

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**

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *This morning, the new UBS 6.6 Perp was unchanged from RO at par, the new UBS 7 Perp was 0.1pt higher from RO at par. HAOHUA widened 1-2bps. DAESEC tightened 1-2bps. STANLN/MIZUHO/SUMIBK FRNs tightened 1-2bps. ANZ/CBAU T2 widened 1-2bps.*
- **HYUELE:** *Rating outlook changed to positive from stable by Moody's, Baa2 rating affirmed. Maintain buy on HYUELEs. HYUELE 1.5 26/29-33s tightened 5-16bps since 2Q25 results announcement. See below.*
- **China Economy:** *PMI points to waning economic momentum. CMBI expects the policy easing window may not open until 4Q25 and China may have stronger motivation to advance economic rebalancing after a potential trade deal with the US. See below for comments from CMBI economic research.*

❖ Trading desk comments 交易台市场观点

Yesterday, VNKRL obtained another up to RMB869mn loans from SZ Metro, and YLLGSP further bought back YLLGSP 5 1/8 05/20/26. See our comments on 31 Jul. VNKRL 27-29 were 0.4-0.5pts lower, and YLLGSP 26 was 0.1pt higher. In China IG, MEITUA/WB/XIAOMI 30s ended with 1 bp tighter to 1bp wider. New CB 3-tranche CNH issues dropped 0.2-0.375pts from RO. We saw better buying on the 30yr papers. In HK, HYSAN/NANFUN were unchanged to 0.5pt higher, whilst MTRC perps remained unchanged. For TW lifers, CATLIF 34/39 were 1bp tighter to 2bps wider amid PB selling, NSINTW was unchanged, and SHIKON widened 1bp amid two-way flows. For Thailand banks, BBLTB sub curve tightened 2-4bps and KBANK tightened 2bps. In KR, DAESEC 26/29 widened 1bp and NHSECS 28-30 was 2bps tighter to 1bp wider. LGNSO curve retraced 2-4bps while HYNMTR/HYUELE tightened 1-4bps amid PB/AM buying. FRN space is in good demand across Asia and EU bank papers. Investors in the region remained better buyers of Japanese and Yankee AT1s while we saw selling flows from London against an uncertain macro backdrop.

LGFVs continued to consolidate, as lower-yielding CNH issues lacked the catalyst to further tighten. Investors turned to USD issues for higher absolute yields. HF and other tactical investors continue to take profit while RM still had room to deploy.

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

Cyrena Ng, CPA 吳倩瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
JMUDIV 6.9 05/30/27	98.6	1.5	BADNHI 6.9 04/08/28	96.6	-0.7
VLLPM 9 3/8 07/29/29	66.8	1.1	MDLNIJ 6 04/30/27	33.8	-0.7
EHICAR 7 09/21/26	72.0	0.9	LASUDE 5 07/28/26	54.4	-0.5
GLPSP 4 1/2 PERP	55.7	0.6	MONMIN 8.44 04/03/30	96.3	-0.5
PRXNA 3.832 02/08/51	64.9	0.6	HCELEC 4.65 12/29/26	62.6	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.37%), Dow (-0.74%) and Nasdaq (-0.03%) were lower on Thursday. US latest initial jobless claims was +218k, lower than the market expectation of +222k. US Jun'25 Core PCE price index was +2.8% yoy, higher than the market expectation of +2.7%. UST yield was largely unchanged on Thursday, 2/5/10/30 yield at 3.94%/3.96%/4.37%/4.89%.

❖ Desk Analyst Comments 分析员市场观点

➤ **HYUELE: Rating outlook changed to positive from stable by Moody's, Baa2 rating affirmed**

Moody's changed the rating outlook of SK Hynix to positive from stable and affirmed its Baa2 rating. The positive rating outlook mainly reflects SK Hynix's strong earnings and improving balance sheet that Moody's expects to continue in the next 12-18 months, supported by its leadership in the HBM chip segment. Moody's expects SK Hynix's adjusted EBITDA to increase to KRW44-51tn annually in FY25-26 from KRW36tn in FY24; adjusted debt/EBITDA to further improve to c0.5x in FY25-26 from c0.8x in FY24; and turn into a net cash position over the next few quarters. Moody's will upgrade SK Hynix by one notch to Baa1 if SK Hynix sustains its strengthened market positions, strong profitability and positive free cash flow, and maintains conservative financial management.

