CMB INTERNATIONAL

9 Apr 2026

CMBI Credit Commentary

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

- *In the new issuance space, fixed-rate MIZUHO 29-31s tightened 7-13bps from ROs, and floating MIZUHO 29-31s tightened 10-17bps. Long-end MIZUHO 36-46s were unchanged from ROs. The new fixed-rate MUFG 30-47s hovered around initial pricing, while MUFG Float 32 tightened 7bps from RO. Yankee and Japanese AT1s and insurance subs retraced 0.3-0.5pt from yesterday London close.*

- ***Gross USD bonds issuance:** Asia Pacific Gross USD bonds issuance dropped 63.8% yoy in Mar'26 facing sharp UST volatility. See below.*

- ***MEDCIJ:** Medco Energi priced USD200mn tap of MEDCIJ 8.625 05/19/30 at 103.072 to yield 7.489%. MEDCIJ 26-30s were 0.1pt lower to 0.1pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, we saw a strong rebound in our space following the US-Iran ceasefire news. Yankee AT1s and their Japanese counterparts bounced back by up to 2.1pts, driven by active short covering during the London session. We saw Asian PBs buying bonds across the curve, while RMs/AMs focused mainly on the front end and belly of the yield curve. SOCGEN 7.125 Perp rose 2.1pts. Meanwhile, insurance subs were generally up to 1.0pt firmer. JP IG space tightened 3-8bps on both fixed-rate papers and FRNs. SOFTBK 65 edged 2.0pt higher. Asian FRNs and Chinese IG names traded 2-5bps tighter. We saw profit-taking on KUAISH and NSINTW 34s. TW lifers tightened 5-10bps. The Macau gaming complex SJMHOL/MGMCHI/MPEL/SANLTD/STCITY/WYNMAC were 0.1-1.7pts firmer. See our comments on 3M26 Macau gaming GGR yesterday. FAEACO 12.814 Perp recovered 1.0pt. WESCHI 28-29 rose 0.8-1.6pts. West China Cement announced that it would buy 100% stake in a South African cement maker for USD150mn. In Chinese properties, VNKRLE 27' and 29' edged 0.8-1.4pts higher. Media reported that Vanke was considering a restructuring for an onshore bond (o/s amt RMB2bn) due 23 Apr'26 with an upfront repayment of 40% and an one-year extension for the remaining. In KR space, buyers reloaded risk through buying LGENSO/HYNMTR/POHANG/HYUELE and bank-guaranteed corporate notes, driving the bonds 2-8bps tighter. The recent new issue KOMRMR 4.875 04/13/31 was lifted to 10bps tighter. Financial names DAESEC and the recent new issues SHNHAN 29-31s traded 2-5bps tighter. In SE Asian space, we saw better buying on OCBCSP 35-36s and BBLTBs, which closed 3-5bps tighter. RMs were topping up PETMKs and drove the curve 5-8bps tighter. MEDCIJ 27-30s were 0.4-0.7pt higher. Medco Energi priced USD200mn tap of MEDCIJ 8.625 05/19/30 at 103.072 to yield 7.489%. In ME space, ARAMCO/KSA recovered 1.0-1.5pts. BSFR 27-35s/FABUH 34-35 gained 0.2-0.8pt. Elsewhere, the LGFV space had a mixed session. Higher-yielding issues remained sought after whilst lower-yielding issues were switched out.

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❖ **Last Trading Day's Top Movers**

Top Performers	Price	Change	Top Underperformers	Price	Change
AVIILC Float 03/28/30	**97.7**	**3.1**	TOPTB 3 1/2 10/17/49	**67.6**	**-0.5**
VLLPM 9 3/8 07/29/29	**40.3**	**2.5**	FTLNHD 11.88 09/30/27	**95.6**	**-0.5**
HCELEC 4.65 12/29/26	**65.8**	**2.3**	HAOHUA 3.7 09/22/50	**75.7**	**-0.5**
SOCGEN 7 1/8 PERP	**99.1**	**2.1**	CHIOLI 5.35 11/15/42	**93.9**	**-0.4**
SOFTBK 8 1/4 10/29/65	**92.7**	**2.0**	PMBROV 11 1/2 02/18/30	**92.9**	**-0.4**

❖ **Marco News Recap 宏观新闻回顾**

Macro – S&P (+2.51%), Dow (+2.85%) and Nasdaq (+2.80%) were higher on Wednesday. The US Crude Oil Inventories was +3.081mn, higher than the market expectation of -1mn. UST yield was lower on Wednesday. 2/5/10/30 year yield was at 3.79%/3.92%/4.29%/4.89%.

