

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报****The Asset Asian G3 Bond Benchmark Review 2025**

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *This morning, China TMT BABA/TENCNT/MEITUA long-end bonds tightened 2-3bps. GWFOOD 30 moved 1pt higher. HYSAN 4.85 Perp was 0.5pt higher. CHIYBK 8 Perp/CKINF 4 Perp were down 0.8-0.9pt. CHGRID 47 decreased by 0.8pt.*
- **Asia ex-JP USD bonds issuance:** Gross issuance increased 19.5% yoy in 7M25. See below.
- **China Economy:** Deflation pressure persists. CMBI expects CPI may remain unchanged at 0.2% in 2025, while PPI may rise from -2.2% in 2024 to -2% in 2025. See below for comments from CMBI economic research.

❖ Trading desk comments 交易台市场观点

Last Friday, the new CNH CHGRID 30/35/45 were largely unchanged. AVICCP 2 3/8 02/09/26 was 0.1pt lower. Moody's has extended the review for downgrade on AVIC Industry-Finance Holdings and AIVC International Leasing. See our comment on AVIC on 5 Aug'25. MTRC 5 5/8 and 4 7/8 perps moved up 0.1pt. NWDEVL 27-31s increased by 0.7-1.2pts, and NWDEVL Perps were up 0.3-0.8pt. TW lifers SHIKON/NSINTW were 2-3bps tighter, while CATLIF 33-34s tightened 2-5bps. In Chinese property, FUTLAN 28/FTLNHD 25-26s moved up 0.2-0.4pt. See our comment on 8 Aug'25. ROADKG 7.95 Perp was 0.7pt higher. Road King deferred again the distribution on ROADKG 7.95 Perp to the next payment date. GRNCH 8.45 2/24/28 was up by 0.1pt. Greentown issues profit warning on 1H25 results, citing the uneven distribution of delivery schedules and the provisions for impairment losses on relevant assets. VNKRL 27-29s were 0.3-0.5pt higher. Away from Greater China, SOFTBK 26-35s were unchanged to 0.6pt higher. SoftBank plans to buy Ohio plant for USD375mn to further advance its AI vision, after increasing its stakes in NVIDIA and TSMC. There were continuous demand for Japanese and Yankee AT1s and insurance hybrids. In KR space, LGSENSO 26-35s were 1bp tighter to 1bp wider, and DAESEC 26-29s tightened 3-7bps. In SEA, BBLTB 27-40s tightened 1-3bps. VEDLN 28-33s were 0.1-0.3pt higher. We saw active two-way flows for HSBC/STANLN bank FRNs.

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In LGFV, the new CNH XYDXIV 28 moved c0.5pt amid active flows. The new CNH ZZREAL 28s and QDBTTI 28 were largely unchanged. We continue to see demand in CNH and USD higher-yielding papers.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PTTGC 5.2 03/30/52	88.3	1.7	GWFOOD 3.258 10/29/30	86.6	-0.9
NWDEVL 4 1/2 05/19/30	55.9	1.2	CKINF 4.2 PERP	70.5	-0.7
NWDEVL 8 5/8 02/08/28	75.6	1.1	YUEXIU 3.8 01/20/31	89.1	-0.6
NWDEVL 5 7/8 06/16/27	77.0	1.1	CHIOLI 3 1/8 03/02/35	84.5	-0.6
NWDEVL 4 1/8 07/18/29	56.9	0.9	TEMASE 2 3/8 08/02/41	72.2	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.78%), Dow (+0.47%) and Nasdaq (+0.98%) were higher on last Friday. UST yield was higher on last Friday, 2/5/10/30 yield at 3.76%/3.84%/4.27%/4.85%.

