

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

- *Asian IG space was 1-5bps tighter this morning. Front-end floaters and China TMT/SOE were well-bid. KR/JP IGs tightened 1-3bps. VNRKLEs down 0.5-2pts, CHJMAO/CPDEV were unchanged to 0.2pt lower.*
- **Adani complex:** *Our thoughts on the FCPA enforcement pause. Adani complex were unchanged to 1.6pts higher yesterday following FCPA enforcement pause, and were unchanged to 1.4pts higher this morning. See below.*
- **NWDEVL:** *NWDEVLs moved 0.8-4.5pts higher WTD on the “constructive” tone of DBS’s CEO on NWD regarding CTF’s support and asset value, as well as the progress in property sales in HK. NWDEVLs were unchanged to 0.2pt lower this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, the new MIZUHO Float 31s/SUMIBK Float 30s tightened another 2bps. The recent new KDB/KHFC Float 30s were 1-3bps tighter. In KR corps, LGENSO 27-29s tightened 3-4bps. HYNMTR 30s/HYUELE 31s were unchanged to 2bps tighter amid two way flows. Chinese IGs were flat in spreads. LENOVO/MEITUA 30s were unchanged to 1bp wider on small selling. In financials, Chinese AMCs were mixed. CCAMCL 27-30s were better bid and closed unchanged to 2bps tighter. CFAMCI 25-27s were unchanged to 0.1pt lower (2-5bps wider) on selling from AM/PBs. In T2s, BNKEA 30-34s tightened 8-10bps. DAHSIN/SHCMBK 33s were also 5bps tighter. EU AT1s and JP insurance hybrids were stable. SOCGEN 8.5/INTNED 8 Perps were up 0.1-0.2pt. MYLIFE/NIPLIF 54s were unchanged to 0.1pt lower. In HK and Chinese properties, NWDEVL 27-31s/Perps rose another 0.4-2.7pts, closed 0.8-4.5pts higher WTD (9.5-19.0pts lower YTD). See our comments on [28 Jan'25](#). VNRKLE 25-29s rose another 2.0-5.9pts and closed 16.2-22.0pts higher YTD. See our comments on [11 Feb'25](#). FTLNHD 25-26s/LNGFOR 27-32s were 0.5-1.1pts higher. YUEXIU/YXREITS/CHJMAOs were up 0.2-0.4pt. In India, Adani complex bonds were unchanged to 1.6pts higher following Trump paused the enforcement of Foreign Corrupt Practices Act. See below.

The yield compression in high-yielding LGFVs continued, thanks to robust new deployment demands and concerns on supply going forward. Shandong LGFVs yielding high-teens such as LZJHFH 6.9 27s/SDGFHT 6.9 27s/ZOUCAO 6.9 27s/ZBZCHD 6.9 28s tightened another 150bps to low-double-digit yields, closed 250-300bps tighter WTD (350-500bps tighter YTD). In SOE perps, CHPWCN/CMHI Perps were down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.975 11/09/27	72.6	5.9	CHGRID 4.85 05/07/44	98.9	-0.7
VNKRLE 3 1/2 11/12/29	66.7	2.9	CJRAIL 4 1/4 11/24/45	84.8	-0.7
NWDEVL 8 5/8 02/08/28	60.8	2.7	AIA 5.4 09/30/54	93.4	-0.6
VNKRLE 3.15 05/12/25	97.6	2.0	SINOPE 4.6 09/12/48	93.7	-0.6
NWDEVL 4 1/2 05/19/30	49.7	1.9	CITLTD 4.6 04/14/35	94.2	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.03%), Dow (+0.28%) and Nasdaq (-0.36%) were mixed on Tuesday. Powell said Fed does not need to rush on rate cuts given the economy remains strong. UST yield was higher on Tuesday, 2/5/10/30 yield at 4.29%/4.37%/4.54%/4.75%.

❖ Desk Analyst Comments 分析员市场观点

➤ Adani complex: Our thoughts on FCPA enforcement pause on Adani

Trump signed an executive order yesterday directing the Department of Justice to pause enforcing the Foreign Corrupt Practices Act (FCPA) for 180 days. He is also directing the reviews of current and past actions related to the law, as well as preparation of new guidelines for the FCPA enforcement. The FCPA, enacted in 1977, prohibits American companies and foreign firms from bribing officials of foreign governments to obtain or retain business.

