

CMBI Credit Commentary

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

- *This morning, China TMT names MEITUA/TENCNT and TW lifers SHIKON/NSINTWs/FUBON/CATLIFs tightened 2-5bps. SG/TH names were 2-4bps tighter. JP/KR IG space was 1-3bps tighter. FRNs were largely unchanged. We saw profit taking on MTRC 5 5/8 PERP and JP long-end bonds.*
- **FUTLAN/FTLNHD:** *Media report that Seazen would look to offer USD250mn bonds as early as next week to refinance USD300mn FTLNHD 4 5/8 10/15/25. FUTLAN 28/FTLNHD 25-26 were largely unchanged this morning. See below.*
- **Chinese properties:** *8M25 contracted sales declined 19.4% yoy. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, the CNH new issues overall performed well. TENCNT 3.1 09/23/55 gained 1.5-2pts, TENCNT 2.1 09/23/30 and TENCNT 2.5 09/23/35 edged 0.4-0.5pt higher. CHOHIN 3.9 PERP was 0.4-0.5pt higher with AMs topping up. The rest of CNH credits were largely stable despite small selling in the long-end notes. In the secondary IG space, China TMT names were largely unchanged, except that the MEITUA curve tightened 3bps. TW lifers SHIKON/NSINTWs/FUBON/CATLIFs retraced 2-5bps. HK bank T2 papers were unchanged to a touch tighter. We saw better buying on NANYAN 34. MTRC 5 5/8 and MTRC 4 7/8 PERPs were 0.1-0.2pt higher. NWDEVL bonds were unchanged to 0.4pt higher. We saw profit-taking on higher-yielding names like YXREIT/HONGQI. In Chinese properties, VNKRL 27-29s were largely unchanged. Vanke obtained another shareholder's loan from SZ Metro ahead of the RMB2bn onshore bond maturity on 21 Sep'25. See our comment [yesterday](#). FUTLAN 28/FTLNHD 26 were also unchanged. See comments below. In Korea space, the recent new issues HYNMTR 4.25 28/HYNMTR 4.5 30/HYNMTR 3-5yrs FRNs/HYUELE 28-30s widened 1-3bps. In Japan, there were balanced two-way flows on Bank papers. Yankee AT1s leaked by 0.1-0.3pt in the long end amid some retail selling ahead of FOMC, whilst there was continuous demand in the front end of the curve from AMs. In Southeast Asia, BBLTB sub curve was 4bps wider. SMCGL 8.95 PERP and SMCGL 8 ¾ PERP was 0.7-1pt higher.

In LGFV space, liquidity remained thin, despite slightly further pick-up in demand for onshore AAA-guaranteed papers, and several higher-yielding issues north of 9% from AMs deploying cash tactically.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
HMELIN 5.45 10/22/26	103.5	3.5	STOAU 6 7/8 09/19/33	109.9	-1.5
PMBROV 11 1/2 02/18/30	97.2	1.3	HIKTSU 6.13 09/18/35	102.1	-1.1
SMCGL 8.95 PERP	102.5	1.0	STOAU 3.649 04/29/31	93.7	-1.0
SMCGL 8 3/4 PERP	101.7	0.7	TSINGH 6 12/10/20	64.1	-0.9
CFAMCI 5 1/2 04/27/47	97.7	0.7	TACHEM 5.8 07/05/64	101.5	-0.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.10%), Dow (+0.57%) and Nasdaq (-0.33%) were mixed on Wednesday. FOMC lowered the benchmark interest rate by 25bps, which was the same as the market expectation. Federal Reserve officials also signaled two more interest rate reductions this year. The US Crude Oil Inventories was -9.285mn, lower than the market expectation of +1.4mn. UST yield was higher on Wednesday. 2/5/10/30 yield was at 3.52%/3.62%/4.06%/4.66%.

❖ Desk Analyst Comments 分析员市场观点

➤ FUTLAN/FTLNHD: Gradually coming out of the woods, maintain buy on FUTLAN/FTLNHDs

Table 1: Bond profiles of FUTLAN/FTLNHD

Security name	O/S (USD mn)	Maturity	Coupon	Offer price	YTM (%)
FTLNHD 4 5/8 10/15/25	250.00	10/15/2025	4.625%	100.01	4.4%
FTLNHD 4 1/2 05/02/26	404.00	5/2/2026	4.5%	97.69	8.5%
FUTLAN 11.88 06/26/28	300.00	6/26/2028	11.88%	99.39	12.1%

Source: Bloomberg.

