

CMBI Credit Commentary

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

- *We saw two-way flows from PBs on AT1s this morning. EHICAR 26 gained 0.6pt. LNGFOR 28 was 0.4pt higher. ACPM 4.85 Perp was 1.4pts lower. VNKRL 27 was 0.7pt lower, while VNKRL 29 edged 0.1pt higher.*
- **RAKUTN:** *FY25 financial targets achieved, deleveraging on track. See below.*
- **UPLLIN:** *UPL Ltd approved group reorganization plan; to list pure-play crop protection arm. UPLLIN 28-30 were unchanged this morning.*

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❖ Trading desk comments 交易台市场观点

Last Friday, flows were light amid onshore CNY holiday. ORIEAS 26-29 closed 1bp wider. ZHOSHK 28 tightened 1bp. FRESHK 26-29 were 1bp tighter to 2bps wider. EHICAR 26 leaked 1.2pts, while EHICAR 27 closed unchanged. In HK, the NWDEV/LVDNWDL complex gained 0.1-7.7pts. LASUDE 26/FAEACO 12.814 Perp/LIFUNG 5.25 Perp edged 0.4-0.5pt higher. SHUION 26-29 were 0.1-0.3pt firmer. The Macau gaming complex were unchanged to 0.2pt higher. See our comments on MPEL/STCITY on [16 Feb'26](#). In Chinese properties, VNKRL 27-29 rose 1.7-2.0pts. FUTLAN 28/FTLNHD 26-27/LNGFOR 27-32 were 0.2-1.2pts higher. DALWAN 28s were 0.2-0.3pt higher. In SE Asian space, BBLTB/OCBCSP/KBANK T2s and TOPTB 30-50s widened 1-3bps. PTTGC Perps were down by 0.2-0.3pt. VEDLN 28-33s were unchanged to 0.4pt higher. The ReNew Energy complex and IHFLIN 27-30 traded 0.1-0.2pt higher. SMCGL Perps were unchanged to 0.1pt higher. ACPM Perps were 0.5pt lower to 1.3pts higher. Media reported that Ayala Corp.'s property developer subsidiary plans to spend up to USD1.4bn in 2026 for its offices and mall leasing businesses. VLLPM 27 lost 1.3pts, while VLLPM 29 was 0.5pt higher. In JP space, RESLIF 6.875 Perp was 0.1pt firmer. In the Middle East, ARAMCOs and long-end KSAs were 0.4pt lower to 0.3pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4.8 PERP	68.9	7.7	HMELIN 5 1/4 04/28/27	98.1	-2.0
VNKRLE 3 1/2 11/12/29	45.9	2.0	VLLPM 7 1/4 07/20/27	50.9	-1.3
CNOOC 5 3/4 01/26/41	110.9	1.8	EHICAR 7 09/21/26	65.3	-1.2
VNKRLE 3.975 11/09/27	49.5	1.7	MGMTGE 11 1/2 01/18/27	101.5	-0.7
NWDEVL 6 1/4 PERP	65.2	1.3	LOGPH 6 1/2 07/16/23	10.2	-0.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.69%), Dow (+0.47%) and Nasdaq (+0.90%) were higher on last Friday. US 4Q25 GDP was +1.4% qoq, lower than the market expectation of +2.8% qoq. US Dec'25 Core PCE Price Index was +0.4% mom/+3.0% yoy, higher than the market expectation of +0.3% mom/+2.9% yoy, respectively. S&P Global Feb'26 Manufacturing/Services PMI was 51.2/52.3, lower than the market expectation of 52.4/53.0, respectively. 2/30 year UST yield was higher on last Friday. 2/5/10/30 year yield was at 3.48%/3.65%/4.08%/4.72%.

❖ Desk Analyst Comments 分析员市场观点

➤ RAKUTN: FY25 financial targets achieved, deleveraging on track

We maintain buy on RAKUTN 5.125 Perp and RAKUTN 8.125 Perp, in view of the yield pick-up and good carry within the RAKUTN curve. At 99.8, RAKUTN 5.125 Perp is trading at YTC of 5.9%, offering yield pick-up of 131bps over RAKUTN 11.25 02/15/27. RAKUTN 8.125 Perp is trading at YTC of 6.9% at 103.9, offering yield-pick up of 130bps over RAKUTN 9.75 04/15/29 with 8 months longer in “tenor”.

We continue to view a good chance of Rakuten calling its perps on their respective first call dates, in view of its improving operating performance and good access to various funding channels. We have a neutral recommendation on RAKUTN 6.25 Perp as we prefer shorter tenor given our expectation of higher rate volatility.

