

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!

- *The new WSTP Float 30/WSTP 4.354 30 tightened 6bps and 2bps respectively from ROs amid balanced two way flows. NTT 27-31s were unchanged to 2bps wider. MTRC Perps were unchanged to 0.1pt higher.*
- **NOMURA:** *Initiate buy recommendation on the new NOMURA 7 Perp. NOMURA 7 Perp up 1.3pts from RO this morning, while the new NOMURA 4.904 30/NOMURA 5.491 35 tightened 3bps from ROs. See below.*
- **DAESEC/DFHOLD:** *S&P revised the outlook of Mirae Asset Securities and Korea Investment & Securities to stable from negative on sector's improving profits; BBB ratings affirmed. DAESECs/DFHOLDs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the tone in Asia IG space was constructive following the progress of Iran-Israel ceasefire. On primary, WSTP priced 5yr fixed rated bond at T+50 (IPT at T+70-75), and 5yr floating rated bond at SOFR+82. NOMURA priced NC5.5 Perp at par to yield 7% (IPT at 7.75%), 5yr bond at T+105 (IPT at T+130-135), 10yr bond at T+120 (IPT at T+150-155). See comments below. In KR, DAESEC/DFHOLD 26-29s widened 1-2bps. LGENSO 30-35s were unchanged to 4bps tighter. In Chinese IGs, TENCNT/MEITUA 28-30s closed unchanged to 6bp tighter amid two way flows. In financials, CFAMCI/ORIEAS 27-29s were unchanged to 2bps wider on small selling. BBLTB 34-40s were 2-6bps tighter despite some profit taking flows. In insurance papers, the recent new SHIKON 35 closed 1bp wider. CATLIF/NSINTW 33-34s were unchanged to 5bps tighter. MYLIFE/NIPLIF 55s were up 0.2-0.3pt. Meanwhile in HK, BNKEA 27s/32s tightened 1-5bps. HKAAM/MTRC widened 1-3bps on profit taking. MTRC Perps were 0.2pt higher. NDPAPE Perp/PCGIHD 26 were down 0.3-0.4pt. In Chinese properties, ROADKG Perps/28-30s were 0.6pt lower to 0.1pt higher. ROADKG Perps and 28-30s closed 0.9-1.6pts lower and 5.4-11.2pts lower respectively, post the launch of consent solicitation on ROADKG 28-30s for capitalizing cash coupon through PIK. See our comments on [23 Jun '25](#). VNKRL 27-29s rose another 1.2-1.5pts and closed 1.7-2.0pts higher WTD. LNGFOR 27-32s were up 0.2-0.5pt. Outside properties, WESCHI 26 rose 1.2pts and closed 3.2pts higher WTD. Media reported West China is in active

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talks to sell its cement plants in Xin Jiang Province for around RMB1.5bn (cUSD208.7mn) and expects to close the transactions in 2H25. HONGQI 28-30s were 0.1-0.2pt higher post its 1H25 positive profit alert. EHICAR 26s rose 0.9pt, EHICAR 27s lowered 0.4pt. In SE Asia, VEDLN 28-33s were 0.5-1.3pts higher. See our comments on its FY25 earnings on [24 Jun '25](#). Adani complex bonds were up 0.2-0.4pt.

In SOE perps and LGFVs, SPICPE/SPICPD Perps were unchanged. There were two way interests on CNH names such as CQXHUC 7.5 26s/LUOCHU 8 26s and USD names such as NCCIVG 6.5 28s/SICHUI 7 28s/TAJKGP 6.5 28s.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	70.4	1.5	ROADKG 7 PERP	12.5	-0.6
VEDLN 9.85 04/24/33	96.2	1.3	NDPAPE 14 PERP	101.8	-0.4
WESCHI 4.95 07/08/26	82.6	1.2	EHICAR 12 09/26/27	65.8	-0.4
VNKRLE 3.975 11/09/27	78.6	1.2	PCGIHD 4 1/2 08/23/26	97.2	-0.3
PRUFIN 3 5/8 03/24/32	93.6	0.9	ROADKG 7 3/4 PERP	13.1	-0.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.11%), Dow (+1.19%) and Nasdaq (+1.43%) were higher on Tuesday. Ceasefire appears to hold between Iran and Israel. Powell reiterated his view that rate cuts can wait until the economic effects of tariff increases are better known. US Jun'25 CB Consumer Confidence was 93.0, lower than the market expectation of 99.4. UST yield was lower on Tuesday, 2/5/10/30 yield at 3.75%/3.86%/4.30%/4.83%.

