

CMBI Credit Commentary

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

- *LNGFOR 28 was 0.4pt higher this morning. ACPM 4.85 Perp dropped 1.1pts. SOFTBK 31-35s were 0.4-0.5pt lower. We saw mixed two-way flows on AAA-guaranteed USD LGFV issues yielding c7%. FZSZJJ 27 rose 1.3pts.*
- ***FUTLAN/FTLNHD:** The 10th tranche of CBICL-guaranteed bond. We maintain buy on FUTLAN/FTLNHDs. FTLNHD 27 was 1.3pts higher this morning. See below.*
- ***China Policy:** Moderate stimulus in 2026. CMBI expects the PBOC will likely cut RRR by 50bps and LPRs by 20bps in 2026; GDP growth to continue to slow in 4Q25 and 1Q26 before a possibly mild pick-up in 2H26 with the full-year growth down from 5% in 2025 to 4.8% in 2026. See below for comments from CMBI economic research.*

❖ Trading desk comments 交易台市场观点

Yesterday, investors were inclined to buy Perps/AT1s albeit light overall flows post FOMC. CCAMCL 4.4 Perp edged 0.1pt firmer. CFAMCI 3.875 29/CFAMCI 3.375 30/CFAMCI 3.625 30 tightened 2-5bps. See our comments and recommendations on Chinese AMCs [yesterday](#). TW lifers CATLIF/FUBON/NSINTW/SHIKON were 1-3bps wider. DALWAN 26s/WESCHI 26-28 were unchanged to 0.2pt higher. Moody's upgraded West China Cement by one notch to B3 from Caa1 on substantial reduction in WCC's refinancing risk linked to WESCHI 26 post transaction. LASUDE 26 retraced 1.5pts. See our comments on Lai Sun Development on [10 Dec'25](#). FAEACO 12.814 Perp was down by 0.4pt. The NWDEVL complex was unchanged to 0.1pt lower. In Chinese properties, VNKRL 27-29 fell 1.0pt. FUTLAN 28 rose 1.4pts. See comments below on Seazen's issuance of the 10th tranche of CBICL-guaranteed bond. LNGFOR 27-32 gained 0.3-1.5pts. In JP space, NTT 35/MUFG 35-36s/SOBKCO 35/SMBCAC 35 were a touch wider. SOFTBK 8 1/4 10/29/65 lowered by 0.8pt. In SE Asia, GLPSP Perps were up by 0.9-1.1pts. ACPM 4.85 Perp edged 1.0pt higher. VEDLN 28-33s were 0.1-0.2pt higher. GARUDA 31s were down by 4.6pts. RNW/INGPHL/RPVIN/INCLN were unchanged to 0.1pt lower. Media reported that ReNew Energy Global plans to raise USD800mn through a five-year loan. BBLTB/OCBCSP T2s widened 1-4bps. In LGFV space, we continued to see better-buying interests in onshore-AAA guaranteed and other quality, higher-yielding papers from RMs albeit overall slower pace in the space.

Glenn Ko, CFA 高志和
 (852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳蓓瑩
 (852) 3900 0801
cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
 (852) 3900 0830
zhangyujing@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LNGFOR 3 3/8 04/13/27	92.8	1.5	GARUDA 6 1/2 12/29/31	85.9	-4.6
FUTLAN 11.88 06/26/28	92.0	1.4	LASUDE 5 07/28/26	75.2	-1.5
GLPSP 4.6 PERP	62.6	1.1	VNKRLE 3 1/2 11/12/29	22.1	-1.0
ACPM 4.85 PERP	81.7	1.0	VNKRLE 3.975 11/09/27	22.9	-1.0
GLPSP 4 1/2 PERP	65.9	0.9	SOFTBK 8 1/4 10/29/65	93.6	-0.8

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.21%), Dow (+1.34%) and Nasdaq (-0.25%) were mixed on Thursday. The latest initial jobless claims was +236k, higher than the market expectation of +220k. 2yr UST yield was lower while 10/30 yr UST yield was higher on Thursday. 2/5/10/30 year yield was at 3.52%/3.72%/4.14%/4.79%.

❖ Desk Analyst Comments 分析员市场观点

➤ FTLNHD/FUTLAN: The 10th tranche of CBICL-guaranteed bond

On 9 Dec'25, Seazen issued the 10th tranche of CBICL-guaranteed bond. The issue size is RMB1.75bn and tenor is 5-year. The bond was priced at a coupon rate of 4%, and the proceeds will be used to refinance its 4.3% 22SEAZENMTN003 of RMB2bn due on 12 Dec'25. Seazen has demonstrated a notably better access to funding channels than most of its peers. Including the latest issuance, Seazen raised CBICL-guaranteed bonds totaled RMB3.65bn YTD for refinancing at a weighted average coupon of 3.46%. It also raised USD510mn from the USD bond market to refinance USD bonds totaled USD600mn maturing in Jul' and Oct'25.

Furthermore, Seazen could utilize the operating loans secured by its IPs. As of Jun'25, it has 18 malls remain unpledged, and this could be translated into a headroom of additional cUSD1bn secured loans against its IPs (vs total o/s USD bonds of USD954mn). See our daily on [18 Sep'25](#) for more discussions on Seazen's 1H25 results. We believe that the maturity profile of Seazen is manageable in view of the financial flexibility offered by its IPs and the gradual resumption of access to various funding channels. Hence, we maintain buy on FUTLAN/FTLNHDs for their good carry.

Table 1: Bond profile of FUTLAN/FTLNHD

Security name	ISIN	O/s Amt (USD mn)	Maturity	Coupon	Offer price	YTM
FTLNHD 4 1/2 05/02/26	XS2290806285	404	5/2/2026	4.50%	95.1	18.5%
FTLNHD 11.88 09/30/27	XS3192214685	160	9/30/2027	11.88%	91.4	17.7%
FUTLAN 11.88 06/26/28	XS3099012406	350	6/26/2028	11.88%	92.6	15.5%

Source: Bloomberg.