Table 1: Rakuten's o/s USD bonds

Security Name	ISIN	Amt o/s (USDmn)	Ask Px	YTM/ YTC	First call date	Coupon reset	Step -up bps	Issue rating (M/S/F)
RAKUTN 11.25 02/15/27	USJ64264AG96	1,800	106.3	4.6%	-	-	-	-/BB/-
RAKUTN 9.75 04/15/29	USJ64264AK09	2,000	111.7	5.6%	-	-	-	-/BB/-
RAKUTN 5.125 Perp	USJ6S87BAA66	750	99.8	5.9%	22 Apr'26	5yUST+4.578%	25	-/B/-
RAKUTN 8.125 Perp	USJ64264AM64	550	103.9	6.9%	15 Dec'29	5yUST+4.000%	25	-/B/-
RAKUTN 6.25 Perp	USJ6S87BAX69	1,000	96.2	7.1%	22 Apr'31	5yUST+4.956%	25	-/B/-

Source: Bloomberg.

Rakuten achieved its FY25 financial targets, expanding consolidated non-GAAP operating income to JPY106bn from JPY7bn in FY24, and delivering full-year EBITDA profitability for Rakuten Mobile. In FY25, Rakuten's revenue rose 10% yoy to JPY2.5tn while EBITDA jumped 34% yoy to JPY436bn, supported by growth across all three segments.

Internet Services segment revenue increased 7% yoy to JPY1.4tn, driven by core businesses Rakuten Ichiba and Rakuten Travel, alongside profitability improvement in growth businesses such as logistics. FinTech segment revenue rose 19% yoy to JPY976bn on an expanding customer base and transaction volumes across all businesses. Mobile segment revenue grew 10% yoy to JPY483bn, underpinned by solid increase in both net ARPU and subscriber numbers. Net ARPU increased to JPY2,467 in 4Q25 from JPY2,408 in 4Q24 (+JPY59), while total subscribers reached the 10mn target as of Dec'25, up from 8.0mn a year earlier.

Operating income dropped 73% yoy to JPY14bn, primarily due to the absence of a JPY107bn re-measurement gain on AST SpaceMobile shares recognized in FY24 when the investment was reclassified from equity method to financial assets, as well as JPY51bn higher impairment losses in FY25 mainly from Rakuten Symphony Open RAN and logistics businesses. Net loss narrowed 5% yoy to JPY123bn.

Despite the net loss, operating cash flow of JPY424bn sufficiently covered capex of JPY206bn. We expect Rakuten to fund its capex with internal resources given its sizable cash position and positive operating cash flow. Net cash declined to JPY268bn as of Dec'25 from JPY709bn as of Dec'24, reflecting lower operating cash generation and bond redemptions during the year. Rakuten successfully accessed lower-cost onshore funding in FY25 by issuing JPY320bn (cUSD2.2bn) of senior unsecured bonds at 1.68-3.26% and JPY82bn (cUSD537mn) of perp at 4.691%, totaled cUSD2.7bn.

Furthermore, management maintained its target to reduce net debt/EBITDA (non-FinTech net interest-bearing debt to EBITDA) to 6.0x by Dec'26, from 6.5x as of Dec'25 and 11.7x as of Dec'24. The deleveraging trajectory should be supported by proactive maturity management and continued EBITDA growth, in our view.

Table 2: FY25 financial highlights

JPY bn	FY24	FY25	Change
Revenue	2,279	2,497	10%
-Internet services	1,282	1,370	7%
-FinTech	820	976	19%
-Mobile	441	483	10%
Operating income	53	14	-73%
Reported EBITDA	326	436	34%
Net loss	129	123	-5%
Operating cash flow	1,191	424	-64%
Capex	243	206	-15%
	Dec'24	Dec'25	Change
Cash on hand	6,171	5,838	-5%
Total debt	5,462	5,570	2%
Net cash	709	268	-62%

Source: Company filling.

➤ **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	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, no credit bond was issued on last Friday due to CNY holiday. As for month-to-date, 922 credit bonds were issued with a total amount of RMB713bn raised, representing a 1.6% yoy increase
- Trump said that he will increase the global tariffs to 15% from 10% following an adverse ruling at the Supreme Court
- Macau received just under 1.4mn visitors in the first eight days of the CNY holiday
- **[ACPM]** Ayala property arm expected commercial segment to drive growth in 2026
- **[FTHDGR]** Fantasia obtained support from requisite statutory majority of scheme creditors to approve HK, Cayman Scheme
- **[GLPCHI]** GLP China accepted USD456.077mn of GLPCHI 2.95 03/29/26 in the tender offer, USD38.923mn will remain outstanding
- **[MINAU]** Mineral Resources 1HFY26 underlying EBITDA jumped 286% yoy to AUD1.2bn (cUSD823.3mn)
- **[QBEAU]** QBE Insurance Group's global trade credit and surety business, which is expected to generate annual revenues of cUSD200mn, will be acquired by Swiss Re Corporate Solutions
- **[VEDLN]** Media reported Vedanta Resources raised USD350mn new borrowing from several global banks which will be used to refinance upcoming interest payouts and maturities

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