招銀国际
CMB INTERNATIONAL

Fixed Income
Credit Commentary

24 Jul 2026

CMBI Credit Commentary

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

- *This morning, long-end TMT BABA/TENCNT/MEITUA widened 2-4bps. KR/JP IG financial also traded 2-4bps wider. Long-end insurance papers leaked 0.5pt. GENTMKs lost 0.3-0.5pt. We saw small better selling on LGFV issues, while PB buying short-dated-to-call AT1s.*
- ***CNMDHL:*** *Return to profit in 1H26 after losses since 2H23. Maintain buy on CNMDHL 30, which was unchanged this morning. See below.*
- ***FUBON:*** *The new FUBON 41 pricing looks tight. Maintain buy on FUBON 35. TW lifers were 4-5bps wider this morning. See below.*

❖ **Trading desk comments** 交易台市场观点

Yesterday in Asia IG space, recent KR quasi-sovereign and corporate new issues SAMAER/KOMIPW/SKONKR 29s tightened 2-3bps amid better buying, while KOEWPW/KORELE/KTGC 30-32s widened 1-2bps. We saw better selling on financial DAESEC/NOMURA and CITNAT/SHNHAN with belly and longer tenors. Long-end MEITUA/NTT widened 1-2bps amid better selling. CNMDHL 30 traded 3bps wider. China Modern Dairy expected to record a pre-tax profit of not less than RMB43mn in 1H26 from pre-tax loss in 1H25. See comments below. Middle Eastern names ARAMCOs dropped up to 1.6pts amid continuous conflicts in the region.

In higher-yielding space, FAEACO 12.814 Perp led the space and rose 1.7pts. GLPSPs/GLPCHI gained up to 1.2pts. LASUDE 29 were up 0.8pt. Lai Sun Development completed an exchange offer and consent solicitation for the USD493mn LASUDE 26. European AT1s and insurance subs were overall 0.3-0.4pt weaker. HSBC Perps underperformed and lost up to 1.2pts. In SE Asian space, VEDLNs were 0.1-0.2pt lower. Vedanta Resources secured USD2.3bn financing backed by Vedanta Ltd share encumbrance. In LGFV space, we saw better buying in high-yielding USD names. As for LGFV CNH space, <6.5%-yielding non-AAA-guaranteed bonds continued to widen, whilst issues yielding >7% and <5% remained largely stable thanks to HF and RM buying. We saw better selling in the rest of the non-LGFV 10-30yr CNH issues.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
FAEACO 12.814 PERP	**82.8**	**1.7**
GLPSP 9 3/4 05/20/28	**89.6**	**1.2**
GLPCHI 7 3/4 04/30/29	**89.3**	**1.1**
GLPSP 7.865 PERP	**59.9**	**1.1**
LASUDE 5 07/28/29	**91.2**	**0.8**

Top Underperformers	Price	Change
ARAMCO 4 3/8 04/16/49	**75.5**	**-1.6**
ARAMCO 5 7/8 07/17/64	**88.8**	**-1.5**
HSBC 6.95 PERP	**102.2**	**-1.2**
ARAMCO 6 3/8 06/02/55	**97.5**	**-1.1**
HSBC 6 3/4 PERP	**99.4**	**-1.1**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.21%), Dow (-0.97%) and Nasdaq (-2.15%) were lower on Thursday. The US latest Initial Jobless Claims were +187k, lower than the market expectation of +211k. US imposes tariffs on 60 economies over forced-labor import restrictions, effective Friday 12:01am EDT. UST yield were higher on Thursday. 2/5/10/30 year yield was at 4.37%/4.46%/4.71%/5.17%.

❖ Desk Analyst Comments 分析员市场观点

➢ CNMDHL: Return to profit in 1H26 after losses since 2H23

China Modern Dairy (CMD) expected to report profit before tax of at least RMB43mn in 1H26, reversing from a loss of RMB972mn in 1H25. The turnaround is mainly driven by a reduction in FV losses on dairy cows, alongside stable gross margins, higher gross profit, and continued cost discipline. While revenue is likely to improve yoy in 1H26, we believe the improved earnings to be largely supported by the decline in non-cash FV losses. In 1H25, CMD reported revenue of RMB6.1bn and gross profit of RMB1.6bn.

Recalled that CMD has announced a cash offer (capped at HKD2.0bn) in Oct'25 to acquire all issued shares of China Shengmu Organic Milk (CSM), to be funded by internal resources. As of 21 Jul'26, CMD had accepted 49.9% of CSM's shares and increased its stake to c81.2%. The cash offer remains open until 3 Aug'26 4pm, and CMD will make an update relating to the CSM's public float on the final closing date. As discussed before, we view the transaction as modestly credit positive, as it enhances vertical integration and supports long-term operating synergies, while having limited near-term impact on leverage given internal funding. As of Dec'25, CMD held cash and cash equivalents of RMB6.6bn. Overall, we view CMD's credit profile is supported by improving cash EBITDA, parental backing from Mengniu, and manageable refinancing risk.

We maintain a buy on CNMDHL 30. We consider it as a yield pick-up play over CHMEDA 30, supported by CMD's close relationship with Mengniu and better trading liquidity. At 97.8, CNMDHL 30 is trading at a YTM of 5.5% (Z+131bps), offering c70bps yield pick-up over CHMEDA 30.

