CMB INTERNATIONAL 招銀国际

Fixed Income
Credit Commentary

10 Aug 2026

CMBI Credit Commentary

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

- *Overall, it was a quiet session in both Asia IG and HY this morning. We saw modest buying interests in AT1s and JP lifer subs, and two-way flows in LGFVs. CKINF Perps were 0.4-0.5pt higher. GLPSP 28 up 0.2pt. HCELEC 26/VNKRLE 29 down 0.8-0.9pt.*

- ***PTTGC:** Higher product prices lifted 1H26 earnings and strengthened liquidity profile. Maintain buy on PTTGC 6.5 Perp and PTTGC 7.125 Perp. PTTGCs were unchanged this morning. See below.*

- ***SDGOLD:** SDG Finance announced IPT at 2.4% for a 3yr dim sum bond, guaranteed by Shandong Gold Group. Net proceeds will be used to finance and/or refinance, in whole or in part, eligible green projects of the Group. SDGOLD 26-28/Perp were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Last Friday, the new STANLN 30 FRN edged 2bps tighter from RO at SOFR+95, with limited flipping activity relative to top-up demand. It was a generally muted session for Asia IG ahead of US jobs data and geopolitics developments, with the space broadly unchanged despite the sizeable US tech deal supply, i.e. USD25bn Alphabet came with a concession. Selected Chinese TMTs BABA/MEITUA/TENCNT tightened 1-2bps on higher all-in yields. We saw renewed buying interests in TW lifers/HK T2s following recent selling. In Korea, HYUELEs were unchanged despite production expansion news.

Flows were light across higher-yielding space. We saw some AM selling in the belly of insurance subs and, to a lesser extent, AT1s, with these papers leaked by 0.2pt. China/HK names REGH Perp/WLISRC 36 rose 2.6-3.2pts. VNKRLE 27-29 up 1.8-2.1pts. EHICAR 26-29 gained 0.3-0.9pt. On the other hand, LASUDE 29 fell 1.2pts. CKINF Perps down 0.5-0.9pt. In LGFVs, we saw high-yielding CNH names remained well bid, with the majority of bonds compressed into inside 7% yields. In contrast, low-yielding USD issues remained under selling pressure as rates rose again.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
REGH 6 1/2 PERP	**35.5**	**3.2**	LASUDE 5 07/28/29	**77.4**	**-1.2**
WLISRC 7 7/8 06/23/36	**92.4**	**2.6**	CKINF 4.85 PERP	**81.1**	**-0.9**
VNKRLE 3.975 11/09/27	**58.4**	**2.1**	CKINF 4.2 PERP	**70.9**	**-0.7**
VNKRLE 3 1/2 11/12/29	**53.1**	**1.8**	ACENPM 4 PERP	**57.4**	**-0.6**
EHICAR 7 09/21/26	**66.2**	**0.9**	PLBIIJ 5 3/8 05/05/45	**89.2**	**-0.5**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.62%), Dow (+0.28%) and Nasdaq (+1.30%) were higher on last Friday. US Jul'26 Nonfarm Payrolls were -23k, compared to the market expectation of +85k. US Jul'26 Unemployment Rate was 4.1%, lower than the market expectation of 4.2%. UST yield was lower on last Friday. 2/5/10/30 year yield was at 4.19%/4.35%/4.65%/5.19%.

❖ Desk Analyst Comments 分析员市场观点

➢ PTTGC: Higher product prices lifted 1H26 earnings and strengthened liquidity profile

Table 1: Bond profile of PTTGCs

Security name	ISIN	Amt o/s (USDmn)	Ask px	YTC	First call date	Coupon reset date	Coupon reset	Step-up (bps)	Issue rating
PTTGC 6.5 Perp	USY3004DAD67	600	98.9	6.8%	10 Sep'30	10 Dec'30	5yrUST+2.815%	-	Ba2/-/BB
PTTGC 7.125 Perp	USY3004DAE41	500	98.7	7.3%	10 Mar'35	10 Sep'35	5yrUST+3.162%	25	Ba2/-/BB

Source: Bloomberg.

We maintain buy on PTTGC 6.5 Perp and PTTGC 7.125 Perp for decent carry in PTTGC curve. PTTGC 6.5 Perp offers a yield pick-up of c130bps over its senior PTTGC 31 with 3 months shorter in "tenor", and c20bps over TOPTB 6.1 Perp (first coupon reset in Apr'31). PTTGC 7.125 Perp is trading as the highest yielding paper within the PTTGC curve. Despite the coupon of the perps will only be reset with minimal step-ups, we believe that PTT Global Chemical (PTTGC) remains incentivized to call and replace the perps to preserve the hybrid market access and equity credit recognition.