❖ Desk Analyst Comments 分析员市场观点

➤ **NOMURA: Initiate buy recommendation on the NOMURA 7 Perp**

Yesterday, Nomura priced USD1bn PerpNC5.5 AT1 bonds at 7.0%, USD750mn 5yr senior bonds at 4.904%, and USD500mn 10yr senior bonds at 5.491%. The AT1, NOMURA 7 Perp (Ba3/-/BB), tightened 75bps from IPT of 7.75%. At 101.3, NOMURA 7 Perp rose 1.3pt from RO at par this morning, and trading at YTC of 6.7%. We initiate buy recommendation on the NOMURA 7 Perp for its higher yield and better trading liquidity in the Asian AT1 universe and better risk-return profile within the NOMURA curve.

The coupon of NOMURA 7 Perp will be reset on 15 Jan'31 to 5yrUST+3.084% if it will not be called. The distribution of NOMURA 7 Perp is non-cumulative. The distribution can be cancelled at the sole discretion of Nomura (optional distribution cancellation) or due to insufficient distributable amounts as calculated and defined under Japanese Companies Act (mandatory distribution cancellation).

The principal amount of NOMURA 7 Perp could be written down in full when a non-viability or bankruptcy event occurs, or it could be written down automatically when Nomura publicly announces that its consolidated CET1 ratio has fallen below 5.125% (going concern capital ratio event). The principal that was previously written down may be written-up when Nomura obtains prior confirmation from FSA that its consolidated CET 1 ratio will remain at sufficiently high level after write-up (principal write-up).

NOMURA 7 Perp may be redeemed at Nomura's option, in whole but not in part and subject to prior confirmation of FSA, on (i) each of any date in the six-month period preceding (and including) first reset date and (ii) any date in six-month period preceding (and including) each reset date at par.

There is dividend stopper clause, such that if Nomura determines to cancel interest payment on perpetual subordinated debt securities (in whole or in part) in its sole discretion, Nomura should not (i) make payment of cash dividend on shares of common stock or other classes of shares qualifying as AT1 capital, excluding AT1 senior dividend preferred shares, or (ii) make payment of cash dividend on AT1 senior dividend preferred shares in excess of product of one-half of amount of preferred cash dividend on such shares and ratio determined by interest on perpetual subordinated debt securities. Additionally, the proportion of amount canceled in respect of interest or dividends on any AT1 liabilities matches proportion canceled in respect of interest on perpetual subordinated debt securities. Nomura Holdings has been paying dividend regular since Dec 1987 (the earliest date we can stretch back).

Nomura reported strong operating performance in FY25, with record high of net income of JPY340.7bn representing 105% yoy increase from that of FY24. The growth was driven by higher net revenues from all three segments, i.e. wealth management, investment management and wholesale as well as cost control initiatives. ROE improved to 10.0% in FY25 from 5.1% in FY24. As of Dec'24, Nomura had ample capital buffer with CET 1 ratio at 16.4%, higher than the regulatory minimum requirement of 7.7% (incl. bank-specific requirements). We view the chance of the NOMURA 7 Perp to be written down due to non-viability or going concern is low in the near-term.