SK Hynix overtook Samsung to become the world's leading memory chipmaker by revenue in 2Q25, according to Counterpoint Research. In 2Q25, SK Hynix generated KRW21.8tn in revenue from DRAM and NAND, slightly exceeding Samsung's KRW21.2tn. This outperformance was primarily driven by higher demand for AI chips, where SK Hynix holds a 62% market share in HBM chips compared to Samsung's 17%. In our view, the strong demand for HBM chips will continue to underpin SK Hynix's market leadership, sustaining its revenue and profitability in the near-term.

We like SK Hynix for its strong global market position and solid operating cash flow, which bolster its resilience amid ongoing trade tensions. Within the HYUELE complex, we prefer HYUELE 1 ½ 01/19/26 and HYUELE 2 ¾ 01/19/31 most for lower cash prices. At 98.6 and 88.6, HYUELE 1 ½ 01/19/26 and HYUELE 2 ¾ 01/19/31 was traded at YTM of 4.7%/Z+33bps and YTM of 4.8%/Z+113bps, respectively. HYUELE 28s also provide 28bps yield pick-up over Micron's MU 28s. SK Hynix achieved record-high revenue and operating profit in 2Q25, reflecting robust industry demand. Please read our comment on [25 Jul'25](#).

Table 1: Bond profiles of HYUELEs

Security Name	Amt o/s (USDmn)	Coupon	Mod Dur	Ask px	YTM	Z-Spread (bps)	Rating (M/S/F)
HYUELE Float 11/17/25	300	6.024%	0.0	100.3	4.8%	45	Baa2/-/BBB
HYUELE 6 ¼ 01/17/26	750	6.250%	0.4	100.7	4.7%	33	Baa2/BBB-/BBB
HYUELE 1 ½ 01/19/26	1000	1.500%	0.4	98.6	4.7%	33	Baa2/BBB-/BBB
HYUELE 5 ½ 01/16/27	500	5.500%	1.4	101.2	4.6%	70	Baa2/BBB-/BBB
HYUELE 6 ¾ 01/17/28	1000	6.375%	2.3	104.0	4.6%	96	Baa2/BBB-/BBB
HYUELE 5 ½ 01/16/29	1000	5.500%	3.1	102.8	4.6%	98	Baa2/BBB-/BBB
HYUELE 2 ¾ 01/19/31	1000	2.375%	5.0	88.6	4.8%	113	Baa2/BBB-/BBB
HYUELE 6 ½ 01/17/33	750	6.500%	5.9	108.4	5.1%	139	Baa2/BBB-/BBB

Source: Bloomberg.

➤ China Economy: PMI points to waning economic momentum

China's manufacturing PMI weakened again after a brief rebound following the tariff truce. Demand softened as new order and export order indexes further contracted, indicating the export front-loading may be coming to an end. However, deflation pressure eased as raw material purchase price notably expanded and ex-factory price rebounded, thanks to the recent policy effort to curb the involution competition. Non-manufacturing PMI came in below expectation as both service and construction activities moderated. The July PMI signaled the weakening economy in 3Q. Deterioration in both external and domestic demand is expected to drag on the economy, as export front-loading faded and policy effect on consumption and real estate marginally declined since 4Q24. However, the policy easing window may not open until 4Q25 when durable goods retail sales sharply slow down due to higher year-on-year bases and lower policy stimulus effects and China may have stronger motivation to advance economic rebalancing after a potential trade deal with the US.

