

## 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!

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

**Cyrena Ng, CPA 吳倩瑩**  
 (852) 3900 0801  
 cyrenang@cmbi.com.hk

**Jerry Wang 王世超**  
 (852) 3761 8919  
 jerrywang@cmbi.com.hk

- *The new ANZs were unchanged this morning. HYNMTR 27-32s tightened 1-3bps. HAOHUA/BABA 27-35s were 1-2bps wider. LIHHK 25s rose 1.5pts. LASUDE 26s were up 0.6pt.*
- **GRWALL:** *One notch upgrade to BBB with stable outlook by Fitch. GRWALL 26-30s/Perp were unchanged to 0.3pts higher post rating upgrade. See below.*
- **Korean banks:** *Media reported Korea FSC is making preparations to allow the establishment of a bad bank for delinquent small loans due to the coronavirus pandemic. CITNATs/KEBHNBs/SHNHANs/WOORIBs were unchanged.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the sentiment was firm following US and Chinese negotiators agreed on plan to ease trade tensions. KR space was under strong buying. TYANLI/HLINSU/DAESEC 27-35s tightened 2-6bps. KDB/KOB COP/KHFC/KORAIL/KOROIL 26-33s were 2-4bps tighter. POHANG/PKX/HYUELE/LGENSO 27-35s tightened another 3-10bps. In Chinese IGs, BABA/TENCNT/MEITUA 27-35s were 2-4bps tighter. In financials, the new issue ANZ 5.816 36 widened 2bps from RO, while the other new ANZ 4.362 28/ANZ Float 28 were unchanged from ROs. GRWALL 26-30s closed unchanged to 2bps tighter, GRWALL Perp was unchanged following Fitch's one notch upgrade to BBB. See comments below. CDBFLC/AVIILC/FRESHK 27-30s were unchanged to 2bps tighter. BBLTB/KBANK 31-40s were 5-10bps tighter. EU AT1s were stable. BACR 9.625/INTNED 3.375 Perps were up 0.1pt, UBS 6.85/SOC GEN 8.5 Perps were down 0.2pt. In insurance hybrids, SUMILF Perp/NIPLIF 54-55s were up 0.1pt. In HK, MTRC/HKAA 30-35s tightened 2-3bps on PB buying. NWDEV L Perps/27-31s and NWSZF 28-29s rose another 0.5-1.0pt, closed 1.5-4.6pts higher WTD. HYSAN 7.2/4.8 Perp rose 0.3-0.7pt, HYSAN 4.1 Perp declined 0.7pt. LIHHK 25s and 26s moved 0.2pts and 2.9pts lower, respectively. Lifestyle further repurchased USD15.6mn principal amount of LIHHK 4.5 06/26/25 and cut the o/s size to USD182.2mn. In Chinese properties, LNGFOR 27-32s were up 0.2-0.5pt. In SE Asia,

SMCPM/SMCGL/PCORPM Perps were unchanged to 0.2pt lower following the call of SMCPM 5.5 Perp on the first call date in Jul'25. See our comments on [11 Jun'25](#). VLLPM 27-29s were 0.1-0.4pt higher, closed 3.2-3.6pts lower WTD. ADANEMs/ADGREGs were up 0.2-0.4pt.

In LGFVs, higher yielding names remained sought after as more investors expanded their radar to USD papers following the yield compression in CNH papers. There were two way interests on CNH names such as QINLID 5.9 28s/BAZHDI 7.8 27s/CHDOHU 7.4 26s and USD names such as ZOUCAO 6.9 28s/BADNHI 6.9 28s.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/2 05/19/30	49.8	1.0	LIHHK 4.8 06/18/26	80.6	-2.9
NWDEVL 8 5/8 02/08/28	63.3	0.9	HYSAN 4.1 PERP	98.8	-0.7
NWSZF 6 3/8 08/22/28	94.4	0.8	ROADKG 5.9 09/05/28	40.9	-0.6
NWDEVL 4 1/8 PERP	27.3	0.8	GRNLGR 5 7/8 07/03/30	29.0	-0.5
BAERVX 3 5/8 PERP	89.1	0.8	GRNLGR 6.9 02/12/29	29.0	-0.3

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.27%), Dow (-0.00%) and Nasdaq (-0.50%) were lower on Wednesday. US May'25 CPI was +0.1% mom/+2.4% yoy, lower than the market expectations of +0.2% mom/+2.5% yoy. UST yield was lower on Wednesday, 2/5/10/30 yield at 3.94%/4.02%/4.41%/4.91%.

