

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

- *The new SKONKR 4.375 05/07/29 widened up to 4bps from RO at T+57 amid profit-taking flows this morning. FAEACO 12.814 Perp edged 0.8pt higher. GLPCHI 29 gained 0.5pt. CWAHK 30 lost 0.9pt after China Water Affairs priced the tapped tranche at 7.1%, which is expensive in our view. See our comments on the FV on [27 Apr'26](#). EHICAR 29 was 0.4pt lower.*
- **EBIUH:** *First Gulf USD AT1 issuance post the Israel-US war against Iran. We initiate buy on the new EBIUH 6.25 Perp and maintain buy on EBIUH 4.25 Perp. EBIUHs were unchanged this morning. See below.*
- **MEITUA:** *Meituan redeemed USD1.481bn MEITUA 0 04/27/28 (CB) at 101.28, USD18.6mn remains outstanding. MEITUAs were unchanged this morning.*

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**❖ Trading desk comments 交易台市场观点**

Yesterday, the new CITNAT Float 29 and HIGHWY 31 held around RO at SOFR+48 and T+37, respectively. The new CITNAT 31 widened 3bps from RO at T+33. As for the secondary KR IG space, the corporate complex HYUELE/POHANG/SKBTAM traded 1-3bps tighter amid better buying from AMs and PBs. In JP, we saw two-way flows in MIZUHO 31, NIPLIF 31s and belly FRNs from Chinese onshore accounts. SOFTBK dropped up to 1.2pts. Shares of SoftBank Group fell 9.9% yesterday, after its investee OpenAI missed key targets for new users and revenue and expressed concerns on fulfilling future computing contracts. In AU, we saw better buying in ANZ/CBAU/WSTP across the belly and front-end of the curve. Taiwanese lifers were firm and the curve tightened 1-3bps, led by CATLIF. In Chinese IG space, MEITUA tightened 1-2bps amid better buying from Chinese onshore accounts in the belly of the curve. KUAISH/LENOVO were met with better selling but closed unchanged in spreads. ZHOSHK 28 was 0.3pt higher as global RM accounts topping the name. CWAHK 26 edged 0.2pt higher while CWAHK 30 was down 0.3pt. See our comments on China Water Affairs on [27 Apr'26](#). FAEACO 12.814 Perp/NWDEVL 4.125 Perp leaked 0.7-1.1pts. In Chinese properties, VNKRL 27-29/FUTLAN 28/FTLNHD 26-29 were 0.1pt lower to 0.1pt higher. In the Middle East, BSFRs were unchanged to 0.1pt lower. See our comments [yesterday](#) on Banque Saudi Fransi's 1Q26 results. EBIUH Perps closed unchanged. Emirates NBD priced a new AT1, the first USD AT1 issued by a Middle Eastern bank since start of the war in Iran. See comments below. In SE Asian space, VLLPM 27-29 edged 0.6-0.8pt higher. TOPTB/PTTGC Perps were 0.3pt lower to 0.1pt higher. GENTMK Perps gained 0.2pt. In LGFV space, QDJZWD 27-28s were unchanged to 0.1pt higher.

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 9 3/8 07/29/29	39.6	0.8	SOFTBK 7 5/8 04/29/61	93.0	-1.2
TOPTB 5 3/8 11/20/48	92.0	0.7	SOFTBK 8 1/4 10/29/65	92.9	-1.1
PTTTB 4 1/2 10/25/42	87.6	0.7	FAEACO 12.814 PERP	75.2	-1.1
VLLPM 7 1/4 07/20/27	53.1	0.6	NWDEVL 4 1/8 PERP	77.4	-0.7
NSANY 8 1/8 07/17/35	106.4	0.6	PLNIJ 4 7/8 07/17/49	81.7	-0.7

