

CMBI Credit Commentary

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

- *Asia IG space was quiet this morning. TENCNT/MEITUA 28-30s widened 1-4bps. VNKRL 25-29s were up 0.3-0.7pt. GRNCH 28s up another 0.1pt.*
- **INCLN:** *Revised FY25 adjusted EBITDA and CFe guidance due to weather in 9MFY25. Maintain buy on INCLN 4.5 04/18/27. INCLN 4.5 04/18/27 was up by 0.4pts post result announcement. See below.*
- **NWDEVL:** *Expects to record core operating profit from continuing operations at HKD4.35-4.55bn in 1HFY25, representing 15-19% yoy decrease. The loss attributable to shareholders of the company is expected to be HKD6.6-6.8bn after the non-cash impairment losses and fair value losses in properties. 1HFY25 results will be announced on 28 Feb'25. NWDEVLs moved 0.3-1.3pts lower this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, UST yield tightened 5-8bps. The new WSTPNZ 30s closed 2bps tighter from RO (CT5+60). The recent new issues KANSEL 30s/ORIX 35s/HPHTSP 30s/NAB 36s were unchanged to 2bps wider. In financials, KR/JP papers were firm. DAESEC 5.25 28s tightened 2bps. MIZUHO/SUMIBK Float 30-31s were 1bp tighter. HK T2s were well bid. BNKEA 30-34s tightened 2-5bps. See our comments on its FY24 results on [21 Feb '25](#). NANYAN/DAHSIN/SHCMBK 33-34s were 3-6bps tighter. EU AT1s were firm in light of lower rates. The recent new BACR 7.625/BAERVX 7.5/UBS 7.125 Perps were unchanged to 0.2pt higher under better buying from PBs. BNP 7.375/HSBC 6.95 Perps were also up 0.1-0.2pt. In Chinese IGs, BABA tightened 2-5bps following its stronger-than-expected 3Q25 results. In HK corps, NWDEVL Perps/27-31s rose another 1.3-2.3pts and closed 3.0-11.5pts higher WoW. Last Fri night, NWD announced the profit warning for 1HFY25. See comments below. NANFUN 30s rose 0.5pt, while NANFUN 5 Perp was down 0.5pt. In Chinese properties, SHUION/DALWAN 26s were up 0.4-0.6pt. VNKRL 25-29s were unchanged to 0.2pt higher. Last Fri night, Vanke announced additional shareholder's loan of RMB4.2bn (cUSD 574.2mn) from Shenzhen Metro. The terms of the loan are largely the same as those of the shareholder's loan of RMB2.8bn announced on 10 Feb'25. The secured loans provided so far is small compared with Vanke's public bond maturities and put redemptions over RMB30bn for the rest of 2025. GRNCH 28s rose 0.3pt, GRNCH 25s were 0.1pt higher. This morning, Greentown announced the acceptance of tender offers for its 2 bonds due 2025 totaled USD451.9mn, compared with the issue size of GRNCH 8.45 02/24/28 of USD500mn, and the potential maximum acceptable amount of up to USD600mn. We expect more early redemptions from Greentown. Outside properties, EHICAR 27s were up 0.7pt. In India, ADGREG 42s/ADSEZ 31s were down 0.3pt. Elsewhere, GLPCHI 26s declined 0.5pt.