#### ❖ Desk Analyst Comments 分析员市场观点

##### ➤ GRWALL: One notch upgrade to BBB with stable outlook by Fitch

Fitch upgraded China Great Wall (GRWALL) by one notch to BBB from BBB- with stable outlook, as well as the viability rating (VR) to ccc from f. The upgrades reflect Fitch's expectation of GRWALL's enhanced ability to carry out the policy role for resolving distressed assets, as indicated by its improved VR after the capital injection from Central Huijin. The planned RMB36.8bn (cUSD5bn) capital injection from Central Huijin which has been made but pending for final regulatory approval to complete the process. Fitch's upgrades also reflect GRWALL's strengthened funding access. We view the strengthened funding access is partly demonstrated by the issuance of GRWALL 5.25 04/23/28 of USD450mn in Apr'25.

In Chinese AMC space, we believe the spread differential among CCAMCLs, GRWALLs and ORIEASs continues to compress in view of more centralized control by Central Huijin over China Cinda, GRWALL and China Orient. We continue to view the Chinese AMCs from a top-down approach and the government support to them continues. Within the space, CFAMCIs continue to be our top picks for their better risk-return profiles despite the conviction levels are now lower. We also like Chinese AMCs perp as we believe that the certainty of call on the first call date is high. We prefer CCAMCL 4.4 Perp (first callable Nov'26) for its more balanced risk-return profiles, while we consider GRWALL 7.15 Perp (first callable Jul'27) is fairly priced. CCAMCL 4.4 Perp is trading at YTC of 5.0% at 99.2. At 103.8, GRWALL 7.15 Perp is trading at YTC of 5.3%.

**Table 1: Our Chinese AMCs picks**

Security name	ISIN	Ask Px	YTC/YTM	Amt O/s (USDmn)	First call date	Coupon reset	Step-up (bps)
CCAMCL 4.4 Perp	XS2397254579	99.2	5.0%	1,700	3 Nov'26	5yrUST+3.232%	-
CFAMCI 4.25 Perp	XS2235973943	99.7	5.1%	250	30 Sep'25	5yrUST+6.979%	300
CFAMCI 3.875 11/13/29	XS2076078786	94.0	5.4%	199.5	-	-	-

CFAMCI 3.375 02/24/30	XS2122990810	91.4	5.5%	270.5	-	-	-
CFAMCI 3.625 09/30/30	XS2235973869	91.4	5.5%	139	-	-	-

Source: Bloomberg.

**Table 2: YTM/YTC of Chinese AMCs bonds and perps**

	Ask YTM/YTC (%)	Mod Duration	Ask px
CCAMCL	4.7-6.1	0.1-12.5	87.0-102.8
CFAMCI	4.9-6.0	0.1-12.7	88.0-100.0
GRWALL	5.1-5.4	1.4-4.7	86.5-103.8
ORIEAS	4.8-5.1	0.4-4.9	89.2-102.5

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Qingdao Jimo District Urban Development Investment	136	2yr	6.9%	6.9%	Unrated

➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
ABN AMRO Bank	USD	-	5yr	SOFR+120	Aa3/A/A+
Bank of Communications Sydney	USD	-	3yr	SOFR+105	Unrated
Hengjian International Investment	USD	-	3yr	T+110	A2/-/-
Tai Fung Bank	USD	280 (capped)	PerpNC5	8.375%	-/-/B

➤ **News and market color**

- Regarding onshore primary issuances, there were 116 credit bonds issued yesterday with an amount of RMB101bn. As for month-to-date, 646 credit bonds were issued with a total amount of RMB634bn raised, representing a 23.1% yoy increase
- [BABA/JD/PDD]** China e-commerce platforms such as Taobao, Tmall, JD.com and Pinduoduo extend mid-year sales promotions amid weak spending
- [CKHH]** Panama Canal Authority administrator says CK Hutchison's ports deal with the Mediterranean Shipping Company poses risk to neutrality
- [GEELY/NIO]** Chinese carmakers such as Geely Automobile Holdings and NIO vow to pay suppliers within 60 days amid regulatory concerns
- [HYUELE]** SK Hynix warns of rising uncertainties in 2H25 amid evolving US trade policies
- [IDASAL]** MIND ID nickel arm allowed to continue operations at Indonesian top tourist area
- [JFCPM]** Jollibee to buy 100% stake in South Korean chicken franchise company Norang Tongdak, expected price in the mid-range of KRW100bn (cUSD73mn)

- **[SINOCH]** Italy delays ruling on Sinochem influence over tiremaker Pirelli to 31 Jul'25

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

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