

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 MIZUHO Float 31 widened 2bps after tightening 10bps from RO on last Friday. ANZ 34-40s were unchanged to 4bps tighter. LASUDE 26 lowered 1.9pts. NWDEVL 30 was up 0.8pt.*
- **SOBKCO:** *FV of the new SOBKCO 30 and SOBKCO 35 to be T+110/T+130, vs. IPT of T+120/T+140, respectively. See below.*
- **FAEACO:** *Far East Consortium terminates Heads of Agreement relating to asset swap with Star Entertainment. Star Entertainment is willing to continue the negotiations despite the termination notice. FAEACO 12.814 Perp lowered 1.3pts this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, in HK, NWDEVL Perps/27-31s were up 0.2-1.7pts, closed 0.4-2.5pts higher WoW. Media reported NWD has secured written commitments from all banks for the HKD87.5bn (cUSD11.1bn) loan refinancing. FAEACO Perp lowered 3.1pts, closed 6.1pts lower WoW. FEC did not recommend a final dividend without providing details on the timing of the call of FAEACO Perp during the earnings call. The recent new MTRC Peps were up 0.1-0.3pt. In Chinese IGs, HAOHUA/TENCNT 28-29s and ZHOSHK 28s were unchanged to 8bps tighter on onshore clients buying. China and the US have further confirmed details of a trade framework. In JP, the new MIZUHO Float 31 tightened 10bps, while MIZUHO 4.711 31/MIZUHO 5.323 36 widened 2-3bps from ROs. The new TACHEM 5.2 35/TACHEM 5.9 55 widened 2-3bps from ROs. Meanwhile in financials, BBLTB 34-40s were 1-3bps wider. In insurance papers, NSINTW/SHIKON 34-35s were 2-3bps wider. MYLIFE/NIPLIF 51-55s and FUKOKU/SUMILF Perp were under better buying from RMs/PBs and closed 0.1-0.5pt higher. In AT1s, BNP 8/HSBC 7.05/BACR 4.375 Perps were up 0.2-0.4pt. In Chinese properties, VNKRL 27-29s were up 0.4-0.7pt, closed 3.8-4.9pts higher WoW. LNGFOR were up 0.1-0.5pt despite Fitch's one notch downgrade to BB-, closed 1.1-1.5pts higher WoW. On the other hand, ROADKG Perps/27-31s were up 0.1-0.4pt. ROADKG 28-30s and Perps were 6.0-9.7pts lower and 0.8-1.1pts lower WoW, respectively. SHUION 26 was down 0.2pt. Last Fri night, media reported that Shui On was looking to transfer its interests in two project companies to a fund jointly held with a state-owned insurer. Outside properties, WESCHI 26 rose another 1.0pt, closed 8.0pts higher WoW.

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EHICAR 26 lowered 0.8pt. In SE Asia, VEDLN 28-33s were up 0.4-0.8pt, closed 2.0-3.6pts higher WoW. See our comments on VRL's USD600mn facility on [27 Jun '25](#). Adani complex bonds were up 0.1-0.5pt. VLLPM 27-29s were down 0.4pt.

In LGFVs, there were solid demand from RMs despite profit taking from FMs on higher yielding names. The CNH CDTFDG 7.3 27s/SROUHG 6 28s/QINLID 5.9 28s closed unchanged amid two way flows. CPDEV 26-28s were unchanged to 0.1pt higher following the launch of tender offer for all of the o/s USD188.2mn CPDEV 4.65 26 and concurrent solicitation. In SOE perps, SPICPE/SPICPD Perps were up 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3.975 11/09/27	81.1	2.7	ROADKG 6.7 03/30/28	26.6	-3.0
WESCHI 4.95 07/08/26	86.5	2.0	ROADKG 5.9 09/05/28	25.8	-2.8
LIHHK 4.8 06/18/26	86.2	1.5	ROADKG 5.2 07/12/29	25.1	-2.5
VNKRLE 3 1/2 11/12/29	71.7	1.5	ROADKG 5 1/8 01/26/30	25.0	-1.7
PCGIHD 4 1/2 08/23/26	97.7	0.7	ROADKG 6 03/04/29	25.9	-1.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.52%), Dow (+1.00%) and Nasdaq (+0.52%) were higher on last Friday. US May'25 Core PCE Price Index was +2.7% yoy/+0.2% mom, higher than the market expectation of +2.6% yoy/+0.1% mom, respectively. UST yield was higher on last Friday, 2/5/10/30 yield at 3.73%/3.83%/4.29%/4.85%.