❖ **Desk Analyst Comments 分析员市场观点**

➢ **Asia Pacific gross USD bonds issuance: Dropped 63.8% yoy in Mar'26 facing sharp UST volatility**

Gross USD issuance of Asia Pacific dropped 63.8% yoy in Mar'26

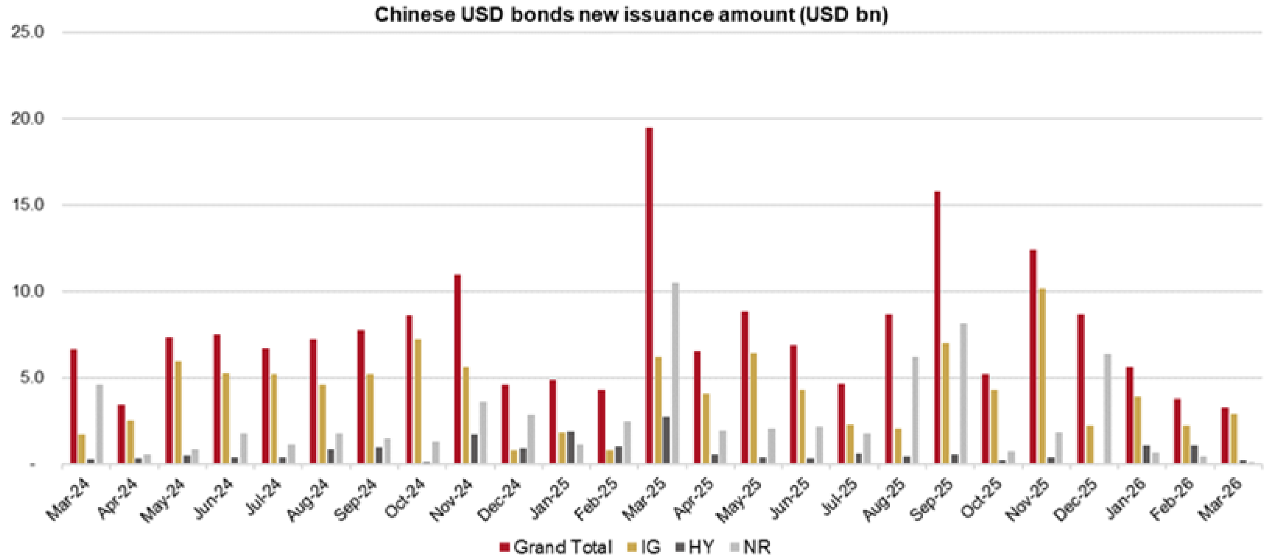
In Mar'26, the gross issuance of USD bonds from Asia Pacific dropped 63.8% yoy to USD24.5bn. Australia (USD10.5bn), Japan (USD4.2bn) and South Korea (USD3.7bn) were among the largest issuers. 93.3% of the gross issuance amount were IGs. By sector, financials (70.9%), metals & mining (10.2%) and consumer discretionary (6.5%) were among the largest issuers. Cumulatively, the gross issuance of USD bonds in Asia Pacific decreased 23.1% yoy to USD96.6bn in 3M26. Japan (USD25.1bn), South Korea (USD18.7bn) and Australia (USD16.5bn) were among the largest issuers. 88.3% of the gross issuance amount were IGs. Financials (65.0%), sovereigns (9.3%) and metals & mining (4.7%) were among the largest issuing sectors. We believe that the sharp volatility of US treasury rates since the onset of US-Israel war against Iran is the major cause for the significant decline in new issuance in Mar'26. We see pent demand supply and demand pending on a more stabilized rate environment.

