

CMBI Credit Commentary

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

- *The new BCDHGR 6.3 04/20/29 rose 0.8pt higher from RO at par this morning. TW lifers tightened 2-7bps, SEA/KR/JP IG credits traded 1-5bps tighter. JP AT1s and insurance subs were 0.3-0.5pt higher. SOFTBK 29-61s were down 0.6-1.2pts. Media reported that SoftBank Group plans to sell USD/EUR bonds in six tranches as it ramps up fundraising to support AI investments.*
- **EHICAR:** *Minimum acceptance level for the exchange offer waived; eyes on second round. EHICAR 26 rose 3.2pts yesterday and up 1.0pt this morning. See below.*
- **China Economy:** *Weak endogenous credit demand. CMBI continues to expect the PBOC to cut LPR and RRR by 10bps and 50bps respectively by end-3Q26, while relying on structural monetary tools in the near term to support targeted sectors and credit delivery. See comments from CMBI economic research below.*

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❖ Trading desk comments 交易台市场观点

Yesterday, the market was stable despite a lack of positive progress from the US-Iran talk. EHICAR 26 rose 3.2pts, while EHICAR 27 was 0.1pt higher. Media reported that eHi Car Services plans to launch a second round of exchange offer for EHICAR 26. See comments below. FOSUNI 26-29 edged 0.1-2.4pts higher. Chinese IG space was largely unchanged amid two-way flows on MEITUA/KUAISH. TW lifers leaked to 1-2bps wider amid light flows. HK IG names LINREI/HKE traded 1-2bps tighter. In HK/Chinese properties, ROADKG Perps were down 0.8-1.1pts. Media reported that Oaktree and PAG are in talks with Road King Infrastructure to improve terms related to a restructuring agreement announced in mid-Mar'26. VNKRL 27-29 leaked 0.8pt. FUTLAN 28/FTLNHD 26-29 closed 0.2pt lower to 0.7pt higher. LNGFOR 27-32 were unchanged to 0.5pt higher. In SE Asian space, OCBCSP 35-36s traded 1-3bps tighter while the rest of bank T2s closed unchanged. INDYIJ 29/MEDCIJ 26-30 were unchanged to 0.3pt lower. See our comments on Indika Energi FY25 results [yesterday](#) and on Medco Energi FY25 results [last Friday](#). SMCGL Perps lost 0.1-0.6pt. GLPSPs were unchanged to 0.2pt lower. IHFLIN 27-30 retraced 0.2-0.4pt. In KR space, we saw better buying on SKBTAM/MOMPER/LOTCOR/LGENSO and the bonds traded 2-3bps tighter. Japanese and Yankee AT1s were marked down by 0.3-0.5pt, and we saw better buying on dip and short covering. HSBC 6.75 Perp/HSBC 7 Perp were 0.2-0.4pt weaker.

In LGFV space, the new GZFINH 4.05 04/15/29 lost 0.2pt from RO at par. The rest of the LGFV space was overall stable amid two-way flows across mainly higher-yielding CNH names.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
EHICAR 7 09/21/26	66.6	3.2	ROADKG 7 3/4 PERP	19.2	-1.1
FOSUNI 8 1/2 05/19/28	102.4	2.4	AVIILC 4 5/8 03/28/28	98.3	-0.9
HCELEC 4.65 12/29/26	66.0	2.1	ROADKG 7.95 PERP	19.4	-0.8
TSINGH 6 1/2 01/31/28	89.5	0.8	MBTPM 5 1/2 03/06/34	102.0	-0.8
EBIUH 6 1/4 PERP	100.6	0.7	ROADKG 7 PERP	19.5	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.02%), Dow (+0.63%) and Nasdaq (+1.23%) were higher on Monday. US Mar'26 existing home sales was 3.98mn, lower than the market expectation of 4.07mn. UST yield was lower on Monday. 2/5/10/30 year yield was at 3.78%/3.92%/4.30%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➤ **EHICAR: Minimum acceptance level for the exchange offer waived; eyes on second round**

Table 1: Bond profile of EHICARs

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTM
EHICAR 7 09/21/26	XS2384059122	97.064	68.3	117.1%
EHICAR 12 09/26/27	XS2782510049	325	53.0	67.9%

Source: Bloomberg.

eHi Car accepted all the USD168.966mn, i.e. 63.51% of the outstanding amount, of EHICAR 7 09/21/26 validly tendered in the exchange offer last week, waiving the 85% minimum acceptance threshold. eHi also received requisite consents to exit the consent solicitation, which eliminates non-monetary restrictive covenants and events of default. eHi expects to issue USD152.065mn in aggregate principal amount of the EHICAR 10 10/14/29 today (14 Apr'26). The new amortizing bond will have a tenor of 3.5 years, that notably extends eHi's debt maturity profile.

As per media report, eHi plans to apply for a new NDRC quota to address the remaining USD97.064mn EHICAR 7 09/21/26 and launch a second round of exchange offer. We understand that its existing quota will expire in mid Apr'26. Another round of LME will likely pillow the route of tender offer and concurrent new issue. The challenge remains to offer sufficient incentive for holders to participate.

