

CMBI Credit Commentary

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

- *Strong sentiment this morning after FED's 50bps rate cut. Asian IG space tightened 3-10bps with better buying flows. Developers stabilized, NWDEVL/HYSAN perps were unchanged to 0.3pt higher, DALWANs were unchanged to 0.3pt higher, LNGFOR/VNRKLE moved -0.15 to +0.15pt.*
- **VEDLN:** Tender offers totaled USD123.3mn accepted as of early deadline. See comments below.
- **FAEACO:** Far East Consortium passed extraordinary resolution by majority for amendments to allow FEC Finance to have the option to partially redeem the USD360mn FAEACO 7.375 PERP. The perp rose 0.3pt this morning.

❖ Trading desk comments 交易台市场观点

On Tuesday, CATLIF 34/39 and NSINTW '34 closed unchanged to 2bps tighter. In JP insurance hybrids, ASAMLI Perp/DAIL Perp/FUKOKU Perp/MYLIFE '54 were 0.1-0.3pt higher. In Chinese IGs, HAOHUA/SINOCH 28-30s were 1-2bps tighter. In financials, HRINTH 25-29s were 5-8bps tighter. GRWALL Perp was 0.2pt higher (13bps tighter). EU AT1s remained strong. The recent new BNP 7.375 Perp/UBS 6.85 Perp/INTNED 7.25 Perp were up 0.2-0.6pt. BACR 8 Perp/SOCGEN 8.5 Perp were also another 0.3-0.5pt higher. In HK, BNKEA/NANYAN T2s were 2-3bps tighter. FAEACO passed the proposed amendments to allow partial redemption with more frequent redemption intervals for FAEACO 7.375 Perp, the perp was up 0.3pt. See our comments on [27 Aug '24](#). LASUDE/LIHHK 26s were down 0.4-0.6pt. In Chinese properties, SHUION '25 was 1.2pts higher. DALWAN '25/LNGFOR '32 were up 0.4-0.5pt. On the other hand, FTLNHD '25/VNKRLE '27 and CHIOLIs were 0.2-0.6pt lower. Outside properties, FOSUNI 25-27s were 0.4-0.9pt higher following media reported that Fosun Intl is in advanced talks to sell a minority stake in Club Med luxury to CapitalLand Investment for cUSD557mn. CHIOIL '26 was up 0.5pt, HILOHO '24 was down 0.5pt. In Macau gaming, MGMCHI '27/WYNMAC '29 were up 0.3-0.4pt. In India, ADANEMs/ADSEZs/ADTINs/ ADGREGs were 0.4-0.9pt higher. UPLLINs were up 0.2-0.3pt. Elsewhere, GLPCHI '26/GLPSP '25 were up another 0.1-0.2pt after gaining 1.4-2.4pts on Mon.

LGFVs were under small better buying from offshore AMs. The flows were light amid onshore holiday. CDHIIN '26/HZFYCT '26/HFIGCZ '25 were 0.2pt higher. HKIQCLs/SHCONSs closed unchanged to 0.1pt higher. Fitch affirmed HKIQCL/SHCONS at BBB+ with outlook remained negative. In SOE perps, CHCOMU 3.65 Perp/COFCHK 3.1 Perp/CHPWGN 3.45 Perp were up 0.1pt. SPICPT 3.45 Perp was down 0.1pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PLNIJ 4 3/8 02/05/50	83.4	1.2	LIHHK 4.8 06/18/26	84.3	-0.8
SHUION 5 1/2 03/03/25	83.3	1.2	SUNAC 6 1/4 09/30/26	10.4	-0.7
PLNIJ 4 06/30/50	78.2	1.2	LASUDE 5 07/28/26	66.5	-0.6
PLNIJ 6.15 05/21/48	105.4	1.2	FTLNHD 4 5/8 10/15/25	70.2	-0.6
PLNIJ 4 7/8 07/17/49	88.7	1.1	HILOHO 9 3/4 11/18/24	54.9	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.29%), Dow (-0.25%) and Nasdaq (-0.31%) were weak on Wednesday. Euro-zone Aug'24 CPI was +2.2% yoy, in line with the expectation. Long-term UST yields rallied higher yesterday, 2/5/10/30 yield reached 3.61%/3.47%/3.70%/4.03%.

❖ Desk analyst comments 分析员市场观点

➤ VEDLN: Tender offers totaled USD123.3mn accepted as of early deadline

Vedanta Resources (VRL) set the maximum acceptance amount of the tender offers at USD870mn, comprising of VEDLN 13.875 01/21/27 of USD470mn and VEDLN 13.875 12/09/28 (o/s amt: USD1,008mn) of USD400mn, after the issuance of VEDLN 10.875 09/17/29 of USD900mn. As of the early deadline on 16 Sep'24, only USD33.6mn of VEDLN 13.875 01/21/27 and USD89.7mn of VEDLN 13.875 12/09/28 (o/s amt: USD1,008mn) were validly tendered, and VRL elected to accept all for purchase. The total early tender offer consideration is 100 and the tender offer will expire on 1 Oct'24.

We are not surprised by the lukewarm response on the tender offers, especially that of the holders of VEDLN 13.875 01/21/27 as tender or not will make much difference given the conditional call on the bond at par on 2 Oct'24. The tender offers in addition to the conditional calls help VRL to prioritize proceeds of new issue to address the more impending maturity, i.e. VEDLN 13.875 01/21/27. Through the tender offers and calls, VEDLN 13.875 01/21/27 of USD470mn will be redeemed in full, either through tender offer or the conditional call, by 2 Oct'24. The remaining proceeds of the new issue will then be used to early redeem VEDLN 13.875 12/09/28 (o/s amt: USD1,008mn), such that the outstanding amount will reduce to USD608mn.

The tender offers and conditional calls will alleviate part of the refinancing pressure of VRL over the coming 3-4 years although the total outstanding amount of the USD bonds of VRL will be increased slightly by USD30mn to USD3,002mn. The next offshore maturity for VRL will be VEDLN 9.25 04/23/26 of USD600mn in Apr'26, then followed by the amortization payment on the two VEDLN 13.875 12/09/28 in Aug'27 of 1/3 of the principal amount outstanding immediately prior to the amortization date. We maintain neutral on VEDLNs on valuation.

➤ Offshore Asia New Issues (Priced)

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

➤ **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 89 credit bonds issued yesterday with an amount of RMB67bn. As for month-to-date, 948 credit bonds were issued with a total amount of RMB814bn raised, representing a 1.6% yoy decrease
- **[DALWAN]** Media reported that Dalian Wanda Commercial Management exited Taizhou Jiangyan Wanda Plaza Commercial Management
- **[FAEACO]** Far East Consortium passed extraordinary resolution by majority for amendments to allow FEC Finance to have the option to partially redeem the USD360mn FAEACO 7.375 PERP
- **[GEMDAL]** Media reported that Gemdale repaid RMB13.6bn onshore debts with RMB3bn notes due Nov'24 and Dec'24
- **[HYUELE]** Media reported that SK Hynix expects to surpass Intel to become the world's third-largest semiconductor maker by sales in 3Q24
- **[PCORPM]** Petron raised USD301mn by issuing preferred shares to refinance debt
- **[YUZHOU]** Yuzhou Group obtained support from requisite statutory majorities of creditors to approve [HK Cayman schemes](#)

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