Media reported that Seazen would plan to refinance the maturing FTLNHD 4 5/8 10/15/25 with a new USD issue. We are not surprised by the report given the improving market sentiment and the resilient performance of FUTLAN/FTLNHDs. FTLNHD 4 5/8 10/15/25 and FTLNHD 4 1/2 05/02/26 were 11-13pts higher since the liberation day. The new issue, FUTLAN 11.88 06/26/28, is 1.2pts higher from RO in Jun'25. Recalled that Seazen completed the tender offers and concurrent new issue in Jun'25 to partly refinance FUTLAN 4.45 07/13/25 and FTLNHD 4 5/8 10/15/25. Indeed, we take the reported plan positive as this will help further relieve Seazen's refinancing pressure. We believe that any refinancing plans of Seazen could follow the same lines of thoughts of the exercise in Jun'25 with partial tender offer and concurrent new issue. We understand Seazen has a NDRC quota of USD330mn for new issue. The quota will expire in Apr'26. We maintain buy on FUTLAN/FTLNHDs and considers them offering good carry. Further progress in accessing the USD bond market will be a catalyst to support further out-performance.

Table 2: Financials of FUTLAN/FTLNHD

RMB mn	1H24	1H25	% change
Contract sales	23,554.0	10,330.0	-56.1%
Revenue	34,003.3	22,173.6	-34.8%
Property sales	27,550.0	15,168.2	-44.9%
Rental income	3,181.1	3,359.2	5.6%
Other recurring income	3,272.3	3,646.2	11.4%
Gross profit	6,826.9	5,400.6	-20.9%
Profit before tax	2,334.5	1,656.8	-29.0%
Attributable net core profit	1,050.0	765.7	-27.1%

Recognized GFA (mn sqm)	3.2	1.9	-40.2%
Recognized ASP/sqm	8,645.1	7,961.8	-7.9%
Overall gross margin	20.1%	14.8%	
Rental gross margin	72.2%	71.2%	
Net core profit margin	3.1%	3.5%	

Source: Company filing, CMBI Research.

Seazen posted weaker 1H25 results. The notably lower GFA delivered and ASP were partly mitigated by higher contribution from IPs. The occupancy rate of its IPs maintained high at 97.8% as of Jun'25 (vs. 98.0% as of Dec'24) and the segment gross margin was at 71.2% in 1H25 (vs. 72.2% in 1H24). In 1H25, total recurring income increased 8.6% yoy to RMB7.0bn, equivalent to 3.9x of its gross interest expenses.

Seazen maintained a largely stable credit profile. It obtained additional secured loans of cRMB4.5bn against its IPs in 1H25. We estimated that total secured loans against its IPs were cRMB50bn with an LTV of c40%. We understand that Seazen has 18 malls remain unpledged, and this could be translated into a headroom of additional cUSD1bn secured loans against its IPs (vs total o/s USD bonds of USD954mn). We believe that the maturity profile of Seazen is manageable in view of the financial flexibility offered by its IPs and the gradually resumption of its access to various funding channels.

Table 3: Credit profile of FUTLAN/FTLNHD

RMB mn	2022	2023	2024	Jun'25
Cash	32,453.3	19,499.9	10,618.3	10,343.8
Restricted cash including cash in escrow	10,017.9	6,274.9	3,703.7	3,204.3
ST debts	35,663.1	24,755.7	16,071.4	16,432.3
LT debts	44,474.1	39,717.7	42,892.0	42,009.5
Total debts	80,137.3	64,473.4	58,963.4	58,441.8
Net debts	47,684.0	44,973.5	48,345.1	48,098.0
Net gearing	51.3%	49.7%	55.7%	56.7%
Cash/ST debts	0.9x	0.8x	0.7x	0.6x
Adj. liab/assets	68.9%	66.6%	65.8%	65.1%

Source: Company filing, CMBI Research.

