

CMBI Credit Commentary

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

- *This morning, the new BAYFIM 29 and CLFAP 31 tightened 3bps from initial pricing at T+32. FRESHK 29 was 5bps tighter from RO at T+178. MITHCC 31s were 7bps tighter from RO at T+85. RESONA 31/STANLN 30-37s/EIBKOR 29-36s tightened 1-2bps from ROs. SWIPRO 31 was 4bps tighter from RO. In the secondary space, ZHHFGR 28 and ZHHFGR 6 Perp were 0.5pt lower.*
 - **CASHLD:** *Initiate buy on the new CASHLD 6.25 Perp, which rose 0.8pt from RO at 99.965 this morning. See below.*
 - **MGMTGE:** *Mongolian Mortgage repurchased USD 17.54m of MGMTGE 11.5 01/18/27 between 29 Oct'25 and 19 Dec'25 and were subsequently cancelled, the o/s amount is reduced to USD185.149mn. MGMTGE 11.5 01/18/27 was 0.3pt lower this morning.*
- ❖ **Trading desk comments 交易台市场观点**

Yesterday, Asian IG credits traded actively amid abundant primary supplies. The multi-tranche new MUFG 32-37s and SUMIBK 29-47s tightened 1-3bps from ROs across fixed-rate bonds and FRNs. Fixed-rate HYNMTR 31-33s traded 1-3bps wider from RO at T+85 and T+92 amid light flows. HYNMTR 29s and the new HYNMTR FRNs closed 3bps tighter to 4bps wider. BOCAVI 33s traded two-way among banks, PBs and prop desks and closed 2bps tighter from RO at T+65. EXIMBK 36s tightened 2bps from RO at T+85, and EXIMBK 56s outperformed and tightened 8bps from RO at T+95. The new UBS 6 5/8 Perp and the new UBS 7 Perp were 0.4pt higher from RO at par during the day, before slightly retracing in light of profit-taking flows after London opened. In the Middle East, KSA 4.875 01/12/36 was up by 0.3pt from RO at 98.956, while KSA 29-31s held steady around ROs. We continue to see diversification demand from Chinese and other Asian investors for Middle East credits. See more of our thoughts and analysis in [Asia Credit Outlook 2026](#).

In the secondary space, we saw solid deployment demand for wider-spread FRNs (>T+100), whereas better selling pressure for lower-beta, front-end FRNs — particularly Korean names. The FRESHK curve gapped 5-10bps wider with the new issue in the pipeline. See comments on the FV of the new FRESHK issue [yesterday](#). NWDEVL Perps were up by 0.1-1.3pts. VDNWDL 9 Perp was 0.1pt higher. LIFUNGS increased by 0.7-0.9pt. CASHLD 4 Perp was 0.1pt higher. In Chinese properties, LNGFOR 27-32s were firm and traded 0.7-1.0pt higher. FTLNHD 26-27 were 0.3-0.5pt higher, while FUTLAN 28 was 0.4pt lower. As for non-LGFV CNH papers, we saw better buying on 10yr issues while better selling on 30yr papers in light of AM selling. In SE Asia, GLSP Perps rose 1.4-1.5pts, and GLPSP 28 was 0.4pt higher. VEDLN 28-33s were up by 0.1-0.7pt. IHFLIN 26-30s/INDYIJ 29s/MEDCIJ 26-30s were unchanged to 0.2pt higher.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吴蓓莹
(852) 3900 0801
cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
(852) 3900 0830
zhangyujing@cmbi.com.hk

In LGFV space, FZSZJJ 7 12/27/27 recovered 1.3pts. The rest of LGFV space edged another 0.1-0.4pt higher as RMs and structured buyers continued to chase after higher-yielding papers across USD and CNH, namely onshore-AAA guaranteed issues and Shandong names down the credit curve.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4 1/2 PERP	68.7	1.5	CFAMCI 4.95 11/07/47	89.4	-2.2
GLPSP 4.6 PERP	65.3	1.4	LOGPH 8.7 PERP	4.6	-0.7
NWDEVL 5 1/4 PERP	56.5	1.3	ARAMCO 6 3/8 06/02/55	104.0	-0.4
FZSZJJ 7 12/27/27	100.4	1.3	FUTLAN 11.88 06/26/28	90.9	-0.4
NWDEVL 10.131 PERP	58.5	1.2	ARAMCO 4 5/8 09/17/35	97.1	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.62%), Dow (+0.99%) and Nasdaq (+0.65%) were higher on Tuesday. US Dec'25 S&P Global Services PMI was 52.5, lower than the market expectation of 52.9. US Supreme Court expected to rule on tariffs on 9 Jan'26. UST yield was higher on Tuesday. 2/5/10/30 year yield was at 3.47%/3.72%/4.18%/4.86%.

❖ Desk Analyst Comments 分析员市场观点

➤ CASHLD: Initiate buy on the new CASHLD 6.25 Perp

PCCW's subsidiary CAS Capital No.2 Limited priced Reg S PerpNC5.25 (Ba2/BB/-) at 6.25%, tightened 37.5bps from IPT at 6.625%. The issue size is USD675mn, on an order book of over USD2.5bn. We initiate buy on the new CASHLD 6.25 Perp, which offers higher YTC than its peers with similar first coupon reset date in the HK corporate perps universe. We also like the stable credit profile of PCCW as an utility play, compared to that of Hysan which focus on property investment and development. At 100.8, the new CASHLD 6.25 Perp is trading at YTC of 6.1%, and rose 0.8pt from RO at 99.965 this morning.

