

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- The FRN space tightened 1-2bps this morning. HYUELE 29s was 3bps tighter. VNKRLE 27-29 were up by another 1.3-1.4pts. LNGFOR 28 was 0.4pt higher. EHICAR 26 dropped by 1.4pts. YPCORP 29 was 0.7pt lower.*
- DALWAN:** New DALWAN 28 at 13% FPG looks fair. DALWAN 28 was unchanged this morning. See below.
- SHUION:** Shui On Land accepted USD295.218mn of SHUION 5.5 06/29/26 in the tender offer, USD104.782mn remains outstanding. SHUION 26 was 0.3pt lower while SHUION 29 was 0.3pt higher this morning.

❖ Trading desk comments 交易台市場观点

Yesterday, the new RY 6.5 05/24/86 was unchanged from RO at par amid small better buying by PBs and RMs. The new HKE 4.75 02/03/36 tightened 8bps from RO at T+60. See our comments on 27 Jan'26. Chinese IG benchmark names held steady with modest global money buying MEITUA. Higher-beta FRESHK 28-29 squeezed another 5bps. In Chinese properties, DALWAN 28 rose 0.5pt. See comments on the new issue below. VNKRLE 27-29 led the space and surged 3.1-3.2pts. Shenzhen Metro will provide a three-year loan up to RMB2.4bn (cUSD339mn) to Vanke to repay the principal and interest of its public bonds. Vanke has scheduled payment of RMB864.1mn for 22WankeMTN004 on 28 Jan'26 and RMB1.6bn for 22WankeMTN005 by 10 Feb'26. Media reported that holders of 22WankeMTN004 received the payment yesterday (28 Jan'26). In HK, NWDEVL/VDNWDL Perps rose 0.3-1.4pts. HYSAN 7.2/4.85 Perps also edged 0.3-0.5pt higher. CASHLD 6.25 Perp gained 0.2pt. In KR space, HYNMTR FRNs tightened another 1-3bps. LGENSO/DAESEC curves also tightened 2-5bps, while lower-beta names HYUELE/WOORIB closed unchanged. JP bank FRNs tightened 2-4bps as AMs parked cash into SUMIBK/MIZUHO/MUFG, while 2-5yr fixed-rate tranches compressed 3-5bps. JP insurance subs were better offered from PBs across 5-10yr callable issues but the price closed unchanged. EU AT1s were softer during London session, though Chinese RMs were digesting loose bonds in the front end of the yield curve. STANLN 7 Perp was 0.1pt lower. In SE Asian space, BBLTB/OCBCSP/UOBSP T2s were 1bp tighter to 2bps wider. IHFLIN 27-30s/SMCGL Perps were unchanged to 0.1pt higher. VEDLN 28-33s were up to 0.5pt higher. In AU space, T2 papers tightened across the board amid strong buying flows, though FRNs traded in mixed two-way and closed largely unchanged. In the Middle East, papers with less than 5yr tenor and bank FRNs stayed well bid, but KSA and ARAMCO long-end notes faced heavy selling pressure and softened 0.3-0.5pt. SNBAB 6.15 Perp edged 0.1pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRL 3.975 11/09/27	29.1	3.2	TOPTB 3 1/2 10/17/49	71.7	-0.7
VNKRL 3 1/2 11/12/29	28.1	3.1	CHGDN 4.8 09/11/48	91.9	-0.7
NWDEVL 5 1/4 PERP	69.4	1.4	TOPTB 3 3/4 06/18/50	74.4	-0.6
NWDEVL 4.8 PERP	57.5	1.0	PLNIJ 4 3/8 02/05/50	78.0	-0.5
NWDEVL 4 1/8 PERP	62.0	0.8	VLLPM 9 3/8 07/29/29	58.3	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.01%), Dow (+0.02%) and Nasdaq (+0.17%) were mixed on Wednesday. US Fed kept interest rates unchanged. UST yield was higher on Wednesday. 2/5/10/30 year yield was at 3.56%/3.83%/4.26%/4.85%.

❖ Desk Analyst Comments 分析员市场观点

➤ DALWAN: New DALWAN 28 at 13% FPG looks fair

Dalian Wanda Commercial Management (DWCM) proposes to issue 2NC1.5 Reg S USD senior bond (unrated). We view the FPG of the new DALWAN 28 of 13% as fair, in view of the existing DALWAN 28 is trading at YTW of 12.6% at 98.5. As per media report, DWCM targets to issue at least USD300mn and it has obtained an offshore debt issuance quota of USD700mn from NDRC, expiring at end-2026.

The new DALWAN 28 will be issued by Wanda Properties Global, guaranteed by Wanda Commercial Properties Hong Kong Co, Wanda Real Estate Investments and Wanda Commercial Properties Overseas with DWCM as the Keepwell provider, same as the existing DALWAN 28. We view the new DALWAN 28 should offer a yield pick up over the existing DALWAN 28 to compensate for the absence of amortization. The existing DALWAN 28 requires four amortization payments of 12.5% of principal each on 30 Jan'26, 13 Aug'26, 13 Feb'27 and 13 Aug'27, with the remaining 50% will be paid at maturity. In addition, the new DALWAN 28 includes a new covenant limiting the incurrence of additional offshore debt with final maturity, or any partial/full repayment, on or before 6 months after the new DALWAN 28's maturity date.

Net proceeds will be used to fund a concurrent tender offer for the existing DALWAN 28 of USD400mn at par. DWCM will accept tenders up to the aggregate principal amount of the new issue, and may prioritize (i) acceptance of tenders from holders who subscribe to the new bond and (ii) allocation of the new bond to tendering holders. The tender offer expires on 4 Feb'26 4pm GMT. In Chinese properties space, our picks are CHJMAO, DALWAN, FUTLAN/FTLNHD, GRNCH, and LNGFOR.

Table 1: Summary of the tender offer

Security name	DALWAN 11 02/13/28
ISIN	XS2586129574
Amt o/s (USD mn)	400
Tender px	100
Amount subject to the tender	Up to the new issuance
Expiration deadline	4 Feb'26 4pm GMT
Tender settlement date	On or around 9 Feb'26

Source: Company's filling.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chongqing Xinshuangquan Urban Dongtai Chengxing Investment Development	104.5 43.7	3yr 3yr	4.0% 4.8%	4.0% 4.8%	Unrated Unrated

➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Dalian Wanda	USD	-	2yr	13.0%	Unrated
First Abu Dhabi Bank PJSC	USD	-	5yr	SOFR+75	Aa3/-
Muthoot Finance	USD	-	4.5yr	6.125%	Ba1/BB+-

➤ **News and market color**

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB84bn. As for month-to-date, 1,821 credit bonds were issued with a total amount of RMB1,569bn raised, representing a 7.8% yoy increase
- [GEELY]** Moody's changed the outlook of Geely Automobile to positive from stable and affirmed Ba1 rating
- [SUNHCK]** Sun Hung Kai USD100m-equivalent two-year unsecured loan commitments due 27 Feb'26
- [VNRKLE]** Media reported two holders of Vanke's due-15 Dec 2025 onshore bonds received upfront payments under amend-and-extend
- [XINAOG]** ENN Energy extends dispatch of privatization scheme document to 30 Apr'26

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