

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市場日報

- The new CHIFEN 7.4 02/13/29 was 0.8-1.0pt lower this morning from RO at par amid light flows. Japanese AT1s traded 0.1pt higher. Asian IG space was overall 1-2bps wider. VNKRLE 27' and 29' rose another 2.8-2.9pts. LASUDE 26 was 0.8pt higher. HYSAN 4.85 Perp/ACPM 4.85 Perp/VLLPM 29 were 0.7-0.8pt lower.*
- PTTGC:** *Debt reduction continues, leverage up on lower EBITDA. See below.*
- JD:** *JD.com unveiled a new express delivery service, JoyExpress, to expand its European presence. It will support Joybuy, the company's new online retail business in Europe, which is scheduled to launch next month. JD 26-50s were unchanged this morning.*

#### ❖ Trading desk comments 交易台市場观点

Yesterday, in Greater China IG space, MEITUA 32-35s/KUAISH 36 widened 2-4bps, and LINREI/HKE 36s traded 1-2bps wider. As for higher-beta credits, FRESHKs closed 1-3bps wider. EHICAR'27 lost 4.2pts while EHICAR'26 gained 0.5pt. Media reported that EHICAR will extend the maturity for EHICAR with 20pts upfront cash repayment. As per our discussion with EHICAR, it is yet to have a finalized refinancing plan for EHICAR'26. In Chinese/HK properties, VNKRLE '27 and '29 rallied another 3.0-3.1pt. The NWDEVL/VDNWDL complex overall gained 0.2-1.3pts. FUTLAN 28/FTLNHD 26-27 increased by 0.1pt. DALWAN 28s/HYSANs were 0.1-0.4pt higher. CHJMAO 26-29 closed 0.1pt lower. Jinmao plans to issue offshore bonds after Chinese New Year to refinance its USD600mn of CHJMAO 04/09/26. In SE Asian space, PTTGC 31-52s tightened 3-7bps, while PTTGC Perps closed unchanged. See comments on PTTGC below. ADSEZ 27-41s surged 0.2-0.9pt after Adani Ports and Special Economic Zone launched a tender offer to purchase up to USD345.137mn of ADSEZ 4 07/30/27 and up to USD150mn of ADSEZ 3.1 02/02/31. In contrast, VLLPM 27-29 were another 0.5-1.8pts lower. VLLPMs have dropped c15.0pts since the end of Jan'26, when the Philippines SEC filed a criminal complaint against Vista Land's sister company Villar Land Holdings and former senator Manuel B. Villar, who is also Vista Land's chairman. In KR space, SKBTAM 29 was 1bp tighter amid mixed two-way exchanges. On the other hand, belly to longer corporate notes were weaker: POHANG 36 widened 2bps, and HYNMTR curve and longer than 5yrs FRNs widened 2-3bps. In JP space, NOMURA 7 Perp was 0.1pt higher. Yankee AT1s gained 0.1pt driven by Chinese/Asian AMs buying on-the-run and front end issues, but the strength faded into the London session. In the Middle East, BSFRs/FABUHs edged 0.1-0.2pt higher. See our comments on BSFR on [Monday](#), and on FABUH [yesterday](#). ARAMCO 30-56s rose 0.2-1.1pts. Long-end KSAs gained 0.1-0.6pt.

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In LGFV space, we saw sporadic buying across AAA-guaranteed, IG rated, as well as short dated papers. Meanwhile, non-LGFV CNH issues like CHGRID 35/RLCONS 35 traded 0.1-0.2pt higher.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRL 3 1/2 11/12/29	<b>33.4</b>	<b>3.1</b>	EHICAR 12 09/26/27	<b>55.4</b>	<b>-4.2</b>
VNKRL 3.975 11/09/27	<b>34.6</b>	<b>3.0</b>	VLLPM 7 1/4 07/20/27	<b>53.7</b>	<b>-1.8</b>
NWDEVL 4 1/8 PERP	<b>70.6</b>	<b>1.3</b>	VLLPM 9 3/8 07/29/29	<b>42.5</b>	<b>-0.5</b>
ARAMCO 3 1/4 11/24/50	<b>66.6</b>	<b>1.1</b>	ROADKG 5.2 07/12/29	<b>23.9</b>	<b>-0.5</b>
EXIMBK 5 3/4 01/12/56	<b>102.7</b>	<b>1.1</b>	GRNLGR 6 3/4 06/25/28	<b>15.3</b>	<b>-0.5</b>

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.33%), Dow (+0.10%) and Nasdaq (-0.59%) were mixed on Tuesday. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.45%/3.70%/4.16%/4.78%.