➤ Chinese properties: 8M25 contracted sales declined 19.4% yoy

In Aug'25, 31 developers under our radar reported contracted sales totaled RMB125.0bn, decreased 19.1% yoy from RMB154.4bn in Aug'24. 4 out of 31 developers reported yoy increase in contracted sales in Aug'25, down from 7 developers in Jul'25.

In 8M25, the cumulative contracted sales of 31 developers dropped 19.4% yoy to RMB1,149.3bn. only 2 state-owned developers out of 31 developers reported yoy increase in contracted sales; CHJMAO (RMB70.9bn) and YUEXIU (RMB73.0bn) posted +26% and +4% yoy increase in contracted sales, respectively. The bottom performers were FUTLAN/FTLNHD (RMB13.6bn), GEMDAL (RMB22.0bn) and JINGRU (RMB623mn). Their contracted sales dropped 54%, 54%, and 53% yoy in 8M25, respectively.

The 8M25 yoy decline in contracted sales at 19.4% yoy was the same as 7M25, reflecting the operating environment of sector to remain challenging. As per NBS, China's new home prices in 70 cities declined by 0.3% mom in Aug'25, and the new home prices in 9 out of 70 cities surveyed reported a mom increase in Aug'25, increased from 6 cities in Jul'25. The average new home prices across 70 major cities in China dropped 2.5% yoy in Aug'25, improved from 2.8% yoy decline in Jul'25. The Jul'25 Politburo vowed to continue carrying out urban renewal projects in a high-quality manner, yet it did not repeat the vow to "stop the decline" in the

property market. CMBI economic research expects the PBOC to cut LPRs by 10bps in 4Q25. This should provide some support to the weak economy and housing market.

Company	CN Name	BBG Ticker	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Trend	Aug'25 MoM Growth	Aug'25 YoY Growth	Aug'25 YTD Sales	Aug'25 YTD Sales Growth
China Jinnao	中国金茂	CHJNMO	6,695	4,416	7,191	7,001	12,444	15,600	8,480	9,077		1%	-40%	70,884	2%
Yuehai Property	越秀地产	YUEHAI	6,602	6,225	18,000	10,293	9,581	10,800	6,006	5,505		-2%	-43%	73,012	4%
Greenland Holdings*	绿地控股集团*	GRNLDH	3,300	3,600	5,243	5,997	6,870	8,900	4,900	4,400		-2%	-12%	42,410	-1%
Central China Real Estate	建发地产	CENCHI	580	990	540	600	690	1,050	520	657		25%	-18%	5,627	5%
Greentown	绿城	GRNCH	11,300	12,700	28,400	18,600	25,500	25,700	14,600	19,500		34%	8%	156,300	44%
China Resources Land	中国资源地产	CRNCH	11,600	13,500	26,100	17,300	18,300	23,450	13,300	13,200		-1%	-13%	136,800	2%
Sunac China	融创中国	SUNAC	6,840	1,800	1,480	1,100	4,800	7,550	1,530	5,390		-100%	-27%	30,470	2%
Yuzhou Properties	禹洲地产	YUZHOU	501	561	872	661	621	512	421	403		-4%	-4%	4,552	3%
Hopson	合生创展	HPSON	473	427	1,174	2,670	1,289	1,895	1,119	855		-24%	-38%	9,902	10%
Logan Property*	宝龙地产*	LOGPH	550	460	780	650	700	400	580	860		40%	100%	4,960	21%
China Overseas	中国海外发展	CHOU	12,020	13,200	21,200	20,164	23,854	29,713	11,850	18,330		15%	-1%	150,331	21%
Poly Real Estate	保利地产	POLYRE	18,015	15,996	29,016	24,622	28,512	29,011	18,014	18,150		1%	-18%	181,336	18%
Shimao	世茂置地	SHIMAO	2,200	1,870	3,000	1,967	2,135	2,321	1,987	1,806		-9%	-31%	17,316	2%
Vanke*	仁恒置地*	VLGSH	1,420	2,650	1,230	1,580	1,370	820	1,150	470		-55%	-41%	10,490	4%
China SCE*	中城置地控股*	CHNSC	600	800	920	690	800	710	600	610		7%	18%	5,730	25%
Sino-Ocean*	远洋集团*	SINOCE	1,890	990	2,400	2,810	2,330	2,950	1,370	1,700		2%	-17%	16,440	20%
Longfor (Atroubles)	龙光集团	LONGFOR	3,010	3,730	4,740	3,610	4,760	4,640	4,010	3,390		-15%	-32%	31,890	2%
Dazhou Properties	达华地产	DZPHK	373	330	421	372	467	402	336	290		-14%	-32%	2,991	20%
Country Garden (Atroubles)	碧桂园	COGARD	2,260	2,300	3,210	3,080	3,090	2,810	2,770	2,960		7%	-14%	22,480	11%
Zhongliang	中梁控股	ZLGH	1,100	1,210	1,090	950	1,020	1,010	950	960		1%	-26%	8,290	13%
Kiwi Property	合景泰富集团	KIWIPO	502	361	801	509	738	653	616	611		-1%	-14%	4,791	13%
Times Property	时代中国控股	TIME	650	280	320	560	680	380	332	430		30%	-22%	3,632	20%
Agile	雅居乐	AGILE	790	960	1,170	490	930	930	520	580		12%	7%	6,270	19%
Fedevn	弘阳地产	FEDVUNHONG	669	443	408	490	480	430	337	299		-11%	-49%	3,506	14%
China Vanke*	万科企业*	VNKLE	11,010	10,200	13,200	11,510	11,120	11,620	13,450	9,000		-32%	-48%	91,110	44%
Powerlong	宝龙地产	POWRLNG	692	608	696	565	608	554	582	602		7%	-5%	4,907	46%
Ronshin China	融创中国	RONSHN	350	283	480	327	438	251	462	130		-22%	-88%	2,790	46%
CIFI Holdings	世茂集团	CIFH	1,810	1,610	2,020	1,720	1,680	1,320	1,040	960		-4%	-51%	12,160	10%
Jingru Holdings	景瑞控股	JINGRU	60	62	120	77	68	85	99	52		47%	-41%	623	13%
Genndale	金地集团	GENDAL	2,250	2,800	3,100	2,780	3,120	3,100	2,580	2,220		-14%	-59%	21,950	24%
Future Land	新城控股	FUTLAND	1,017	1,959	2,127	1,761	1,973	1,483	1,661	1,576		-3%	-32%	13,567	24%