➤ China Policy: Moderate stimulus in 2026

The Central Economic Work Conference (CEWC) signalled moderate stimulus in 2026 with fiscal policy to become more active and monetary policy to remain moderately loose. Key priorities include expanding consumption, stopping fixed asset investment declines, stabilizing the property market, and preventing systemic risks. We expect the PBOC will likely cut RRR by 50bps and LPRs by 20bps in 2026. Broad fiscal deficit might reach 8.5% of GDP in 2026, compared to 8.4% in 2025. We estimate the GDP growth to continue to slow in 4Q25 and 1Q26 before a possibly mild pick-up in 2H26 with the full-year growth down from 5% in 2025 to 4.8% in 2026. The deflationary pressure could moderately decline as commodity prices continue to rise and the

supply-demand rebalance makes progress in a few sectors. We estimate the CPI and PPI growth rates to rise from -0.1% and -2.6% in 2025 to 0.7% and -0.5% in 2026.

China is likely to keep main economic targets unchanged for 2026. The GDP growth target is likely to remain at 5% for 2026 as it is the first year of the 15th Five-Year Plan period and policymakers may try to restore confidence by making strong pro-growth commitment. But we estimate that GDP growth may slow down from 5% in 2025 to 4.8% in 2026 as trade-in subsidies and higher tariff expectations in 2025 have overdrew some future demand. Policymakers target a moderate reflation as the conference confirms the continuity of anti-involution policies. CPI growth could moderately rise while PPI might see a narrowing of YoY declines.

Macro policies will remain accommodative in 2026. Fiscal policy should be more active in 2026, and we expect broad fiscal deficit ratio to slightly rise from 8.4% of GDP in 2025 to 8.5% of GDP in 2026. China may continue to issue ultra-long treasury bonds to provide trade-in subsidies for durables consumption and business equipment investment. Public investment will focus on infrastructure as well as people-centric endeavours. Monetary policy should remain moderately loose in 2026. We expect the PBOC to cut RRR by 50bps and LPRs by 10bps in 1Q26. 3Q26 might see another LPR cut by 10bps. Money market rates should mildly decline with easing liquidity condition. Due to weak housing demand as well as business capex, however, credit growth may continue to slow down. As US dollar further weakens, USD/RMB is expected to decline from 7.07 at end-2025 to 7.02 at end-2026, based on our estimates.

Expanding domestic demand is the top priority. Policymakers vowed to increase household disposable income and strengthen the social safety net to boost consumption. The MoF is likely to continue to provide trade-in subsidies for durables consumption. We expect the government will take efforts to lower unemployment ratio and increase the coverage ratio of unemployment insurance. The MoF might further raise retirement pension standards along with basic pension for urban and rural residents. Fiscal subsidies for urban and rural medical insurance may also increase to reduce precautionary savings and improve consumption willingness. The MoF may also increase fiscal transfers to low-income households. We expect consumption growth to be flat in 2026 with a slowdown in retail sales growth yet a pick-up in service consumption growth. The conference mentioned stabilizing fixed asset investment which had experienced continued declines recently. The central government may increase its fixed investment amount and encourage local governments and SOEs to expand their fixed investment in 2026. We expect fixed investment growth to mildly accelerate in 2026.

Technology-led innovation, the dual-carbon agenda, and livelihood of the people anchor the policy focus, while risk prevention has been de-emphasized. The communiqué highlights plans to deepen and expand the “AI+” initiative and to strengthen AI governance. Policymakers are likely to roll out measures supporting AI-related infrastructure, from data centers and network-communication facilities to power-system upgrades, aligned with the objective of stabilizing investment. On green energy, the conference suggested accelerating capex into power-system upgrades and emission-reduction upgrades in traditional industries, which could serve as a key investment opportunity as it can be integrated with the ‘two-new’ (large-scale equipment upgrades and trade-in of consumer goods) policy stimulus. On demographic policies, the policy framework has sharpened from broad fertility promotion to the specific imperative of “stabilizing birth scale” and expanding long-term care insurance, reflecting more concrete policy measures are likely to be implemented in 2026. The importance of stabilizing the housing market and managing financial risks has been dialed down, suggesting that while property support will remain part of the policy mix, forceful rescue measures are unlikely. In our view, the policy rhythm may be shaped passively by property-market conditions, with potential actions unfolding in the following order: rate cuts → tax reductions → interest subsidies → government purchases.

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

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

➤ News and market color

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB135bn. As for month-to-date, 876 credit bonds were issued with a total amount of RMB887bn raised, representing a 18.5% yoy increase
- China government vows to redouble efforts to arrest real estate slump
- South Korea plans to invest KRW700tn (cUSD476bn) to strengthen its semiconductor sector
- **[BKDBOM]** Fitch upgraded Bank Dhofar by one notch to BB+ from BB on improved support capacity from Omani authorities following a sovereign rating upgrade; outlook stable
- **[CKHH]** CK Hutchison planned disposal of global port operations delayed by mounting hurdles
- **[INCLN/INGPHL/RNW/RPVIN]** ReNew Power plans to raise USD800mn through five-year loan at 3MSOFR+350-400bps
- **[NICAU]** Nickel Industries received approval for sales license increase at Hengjaya mine
- **[SKONKR]** SK On decided to end its US battery JV with Ford Motor to focus on growth-generating areas such as energy storage systems
- **[SOFTBK]** SoftBank in talks to acquire data center operator Switch in AI push
- **[TAISEM]** TSMC weighs making more advanced chips in second Japan plant as demand shifts

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.