#### ❖ Desk Analyst Comments 分析员市场观点

##### ➤ PTTGC: Debt reduction continues, on lower EBITDA

We maintain buy on PTTGC 6.5 Perp and PTTGC 7.125 Perp for attractive carry in PTTGC curve. At 101.3, PTTGC 6.5 Perp (first coupon rest in Dec'30) is trading at 6.2% YTC, offering a yield pick-up of c130bps vs its senior PTTGC 2.98 03/18/31 with 3 months shorter in “tenor”, as well as c20bps over TOPTB 6.1 Perp (first coupon reset in Apr'31). At 102.9, PTTGC 7.125 Perp (first coupon reset in Sep'35) is trading at 6.7% YTC, and is the highest yielding paper in the PTTGC curve. Despite the perps' coupon will only be reset with minimal step-ups, we believe that PTTGC remains incentivized to call and replace the perps to preserve the hybrid market access and equity credit recognition.

In FY25, PTTGC's total revenue fell 20% yoy to THB484.9bn, primarily due to lower upstream sales revenue as prices of petroleum and aromatics product declined amid global trade tensions, alongside lower sales volumes. The volume decline largely reflected the planned maintenance at the MEG plant during 1H25 and shutdowns at the Refinery and the Aromatics unit 2 in the 4Q25.

Following the Vencorex Group restructuring since end-2024 and tighter cost control, variable cost, fixed overheads, and SG&A were lower in FY25. These savings were offset by higher stock losses and lower other revenue, resulting in a 46% yoy drop in EBITDA to THB18.3bn. Asset impairment declined to THB2.5bn from THB7.9bn in FY24, and the net loss was narrowed to THB15.6bn from THB30.0bn in FY24.

On cash flow, PTTGC generated 26% yoy higher in operating cash inflow of THB40.8bn while capex declined 11% yoy to THB14.0bn. As of Dec'25, PTTGC had cash and cash equivalent of THB18.9bn, down from THB32.7bn as of Dec'24, reflecting net debt repayments. Total debts decreased to THB180.1bn from THB257.9bn. However, total debt/EBITDA and net debt/EBITDA increased to 9.8x and 8.8x, respectively, from 7.6x and 6.7x in Dec'24 due to lower FY25 EBITDA.

Looking ahead, we expect the petrochemical sector to remain oversupplied in FY26, driven by the new refinery capacities in Asia such as in China, India and Singapore. That said, we take comfort on PTTGC's positive cash

flow generation which was sufficient to cover its capex in past few years and should continue to support debt reuction.

From a rating perspective, PTTGC remains borderline IG at Baa3/Negative (Moody's), BBB-/Stable (S&P), and BBB-/Stable (Fitch). We take some comfort from Moody's affirmation of the Baa3 rating despite the outlook revision, supported by management's planned deleveraging levers (asset sales, hybrid capital, and extended terms from the parent) over the next 12-18 months. Key downside catalysts include slower-than-planned deleveraging or weaker-than-expected margins, which would constrain credit metric improvement or to bring rating pressure.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Central Nippon Expressway Co Ltd	500	5yr	4.124%	MS+62	A1/-
Xingye Gold (Hong Kong) Mining	200	3yr	7.4%	7.4%	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 101 credit bonds issued yesterday with an amount of RMB59bn. As for month-to-date, 787 credit bonds were issued with a total amount of RMB641bn raised, representing a 1376.8% yoy increase
- Saudi Arabia plans updated strategy for Vision 2030 agenda amid fiscal pressures
- **[ADEIN]** Adani Enterprises received notice from US sanctions authority in Iran-linked liquefied petroleum gas purchases
- **[AVICCP/AVIILC]** AVIC Industry-Finance Holdings said bondholders holding more than 10% of its RMB1.2bn 3.05% bond due 2028 have proposed a bondholders' meeting to seek quarterly financial disclosure
- **[CHJMAO]** China Jinmao plans to issue offshore bonds after the Chinese New Year next week to refinance its USD600mn CHJMAO 3.2 04/09/26
- **[MEDCIJ]** Medco Energi Internasional signed an agreement to develop biofuels with Pertamina NRE, potentially reactivating its ethanol plant
- **[MQGAU]** Macquarie Capital deployed AUD5.7bn (cUSD4.02bn) of private credit in quarter ended in Dec'25
- **[PCCW]** PCCW 2025 consolidated EBITDA rose 3% yoy to HKD13.29bn (cUSD1.71bn)

- **[PICAHF/PIFINL]** Piramal Finance raised USD400mn via external commercial borrowings (ECB) from both global and local lenders, including SMBC and Deutsche Bank
- **[PTTEP]** PTT's upstream business will develop two offshore oil fields in Malaysia and plans to start production in 2028
- **[RAKUTN]** Rakuten expects to record USD195mn impairment and USD233mn valuation gains on derivatives for FY25
- **[RILIN]** Reliance Industries' unit acquired Southern Health Foods for USD17.2mn
- **[TAISEM]** TSMC approved USD45bn capital budget to expand capacity amid AI boom
- **[YXREIT]** Moody's has withdrawn the Ba3 corporate family rating of Yuexiu REIT for business reasons

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