

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

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- *The new SHIKON 35/HYNMTR Float 30 were unchanged this morning. The new MTR Perps were unchanged to 0.1pt higher. CATLIF 34 widened 2bps. The new CNH CCAMCL 2.58 28 was 0.6pt higher from RO at par.*
- **INCLN:** *Higher operating capacities and external sales supported FY25 adjusted EBITDA growth. Maintain buy on INCLN 4.5 04/18/27. See below.*
- **VEDLN:** *Vedanta Ltd sold 1.6% stake in Hindustan Zinc for INR30.3bn (cUSD351mn). VEDLN 28-30s up 0.1-0.2pt yesterday and were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new MTRC 4.875/5.625 Perps were unchanged to 0.1pt lower. The new SHIKON 35 widened 6bps from RO (T+265) amid mixed flows following Fubon Life announced to host investor meeting next week. See our comments on [17 Jun '25](#). Other TW lifers such as CATLIF/NSINTW 33-34s were unchanged to 3bps tighter amid mixed flows. The new HYNMTR Float 27 tightened 5bps, while the new HYNMTR 27/28/30/32 were unchanged to 2bps tighter from ROs. The old HYNMTR Float 30 tightened 2bps. HYUELE 27-33s were unchanged to 2bps wider. In Chinese IGs, BABA/TENCNT 27-35s were 1-2bps wider. In financials, CCAMCL priced a CNH2.8bn 3yr bond at 2.58%. CCAMCL 26-30s closed unchanged in spreads. In AT1s, BARC/LLOYDS Perps were up 0.1-0.4pt. In insurance hybrids, NIPLIF/MYLIFE 55s were 0.1-0.3pt higher. In HK, PCPDC 26 rose 0.7pt. NWDEVL Perps/27-31s were 0.1pt lower to 0.3pt higher. LIFUNG Perp was down 0.2pt. Media reported that Li & Fung would explore potential bond offering. In Chinese properties, GRNCH 28s/CHIOLI 28-42s were up 0.2pt. Outside properties, EHICAR 26-27s were 0.4pt lower. In SE Asia, VLLPM 27s and 28s lowered 0.4pt and 1.9pts respectively. Vista Land announced that it obtained shareholder's loan to repay the PHP10bn (cUSD175mn) retail bonds due 18 Jun'25. UPLLIN 28-30s were down 0.1-0.3pt. VEDLN 28-33s were up 0.1-0.2pt amid media reported Vedanta sold its 1.6% stake in Hindustan Zinc stake sale for INR30.3bn (cUSD351mn).

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In LGFVs, the higher yielding names remained sought after by RMs thanks to optimism on policy prospects following Deputy PBOC governor announced China will expand QDII quotas to meet the needs of domestic entities for overseas investment. The yields of CNH LGFVs with enhancement by onshore-AAA guarantors further tightened towards high-6%. There were also two way interests on CNH names such as HBPUAO 6.8 26s/BNHAST 6.9 28s. In SOE perps, SPICPD 4.95 Perp was up 0.1pt, CHPWCN 4.65 Perp was down 0.3pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PCPDC 5 1/8 06/18/26	93.8	0.7	VLLPM 9 3/8 07/29/29	70.2	-1.9
NWDEVL 5 7/8 06/16/27	65.5	0.3	GRNLGR 6.9 02/12/29	26.7	-1.2
PERTIJ 6 1/2 05/27/41	103.0	0.3	GRNLGR 7 1/8 04/22/29	26.7	-1.2
RILIN 3 3/4 01/12/62	65.7	0.2	AGILE 15.124 PERP	3.7	-0.5
GRNCH 8.45 02/24/28	100.7	0.2	VLLPM 7 1/4 07/20/27	78.1	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.03%), Dow (-0.10%) and Nasdaq (+0.13%) were mixed on Wednesday. US Fed kept the benchmark interest rate unchanged. The latest initial jobless claims was +245k, lower than the market expectation of +246k. UST yield was lower on Wednesday, 2/5/10/30 yield at 3.94%/3.98%/4.38%/4.88%.

❖ Desk Analyst Comments 分析员市场观点

➤ INCLLEN: Higher operating capacity and external sales supported FY25 adjusted EBITDA growth

In FY25, ReNew Energy (RNW) recorded 19% yoy increase in revenue and 14% yoy increase in adjusted EBITDA. The higher operational capacity was partly offset by lower plant load factor (PLF). RNW's operational capacity increased to 11.2GW in FY25, 17% yoy higher than in FY24. However, the PLF for wind assets in FY25 dropped by 2 pct pts from FY24 to 24.4% as India was impacted by significantly lower wind speed during 3QFY25. That said, PLFs of RNW were still higher than the India's average in every quarter of FY25. The PLF for solar assets down by 1 pct pt from FY24 to 23.6%.

Table 1: Financial and operational highlights

INRmn	FY24	FY25	Change
Revenue	81,319	97,063	19%
Adjusted EBITDA	69,216	79,188	14%
Profit before tax	8,142	10,034	23%
Operating cash flow	68,931	69,223	-
Capex	153,839	95,318	-38%
Cashflow to equity	13,665	14,869	9%
Plant load factor			
Wind	26.4%	24.4%	-2 pct pts
Solar	24.6%	23.6%	-1 pct pt
INRmn	Mar'24	Mar'25	Change
Cash and bank balances	77,727	80,518	4%
Total debts	658,618	737,682	12%
Net debts	580,891	657,164	13%

Net debt/EBITDA	8.4x	8.3x	-
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Source: Company filling, CMBI FICC Research.