Table 1: CASHLD and peers

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTC	Coupon reset date	Coupon reset	Issue rating
CASHLD 6.25 Perp	XS3258406761	675	100.8	6.1%	04/13/2031	5yrUST+2.533%	Ba2/BB/-
HYSAN 7.2 Perp	XS3012400746	750	104.7	6.0%	09/11/2030	5yrUST+ 3.277%	Baa3/-/-
CHINLP 5.45 Perp	XS2964354570	500	104.4	4.3%	04/23/2030	5yrUST+1.005%	A3/A/-

Source: Bloomberg.

The coupon of the new CASHLD 6.25 Perp will be first reset to 5yrUST+initial spread of 253.3bps from 13 Apr'31, to 5yrUST+initial spread of 253.3bps+step-up of 25bps from 13 Apr'36 and additional 75bps from 13 Apr'51. The coupon is deferrable and cumulative. The new CASHLD 6.25 Perp will be first callable during the three months prior to the first coupon reset date and every distribution payment date thereafter. The new CASHLD 6.25 Perp enjoys 50% equity credit for life from Moody's and 50% equity credit until the first reset date from S&P. The proceeds from the new CASHLD 6.25 Perp will be used to fund the tender offer for CASHLD 4 Perp (first coupon reset on Jul'26) of USD713mn at par, which was the first and only o/s USD perp of HKT before the issuance of the new CASHLD 6.25 Perp.

The issuer, CAS Capital No.2 Limited, is a SPV and the perp is guaranteed by its parent CAS Holdings No.1 Limited (Baa3/BBB/-), which is 100% owned by PCCW Limited (0008.HK). The guarantor CAS Holdings No.1 Limited holds c52% in HKT Trust and HKT (HKT, 6823.HK) and no other business. This structure ring-fences

the HKT's stable distribution cash flow from other business of PCCW Group, such as media and other businesses.

HKT is a leading telecom and tech provider in Hong Kong, it generated revenue of USD2.2bn in 1H25, represented 4% yoy increase from 1H24, and comprised of c70% from telecommunications services and c30% from mobile and other businesses. In 1H25, HKT generated EBITDA of USD818mn, increased by 3% yoy from 1H24. EBITDA margin was 37% in both 1H25 and 1H24. The profit attributable to holder also increased by 4% yoy to USD265mn in 1H25. HKT is required to distribution 100% of its adjusted funds flow, which was USD328mn in 1H25, to unit holders. As of Jun'25, HKT had cash balance of USD249mn and undrawn facilities of USD2.0bn, totaled USD2.3bn. Its total debt/EBITDA and net debt/EBITDA was 3.1x and 3.0x, respectively.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Agricultural Bank of China New York Branch	600	5yr	SOFR+45	SOFR+45	A1/-/-
CAS Capital No.2 Limited	675	PerpNC5.25	6.25%	6.25%	Ba2/BB/-
Clifford Capital Asset Finance Pte	500/	3yr/	3.852%/	T+32/	Aaa/AAA/-
	500	5yr	4.037%	T+32	
Emirates NBD Bank PJSC	300/	3yr/	4.195%/	T+65/	A1/-/A+
	700	5yr	4.529%	T+80	
Far East Horizon	400	3yr	5.25%	T+178	-/BBB/-
KFH Sukuk Company	1000	5yr	4.563%	T+85	-/-/A
Mitsubishi HC Finance America	500	5yr	4.558%	T+85	A3/A/-
National Australia Bank	650/	3yr/	3.85%/	T+35/	Aa2/AA/-
	600/	3yr/	SOFR+53/	SOFR+53/	
	500/	5yr/	4.148%/	T+45/	
	750	5yr	SOFR+68/	SOFR+68/	
Resona Bank	300	5yr	4.286%	T+57	A2/-/-
Standard Chartered Bank	1000/	4NC3/	4.299%/	T+77/	A3/BBB+/A
	500/	4NC3/	SOFR+92/	SOFR+92/	
	1000	11NC10	5.243%	T+107	
Shandong Development	240	3yr	3.9%	3.9%	-/-/A-
Swire Properties	500	5yr	4.25%	T+57.5	A2/-/-
The Export-Import Bank of Korea	1250/	3yr/	3.75%/	T+23/	Ba1/BB-/BBB-
	500/	3yr/	SOFR+40/	SOFR+40/	
	1250/	5yr/	3.875%/	T+26/	
	500	10yr	4.375%	T+30	

➤ 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 96 credit bonds issued yesterday with an amount of RMB71bn. As for Month-to-date, 183 credit bonds were issued with a total amount of RMB143bn raised, representing a 29.3% yoy decrease
- **[JSTLIN]** Fitch placed JSW Steel's BB rating on positive watch on board approval to form JV with JFE Steel
- **[LNGFOR]** Longfor completed RMB1.0bn payment for onshore bond 21Longhu02
- **[MGMTGE]** Mongolian Mortgage repurchased USD 17.54m of MGMTGE 11.5 01/18/27 between 29 Oct'25 and 19 Dec'25 and were subsequently cancelled on 2 Jan'26. The o/s amount is reduced to USD185.149mn
- **[SJMHOL]** SJM Holdings aimed to lower net leverage to 5x within two years; talks with banks about raising new loans and topping up existing debt partly to redeem its USD500mn SJMHOL 4.5 01/27/26
- **[STANLN]** Standard Chartered priced SGD750mn PerpNC5.5 AT1 at 4.3%

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to

have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.