We view the current valuations of EHICARs have priced in too much downside for a non-distressed credit even though eHi's deleveraging has been slower than our expectation in the course of active car acquisitions. Looking ahead, we believe that eHi may pursue a consensual LME for EHICAR 12 09/26/27 as that maturity approaches next year. We maintain buy on EHICARs.

➤ **China Economy: Weak endogenous credit demand**

China's Mar credit data suggested liquidity conditions remained broadly accommodative, but endogenous credit demand softened further. Social financing moderated as government bond issuance slowed down, indicating that fiscal impulse was less than expected. M1 and M2 edged down while staying at relatively solid levels.

However, new RMB loans weakened further, dragged mainly by a renewed slump in household borrowing, with both consumer credit and mortgage demand still soft. Corporate borrowing edged down in aggregate, as the mix remained skewed toward short-term funding rather than long-term capex. With fragile household confidence, ongoing pressure in the property sector and only tentative corporate capex appetite, further easing should increasingly focus on lowering the absolute financing costs and improving credit pass-through rather than simply maintaining abundant liquidity. We continue to expect the PBOC to cut LPR and RRR by 10bps and 50bps respectively by end-3Q26, while relying on structural monetary tools in the near term to support targeted sectors and credit delivery.

Social financing softened as fiscal credit moderated. Outstanding social financing (SF) growth eased to 7.9% YoY in Mar 2026 from 8.2% in Jan-Feb. Monthly SF flow rose to RMB5.23tn in Mar, higher than market expectations at RMB5.09tn, while combined SF flow in 1Q26 edged down 2.3% YoY. Government bond financing remained the key anchor at RMB1.16tn in Mar, though it fell 21.8% from a high base last year, indicating that fiscal impulse was less than expected early in the year. Corporate bond financing notably surged to RMB395bn in Mar compared to -RMB90.5bn last year, indicating the recovering corporate credit demand. By contrast, new RMB loans under social financing fell 17.5% YoY to RMB3.2tn in Mar. Shadow financing also contracted as entrusted loans and trust loans saw negative flow while undiscounted bankers' acceptances moderated. M2 growth eased to 8.5% in Mar after holding at 9.0% YoY in Jan-Feb, while M1 moderated to 5.1% in Mar from 5.9% in Feb, implying that money circulation lost some momentum toward quarter-end as domestic economic activities moderated.

New RMB loans stayed weak. New RMB loans dropped 17.9% in Mar to RMB3trn, below market expectations of RMB3.2trn. Household loans remained the largest drag, as total household borrowing dropped by 50.2% to just RMB490bn. Consumer credit turned weaker, with short-term household loans dipped 59.6% in Mar to RMB195.6bn. Medium- and long-term household loans also fell 41.5% YoY to RMB295.3bn, indicating that housing demand remained subdued and the property sector was still in a deleveraging phase. On the corporate side, aggregate borrowing dropped by 6.3% to RMB2.7trn in Mar, but the composition remained defensive. Corporate short-term loans rose 2.8% YoY, while medium- and long-term corporate loans fell 14.6%, suggesting that firms still prioritized working-capital management and liquidity buffers over long-duration capex expansion.

Liquidity remained adequate, but credit demand from real economy weakened further. The central bank is still able to keep system liquidity supportive, as banks' 7D repo rate dropped below the PBOC policy rate and reflected in still-solid M1/M2 growth, but credit demand in the real economy remained weak. Monetary conditions are not tight, yet credit creation is still failing to translate into a meaningful pickup in household leverage or private-sector long-term borrowing. With fragile household confidence, ongoing pressure in the property sector and only tentative corporate capex appetite, further easing should increasingly focus on lowering the absolute financing costs and improving credit pass-through rather than simply maintaining abundant liquidity. We therefore continue to expect a 10bp LPR cut and 50bp RRR cut by end-3Q26 from the PBOC, alongside continued targeted support through structural monetary tools.

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

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Beijing Capital Development	350	3yr	6.3%	6.3%	-/-/BBB-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Incheon International Airport Corporation	USD	-	3yr	T+85	Aa2/AA/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 99 credit bonds issued yesterday with an amount of RMB59bn. As for month-to-date, 739 credit bonds were issued with a total amount of RMB736bn raised, representing a 15.1% yoy increase
- CATL considers possible USD5bn share sale
- Saudi Arabia has restored full capacity on the East–West pipeline following recent attacks
- **[GLOPM]** Globe Telecom launched tender offer for any and all of the o/s USD600mn GLOPM 4.2 Perp at par
- **[NSANY]** Nissan Motor will exit low-performing models, cutting its global lineup by roughly 20% as part of a strategic revamp
- **[SOFTBK]** SoftBank to develop large-scale physical AI project in Japan by 2030; plans to sell USD and EUR-denominated bonds in six tranches as it ramps up fundraising to support AI investments

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