CMB INTERNATIONAL 招銀国际

Fixed Income
Credit Commentary

27 Oct 2025

CMBI Credit Commentary

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

- *Asia IG space was 2-5bps tighter this morning. TW lifers were 3-5bps tighter. MEITUAs were 2-3bps wider post multi-tranches USD and dim sum issuance mandate. We saw better buying on JP/EU AT1s. Moody's revised France's outlook to negative from stable, affirmed Aa3 rating. FAEACO 12.814 Perp was 1.3pts higher. GLPSP 28/Perps were 0.7-1.0pt higher.*
- ***LASUDE:** FY25 net loss narrowed; near-term refinancing pressure remains. LASUDE 26 was 0.4pt higher this morning. See below.*
- ***HSBC:** HSBC Holdings will recognize a provision of USD1.1bn in its consolidated financial results for 3Q25, c15bps impact on the group's CET1 capital ratio. HSBCs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

The macro tone was largely cautious ahead of US CPI last Friday. The new GLPCHI 29 was 0.4pt lower while GLPCHI 26 was unchanged. GLPSP 28/Perps were 0.2-0.5pt higher. GLP China privately placed USD300mn to refinance GLPCHI 26. See our comment on 24 Oct'25. In China, MEITUA 28-30s were 5-7bps tighter. This morning, Meituan mandated multi-tranches USD 144A/Reg S and dim sum Reg S issuance. MINMET 26s were unchanged. China Minmetals put forward HKD1 per share privatization proposal for Minmetals Land, maximum cash consideration is HKD1.3bn (cUSD164mn). In financials, Japanese insurance hybrids edged 0.1-0.3pt higher amid better buying from PBs against thin offer liquidity. Yankee AT1s were better offered from London. In properties, FTLNHDs 26-27/FUTLAN 28 were 0.1pt higher. See our comment Seazen's USD50mn retap on FUTLAN 28 on 24 Oct'25. LASUDE 26 was 0.5pt higher. Last Friday evening, Lai Sun Development announced lower net losses at HKD2.9bn in FY25, down from HKD3.7bn in FY24. See comments below. On the other hand, NWDEVL Perps were 1.0-1.2pts lower and NWDEVL 27-31 were 0.1-0.6pt lower. VNKRLE 29 was 0.3pt higher while VNKRLE 27 was 0.2pt lower. In SEA, BIMLVN 26/VLLPM 29 were 1.2-1.7pts higher. VEDLN 29-33s were 0.1-0.3pt higher.

In LGFVs, we saw two-way flows in higher-yielding issues and skewed to better selling. CDECST 27 was 0.4pt higher. In non-LGFV CNH, we saw some selling in high-grade issues in the long end from RM ahead of the potential Xi-Trump meeting, yet these quality bonds were still very well bid.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
BIMLVN 7 3/8 05/07/26	**93.9**	**1.7**	NWDEVL 4.8 PERP	**38.3**	**-1.2**
VLLPM 9 3/8 07/29/29	**62.0**	**1.2**	NWDEVL 4 1/8 PERP	**39.9**	**-1.2**
TOPTB 4 7/8 01/23/43	**90.0**	**0.8**	NWDEVL 5 1/4 PERP	**45.0**	**-1.1**
ANGSJ 6 1/2 04/15/40	**107.0**	**0.6**	NWDEVL 10.131 PERP	**54.0**	**-1.0**
KIOXIA 6 5/8 07/24/33	**104.3**	**0.6**	NWDEVL 6 1/4 PERP	**38.7**	**-1.0**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.79%), Dow (+1.01%) and Nasdaq (+1.15%) were higher on last Friday. US Sep'25 CPI was +0.3% mom/+3.0% yoy, lower than the market expectation of +0.4% mom/+3.1% yoy. 10/30yr UST yield was higher while 2/5yr UST yield was unchanged on last Friday. 2/5/10/30 yield was at 3.48%/3.61%/4.02%/4.59%.

