

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *Asia IG spread was overall unchanged to 2bps tighter this morning. The recent new SSLINS '56 down 0.1pt. Korea IG was stable. AT1s were 0.2-0.5pt higher.*
- ***BTSDf:** BNC segment continues to drive robust revenue growth in 9M26. Maintain neutral on BTSDf '28, which was unchanged this morning. See below.*
- ***ZHHFGR:** Zhuhai Huafa Properties delayed 3Q26 report disclosure to 31 Oct'26. CNH ZHHFGRs were down 6-8pts this morning, CPDEV '28-29 dropped 1.4-2.2pts, GRNCH '29/LNGFOR '28 were 1.0-2.3pts lower.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia IG spreads stabilized on improved buy-side flows ahead of the FOMC meeting, supported by short covering and RM buying. In Greater China, Chinese TMT spreads tightened by 2-7bps, led by TENCNT /BABA/KUAISHI/MEITUA. Over in the CNH space, the new MEITUA '31/'36 traded heavy, dropping 0.5pts and 1.25pts respectively, which dragged the legacy '35 down 0.25pt in tandem. Taiwan lifers also posted a strong session to tighten 3-5bps behind CATLIF/SHIKON/NSINTW, though FUBON continued to face some selling pressure. Meanwhile, Korea credit finally reversed its multi-week weakness. An acute short squeeze in SSLINS '56 (+0.75pt) significantly boosted T2 such as TYANLI/SHNHAN by 5-8bps from their widest levels. Korean corporates and quasi-sovereigns were similarly upbeat, with KORELE/HWEUHC tightened 3-4bps on deployment flows, while dip buyers slowly re-emerged on HYUELE to recover roughly 5-7bps from last week's support.

In Higher-yielding space, EU AT1 recovered 0.1-0.5pt with better buying flows. SOFTBK curve rose 0.5-2.1pts amid tech stocks rally. Chinese property developers remained weak. CNH ZHHFGRs further down 5-15pts with limited buying interest. GRNCH/LNGFOR/CPDEV dropped another 0.5-1.5pts. HY industrial FOSUNI/HONGQI/WESCHI were unchanged to 0.2pt higher. Both USD and CNH LGFV were under active two-way flows while prices were largely unchanged.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SOFTBK 8 1/2 04/22/36	97.2	2.1	CITLTD 4 3/4 02/04/36	91.7	-3.0
SOFTBK 9 1/4 04/01/32	100.5	2.0	BCDHGR 6.3 04/20/29	94.0	-2.4
SOFTBK 8 1/4 10/29/65	91.3	1.9	INFRAB 14 1/2 11/15/28	105.0	-1.5
SOFTBK 7 1/2 07/10/35	91.5	1.8	LNGFOR 3.95 09/16/29	79.8	-1.5
SOFTBK 9 3/4 04/01/34	100.6	1.7	CPDEV 6.8 04/07/29	93.3	-1.1

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.28%), Dow (+0.19%) and Nasdaq (+0.27%) rallied higher on Wednesday. US Fed kept benchmark interest rate unchanged. US latest Crude Oil Inventories fell 1.892mn to 410.6mn barrels, compared to the market expectation of +0.1mn barrels. 5/10/30 year UST yield was higher yesterday while 2yr yield was lower. 2/5/10/30 year UST yield was at 4.67%/4.85%/5.05%/5.37%.

❖ Desk Analyst Comments 分析员市场观点

➤ BTSDf: BNC segment continues to drive robust revenue growth in 9M26

Table 1: BTSDf and Chinese HY peers

Security name	ISIN	Amt o/s (USDmn)	Ask px	YTM	Mod dur	Issue rating (M/S/F)
BTSDf 9 1/8 07/24/28	XS2971969287	300	104.0	6.7%	0.7	Ba3/BB/-
CWAHK 5 7/8 10/22/30	XS3201944314	300	90.1	8.9%	3.4	Ba1/BB+/-
FOSUNI 8 1/2 05/19/28	XS2922957746	500	100.6	8.1%	1.4	-/BB/-
FOSUNI 6.8 09/09/29	XS3175828113	400	95.8	8.5%	2.5	-/BB/-
HONGQI 6.925 11/29/28	XS3084116055	270	100.0	6.9%	1.8	-/BB/BB+

Source: Bloomberg.

We view Health & Happiness (H&H)'s credit profile as improving, supported by active liability management with clearer refinancing path, and revenue growth across all business segments. At current valuation, we maintain neutral on BTSDf 9.125 07/24/28. Within Chinese HY, we prefer CWAHK 5.875 10/22/30, which offers a more attractive risk-return profile than other Chinese HY peers.

In 9M26, H&H's revenue increased 24.5% yoy to RMB13.4bn, primarily driven by ANC and BNC segments. ANC experienced broad-based growth across region and revenue increased 17.7% yoy to RMB6.2bn, while BNC's 44.6% yoy revenue growth to RMB5.7bn was mainly supported by 54.5% yoy increase in IMF business in China. PNC segment revenue decreased 3.6% yoy to RMB1.5bn. H&H's market share in the super-premium IMF segment increased to a new all-time high of 22.3% in the rolling 12 months ended Aug'26, up from 15.4% a year earlier.

Looking ahead, H&H's operating outlook remains constructive, supported by Swisse's strong brand positioning and Biostime's continued market share gains. Within BNC, H&H expects to sustain growth through its Pi Star series, the only approved imported IMF containing HMO in Chinese mainland, and by retaining customers as they transit from early-stage formula to Stage 3 products. Within PNC, H&H plans to broaden Zesty Paws' distribution channels and drive Solid Gold's growth in higher-margin categories.

H&H continues to lower its debts, with the gross debt decreased by RMB1.3bn as of Sep'26 from the level as of Dec'25, implying a reduction of cRMB300mn during 3Q26 from RMB7.7bn as of Jun'26. This demonstrates continued debt repayment discipline while maintaining business growth. Its RMB-denominated borrowings and RMB hedging also provided coverage equivalent to 100% of total borrowings, reducing the currency mismatch risk. As of Sep'26, H&H had cash of RMB2.1bn, increased from RMB1.9bn as of Jun'26. We view H&H has adequate liquidity to manage its debt maturities in the near term, in view of the increasing operating cash generation and funding resources. H&H also has records of early partial repayment of USD term loan.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 112 credit bonds issued yesterday with an amount of RMB81bn. As for month-to-date, 1,654 credit bonds were issued with a total amount of RMB1,712bn raised, representing a 12.9% yoy increase
- **[ADEIN]** Adani Enterprises FY1H27 revenue up 62.3% yoy to cUSD7.4bn and net profit attributable to owners up 92% yoy to cUSD35mn
- **[ADSEZ]** Adani Ports FY1H27 revenue up 21% yoy to cUSD2.3bn and EBITDA up 21% yoy to cUSD1.4bn
- **[DEASEC]** Mirae Asset Securities is entering Japan's retail brokerage market by acquiring Sanko Securities, a unit of Japan's Okasan Securities, for cJPY5bn
- **[MGMCHI]** MGM China 3Q26 revenue up 4.6% yoy to USD1.1bn and adj. EBITDAR down 7% yoy to USD264mn
- **[SHIKON]** S&P revised the outlook of Shin Kong Life to stable from negative on stabilizing group credit profile; BBB+ rating affirmed
- **[VEDLN]** Vedanta Ltd 1HFY27 revenue up 55.6% yoy to cUSD5.3bn and EBITDA up 102.6% yoy to cUSD1.9bn

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