❖ Desk Analyst Comments 分析员市场观点

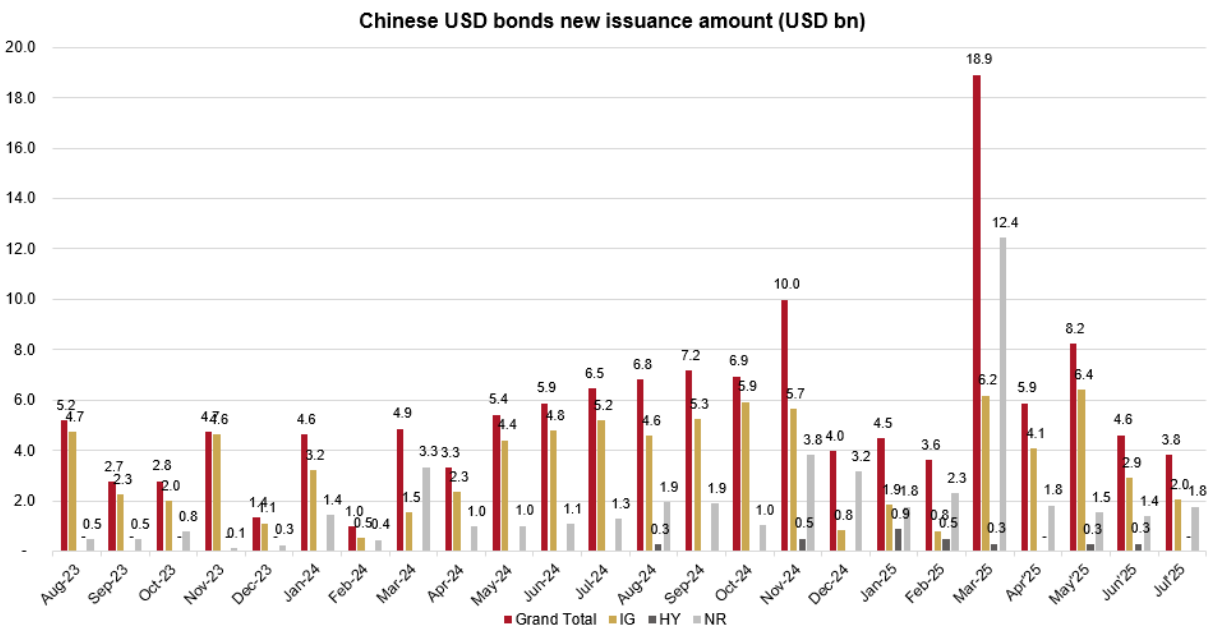
➤ Asia ex-JP USD bonds issuance: Gross issuance increased 19.5% yoy in 7M25

In Jul'25, the gross issuance of Asia ex-JP USD bonds (excl. supranational banks) dropped by 39.0% yoy to USD8.2bn from USD13.4bn in Jul'24. China (USD3.8bn), Indonesia (USD2.2bn) and Hong Kong (USD0.8bn) were the largest issuers. IGs contributed 64.3% of the gross issuance amount. Issuance from financials and LGFV totaled USD2.6bn and USD2.3bn, accounting for 31.3% and 28.3% of total gross issuance of the month, respectively. In 7M25, gross issuance of Asia ex-JP USD bonds increased 19.5% yoy to USD114.3bn. China (USD49.5bn), South Korea (USD24.1bn), Hong Kong (USD10.9bn) were the major issuers. Financial institutions issued USD bonds totaled USD44.7bn, accounting for 39.1% of the gross issuance amount.