Note: * represents the data was collected from CRIC.

Source: Company filings, CRIC.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
State Bank JSC	200	3yr	8.9%	8.9%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Chouzhou International Investment Ltd	USD	-	3yr	4.75%	-/-/BBB
Tianchang Agricultural Development Co., Ltd.	USD	-	3yr	7.2%	Unrated

➤ News and market color

- Regarding onshore primary issuances, there were 163 credit bonds issued yesterday with an amount of RMB167bn. As for month-to-date, 1,217 credit bonds were issued with a total amount of RMB1,119bn raised, representing a 49.9% yoy increase
- China bars tech companies from ordering Nvidia AI chips to bolster local industry
- Danantara is reaching its fundraising target of IDR50tn (cUSD3.1bn) through the local-denominated Patriot Bond, as its dual-tranche issuance has been fully subscribed
- [BABA]** Alibaba will supply AI chips to China Unicom, challenging Huawei and Nvidia

- **[BHP]** BHP Group will close one of its Queensland coal mines and terminate around 750 jobs amid high state royalties and a slower market
- **[HANSEN]** Hang Seng Bank looks to sell USD1bn+ property-backed loan portfolio involving Hong Kong developers
- **[KAISAG]** Kaisa Capital initiates strategic transformation to develop RWA tokenisation in Hong Kong
- **[MEITUA]** Meituan launched operations Kuwait market, ramping up global food delivery expansion
- **[ORIX]** ORIX consortium's Osaka project investment rises 19% to JPY1.5tn (cUSD10.3bn) on higher construction costs
- **[PERTIJ]** Pertamina's fuel import controls may prompt foreign retailers to exit Indonesia
- **[SOFTBK]** Moody's upgraded SoftBank's rating by one notch to Ba2 from Ba3 and revised outlook to stable from positive, reflecting improved credit fundamentals and reduced leverage
- **[VEDLN]** India's National Company Law Tribunal has deferred a hearing on Vedanta's demerger case to 8 Oct'25

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