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.49%), Dow (-0.05%) and Nasdaq (-0.90%) were lower on Tuesday. US Apr'26 CB Consumer Confidence was 92.8, higher than the market expectation of 89.0. UST yield bear flattened on Tuesday. 2/5/10/30 year yield was at 3.84%/3.97%/4.36%/4.94%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ EBIUH: First Gulf USD AT1 issuance post the Israel-US war against Iran

Table 1: Our Middle East AT1 and T2 picks

Security name	Amt o/s (USDmn)	Basel III	Ask px	YTC	Mod dur	First call	First coupon reset	Issue rating (M/S/F)	Issuer rating (M/S/F)
BSFR 5.761 09/03/35	1000	T2	98.9	6.1%	3.8	09/03/2030	09/03/2030	-/-/BBB	A1/A-/A-
BSFR 6.375 Perp	650	AT1	99.9	6.4%	3.8	11/07/2030	05/07/2031	Unrated	A1/A-/A-
EBIUH 4.25 Perp	750	AT1	98.9	5.6%	0.8	02/27/2027	05/27/2027	Unrated	A1-/A+
EBIUH 6.25 Perp	750	AT1	100.0	6.3%	4.6	11/05/2031	05/05/2032	Unrated	A1-/A+
FABUH 6.32 04/04/34	1,000	T2	103.1	4.9%	2.2	10/04/2028	04/04/2029	-/-/A	Aa3/AA-/AA-
FABUH 5.804 01/16/35	750	T2	102.4	5.0%	2.9	07/16/2029	01/16/2030	-/-/A	Aa3/AA-/AA-

Source: Bloomberg.

Emirates NBD Bank (EBIUH, A1-/A+) priced USD PerpNC6 AT1 (Unrated) at 6.25%, tightened 50bps from the IPT at 6.75%. The issue size is USD750mn on an order book of over USD1.8bn, demonstrating the solid demand for high quality Middle East credits despite the Israel-US war against Iran. The new EBIUH 6.25 Perp is the first USD AT1 issued by in the Gulf region post US-Iran war. Recalled that EBIUH completed the call of EBIUH 6.125 Perp (o/s USD750mn) on 9 Apr'26. EBIUH maintains a smooth access after the war. In addition to the new AT1 issue, in late Mar'26, EBIUH closed an 5-year syndicated loans of USD2.25bn, upsized from syndicated loans of USD1.75bn due Apr'26. We initiate buy recommendation on the new EBIUH 6.25 Perp, in view of it is one of the highest yielding AT1s in Middle East. At the same time, we maintain buy on EBIUH 4.25 Perp, which offer c160bps yield pick-up over its senior unsecured bond for similar tenor. At 98.9 and 100.0, EBIUH 4.25 Perp and EBIUH 6.25 Perp is trading at YTC of 5.6% and 6.3%, respectively. We consider the likelihood of its AT1s to be called on first call date is high given its capital buffer, good funding access and track records of call on the first call date, i.e. EBIUH 5.75 Perp in May'19, EBIUH 6.375 Perp in Sep'20, EBIUH 6.125 Perp in Mar'25, and EBIUH 6.125 Perp in Apr'26.

The new EBIUH 6.25 Perp will be first callable on 5 Nov'31, its coupon will be reset to 6yrUST+2.177% on 5 Mar'32 if not called. Distribution can be cancelled at the issuer's discretion and is subject to mandatory cancellation if: (i) the issuer has insufficient distributable items to fulfill the distribution and amounts payable on pari passu obligations; (ii) minimum capital requirements are not met; (iii) required by regulators; or (iv) solvency

conditions are not satisfied. The principal can be written down partially or in full at regulator's discretion upon reaching the PONV, while there is no CET 1 ratio-based trigger. The perp is subject to a dividend stopper.