❖ Desk Analyst Comments 分析员市场观点

➢ LASUDE: FY25 net loss narrowed; near-term refinancing pressure remains

Lai Sun reported lower net losses of HKD2.9bn in FY25 (ended 31 Jul'25) from HKD3.7bn in FY24. The lower net losses were driven by lower asset impairment charges and fair value losses on IPs, alongside with lower finance costs. The cost control measures helped bring admin expenses down 5% and other opex down 39.4%, delivering total savings of HKD667mn compared to FY24. These improvements were partially offset by weaker property sales (down 42% yoy to HKD885mn) and lower contribution from film and TV program (down 86% yoy to HKD47mn), and a 42% yoy increase in share of losses of JVs to HKD1.1bn.

Despite improved financial results and progresses in refinancing YTD, we view Lai Sun's near-term refinancing pressure remains elevated. As of Jul'25, its short-term debts stood at HKD14.8bn compared to cash and bank balances of HKD4.2bn, resulting in a net current liability position. The HKD14.8bn short-term debts comprised 70% bank borrowings, 26% USD bond LASUDE 5 07/28/26 of USD493mn, and 4% other borrowings and lease liabilities. In Sep'25, Lai Sun refinanced HKD3.1bn (c30% of short-term bank borrowings) as part of HKD3.5bn 5-year syndicated loan secured on Cheung Sha Wan Plaza. Lai Sun still faces HKD7.3bn of bank borrowings maturing within nine months, with LASUDE 26 due in Jul'26.

Management is pursuing asset disposals to improve liquidity and meet debts obligations. Lai Sun targets HKD8bn of asset disposals over the next two years as announced in its 1H25 interim report ending 31 Jan'25. Since 1 Feb'25, Lai Sun has sold non-core assets totaled HKD2.2bn and is currently in advanced discussions for further disposals with estimated proceeds of HKD4.5bn. However, weak Hong Kong property market conditions, i.e. elevated office vacancies and subdued transaction volumes, could weigh on the timing of asset sales and asset values. In our view, further asset disposals and property sales are the keys for the refinancing of LASUDE 26. At 66.4, LASUDE 26 is trading at 70.0% YTW, we view the current valuation priced in a potential consensual LME with partial upfront repayment and a maturity extension.

➢ 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)
Korea East-West Power Co	USD	-	5.5yr	T+85	Aa2/-/AA-

➢ **News and market color**

- Regarding onshore primary issuances, there were 156 credit bonds issued on last Friday with an amount of RMB103bn. As for month-to-date, 1,415 credit bonds were issued with a total amount of RMB1,309bn raised, representing a 21.5% yoy increase

- Danantara will renegotiate terms with China Development Bank CDB over state firms' debts in the high-speed rail project

- **[BARC]** Barclays Plc proposes to issue SGD AT1 PerpNCDec'31 with IPT at 5.0%

- **[FOSUNI]** Peak Reinsurance mandates PerpNC5.25 Reg S USD bond

- **[FRIDPT]** Freeport Indonesia 9M25 copper production falls 29.5% yoy to 966mn pounds, gold production down 38.9% yoy to 876k

- **[GLPCHI]** Media reported the sole lead of GLP China's GLPCHI 7.75 04/30/29 private placement approached some of the holders of GLPCHI 2.95 03/29/26 with an exchange offer

- **[HSBC]** HSBC Holdings will recognize a provision of USD1.1bn in its consolidated financial results for 3Q25, an around 15bps impact on the group's CET1 capital ratio

- **[JSTLIN]** JSW Steel plans to establish scrap processing facility in southern India

- **[LASUDE]** Lai Sun auditor doubts group's ability to continue as going concern due to high current liabilities

- **[MEITUA]** Meituan proposed issue of USD and CNY denominated senior bonds, primarily for refinancing of existing offshore debts and other general corporate purposes

- **[SMCPM]** San Miguel raises PHP48.8bn from preferred shares, exchange offer

- **[SOFTBK]** SoftBank Group approved a USD22.5bn investment in US AI giant OpenAI

- **[XIAOMI]** Xiaomi hikes prices of latest smartphones as costs of memory chips surge

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