PTTGC's revenue rose 20% yoy to THB319.3bn in 1H26, supported by higher ASPs following sudden supply tightening linked to the Middle East conflict. The product to feed margin expanded to 28% from 22% in 1H25, driving adj. EBITDA to surge 265% yoy to THB41.8bn, with adj. EBITDA margin lifted to 13% from 4%. The robust growth was driven by Upstream (refinery, aromatics and Olefins), Polymers & Chemicals as well as Performance Chemicals, while the Intermediates segment returned to positive EBITDA of THB1.5bn, from a negative THB438mn in 1H25. Besides, as we wrote in our daily on 9 Jul'26, PTTGC booked a restructuring provision related to GC Polyols (GCP) of THB1.8bn during 2Q26. Overall, PTTGC recorded net profit of THB14.5bn in 1H26, compared to a loss of THB6.4bn in 1H25.

PTTGC's liquidity profile strengthened. As of Jun'26, PTTGC had cash and ST investments totaled THB58.1bn, increased from THB21.3bn as of Dec'25, driven by operating cash inflow of THB46.5bn and proceeds from partial disposal of TTT of THB4.4bn and Jetty of THB4.8bn, partially offset by capex of THB6.0bn. Total debt/LTM adj. EBITDA and net debt/LTM adj. EBITDA improved to 5.8x and 3.9x, respectively, on the back of EBITDA growth.

We understand that PTTGC's recent earnings recovery was largely driven by supply disruptions related to the Middle East tensions. The sector also continues to face structural pressure from the energy transition and persistent overcapacity. That said, we view PTTGC's 1H26 earnings recovery, stronger liquidity, and improved leverage have mitigated near-term rating pressure. We also take comfort from PTTGC's ability to generate sufficient operating cash flow to cover capex in recent years, which should support further debt reduction alongside asset monetization.

Table 2: PTTGC's 1H26 financial highlights

THB mn	1H25	1H26	Change
Sales revenue	265,927	319,324	20%
Feedstock cost	(207,624)	(231,132)	11%
Product to feed margin	58,303	88,192	51%
Adj. EBITDA	11,459	41,777	265%
Upstream	*5,700*	*28,181*	*394%*
Intermediates	*(438)*	*1,469*	*N/A*
Polymers & Chemicals	*2,395*	*5,016*	*109%*
Bio & Circularity	*325*	*750*	*131%*
Performance Chemicals	*3,659*	*6,361*	*74%*
Service and Others	*(181)*	*1*	*N/A*
Net profit/ (loss)	(6,366)	14,527	N/A
Product to feed margin (%)	22%	28%	6 ppts
Adj. EBITDA margin	4%	13%	9 ppts
Upstream	*4%*	*16%*	*12 ppts*
Intermediates	*-1%*	*4%*	*5 ppts*
Polymers & Chemicals	*5%*	*11%*	*6 ppts*
Bio & Circularity	*3%*	*8%*	*5 ppts*
Performance Chemicals	*9%*	*15%*	*6 ppts*
THB mn	**Dec'25**	**Jun'26**	**Change**
Cash and ST investments	21,271	58,133	173%
Total debt	180,102	176,252	-2%
Net debt	158,831	118,120	-26%
Total debt/LTM adj. EBITDA	8.6x	5.8x	
Net debt/LTM adj. EBITDA	7.6x	3.9x	

Source: Company filing, CMBI FICC Research.

➢ 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 61 credit bonds issued last Friday with an amount of RMB32bn. As for month-to-date, 414 credit bonds were issued with a total amount of RMB427bn raised, representing a 12.5% yoy decrease

- **[BABA]** Alibaba-backed Chinese AI startup in talks to raise funds at USD2bn valuation; Alibaba will ask large commercial users to share part of the revenue generated by its latest open-source AI model

- **[DFHOLD]** Korea Investment Holdings 1H26 operating income up 119.7% yoy to KRW2.5tn (cUSD1.7bn)

- **[GRNCH]** Greentown China anticipated yoy drop of up to 320% in 1H26 profit on lower revenue

- **[GTJA]** Guotai Junan International received privatization offer from Guotai Haitong Financial

- **[HYUELE]** SK Hynix to invest USD38bn in new facilities to meet memory demand; may bring in a strategic investor to help quicken growth at its plant in Chongqing, China

- **[INCLEN/INGPHL/RPVIN]** CPP Investments confirmed ReNew Energy USD7.02/share offer is best and final non-binding offer

- **[INDYIJ]** Indika Energy signed USD155mn facility deal to develop gold mine

- **[MONMIN]** Mongolian Mining expected to report a net profit of USD100-110mn for 1H26, compared with consolidated net loss of USD19.9mn in 1H25

- **[RIOLN]** Rio Tinto's negotiations with Chinese mills over iron ore shipments suspended by China Mineral Resources Group

- **[SOFTBK]** SoftBank Group 1QFY27 net sales rose 11% yoy to JPY2.0tn (cUSD12.8bn)

- **[VEDLN]** Vedanta Resources FY26 EBITDA rose 24% yoy to record high at USD6.8bn; Vedanta Group’s aluminum arm plans to raise cINR135bn (cUSD1.4bn) from three Indian lenders

- **[VNKRLE]** China Vanke dissolved office business unit, cuts business units to seven
- **[WESCHI]** West China Cement expected a 45%-50% yoy drop in 1H26 profit primarily due to lower cement sales volume and average selling prices in China

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