EBIUH is a D-SIB, and is the largest bank in the MENAT region by total income and the 3<sup>rd</sup> largest by total assets in 1Q26, and 56%-owned by the Government of Dubai. It has a leading retail banking franchise with 787 branches across the MENAT region, and branches and representative offices in 13 countries. In 1Q26, total income rose 21% yoy to USD3.9bn, driven by NII from asset growth as well as non-funded income. NIM was 3.35%, declined from 3.58% in 1Q25, largely reflected the cumulative 75bps of CBUAE rate cuts in 2025 (three 25bps cuts in Sep, Oct, and Dec'25), but still exceeded the FY26 guidance of 3.1-3.3%. Cost-to-income ratio improved to 29.2% from 30.9% in 1Q25, comfortably below the FY26 guidance of 33%, on disciplined cost management. Despite the strong topline, PBT growth was moderate at 8% yoy to USD2.5bn, largely due to elevated provisioning in the quarter.

We understand management made additional ECL charges of USD235mn in 1Q26 to reflect the potential impact from the war, applying a 100% downside scenario for UAE retail and 80% for UAE corporate exposures. Despite the geopolitical headwinds, asset quality remained resilient as of Mar'26. NPL ratio improved to 2.3% from 2.4% at Dec'25, below the 2.5% guidance. NPL coverage ratio down to 157% from 160% at Dec'25, though it remained robust.

EBIUH's capital remained solid. As of Mar'26, CET1 and Tier 1 ratios were 14.2% and 15.2%, respectively, well above the CBUAE minimum requirements of 11.07% and 12.57%. We also take comfort from the CBUAE's proactive stance in supporting the banking sector amid the regional conflict. In Mar'26, CBUAE announced a temporary relaxation of capital requirements applicable to D-SIBs to enhance lending capacity and support the broader economy. The capital conservation buffer was relaxed by 100bps until 2Q26, while implementation of the countercyclical capital buffer was deferred until further guidance.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
China Water Affairs (Tap)	150	4yr	7.1%	7.1%	Ba1/BB+/-
Emirates NBD Bank	750	PerpNC6	6.25%	6.25%	Unrated
SK On	500	3yr	4.375%	T+57	Aa3/-/-

#### ➤ 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, there were 160 credit bonds issued yesterday with an amount of RMB89bn. As for month-to-date, 2,303 credit bonds were issued with a total amount of RMB2,245bn raised, representing a 4.9% yoy increase

- UAE decided to leave the Organization of the Petroleum Exporting Countries (OPEC) and OPEC+, effective 1 May'26
- **[ARAMCO]** Saudi Aramco suspended LPG shipments from Juaymah through May'26 after facility damage
- **[BHP/RIOLN]** Rio Tinto, BHP to contributed USD108mn in Western Australia social housing program
- **[BOCAVI]** BOC Aviation priced RMB2bn 3-year dim sum bond at 1.9%, tightened 50bps from IPT at 2.4%
- **[CRHZCH]** China Resources Land plans to spin off and list a REIT comprising commercial assets on the Shenzhen Stock Exchange
- **[HYUELE]** SK Hynix will redeem early the outstanding USD100.8mn of HYUELE 1.75 04/11/30 (CB)
- **[IHFLIN]** Sammaan Capital plans to repurchase certain privately placed NCDs maturing up to 31 Mar'27
- **[KARAU]** Karoon Energy lifted its 2026 capital expenditure guidance to USD150-183mn given the possibility that it may need to drill a second sidetrack well at Who Dat block
- **[KRKPSC]** Krakatau Posco pretax loss narrowed to USD39.8mn in FY25 from USD124.5mn in FY24
- **[MEITUA]** Meituan redeemed USD1.481bn MEITUA 0 04/27/28 (CB) at 101.28, USD18.6mn remains outstanding
- **[PIFINL]** Piramal Finance interest income rose 25.5% yoy to INR106.2bn (cUSD1.1bn) in FY26
- **[SINOPE]** Sinopec 1Q26 operating revenue down 4% yoy to RMB706.7bn (cUSD103.5bn)
- **[STCAB]** Saudi Telecom 1Q26 EBITDA up 7.1% yoy to SAR6.6bn

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