

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 ANZs were unchanged from ROs. KR space remained strong. LGENSO/HYUELE 27-33s tightened 5-10bps. KBANK 28-31s/PPTGC 31-52s tightened 5bps. GRWALL 26-30s were unchanged to 2bps tighter following Fitch's one notch upgrade to BBB.*
- **SMCPM:** *To redeem SMCPM 5.5 Perp on the first call date in Jul'25. Within SMC complex, we maintain buy on SMCGCL 5.7 Perp, SMCGCL 5.45 Perp, SMCGCL 8.125 Perp, and PCORPM 5.95 Perp. SMCPM 5.5 Perp down 0.1pt this morning. See below.*
- **LIHHK:** *Lifestyle International repurchased USD15.559mn of LIHHK 4.5 06/26/25, USD182.204mn will remain outstanding. LIHHK 25-26s down 0.4-0.8pt yesterday and were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, KR space was strong. LGENSO/HYUELE/PKX 27-35s tightened 3-7bps. CITNAT/SHNHAN/DAESEC 26-30s tightened 5-10bps. In Chinese IGs, BABA/MEITUA 27-35s were 1-2bps wider. In financials, FRESHK 25-28s tightened 10-20bps. BBLTB 33-40s were 2-7bps tighter. NSINTW/CATLIF 33-34s were better offered and closed unchanged to 1bp wider. EU AT1s were stable. UBS AT1s were 0.2pt lower to 0.1pt higher. BACR/SOCGEN Perps were 0.1-0.3pt higher. HSBC 7.05 Perp/RY 6.75 85 were unchanged to 0.1pt higher. In insurance hybrids, MYLIFE/NIPLIF 51-55s were up 0.1-0.2pt. In HK, NANYAN 34s tightened 1bp, DAHSIN 33s widened 1bp. LIHHK 25-26s declined 0.4-0.8pt, closed 0.7-3.2pts lower WTD. NWDEVL Perps rose another 0.9-1.3pts, closed 3.6-4.0pts higher WTD. NWDEVL 27-31s and NWSZF 28-29s rose another 0.5-0.9pt, closed 0.7-2.9pts higher WTD. In Chinese properties, VNKRLE 27-29s were up another 1.0pt, closed 2.7-2.8pts higher WTD. LNGFOR 27-32s were up another 0.8-1.0pt, closed 0.4-1.8pts higher WTD. Outside properties, EHICAR 26s were up 0.3pt. In SE Asia, VLLPM 27-29s dropped another 1.2-2.0pts, closed 3.3-4.1pts lower WTD. SMCPM/SMCGCL/PCORPM Perps were unchanged to 0.2pt higher. SMCPM announced to redeem its SMCPM 5.5 Perp on the first call date on 29 Jul '25. See our comments below.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳倩瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

In LGFVs, there were light two-way flows and client buying flows gradually turned more reserved at current valuation. There were two way interests on CNH names such as QHCTJS 7 28s/QINLID 5.9 28s and USD names such as FZCCID 6.5 28s/BADNHI 6.9 28s. In SOE perps, we saw selling flows from AM trimming. COFCHK Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4.8 PERP	24.4	1.3	VLLPM 9 3/8 07/29/29	68.7	-2.0
NWDEVL 5 1/4 PERP	28.6	1.2	VLLPM 7 1/4 07/20/27	75.8	-1.2
NWDEVL 6.15 PERP	38.1	1.1	LIHHK 4.8 06/18/26	82.8	-0.8
LNGFOR 3.95 09/16/29	79.1	1.0	CPREIT 2.95 06/15/30	82.9	-0.6
LNGFOR 3.85 01/13/32	71.4	1.0	LIHHK 4 1/2 06/26/25	98.9	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.55%), Dow (+0.25%) and Nasdaq (+0.63%) were higher on Tuesday. US and Chinese negotiators in London agreed on plan to ease trade tensions. UST yield was lower on Tuesday, 2/5/10/30 yield at 4.01%/4.08%/4.47%/4.93%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SMCPM: To redeem SMCPM 5.5 Perp on the first call date in Jul'25**

San Miguel Corp (SMCPM) will redeem SMCPM 5.5 Perp of USD500mn on the first call date on 29 Jul'25. We have buy recommendation on SMCPM 5.5 Perp. The call is in line with our expectation in view of SMCPM's track record of calling its perps, as well as the high coupon reset. The coupon of SMCPM 5.5 Perp will be reset to 5yUST+10.237% (incl. step-up of 500bps) if it is not called on the first call date.