Gross USD issuance of Asia ex-JP, AU & NZ fell 76.7% in Mar'26

In Mar'26, the gross issuance of USD bonds from Asia ex-JP, AU & NZ dropped 76.7% yoy to USD9.8bn. South Korea (USD3.7bn), China (USD3.3bn) and Singapore (USD1.0bn) were among the largest issuers. 92.0% of the gross issuance amount were IGs. By sector, financials (64.2%), consumer discretionary (16.3%) and LGFVs (10.7%) were among the largest issuers. Cumulatively, the gross issuance of USD bonds in Asia ex-JP, AU & NZ decreased by 32.2% yoy to USD52.0bn in 3M26. South Korea (USD18.7bn), China (USD12.7bn) and Indonesia (USD5.0bn) were among the largest issuers. 80.1% of the gross issuance amount were IGs. Financials (48.3%), sovereigns (17.3%) and utilities (7.7%) were among the largest issuing sectors.

Gross USD issuance of China fell 83.2% yoy in Mar'26

In Mar'26, the gross issuance of USD bonds from China totaled USD3.3bn, dropped 83.2% yoy. IGs, HYs, and unrated contributed 90.2%, 6.1% and 3.7% of the gross issuance amount, respectively. By sector, financials (58.7%), LGFVs (32.1%) and industrials (9.2%) were among the largest issuers. Cumulatively, gross issuance of USD bonds from China totaled USD12.7bn in 3M26, representing a 55.7% yoy increase. IGs, HYs, and unrated contributed 71.5%, 18.5% and 10.0% of the gross issuance amount, respectively. Financials (58.6%), communications (12.9%) and communications (11.8%) were among the largest issuing sectors.



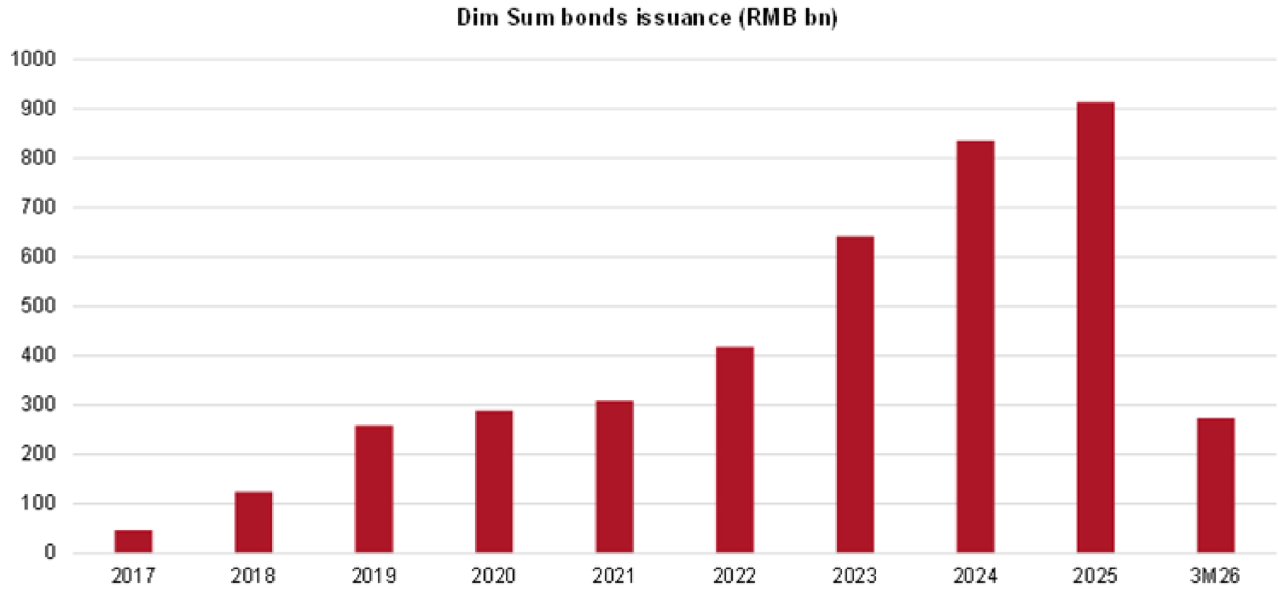
Source: Bloomberg.