Manufacturing PMI further contracted with fading export front-loading. Manufacturing PMI edged down to 49.3% in July from 49.7% in June, below market expectations of 49.6%. Demand deteriorated as new order index dropped to 49.4% in July from 50.2%, as new export order further contracted to 47.1% in July from 47.7%, the lowest month since the tariff truce, indicating that the export front-loading may be coming to an end. Production moderated to 50.5% in July but remained at expansion. Deflation pressure in manufacturing notably eased as raw materials purchase price accelerated to 51.5% in July from 48.4%. Prices of photovoltaics, rebar and lithium carbonate have notably surged following the policymakers' effort to curb "involution competition". Ex-factory price also rebounded to 48.3% in July from 46.2%. We might see rebounding PPI in July. However, the sustainability remains in question. Breaking down by sector, other transportation equipment and computer & electronic devices expanded in both new orders and production, while chemical products and non-metallic minerals notably contracted. Small enterprise PMI markedly dropped to 46.4%, as they were most affected by tariffs.

Non-manufacturing PMI softened. Non-manufacturing PMI dipped to 50.1% in July from 50.5%, below market expectation of 50.4%. Service PMI edged down to 50% in July from 50.1%, as the activity level was unchanged from the previous month. New order index dropped to 46.3% in July from 46.9%. Price indexes of input and final sales both further contracted, indicating the intensifying deflation pressure in the service sector. Breaking down by sectors, activities related to household tourism and consumption remained in high prosperity, including rail & air transportation, postal, telecom, and recreational & sports activities; while real estate and household services contracted. Construction PMI dipped from 52.8% to 50.6% in July, as new order contracted to 42.7%.

PMI signaled the weakening economy in 3Q. Deterioration in both external and domestic demand is expected to drag on the economy in 3Q, as export front-loading faded and policy effects on consumption and real estate from 4Q24 marginally declined. However, the policy easing window may not open until 4Q25 when durable

goods retail sales sharply slow down due to higher year-on-year bases and lower policy stimulus effects and China may have stronger motivation to advance economic rebalancing after a potential trade deal with the US.

Click [here](#) for the full report.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chengdu & Europe Industrial Zone Operation and Management	156	3yr	6.95%	6.95%	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 66 credit bonds issued yesterday with an amount of RMB35bn. As for month-to-date, 2,097 credit bonds were issued with a total amount of RMB2,143bn raised, representing a 12.7% yoy increase
- China new home sales fall 24% yoy in Jul'25 as stimulus impact fade
- **[ADEIN]** Adani Enterprises 1QFY26 consolidated EBITDA falls 12% yoy to INR37.9bn (cUSD432.7mn)
- **[DALWAN]** Dalian Wanda Commercial Management sells Chuzhou Wanda Plaza Investment
- **[MDLNIJ]** Modernland Realty 1H25 revenue rises 34.4% yoy to IDR517.6bn (cUSD31.5mn)
- **[MGMCHI]** MGM China 2Q25 net revenue rises 9% yoy to USD1.1bn
- **[MPEL]** Melco Resorts 2Q25 adjusted property EBITDA jumps 25% yoy to USD377.7mn
- **[NWDEVL]** New World Development reaps around HKD8.8bn (cUSD1.1bn) from sale of 'THE SOUTHSIDE PHASE 5' so far
- **[PKX]** POSCO Holdings 2Q25 EBITDA falls 7.2% yoy to KRW1.6tn (cUSD1.2bn)
- **[SINOPE]** Sinopec flags lower 1H25 profit due to lower oil prices, chemical margins
- **[VEDLN]** Vedanta Ltd 1Q26 consolidated EBITDA rises 5% yoy to INR107.5bn (cUSD1.2bn); Vedanta Resources to raise USD700mn in loans, seeks consent to prepay USD 550m private credit; short-seller Viceroy alleges Vedanta Resources refunded brand fees amid scrutiny from India's Enforcement Directorate

- **[WYNMAC]** Wynn Macau senior unsecured revolving credit facility available to the company had been increased by USD1bn to USD2.5bn.

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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