❖ Desk Analyst Comments 分析员市场观点

➤ SOBKCO: FV of the new SOBKCO 30 and SOBKCO 35 to be T+110/T+130, vs. IPT of T+120/T+140, respectively

SoftBank Corp proposes to issue 5yr and 10yr USD bonds (M/S/F: -/BBB/BBB+). We view the FV of the new SOBKCO 30 and SOBKCO 35 to be T+110/T+130, vs. IPT of T+120/T+140, respectively, compared to other similarly rated peers plus new issue premium. See Table 1. SoftBank Corp plans to diversify investor base from the proposed USD bonds issuance, and the use of proceeds will be for general corporate purposes. The controlling shareholder of SoftBank Corp is SoftBank Group (SBG, S&P: BB+) with 40.3% voting rights. SoftBank Corp did not provide any financial support to SBG, which is prohibited according to SoftBank Corp's bank loans covenants.

Table 1: SoftBank Corp's peers

Security name	ISIN	Px	YTM	T-spread (bps)	Issue rating (M/S/F)
NOMURA 4.904 07/01/30	US65535HBZ10	100.1	4.9%	105	Baa1/BBB+/-
NOMURA 5.491 06/29/35	US65535HCB33	100.3	5.5%	120	Baa1/BBB+/-
MIZUHO 4.711 07/08/31	US60687YDL02	99.8	4.7%	92	-/A-/-
MIZUHO 5.323 07/08/36	US60687YDM84	99.7	5.4%	107	-/A-/-

Source: Bloomberg.

SoftBank Corp is an operating company engaging in telecom and IT businesses. In FY25, SoftBank Corp generated JPY6.5tn revenue and JPY1.8tn adjusted EBITDA. 45% of its revenue came from consumer mobile communication and trading and supply of electric power, followed by 25% from commerce and advertising related services, 14% from enterprises communication services, 11% from distribution of ICT and cloud services, 4% from financial and payment services.

SoftBank Corp ranked the 3rd after NTT and KDDI in Japan in terms of smartphone subscribers with 29% market shares. SoftBank Corp's LINE app is the No.1 in Japan in terms of use rate of social media application with 98mn monthly active users in Japan, while its Yahoo! JAPAN is one of the largest total digital reach in Japan. It is also ranked No.1 in Japan in QR code GMV payment with 64% market shares. In FY25, SoftBank generated JPY1.4tn operating cash flow which was sufficient to cover the capex of JPY744bn. As of Mar'25, SoftBank Corp had cash and cash equivalent of JPY1.4tn, and total debts of JPY6.0tn which included JPY1.0tn domestic senior unsecured bonds carry an interest rate ranging at 0.24%-1.81%. As of Mar'25, SoftBank Corp's adjusted EBITDA/ adjusted net debts was 2.6x, and it aims to maintain the ratio in the mid-2x range in the medium term.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Longnan Tourism Development and Investment	94.8	35M	6.3%	6.3%	Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Softbank	USD	-	5yr/ 10yr 6NC5/ 6NC5/	T+120/ T+140 T+110-115/ SOFR Equiv/	-/BBB/BBB+ A1/A-/A-/ A1/A-/A-/ A1/A-/A-/ A1/A-/A-/ A2/BBB+/-
Sumitomo Mitsui Financial Group	USD	-	8NC7/ 11NC10/ 21NC20	T+125/ T+130/ T+130	A1/A-/A-/ A1/A-/A-/ A1/A-/A-/ A2/BBB+/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 109 credit bonds issued last Friday with an amount of RMB52bn. As for month-to-date, 2,149 credit bonds were issued with a total amount of RMB1,984bn raised, representing a 18.3% yoy increase
- China revises competition law to curb price wars across industries
- **[AGILE]** Agile Group's residential site in Hong Kong foreclosed, sold for HKD1.2bn (cUSD153mn), 60% below the original acquisition price
- **[BABA]** Alibaba trims number of partners by a third as it prioritizes core businesses
- **[DELMPI]** Del Monte Pacific delays release of FY25 earnings to 31 Jul'25
- **[EMPINT]** Emperor International in talks with banks on financial restructuring as overdue borrowings hit HKD16.6bn
- **[FTHDGR]** Fantasia RSA long stop date further extended to 3 Jul'25

- **[GARUDA]** Garuda Indonesia to receive up to USD1.6bn from Danantara in phases till 2028
- **[GLPCHI]** GLP China announces HKD20bn MTN programme
- **[KAISAG]** Kaisa extends longstop dates of offshore debt restructuring scheme to 30 Sep'25
- **[SWIRE]** Swire Properties sells assets in US for USD549mn to help repay debt
- **[SHUION]** Shui On to transfer two project companies to fund jointly held with state-owned insurer at USD494mn

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