly recover. Several higher-yielding names around high-8% to low-9% gained support.

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LASUDE 5 07/28/26	56.0	1.9	CFAMCI 5 1/2 04/27/47	96.6	-1.1
EHICAR 7 09/21/26	74.8	1.3	CCAMCL 5 02/08/48	93.6	-0.8
TSINGH 6 12/10/20	65.1	1.0	CHGDNU 4.8 09/11/48	92.2	-0.7
CTFSHK 4 1/4 06/27/29	92.3	0.9	CHIOLI 5.35 11/15/42	94.9	-0.7
GARUDA 6 1/2 12/28/31	86.7	0.9	GARUDA 6 1/2 12/28/31	86.2	-0.7

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.48%), Dow (+0.27%) and Nasdaq (+0.94%) were higher on Thursday. US latest jobless claims was +231k, lower than the market expectation of +241k. UST yield was higher on Thursday. 2/5/10/30 yield was at 3.57%/3.67%/4.11%/4.72%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ PCORPM: Initiate buy on PCORPM 7.35 Perp on attractive carry

We switch our buy to PCORPM 7.35 Perp (coupon reset Sep'28) from PCORPM 5.95 Perp in view of better carry and trading liquidity. Recalled that Petron completed the exchange and concurrent new issue which had notably relieved its near-term refinancing pressure. Out of the USD475mn PCORPM 7.35 Perp issued, USD387.4mn was exchanged from the PCORPM 5.95 Perp with new money of USD87.611mn. Petron applied USD54.2mn to redeem PCORPM 5.95 Perp in the tender offer, reducing the outstanding amount to USD162.6mn after settlement. At 103.5, PCORPM 7.35 Perp is trading at yield to first reset of 6.1%, offering pick-up of 90bps over PCORPM 5.95 Perp with c2.5 years longer to first reset. Moreover, the c190bps yield differential of PCORPM 7.35 Perp vs its affiliates SMCGL 8.75 Perp (coupon reset Sep'29) is also attractive, with reference to the c150bps average spread between PCORPM 5.95 Perp (coupon reset Apr'26)/ SMCGL 5.45 Perp (coupon reset Dec'26) over the past 12 months. We like Petron's smooth access to diverse funding channels as well as notably lower refinancing pressure after the exchange and tender offers. The switch is driven by RV instead of our concerns on non-call of PCORPM 5.95 Perp.

The structure of PCORPM 7.35 Perp is comparable to those of other perps within the San Miguel complex with high coupon step-up of 250bps to incentivize Petron to call on the first step-up date. PCORPM 7.35 Perp is callable at par from one month before the step-up and on each distribution date; if not called, the coupon resets in Sep'28 to 3yrUST+382.5bps initial spread+250bps step-up, which creates a strong economic incentive for Petron to redeem on the first call date. Coupons are deferrable at the issuer's discretion on a cumulative and compounding basis, subject to a dividend stopper on junior and parity securities and a dividend pusher with a six-month look-back. We acknowledged that SMC Group maintains track record of calling its perps on the first coupon reset, i.e. PCORPM 7.5 Perp in Aug'18, SMCGL 7.5 Perp in Nov'19, SMCGL 6.75 Perp in Feb'21, PCORPM 4.6 Perp in Jul'23, SMCGL 6.5 Perp in Apr'24, SMCGL 5.95 Perp in May'25, and SMCPL 5.5 Perp in Jul'25. SMCGL also announced to call SMCGL 7 Perp in Oct'25.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chouzhou International Investment/ Yiwu State-owned Capital Operation	450	3yr	4.15%	4.15%	-/-/BBB

Pioneer Reward/ Huatai Securities	500	3yr	SOFR+57	OFR+57	Baa1/-/-
Tianchang Agricultural Development	10	3yr	6.99%	6.99	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 155 credit bonds issued yesterday with an amount of RMB126bn. As for month-to-date, 1,370 credit bonds were issued with a total amount of RMB1,259bn raised, representing a 53.5% yoy increase
- South Korea is planning a wide-ranging overhaul of the steel industry amid global oversupply and competition from lower-cost Chinese producers
- Danantara to channel IDR130tn (cUSD7.9bn) property credit facility via state banks this year
- **[ACAFF]** Credit Agricole priced USD1.5bn 8NC7 senior non-preferred bonds at T+97/4.818%
- **[ADGREG]** SEBI disposes two separate proceedings against Adani Group entities, officials in relation to Hindenburg report
- **[GLPCHI]** Media reported GLP plans to list China business in 2026
- **[NWDEVL]** NWD Deutsche Bank-led up to HKD15.6bn (cUSD2bn) syndicated loan shows no signs of closing nearly four months after launch
- **[ORIX]** ORIX JREIT is set to borrow a total of JPY 13.35bn (cUSD91m) from six banks to refinance a long-term loan
- **[SMCGL]** SMCGL to redeem USD163.115mn SMCGL 7 Perp on the first call date on 21 Oct'25
- **[SOFTBK]** SoftBank reaffirm that SBG has not obtained any credit ratings from Moody's. The establishment of a JV by SoftBank and OpenAI to provide AI services to Japanese corporate clients was deferred amid prolonged preparations
- **[VEDLN]** Vedanta Limited is optimistic about concluding its proposed demerger by year-end, despite government opposition

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