Table 1: Bond profiles of CNMDHL and CHMEDA

Security name	ISIN	Amt o/s (USD mn)	Ask px	Z-spread (bps)	YTM (%)	Mod dur	Issue rating (M/S/F)
CNMDHL 4.875 07/10/30	XS3099223284	350	97.8	131	5.5%	3.5	-/BBB/-
CHMEDA 2.5 06/17/30	XS2186093923	300	91.9	61	4.8%	3.6	Baa1/-/-

Source: Bloomberg

➢ **FUBON: The new FUBON 41 pricing looks tight**

Fubon Life priced its 15NC10 USD Reg S T2 subordinated bond (-/BBB+/BBB+) at T+133bps, tightened from IPT at T+165bps. The issue size is capped at USD350mn and priced at a 5.87% coupon. The new FUBON 41 is issued by Fubon Life Singapore Pte. and guaranteed by Fubon Life Insurance, in line with the structure of the existing FUBON 35. The bond is callable once only at par on 27 Jul'36.

Within the Taiwan lifer space, we continue to pair CATLIF and FUBON for fair value and relative value assessment, in view of their credit profiles and scale of operations. We view the pricing of the new FUBON 41 as tight, in view of its smaller issue size and the valuations of the existing FUBON 35 and CATLIFs. We continue to prefer FUBON 35, which offers a 20-30bps yield pick-up over CATLIFs, alongside better trading liquidity than the new FUBON 41 given its larger outstanding size. Please also see our comments on Fubon Life's 1H26 results in our daily on 17 Jul'26. Separately, we pair up NSINTW and SHIKON, and prefer NSINTW 41 at current valuation for its more balanced risk-return profile, lower cash price, and better liquidity.

Table 2: Bond profile of selected TW lifers

Security name	ISIN	Amt o/s (USD mn)	Ask px	Z-spread (bps)	YTW	Mod dur	First call date	Payment rank	Issue rating (M/S/F)
CATLIF 5.95 07/05/34	XS2852920342	600	102.5	132	5.6%	6.3	N/A	Subordinated	-/BBB+/BBB+
CATLIF 5.3 09/05/39	XS2885079702	320	98.1	135	5.6%	6.4	09/05/2034	Subordinated	-/BBB+/BBB+
CATLIF 5 ½ 04/29/41	XS3255390463	500	96.9	165	5.9%	7.3	04/29/2036	Subordinated	-/BBB+/BBB+
FUBON 5.45 12/10/35	XS3151416727	650	97.1	158	5.9%	7.2	09/10/2035	Subordinated	-/BBB+/BBB+
FUBON 5.87 07/27/41	XS3384667146	350	98.8	175	6.0%	7.5	07/27/2036	Subordinated	-/BBB+/BBB+
NSINTW 5.45 09/11/34	XS2888260564	700	95.5	192	6.2%	6.3	N/A	Subordinated	-/BBB+/BBB
NSINTW 5 ⅞ 03/17/41	XS3046322593	653	96.6	209	6.4%	6.9	12/17/2035	Subordinated	-/BBB+/BBB
SHIKON 6.95 06/26/35	XS3096123883	400	103.2	222	6.5%	6.6	N/A	Subordinated	-/BBB/-

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
ICICI Bank	1000	5yr	5.46%	T+100	Baa3/BBB/-
Malaysia Sovereign Sukuk Bhd	850	5.75yr	4.612%	T+15	A3/A-/-
	650	10yr	4.949%	T+25	

➢ **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 147 credit bonds issued yesterday with an amount of RMB141bn. As for month-to-date, 1,614 credit bonds were issued with a total amount of RMB1,748bn raised, representing a 1.9% yoy increase

- China to tighten offshore funding structure popular among distressed developers

- Indonesia is considering designating tourist hotspot Bali as the location for its planned International Financial Center or PFII

- EU countries approved UK participation in Ukraine support loan

- **[ADEIN]** Adani Group has requested the Indian government to relax rules prohibiting airport operators from owning airlines

- **[FOSUNI]** Fosun International raised upsized USD650mn loan from USD600mn, further increase possible

- **[FTLNHD/FUTLAN]** Seazen Holdings issued RMB750mn MTNs guaranteed by CBICL

- **[INDON]** Republic of Indonesia plans to raise up to RMB7bn via a dual-tranche bond issue

- **[JD]** Media reported JD.com is a buyer of a hotel in Wan Chai, Hong Kong, sold for HKD280mn (cUSD35.7mn); the European Commission has sent JD.com a statement of grounds regarding its proposed USD2.5bn acquisition of German electronics retailer Ceconomy

- **[NICAU]** Nickel Industries expected 2Q26 adjusted EBITDA of cUSD120mn, lower than the previous quarter amid scheduled maintenance of its rotary kiln electric furnace (RKEF)

- **[NNCOMM]** Nanning Communications Investment Group received USD134.31mn of NNCOMM 7.3 04/30/27 validly tendered, 44.77% of the outstanding aggregate principal amount, USD165.69mn will remain outstanding upon the completion of the settlement

- **[SANLTD]** Sands China 2Q26 adjusted property EBITDA fell 24% yoy to USD430mn

- **[SINOPE]** Sinopec 1H26 oil and gas production rose 0.3% yoy to 263.5mn barrels of oil equivalent

- **[SKM]** SK Telecom will invest KRW750bn (cUSD507mn) by 2030 in a new subsidiary focused on building AI data centers

- **[STANLN]** S&P revised its outlook on Standard Chartered PLC to positive from stable on stronger franchise and profitability; BBB+ rating affirmed

- **[WYNMAC]** Wynn Macau obtained approval to expand its Wynn Palace resort with a new five-star hotel, a theater, and an event and entertainment center

- **[VEDLN]** Vedanta Resources secured USD2.3bn financing backed by Vedanta share encumbrance

- **[VNKRLE]** Media reported that China Vanke has received RMB4.5bn liquidity support from Shenzhen Metro in 2026 for bond extension

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