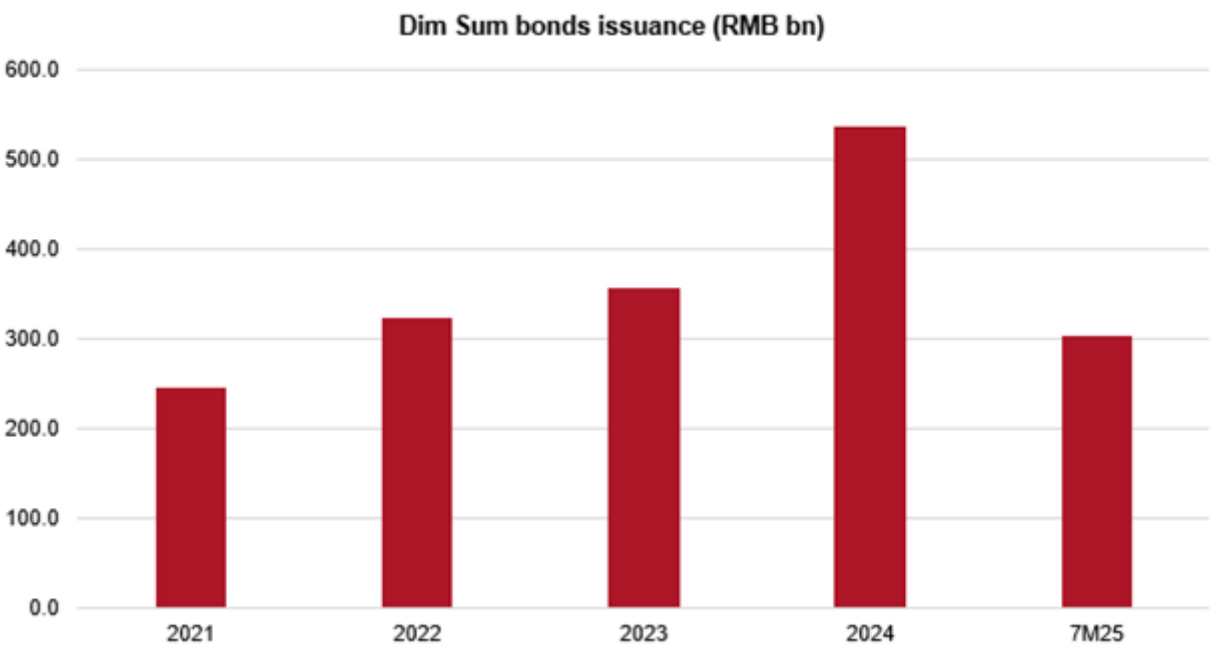
For Chinese USD bonds, the gross issuance totaled USD3.8bn in Jul'25. IGs and unrated contributed 53.7% and 46.3% of the gross issuance amount, respectively. Issuance from LGFVs and financials totaled USD2.3bn and USD1.5bn, accounting for 60.6% and 39.4% of the gross issuance amount in Jul'25, respectively. In 7M25, the gross issuance of Chinese USD bonds totaled USD49.5bn. IGs, HYs, and unrated contributed 49.0%, 4.5% and 46.5% of the gross issuance amount in 7M25, respectively. Issuance from LGFVs and financials totaled USD21.3bn and USD17.0bn, accounting for 43.0% and 34.2% of gross issuance amount in 7M25, respectively.

The offshore LGFV USD bonds issuance (including only issues with an issue size of at least USD100mn) was USD2.3bn in Jul'25, increased by 37.7% yoy from USD1.7bn in Jul'24. In 7M25, the gross issuance was USD21.3bn, increased by 164.5% from USD8.0bn in 7M24.