RNW revised the FY25 guidance in 4QFY25 to reflect the impact of less favorable weather condition. RNW's FY25 adjusted EBITDA and cashflow to equity (CFe) both exceeded the original and revised guidance. See Table 2. We view the better-than-revised guidance FY25 results was partly driven by higher external sales during 4QFY25. In FY25, RNW generated INR4.2bn adjusted EBITDA from external sales in which INR3.6bn was generated during 4QFY25. RNW had expanded its solar manufacturing facilities during FY25. As of Mar'25, RNW had 6.4GW of solar module manufacturing and 2.5GW of cell manufacturing. While RNW is expanding its manufacturing capacities with current external order book of 1.4GWs, we expect the revenue from external sales continue to increase in FY26.

In FY26, RNW guided adjusted EBITDA at INR87-93bn (incl. INR1-2bn from asset sales and INR5-7bn from external sales) and CFe at INR14-17bn. These are to be driven by 1.6-2.4GWs of projects to be completed by FY26. RNW expects FY26 weather and resource availability being similar to FY25.

Table 2: Financial guidance

INRbn	Adjusted EBITDA	CFe
FY25 Original guidance	76-82bn	12-14bn
FY25 Revised guidance	74-78bn	11-13bn
FY25 actual	79.2bn	14.9bn
FY26	87-93bn	14-17bn

Source: Company filling.

RNW had cash and bank balances of INR81bn as of Mar'25, 4% higher than the level as of Mar'24, mainly driven by 38% lower in capex during FY25. RNW plans to partly fund its capex by capital recycling. In last six months, RNW raised cUSD260mn (cINR22.5bn) through assets monetization. RNW's net debts increased 13% to INR657bn, the net debt/EBITDA down slightly to 8.3x with higher EBITDA. We take comfort with RNW's good access to various funding channels, asset monetization and limited near-term refinancing pressure.

The next USD bond maturity of RNW will be RNW 7.95 07/28/26 (o/s amt of USD525mn) due Jul'26. As per RNW, it may consider to refinance the Holdco level bonds in the USD bond market, subject to the market condition, while it may consider to refinance the RG level bonds when they obtain lower refinancing rate onshore. RNW continued to tap on onshore market to refinance in FY25. RNW's FY25 average financing cost was 9.12%, slightly down from FY24's 9.15%. During FY25, RNW saved 40-70bps of interest rate for cUSD600mn refinanced/ re-negotiated, mainly benefited from the Reserve Bank of India reduced repo rates by 100bps in the past six months. RNW expects the impact from recent 50bps cut to flow through in FY26, and that should help to lower RNW's average financing cost further from the FY25's level.

Recalled that a consortium comprises of two-third of RNW's shareholders submitted a non-binding offer to take the company private at USD7.07 per share on 11 Dec'24. The consortium includes the founder and CEO of RNW, Masdar (the state-owned UAE renewable energy company), CPPIB, and the ADIA. We understand that the discussions with the consortium are still on-going. We expect RNW to continue to release the financial reports timely to bondholders as per bond covenants even if it is privatized. We also expect RNW to maintain its good access to different onshore and offshore funding channels, supported by its recurring cash flow and its operating profile as the third largest renewable company by installed capacity in India.

Within RNW complex, we maintain buy on INCLN 4.5 04/18/27 for its better risk-return profile despite higher subordination risk. All the 5 o/s USD bonds of the RNW complex are rated at Ba3/BB by Moody's/Fitch despite the security structures vary. At 96.2, INCLN 4.5 04/18/27 is trading at YTM of 6.8%.

Table 3: Bond profiles of RNW

Security name	Amt o/s (USD mn)	Ask px	Ask YTM	Mod duration	Security structure	Issue rating (M/S/F)
RNW 7.95 07/28/26	525	101.2	5.9%	0.6	Asset backed Holdco issuance	Ba3/-/BB-
INGPHL 4 02/22/27	429	96.7	6.2%	1.5	Restricted Group issuance	Ba3/-/BB-
RPVIN 5 ¾ 03/05/27	270	99.5	6.2%	1.6	Asset backed Holdco issuance	Ba3/-/BB-
INCLN 4 ½ 04/18/27	400	96.2	6.8%	1.7	Holdco issuance	Ba3/-/BB-
RPVIN 4 ½ 07/14/28	585	95.0	6.3%	2.7	Restricted Group issuance	Ba3/-/BB-

Source: Company filling, CMBI FICC Research.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Sichuan Xinyao Industrial Integration Indust Investment & Development	103	3yr	6.9%	6.9%	Unrated
Yixin Innovation Technology Company	55	3yr	5.99%	5.99%	Unrated

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

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

➤ **News and market color**

- Regarding onshore primary issuances, there were 127 credit bonds issued yesterday with an amount of RMB85bn. As for month-to-date, 1,230 credit bonds were issued with a total amount of RMB1,224bn raised, representing a 21% yoy increase
- **[MUMINA]** Fitch upgraded MUMINA 6.6 07/26/29 by one notch to BBB- from BB+ with stable outlook
- **[NWDEVL]** Media reported NWD reaps over HKD4.4bn from sale of Deep Water Pavilia in Hong Kong; reaches agreement with Louis Vuitton to open new megastore at Hong Kong K11 Musea mall

- **[ORIEAS]** Moody's revised the outlook of China Orient AMC to stable from negative; affirm Baa2 rating
- **[QBEAU]** Fitch upgraded QBE Insurance by one notch to A from A-, outlook stable
- **[VEDLN]** Vedanta Ltd sold 1.6% stake in Hindustan Zinc for INR30.3bn (cUSD351mn)

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