CMB INTERNATIONAL 招银国际

Fixed Income
Credit Commentary

15 Sep 2026

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

- *Asia IG and HY were quiet this morning with light flows, market tone remained cautious ahead of FOMC meeting. The new HYNMTR '29/'31 were 2bps tighter from RO at T+70/85bps, respectively. The new KOCRGF '29 tightened 2bps from RO at SOFR+73.*
- ***SFHOLD**: FV of the new CNH SFHOLD '29/'31 to be 1.85%/1.95%, respectively, vs IPT of 2.3%/2.4%. See below.*
- ***FTLNHD/FUTLAN**: Seazen Holdings looking to issue up to RMB400mn bonds backed by commercial complex/risk-mitigation agreement. FTLNHD/FUTLAN were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, Asia IG was largely range-bound as markets awaited this week's FOMC meeting, with a 90% probability of a rate hike already priced in. We saw selective buying in BABA '35s/TENCNT '36s/FUBON '35/BBLTB '40s, alongside two-way flows in FRNs across HSBC/STANLN and Japanese banks' '31s/'32s. Meanwhile, we saw light selling pressure in front-end HK T2s BNKEA/NANYAN '34 which were 2bps wider, as well as regional names KOREAN/HYUELE/KBANK/NTT which widened 1-3bps. TW lifer T2 CATLIF/FUBON/SHIKON were 1-3bps wider.

In higher-yielding space, AT1s and insurance hybrids declined by a further 0.25-0.5pt. Flows remained broadly skewed toward selling, with only defensive bids emerging despite some PB punting and dealer short covering at current levels. Elsewhere, the SOFTBK USD curve fell 0.5pt amid the equity rout. Chinese HY FOSUNI/HONGQI/WESCHI dropped 0.1-0.5pt. Chinese/HK properties CHJMAO/GRNCH/LNGFOR were unchanged to 0.3pt lower. NWDEVL Perps down 0.3-1.7pts. On the other hand, the Philippine property developer VLLPM '27/'29 rose 0.3-1.1pts. We also saw moderately better selling on LGFVs as clients looked to recycle cash amid lackluster buying sentiment. CNH LGFV was largely stable. CNH BABA/MEITUA/TENCNT were unchanged to 0.2pt higher.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
VLLPM 9 3/8 07/29/29	**65.0**	**1.1**
VLLPM 7 1/4 07/20/27	**86.1**	**0.9**
EHICAR 10 10/14/29	**40.5**	**0.8**
CFAMCI 4.95 11/07/47	**87.9**	**0.5**
INFRAB 14 1/2 11/15/28	**105.5**	**0.4**

Top Underperformers	Price	Change
NWDEVL 4.8 PERP	**54.2**	**-1.7**
NWDEVL 6 1/4 PERP	**62.0**	**-1.4**
GARUDA 6 1/2 12/28/31	**84.7**	**-1.3**
ARAMCO 6 02/02/56	**89.4**	**-1.2**
ARAMCO 6 3/8 06/02/55	**94.2**	**-1.0**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.48%), Dow (-0.29%) and Nasdaq (-0.56%) were lower on Monday. UST yield rallied higher yesterday. 2/5/10/30 year UST yield was at 4.65%/4.80%/4.97%/5.34%.

❖ Desk Analyst Comments 分析员市场观点

➢ SFHOLD: FV of the new CNH SFHOLD '29/'31 to be 1.85%/1.95%, respectively

Table 1: SFHOLD's peers

Security name	ISIN	Amt o/s (RMB mn)	Px	YTM	Issue rating
BABA 2.8 11/28/29	HK0001082178	5000	103.0	1.80%	A1/A+/A
COSL 1.95 03/16/29	HK0001249611	5000	100.3	1.83%	A3/-/A-
TENCNT 2.1 09/23/30	HK0001193058	2000	100.9	1.85%	A1/A+/-
KUAISH 2.45 01/22/31	HK0001241626	3500	102.0	1.96%	A3/A-/A-
JD 2.05 04/10/31	HK0001285094	7500	100.7	1.88%	A3/A-/-
CHGRID 1.86 08/20/31	HK0001323929	3900	100.4	1.77%	A1/A+/-

Source: Bloomberg.

S.F. Holding (SF, A3/A-/A-) plans to issue 3yr and 5yr CNH Reg S senior unsecured bonds (A3/-/-). We view the FV of the new SFHOLD '29/'31 at 1.85%/1.95%, respectively, vs IPT of 2.3%/2.4%, taking cues from similarly rated Chinese corporates. See Table 1. The bonds will be issued by SF Holding Global 2026 Limited, SF's 100%-owned offshore subsidiary, and guaranteed by SF. Net proceeds will be used for refinancing and general corporate purposes. We understand that SF's next major bond maturity is USD800mn SFHOLD 2.375 11/17/26 due in Nov'26. At time of this writing, the combined order book exceeds RMB38bn.

SF is the largest integrated logistics services provider in Asia and ranked 4th globally by revenue in 2025. In 1H26, revenue rose 5.9% yoy to RMB155.5bn, supported by mix and pricing as parcel volume was broadly flat at 7.9bn, up 0.1% yoy. Time-definite express is the largest segment, contributed 40.7% of revenue in 1H26, while the rest are economy express (10.5%), freight delivery (14.2%), cold chain & pharmaceutical (2.8%), intra-city on demand (4.3%), supply chain & international (25.5%), and others (2.0%). Gross profit increased 7.7% yoy to RMB20.9bn while gross margin improved to 13.45% from 13.22%, reflecting a better mix of higher value services. However, EBITDA was broadly flat at RMB16.7bn, and EBITDA margin declined to 10.75% from 11.31%, indicating that higher operating costs continued to offset part of the gross profit and margin improvement.

SF's liquidity remains adequate. Cash and cash equivalent increased to RMB25.0bn as of Jun'26 from RMB20.0bn as of Dec'25, supported by RMB11.2bn of operating cash inflow in 1H26, partly offset by RMB6.1bn of capex. However, total debt increased to RMB58.6bn from RMB49.2bn. Total debt/LTM EBITDA increased to 1.8x from 1.5x, while cash/ST debt declined to 0.8x from 0.9x due to higher short term debt, as per our calculation. Continued investment in international and supply chain expansion could further weigh on its leverage, particularly if debt-funded capex increase ahead of earnings contributions from these businesses. That said, we take comfort from SF's diversified funding access, including bank facilities, onshore and offshore debt capital markets, asset-backed securitization and equity financing. Its leading market position, sizeable operating cash flow, and smooth access to funding channels should continue to support its credit profile and refinancing flexibility.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hyundai Capital America	1000	3yr	5.4%	T+70	A3/A-/A-
	500	5yr	5.625%	T+85	
Korea Credit Guarantee Fund	300	3yr	SOFR+73	SOFR+73	Aa2/-/-

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
Hanwha Q CELLS Americas Holdings Corp.	USD	-	3yr	-	A3/-/-
Korea National Oil Corporation	USD	-	3/5yr	-	-
Mitsubishi Estate Company	USD	-	5yr	T+95	A2/A/-

➢ News and market color

- Regarding onshore primary issuances, there were 79 credit bonds issued yesterday with an amount of RMB62bn. As for month-to-date, 833 credit bonds were issued with a total amount of RMB815bn raised, representing a 22.2% yoy increase

- China average new home prices drop 3% yoy in Aug'26

- **[FTLNHD/FUTLAN]** Seazen Holdings looking to issue up to RMB400mn bonds backed by commercial complex/risk-mitigation agreement

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