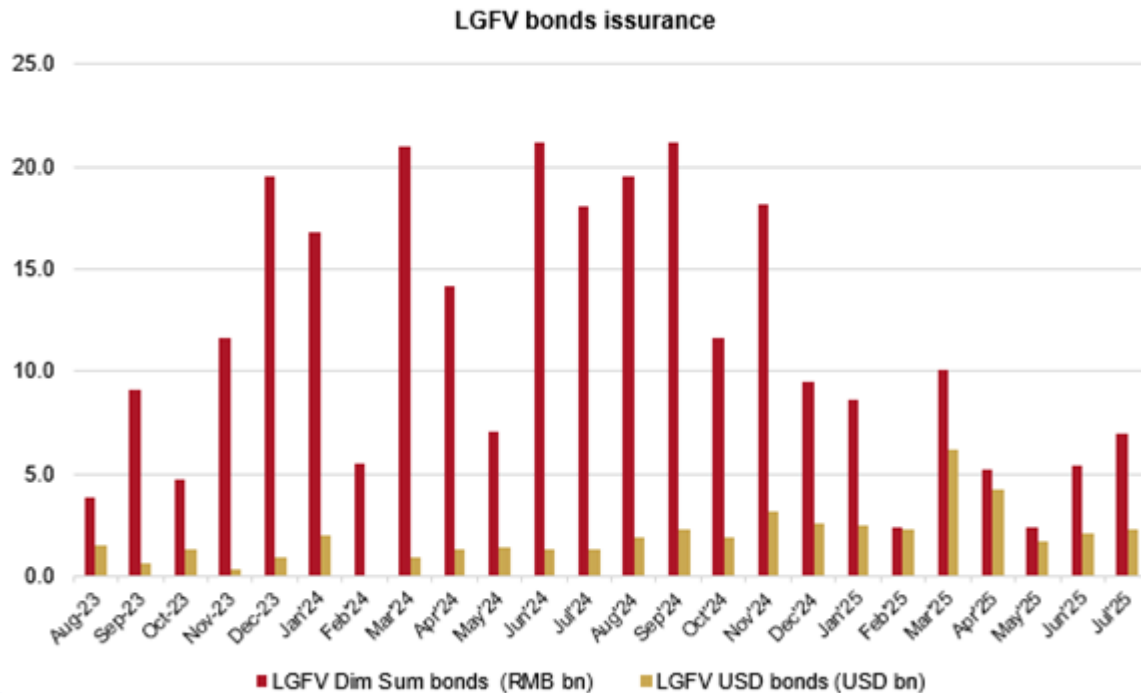
On the other hand, the Asia ex-JP Dim Sum bonds issuance in Jul'25 increased 35.7% yoy to RMB59.1bn from RMB43.5bn in Jul'24. In 7M25, the gross issuance was RMB304.2bn, increased 4.2% yoy from RMB292.0bn in 7M24. On LGFV Dim Sum issuance, the gross issuance in Jul'25 decreased by 61.6% yoy to RMB6.9bn from RMB18.1bn in Jul'24. In 7M25, the gross issuance was RMB41.1bn, down 60.3% yoy from RMB103.8bn from 7M24. The lower Dim Sum issuance was also partly due to the tightened regulatory environment for banks to invest in LGFV Dim Sum bonds through Southbound bond connect starting from 4Q24.



Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg.

➤ China Economy: Deflation pressure persists

China's CPI edged down YoY in July due to higher base last year even though its MoM growth notably rebounded. Energy, service and durable goods prices rebounded while food prices remained subdued. PPI remained unchanged at two-year trough. Final consumption goods further dropped, reflecting the soft final consumption demand. Even though the recent policy effort has notably drove material prices such as cement photovoltaic modules and lithium batteries, the PPI seems still in deep contraction as it takes time for the material price to pass through to the ex-gate price. We expect the subdued PPI should persist in 3Q due to the drag from trade war and weak final demand. But we may see the recovery in 4Q due to continuous policy effort to curb involution competition and additional stimulus package on consumer demand, with corporate profit to gradually recover. CPI may remain unchanged at 0.2% in 2025, while PPI may rise from -2.2% in 2024 to -2% in 2025, in our view.

CPI further recovered with rising energy prices. China's CPI YoY dropped to 0% in July from 0.1% in June due to higher base last year, beating market expectation of -0.1%. In sequential terms, CPI notably rebounded to 0.4% in July from -0.1% in June. Food price remained subdued at -0.2% MoM in July as fruit prices dropped 3.4% MoM, even though MoM growth of pork and vegetable prices have turned positive to 0.9% and 1.3%. Vehicle fuel prices surged 3.5% MoM. High-frequency data indicated continued recovery in vegetable prices by 0.8% MoM in early Aug while its MoM growth hit 10% in Aug 2024. Pork retail prices remarkably dipped again in Aug while guideline gasoline price remained unchanged in early Aug. We expect the CPI to drop again in Aug to -0.1% YoY due to the dipping food prices and a higher base.

Core CPI rebounded due to rising durable goods and tourism prices. Core inflation remained edged up to 0.8% YoY in July from 0.7% in June, while its MoM expanded by 0.4%. Durable goods including home equipment and telecom equipment rose 2.2% and 0.3% respectively as promotion activities in June ended, while auto price stayed unchanged at 0%. It is worth noting that the discounts from trade-in scheme are excluded from CPI calculations. Discretionary goods remained muted as footwear and clothing dropped by 0.4% and 0.3% in July, since exports demand deteriorated. Service prices reflat to 0.6% MoM in July, as tourism prices sharply rebounded by 9.1% in July while medical services and housing rents rose by 0.3% and

0.1%. Other services remained subdued, with no price change recorded in categories such as education, express, telecommunications and home services.