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The high-single-digit USD LGFVs remained sought after by offshore Chinese accounts. The CNH LGFVs were also firm led by 3%-handle yielding papers. There were two way interests on CNH papers such as CHDOHU 26s/BDSOHG 27s/QDCTJS 28s. In SOE perps, CHCMOU/SPICPT Perps were up 0.1-0.2pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 5 1/4 Perp	36.1	2.3	EXIMCH 4 11/28/47	88.1	-0.8
NWDEVL 4.8 Perp	25.0	1.8	GLPCHI 2.95 03/29/26	93.0	-0.5
NWDEVL 6 1/4 Perp	27.4	1.6	IIFPTN 1 1/2 01/27/26	95.2	-0.5
NWDEVL 4 3/4 01/23/27	74.5	1.6	NANFUN 5 Perp	67.9	-0.5
NWDEVL 6.15 Perp	50.7	1.5	ROADKG 6 03/04/29	40.8	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.71%), Dow (-1.69%) and Nasdaq (-2.20%) were weak on last Friday. US Feb'25 S&P Global manufacturing PMI was 51.6, higher than the market expectation of 51.3; services PMI was 49.7, lower than the market expectation of 53.0. Markets worried softening consumer demand and new tariffs. UST yield retreated on last Friday, 2/5/10/30 yield at 4.19%/4.26%/4.42%/4.67%.

❖ Desk Analyst Comments 分析员市场观点

- **INCLN: Guidance on adjusted EBITDA and CF_e revised downward. Maintain buy on INCLN 4.5 04/18/27**

Table 1: Financial and operational highlights

INRmn	9M24	9M25	Change
Revenue	63,199	68,018	8%
Adjusted EBITDA	52,406	57,070	9%
Profit before tax	6,059	7,019	16%
Operating cash flow	51,249	48,557	-5%
Capex	118,925	75,800	-36%
Cashflow to equity	21,756	16,448	-24%
Plant load factor			
Wind	29.1%	26.7%	-2.4 pct pt
Solar	24.3%	23.5%	-0.8 pct pt
INRmn	Mar'24	Dec'24	Change
Cash and bank balances	77,727	81,045	4%
Total debts	658,618	738,617	12%
Net debts	580,891	657,572	13%
Net debt/LTM EBITDA	8.4x	8.9x	-

Source: Company filling, CMBI Research.

In 9MFY25, ReNew Energy (RNW) recorded 8% yoy increase in revenue and 9% yoy increase in adjusted EBITDA. The higher operational capacity was partly offset by lower plant load factor (PLF). RNW's operational capacity increased to 10.7GW in 9MFY25 from 8.5GW in 9MFY24. However, the wind PLF in 9MFY25 dropped yoy as India was impacted by significantly lower wind speeds during 3QFY25. The wind PLF of RNW dropped

to 13.7% in 3QFY25 from 17.0% in 3QFY24, but is still higher than the India's average of 10.5% in 3QFY25. The solar PLF also dropped slightly yoy in 9MFY25.

As per RNW, the impact of less favourable weather condition on RNW's adjusted EBITDA was INR4.7bn up to Jan'25 (or 10M25) while savings in overheads and provisioning totaled INR2bn. RNW lowered its FY25 guidance on adjusted EBITDA and cash flow to equity (CFe) to reflect the weather impact. RNW is on track to achieve the revised guidance. See Table 2.

Table 2: FY25 guidance

	Adjusted EBITDA	CFe
Original guidance	76-82bn	12-14bn
Revised guidance	74-78bn	11-13bn
9MFY25 run-rate	73-77%	126-149%

Note: Q4 CFe usually is negative due to repayment.

Source: Company filling, CMBI Research.

As of Dec'24, RNW's net debts increased 13% to INR580.9bn, leading net debt/LTM EBITDA rose to 8.9x from 8.4x from Mar'24. We take comfort with RNW's good access to various funding channels, and limited refinancing pressure in the near-term. The next USD bond maturity of RNW will be RNW 7.95 07/28/26 (o/s amt of USD525mn) due Jul'26. In Aug'24, RNW retapped USD125mn of the bond to repay debts; and in Jan'24, RNW early redeemed INGRES 5.375 04/29/24 of USD325mn, financed by 15-year amortizing project loan at a funding cost below its average cost of debts of 9.17%.

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 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 second largest renewable company by installed capacity in India.