Table 1: Nomura's o/s USD bonds and perps

Security name	ISIN	Amt O/s (USDmn)	Coupon	Ask px	Ask YTM/YTC
NOMURA 7 PERP	US65535HCC16	1,000	7.00%	101.4	6.7%
NOMURA 0 05/19/47	XS1608395973	190	0.00%	100	6.3%
NOMURA 0 06/30/47	XS1633048993	200	0.00%	100	6.1%
NOMURA 0 12/08/47	XS1726149658	170	0.00%	100	5.9%
NOMURA 0 09/20/47	XS1678463198	150	0.00%	100	5.8%
NOMURA 5.491 06/29/35	US65535HCB33	500	5.49%	100.3	5.4%
NOMURA 5.783 07/03/34	US65535HBV06	1,000	5.78%	103.1	5.3%
NOMURA Float 07/02/27	US65535HBQ11	500	5.59%	100.6	5.2%
NOMURA 6.087 07/12/33	US65535HBP38	600	6.09%	105.7	5.2%
NOMURA 6.181 01/18/33	US65535HBK41	750	6.18%	106.1	5.2%
NOMURA 2.999 01/22/32	US65535HBA68	750	3.00%	88	5.2%
NOMURA 4.904 07/01/30	US65535HBZ10	750	4.90%	100.1	4.9%
NOMURA 2.608 07/14/31	US65535HAX70	1,000	2.61%	88	4.9%
NOMURA 2.679 07/16/30	US65535HAS85	1,000	2.68%	90.4	4.8%
NOMURA 3.103 01/16/30	US65535HAQ20	1,500	3.10%	93.2	4.8%
NOMURA 5.605 07/06/29	US65535HBC25	600	5.61%	103.2	4.7%
NOMURA 2.71 01/22/29	US65535HBB42	500	2.71%	93.4	4.7%
NOMURA 5.594 07/02/27	US65535HBR93	500	5.59%	101.9	4.6%
NOMURA 6.07 07/12/28	US65535HBM07	900	6.07%	104.2	4.6%
NOMURA 5.709 01/09/26	US65535HBG39	600	5.71%	100.6	4.6%
NOMURA 5.842 01/18/28	US65535HBH12	550	5.84%	103	4.6%
NOMURA 5.099 07/03/25	US65535HBE80	800	5.10%	100	4.6%
NOMURA 5.386 07/06/27	US65535HBF55	500	5.39%	101.5	4.6%
NOMURA 2.329 01/22/27	US65535HAZ29	1,250	2.33%	96.6	4.6%
NOMURA 2.172 07/14/28	US65535HAY53	1,000	2.17%	93.2	4.6%
NOMURA 1.653 07/14/26	US65535HAW97	1,250	1.65%	97	4.6%
NOMURA 1.851 07/16/25	US65535HAR03	1,500	1.85%	99.8	4.6%
NOMURA 0 01/25/42	XS2430279187	125	0.00%	100	4.1%
NOMURA 0 12/15/67	US65538XAE13	249	0.00%	N/A	N/A

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Development Bank	500	3yr	SOFR+30	SOFR+30	A1/-/-
	1000/	PerpNC5.5/	7.0%/	7.0%/	Ba3/-/BB
Nomura	750/	5yr/	4.904%/	T+105/	Baa1/-/BBB+
	500	10yr	5.491%	T+120	Baa1/-/BBB+
Republic of Kazakhstan	1350/	7yr/	5.0%/	5.0%/	Baa1/BBB-/BBB
	1150	12yr	5.5%	5.5%	
Toyota Motor Corp	500/	2yr/	4.186%/	T+38/	
	500/	5yr/	4.45%/	T+60/	A1/A+/-
	500	10yr	5.053%	T+77	
Turkiye Garanti Bankasi As	500	10.5NC5.5	8.125%	8.25%	B2/-/B+
	750/	5yr/	4.354%/	T+50/	
Westpac Banking Corporation	750	5yr	SOFR+82	SOFR+82	Aa2/AA-/-
Zhengzhou Urban Construction Investment Group	350	3yr	4.9%	4.9%	-/-/BBB+

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Honda Motor	USD	-	3yr/ 5yr/ 10yr	T+90/ T+105/ T+125	A3/A-/-
Jinan Hi-tech Holding Group	USD	-	3yr	5.3%	-/-/BBB

➤ **News and market color**

- Regarding onshore primary issuances, there were 159 credit bonds issued yesterday with an amount of RMB104bn. As for month-to-date, 1,806 credit bonds were issued with a total amount of RMB1,697bn raised, representing a 16.7% yoy increase
- Chinese authorities announced a 19-point plan to boost financial support to spur consumer spending
- **[FRESHK]** USD125.2mn of FRESHK 2.5 07/08/25 were converted into shares and canceled, USD77.5mn remains outstanding. The conversion added 187mn shares to Far East Horizon, or 4.3% of its total issued share capital as of 31 May'25
- **[GARUDA]** Garuda Indonesia secures IDR6.7tn (cUSD405mn) capital injection from state fund Danantara
- **[HYUELE]** SK Hynix weighs new back-end production facility amid rising chip demand
- **[PKX]** POSCO speeds up disposals of overseas non-core assets to focus on higher-growth businesses such as battery materials
- **[SUNAC]** Sunac says holders of 75% of existing debt accede to the RSA

- **[WESCHI]** Media reported West China Cement is looking to divest four plants in Xinjiang with book value of assets totaled RMB1.5-2bn (cUSD209-278mn); Xinjiang asset sale is ongoing and completion expected in 2H25
- **[VEDLN]** Media reported Vedanta Resources obtains 4-year amortizing loan up to USD600mn at SOFR+450bps to refinance its high-cost private credit facility, encumbered its entire stake in Vedanta Limited under the agreement

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