Recalled that SMCPM's subsidiary, San Miguel Global Power (SMCGL), redeemed SMCGL 5.95 Perp on the first call date in May'25. Along with the upcoming call of SMCPM 5.5 Perp, these reinforce our view that San Miguel group companies will continue to redeem its perps before their respective coupon reset dates given its good access to funding channels and the high coupon step-up. In Mar'25, SMCPM obtained JPY loans totaled JPY61.6bn (cUSD425mn) in two tranches, JPY8.5bn (cUSD59mn) with a tenor of 3 years at an interest rate of TONAR+95bps (c1.4%), and JPY53.1bn (cUSD366mn) with a tenor of 5 years at an interest rate of TONAR+105bps (c1.5%). As of Dec'24, SMCPM had cash and cash equivalent of PHP293.7bn (cUSD5.3bn) on consolidated level and PHP59.5bn (cUSD1.1bn) on standalone level.

Within the SMC Complex, we prefer SMCGL 5.7 Perp, SMCGL 5.45 Perp, SMCGL 8.125 Perp, and PCORPM 5.95 Perp for better risk-return profiles in view of their lower cash prices and higher YTC. We consider these Philippine perps low-beta and good carry plays.

Table 1: SMC Complex

Security name	Ask px	Yield to reset	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)
PCORPM 5.95 Perp	99.1	7.0%	550.0	19 Apr'26	19 Apr'26	5yUST+7.574%
SMCGL 7 Perp	100.1	6.8%	193.4	21 Oct'25	21 Oct'25	5yUST+9.199%
SMCGL 5.7 Perp	98.9	7.6%	493.3	21 Jan'26	21 Jan'26	5yUST+6.554%
SMCGL 5.45 Perp	96.0	8.4%	683.5	9 Dec'26	9 Dec'26	5yUST+7.155%
SMCGL 8.75 Perp	100.9	8.5%	900.0	12 Jun'29	12 Sep'29	5yUST+7.732%

SMCGL 8.125 Perp	98.6	8.5%	600.0	2 Dec'29	2 Mar'30	5yUST+6.404%
SMCPM 5.5 Perp	100.1	4.8%	500.0	29 Jul'25	29 Jul'25	5yUST+10.237%

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
ANZ	500/	3yr/	4.362%/	T+38/	Aa2/AA-/AA-
	1000/	3yr/	SOFR+62/	SOFR+62/	Aa2/AA-/AA-
	1250	11NC10	5.816%	T+135	A3/A-/A-
Fujian Jinshang Holding Group	180	3yr	5.6%	5.6%	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 135 credit bonds issued yesterday with an amount of RMB127bn. As for month-to-date, 537 credit bonds were issued with a total amount of RMB527bn raised, representing a 14.7% yoy increase
- [ANTOIL]** Anton Oilfield wins eight-year contract to build and operate oil and production facilities in Malaysia for undisclosed amount
- [DAESEC]** Mirae Asset Securities weighs investments in Chinese high-tech firms
- [FAEACO]** Far East Consortium to host NDR on 4 Jul'25 in Singapore, 8 Jul'25 in Hong Kong, and 16 Jul'25 in London
- [GRWALL]** Fitch upgraded China Great Wall AMC by one notch to BBB- from BBB on its enhanced ability to carry out the policy role for resolving distressed assets after the capital injection from Central Huijin; outlook stable
- [LIHHK]** Lifestyle International repurchased USD15.559mn of LIHHK 4.5 06/26/25, USD182.204mn will remain outstanding
- [LMRTSP]** Lippo Malls Indonesia Retail Trust says distribution to holders of SGD120mn (USD93mn) LMRTSP 8.096 Perp will not be paid on 19 Jun'25
- [MDLNIJ]** Modernland Realty and selling agent Quantuma engage real-estate services firms Jones Lang LaSalle and Colliers to accelerate asset sale
- [SMCPM]** San Miguel Corp expects airport and tollway businesses to fuel revenue growth

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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