Gross USD issuance of Middle East dropped 47.5% yoy in Mar'26

In Mar'26, the gross issuance of USD bonds from the Middle East decreased by 47.5% yoy to USD2.9bn, against the backdrop of the war and ongoing geopolitical uncertainties in the region. Indeed, the yoy decline in the Middle East was less severe than those in Asia Pacific. Qatar (USD1.8bn), Turkey (USD0.6bn) and the UAE (USD0.6bn) were the only issuers in Mar'26. 65.6% of the gross issuance amount were IGs, and 34.4% were NR. All issuance were from the financial sector. Cumulatively, the gross issuance of USD bonds in the Middle East still increased by 25.8% yoy to USD70.4bn in 3M26. Saudi Arabia (USD27.1bn), the UAE (USD12.2bn) and Turkey (USD11.5bn) were among the largest issuers. 65.6% of the gross issuance amount were IGs, 15.8% were HYs, and 18.6% were NR. By sector, sovereigns (41.8%), financials (35.0%) and energy (8.0%) were among the largest issuing sectors.

Dim Sum bonds issuance surged 158.2% in Mar'26

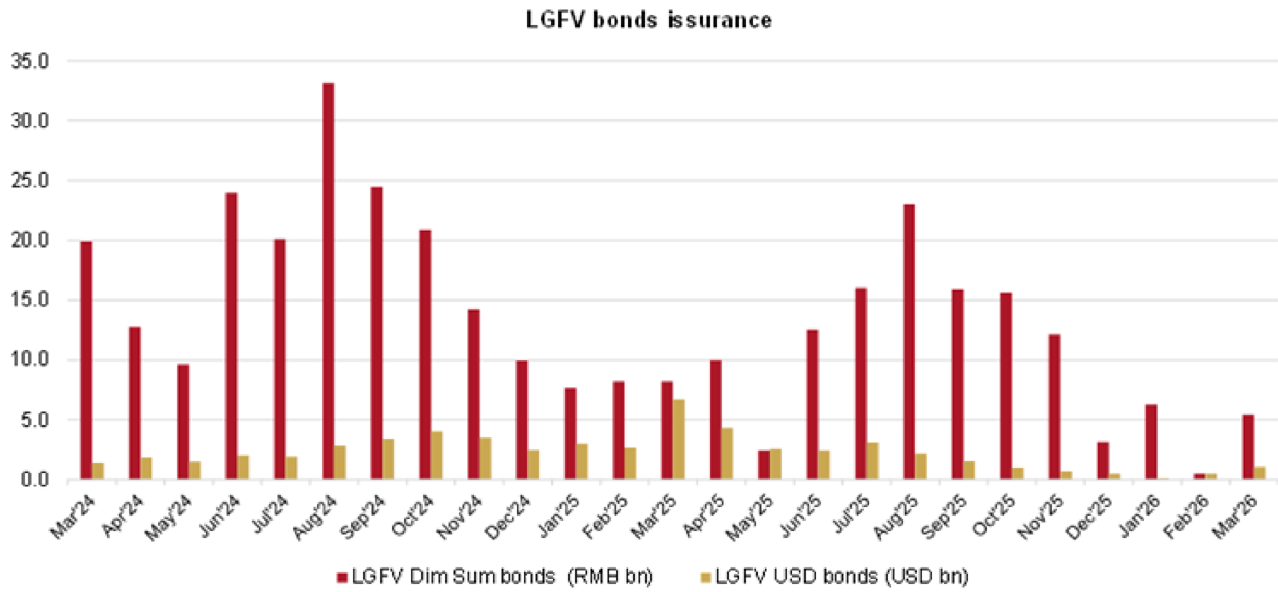
On the contrary, the gross issuance of Dim Sum bonds was RMB114.9bn, surged 158.2% yoy in Mar'26. China (RMB87.9bn), US (RMB13.8bn) and UK (RMB2.5bn) were among the largest issuers. 22.4% of the gross issuance amount were IGs. By sector, sovereigns (52.2%), financials (28.3%) and consumer discretionary (9.3%) were among the largest issuers. JD was one of the debut dim sum bond issuers in Mar'26. Cumulatively, the gross issuance of Dim Sum bonds was RMB274.4bn, increased 1.3% yoy in 3M26. China (RMB183.5bn), US (RMB39.5bn) and UK (RMB12.6bn) were among the largest issuers. 29.1% of the gross issuance amount were IGs. By sector, sovereigns (48.6%), financials (36.9%) and LGFVs (4.5%) were among the top issuers. Meanwhile, the gross issuance of Asia ex-JP, AU & NZ Dim Sum bonds totaled RMB92.8bn in Mar'26, representing a 222.0% yoy increase. The gross issuance of Asia ex-JP, AU & NZ Dim Sum bonds was RMB201.7bn in 3M26, a 15.9% yoy decrease.