Within RNW complex, we maintain buy on INCLEN 4.5 04/18/27 for its better risk-return profile in view of higher yield. We also prefer INCLEN 4.5 04/18/27 to RPVIN 4 ½ 07/14/28 for shorter tenor at similar yield level. 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 96.3, INCLEN 4.5 04/18/27 is trading at YTM of 6.4%. INCLEN 4.5 04/18/27 was up by 0.4pts post 9MFY25 result announcement last week while the other bonds moved -0.1pt to 0.2pts.

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	101.8	5.9%	0.9	Holdco Issuance – guaranteed by ReNew Energy Global	Ba3/-/BB-
INGPHL 4 02/22/27	429	96.7	5.9%	1.6	Restricted Group I	Ba3/-/BB-
RPVIN 5 ½ 03/05/27	270	99.0	6.4%	1.9	Holdco Issuance – secured by SECI II project wind assets	Ba3/-/BB-
INCLEN 4 ½ 04/18/27	400	96.3	6.4%	2.0	Holdco Issuance – fixed charge of the assets of the issuer India Clean Energy	Ba3/-/BB-
RPVIN 4 ½ 07/14/28	585	94.3	6.4%	3.1	Restricted Group IV	Ba3/-/BB-

Source: Company filling, CMBI Research.

➤ **NWDEVL: Profit warning should not be a surprise**

Last Fri, NWD announced the profit warning for 1HFY25. As per NWD, its core net profit from continuing operations would decrease 15-19% to HK4.35-4.55bn while loss attributable to shareholders from continuing operations would be HKD6.6-6.8bn compared with HKD502mn in 1HY24. The expected loss would be mainly attributable to the non-cash impairment and valuation losses totaled HKD4.7-5.1bn; HKD3.3-3.5bn impairment loss on development properties and HKD1.4-1.6bn fair value loss on investment properties. The profit warning should not be a surprise given the widely reported consent solicitation on relaxation of the covenanted level of adj net gearing from 80% to 100%. On a pro-forma basis, NWD's net gearing ratio would increase to 76.8% compared with 73.9% in Jun'24, taking into consideration of the loss attributable to shareholders and assuming net debt remaining unchanged.

NWD will release 1HFY25 results on this Fri, i.e. 28 Feb, 25. Our focuses should be on the progress on loan refinancing, the change in cash/net debt level, guidance on NCDs, likelihood of further impairment and valuation losses, as well as its attitude on deferral of perp distribution.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Zibo Zichuan Finance Holding Co	103	3yr	6.9%	6.9%	Unrated

➤ **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 85 credit bonds issued last Friday with an amount of RMB82bn. As for month-to-date, 872 credit bonds were issued with a total amount of RMB786bn raised, representing a 58.1% yoy increase
- **[ADGREG]** Adani Green is in talks with Power Finance Corp and other Indian lenders to refinance debt of USD1.1bn with an INR-denominated loan
- **[GRNCH]** Greentown China will accept for purchase USD312.187mn of GRNCH 4.7 04/29/25 and USD139.676mn of GRNCH 5.65 07/13/25 in the tender offers totaled USD451.863mn
- **[NSANY]** Moody's downgraded Nissan Motor by 1 notch to Ba1 from Baa3 on credit profile deterioration, outlook remains negative
- **[PWRLNG]** Powerlong's application to extend longstop date for restructuring denied by court, the scheme will lapse after 28 Feb'25
- **[REDSUN]** Redsun Properties extends early RSA fee deadline of the offshore debt restructuring to 7 Mar'25 from 21 Feb'25, 55.21% of creditors have submitted letters to accede to the RSA
- **[ROADKG]** Road King recorded 55% yoy decrease in property sales to RMB12.5bn (cUSD1.7bn) in FY24

- **[VNRLE]** Vanke obtains RMB4.2bn (cUSD579mn) 3-year secured loan with interest rate at 2.34% p.a. from controlling shareholder Shenzhen Metro Group to repay debt, which is backed by RMB6bn (cUSD827mn) collateral

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