As per the US indictment in Nov'24, Gautam and Sagar Adani were charged with (i) alleged securities fraud conspiracy, (ii) alleged wire fraud conspiracy, and (iii) alleged securities fraud, while the senior management of Adani Green were charged with alleged conspiracy to violate the FCPA and conspiracy to obstruct justice. We envisage the review of current and past actions related to FCPA could include investigation on Adani.

Our takes are the charges on Gautam and Sagar Adani with allegations on the violation the antifraud provisions of the federal securities laws still in place despite the FCPA enforcement pause. Indeed, the pause is to avoid putting US businesses at an economic disadvantage to foreign competitors. As per the White House, "a pause in enforcement to better understand how to streamline the FCPA to make sure it's in line with economic interests and national security". From the perspective of American interests, the FCPA to be streamlined aims at easing restrictions on overseas investments of American corps. Whether the streamlined FCPA will lead to dropping the charges on Indian corps like Adani Green and Azure Power will be highly uncertain. We will also have to see whether the charges on Adani Green will be complicated by Trump's plan to implement reciprocal tariffs with India being one of the primary targets for higher tariffs.

Bonds of Adani complex are only 0.4-4.7pts lower than the levels prior to the US indictment announcement after the recent rebound. We maintain sell recommendations on the bonds of Adani complex given the unappealing valuation and given the unresolved charges from the US. Please read our [Asia Credit Outlook 2025](#) for more detailed discussions.

Table 1: Bond profile of Adani complex

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM (%)	Issue rating (M/S/F)
ADANEM 3.949 02/12/30	US00654GAA13	880	87.5	6.9	Baa3/BBB-/BBB-
ADANEM 3.867 07/22/31	US00654GAB95	300	83.8	7.0	Baa3-/BBB-
ADGREG 6.7 03/12/42	US00654AAC09	408	92.5	7.7	Ba1-/BBB-
ADSEZ 4 07/30/27	US00652MAD48	500	94.8	6.3	Baa3/BBB-/BBB-
ADSEZ 4.2 08/04/27	US00652MAG78	750	95.0	6.4	Baa3/BBB-/BBB-
ADSEZ 4 3/8 07/03/29	US00652MAE21	750	91.9	6.5	Baa3/BBB-/BBB-
ADSEZ 3.1 02/02/31	US00652MAH51	500	83.0	6.6	Baa3/BBB-/BBB-
ADSEZ 3.828 02/02/32	US00652MAK80	300	84.8	6.6	Baa3/BBB-/BBB-
ADSEZ 5 08/02/41	US00652MAJ18	450	81.6	6.9	Baa3/BBB-/BBB-
ADTIN 4 08/03/26	US00652XAA63	500	96.7	6.4	Baa3-/BBB-
ADTIN 4 1/4 05/21/36	US00652XAB47	363	84.9	6.1	Baa3-/BBB-
ARENRJ 4 5/8 10/15/39	US00654CAA09	308	82.0	7.3	Ba1/BB+/BBB-

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Abu Dhabi Commercial Bank	600	5yr	SOFR+105	SOFR+105	-/A/A+

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Fugao Wantai Group	USD	-	3yr	5.7%	Unrated
Zhangzhou Yuanshan Development	USD	-	3yr	8.2%	Unrated

➤ News and market color

- Regarding onshore primary issuances, there were 61 credit bonds issued yesterday with an amount of RMB55bn. As for month-to-date, 126 credit bonds were issued with a total amount of RMB100bn raised, representing a 74.6% yoy decrease
- China vehicle sales fell 12.1% yoy in Jan'25 as uncertainty about government subsidies weakened demand
- South Korea is considering negotiating the 25% tariffs on steel imports to be implemented by the US
- [BABA]** Alibaba partners with Apple to develop AI features for iPhones in China
- [IHFLIN]** Sammaan Capital 9MFY25 interest income rises 9.1% yoy to INR56.9bn (cUSD649mn)
- [NWDEVL]** NWD sells two flats at State Pavilia to chairman's wife for totaled HKD14.9mn (cUSD1.9mn)
- [POHANG]** Microsoft to propose AI partnership with POSCO Holdings and other South Korean companies

- **[SKYFAM]** Skyfame Realty unable to secure certain services including commencement of annual audit for FY24 due to inadequate funding
- **[SOFTBK]** SoftBank 9MFY25 revenue rises 7% yoy to JPY4.8tn (cUSD31.7bn). SoftBank is exploring debt markets as a financing options for the USD500bn JV with OpenAI
- **[VNRLE]** Moody's downgraded China Vanke to Caa1 from B3, maintained negative outlook

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