Source: Bloomberg.

Sharply lower issuance of USD and Dim Sim bonds from LGFVs

In Mar'26, the gross USD bonds issuance of LGFVs decreased 84.3% yoy to USD1.1bn, and Dim Sum LGFV bonds issuance decreased by 33.8% yoy to RMB5.4bn. Cumulatively, the gross USD bonds issuance of LGFVs declined by 86.8% yoy to USD1.6bn in 3M26, and Dim Sum LGFV bonds issuance decreased by 49.2% yoy to RMB12.2bn in 3M26. The lower LGFV Dim Sum bonds issuance in 3M26 was partly due to the tightened regulatory environment starting from 4Q24 to limit onshore investors' allocations to LGFV Dim Sum bonds through Southbound Bond Connect.



Source: Bloomberg.

Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Mizuho Bank	1000/ 500/ 1750/ 750/ 2000/ 1500	3yr/ 3yr/ 5yr/ 5yr/ 10yr/ 20yr	4.395%/ SOFR+80/ 4.695%/ SOFR+105/ 5.185%/ 5.772%	T+60/ SOFR+80/ T+78/ SOFR+105/ T+90/ T+90	A1/A/-
MUFG	1000/ 1250/ 500/ 1500/ 1250	4NC3/ 6NC5/ 6NC5/ 11NC10/ 21NC20	4.592%/ 4.847%/ SOFR+119/ 5.325%/ 5.868%	T+78/ T+92/ SOFR+119/ T+102/ T+98	A1/A-/A-

Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Binzhou Guotou Overseas Investment	USD	-	3yr	6.0%	Unrated

News and market color

- Regarding onshore primary issuances, there were 129 credit bonds issued yesterday with an amount of RMB181bn. As for month-to-date, 417 credit bonds were issued with a total amount of RMB449bn raised, representing a 49.3% yoy increase

- China local tourism spending rose 6.6% yoy during Qingming Festival break

- **[ADANI]** Adani Group plans to invest USD3.56bn in east India; Adani approached US court to dismiss SEC fraud lawsuit related to AGEL's USD750mn notes

- **[GARUDA]** Indonesian President instructed carrier Garuda Indonesia and the state fund Danantara to approach Saudi Air to create a JV

- **[HLPPY]** Hang Lung Properties plans to launch program to issue up to USD4bn in MTNs

- **[LENOVO]** Lenovo 1Q26 global PC shipments rose 8.6% yoy to 16.5mn units

- **[LGCHEM]** LG Chem weighs selling stake in low-margin plastic feedstock unit

- **[PKX]** Media reported that POSCO Holdings’ plan to build a low-emissions iron plant in Western Australia’s Pilbara region has been approved by local authorities

- **[SDEXPR]** Shandong Hi-Speed mulls asset injections into Shanghai-listed subsidiary

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