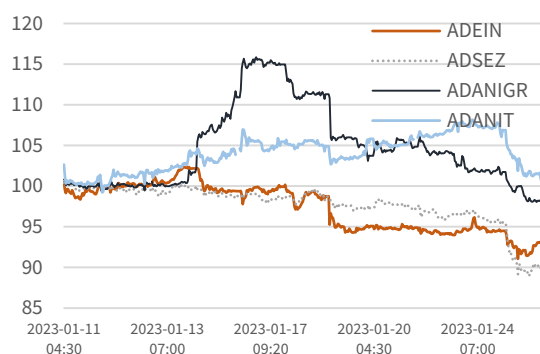


# Adani Group: Bonds underperforming equities

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In a report published early today (25 Jan 2023), Hindenburg research published a highly critical report on the Adani Group with coverage in various media.<sup>1</sup> In Figure 1, we show how various equities within the Adani Group moved during the day. Interestingly, the center of gravity in the group, Adani Enterprises (ADEIN), only moved down 1.5% over the day, whereas other entities such as Adani Ports (ADSEZ), moved -6.3%; Adani Green (ADANIGR) -3.1% and Adani Transmission (ADANIT) -8.7%.

Figure 1. Adani Group equities, normalized, 10 day intraday. Source: Bloomberg.



However, as we show in the internationally traded bonds have on average moved down 11.6%, suggesting that dollar bonds, supposedly traded off-shore, have moved a lot more than domestically traded equities. This is not a textbook pattern, in our view.<sup>2</sup> Note that Adani Enterprises does not have USD bonds outstanding, so it is hard to make the comparison between the strongest equity performer and its bonds.

Figure 2. Adani Group bonds in USD with more than USD100mn outstanding. Light-grey indicates bonds where not enough reliable data has been found to make inference. Source: AFII, Bloomberg. Data as per 15:30 GMT+1 25 Jan 2023.

ISIN	Ticker	Coupon and maturity	Cash price 24-Jan	Cash price 25-Jan	Chg in cash price	% price change	z-spread 24-Jan	z-spread 25-Jan	Change z-spread	Size (USDmn)	Est. rating	Green bond SLB
US00654GAA13	ADANEM	3.949 2/30	82.1	72.7	-9.4	-11.5%	402	611	209	1 000	BBB-	Y
US00654GAB95	ADANEM	3.867 7/31	78.9	69.0	-9.9	-12.5%	405	602	197	300	BBB-	
US00653XAA54	ADANIG	4.375 9/24	95.6	80.9	-14.7	-15.4%	283	1 414	1130	750	n.a.	Y
US00654AAA43	ADGREG	6.25 12/24	99.1	96.3	-2.7		248	412	164	500	BB	Y
US00654CAA09	ARENRJ	4.625 10/39	80.9	78.8	-2.1		465	509	44	328	BB+	Y
US00652MAG78	ADSEZ	4.2 8/27	90.4	83.7	-6.7	-7.4%	327	522	194	750	BBB-	
US00652MAE21	ADSEZ	4.375 7/29	87.6	76.6	-11.0	-12.5%	352	603	250	750	BBB-	
US00652MAF95	ADSEZ	3.375 7/24	96.4	90.0	-6.4		136	628	491	650	BBB-	
US00652MAH51	ADSEZ	3.1 2/31	77.1	66.0	-11.1	-14.4%	367	600	233	500	BBB-	
US00652MAD48	ADSEZ	4. 7/27	89.6	81.1	-8.6	-9.6%	327	582	255	500	BBB-	
US00652MAJ18	ADSEZ	5. 8/41	76.2	66.8	-9.4	-12.3%	421	543	123	450	BBB-	
US00652MAK80	ADSEZ	3.828 2/32	79.9	67.9	-12.0	-15.0%	368	595	227	300	BBB-	
US00654UAA07	ADINCO	3. 2/31	82.8	80.1	-2.7		n.a.	536	n.a.	281	BBB-	
US00652XAA63	ADTIN	4. 8/26	91.1	86.5	-4.7	-5.1%	326	494	168	500	BBB-	
US00652XAB47	ADTIN	4.25 5/36	82.2	82.2	0.0		n.a.	507	n.a.	423	BBB-	

<sup>1</sup> See, for example “[Adani shares take \\$10.8bn hit after Hindenburg bets against group](#)”, Financial Times, 25 Jan 2023; “[Hindenburg shorts India's Adani Group, cites debt and accounting concerns](#)”, Reuters, 25 Jan 2023. This note shall not be interpreted as either dismissive or supportive of those claims: it reflects only upon the market reactions. The companies response is covered in, for example, “[Asia's richest man slams short-seller's fraud claims as 'baseless' and 'malicious'](#)”, CNN, 25 Jan 2023.

<sup>2</sup> Note that Indian equities are traded until 10 a.m. UKT, such that there is some time gap between the equity and bond prices we have observed.

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[“EQT and Adani Enterprises: Some ESG questions”](#), AFII, 24 Feb 2022.

[“Coal, coup, CDP and Credit: Adani Ports update”](#), AFII, 9 Feb 2021.

[“Global investors and the Carmichael mega-mine”](#), AFII, 1 Sep 2020.

[“Abbott Point bonds go 10/90: Coal refi bellwether?”](#), AFII, 17 Feb 2022.

[“Banks hit by ‘fraud’ complaint to SEC over Adani SLB coal links”](#), GlobalCapital, 21 Oct 2021.

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