PPI remained in deep contraction. YoY contraction of PPI stayed flat at -3.6%, missing the market expectations of -3.4%. The MoM growth mildly recovered to -0.2% in July from -0.4%. PPI of mining industries rebounded to -0.2% MoM in July from -1.2%, driven by the 3% growth of extraction of crude oil & gas in July while the mining of coal recovered to -1.5% from -3.4%. Non-ferrous metal rose 0.7% MoM while ferrous metal further dropped 1.1% MoM, indicating the domestic construction activities remained soft. Raw materials and intermediate products remained subdued, as metal products, rubber & plastic, non-metallic minerals and general machines continued to drop MoM. Final consumption goods further dropped 0.2% in July compared to -0.1% in June as food, general daily goods and durable goods dipped 0.2%, 0.2% and 0.6% respectively, indicating the soft final demand.

Takes time for the policy effect to pass through. Even though the recent policy effort has notably drove material prices such as cement, photovoltaic modules and lithium batteries, the PPI seems still in deep contraction as it takes time for the material prices to pass through to the ex-gate prices. We expect the subdued PPI should persist in 3Q due to the drag from trade war and weak final demand. But we may see the recovery in 4Q due to continuous policy effort to curb involution competition and additional stimulus package on consumer demand. China's economy may face further headwinds in 2H25 given the intensifying deflation, softening property sector and payback effect from export front-loading and trade-in scheme. Policy stance might remain stable and moderate in 3Q25 due to the better-than-expected economy performance in 1H25, while we expect a policy easing window in 4Q25 with further 10 bps LPR cut and 50bps RRR cut and expanding fiscal support to household and property sector.

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 New Issues Priced Today					

➤ Offshore Asia New Issues (Pipeline)

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

➤ News and market color

- Regarding onshore primary issuances, there were 131 credit bonds issued on last Friday with an amount of RMB117bn. As for month-to-date, 624 credit bonds were issued with a total amount of RMB616bn raised, representing a 6.2% yoy increase
- China NEV sales climb 12% yoy in Jul'25 amid signs price war is easing
- [AVICCP/AVIILC]** Moody's extends downgrade review on AVIC Industry-Finance and AVIC Leasing ratings, includes all ratings of their offshore financing vehicles such as Blue Bright, Soar Wind, and Soar Wise

- **[FOSUNI]** Fosun Pharma raises RMB1bn (cUSD139mn) from issuing 2-year onshore bonds at 2.7%
- **[GRNCH]** Greentown China warns 1H25 profit to slump 90% yoy from RMB2.1bn (cUSD285mn) in 1H24
- **[HYUELE]** SK Hynix expects HBM chip market to grow 30% annually until 2030 on AI demand
- **[INCLN]** ReNew appoints banks for India IPO, plans simultaneous US delisting
- **[LGCHM]** LG Chem to sell dermal filler business to buyout fund for KRW200bn (cUSD144m)
- **[MGFLN]** Manappuram Finance 1QFY26 interest income falls 6.3% yoy to INR22.4bn (cUSD255mn)
- **[MTCTB]** Muangthai Capital sees 10%-15% loan growth in 2H25
- **[NWDEVL]** NWD in talks with potential investors regarding asset sales
- **[PTTGC]** PTT Global Chemical sees fall in petrochemical demand to continue until 2027
- **[QBEAU]** QBE Insurance 1H25 gross premium increases 5.9% yoy to USD13.8bn
- **[RAKUTN]** Rakuten 1H25 EBITDA rises 53% yoy to JPY183bn (cUSD1.2bn)
- **[ROADKG]** Road King to defer 17 Aug'25 distribution on ROADKG 7.95 Perp to next payment date
- **[SMCPM]** San Miguel to raise PHP20bn (cUSD350mn) via public offering of preferred shares
- **[SOFTBK]** SoftBank acquired an EV plant in Ohio for USD375m for its USD500bn US AI data center project; taps banks to work on potential US IPO of payment app PayPay

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