

CMBI Credit Commentary

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

- *This morning, JP IG credits widened 1-3bps amid better selling ahead of the new MIZUHO and SMFG USD issues. AT1s were largely unchanged amid balanced two-way flows. HYSAN 4.85 Perp edged 0.4pt higher. ZHOSHK 28 gained 0.3pt. GLPSP 4.6 Perp/NDPAPE 14 Perp lost 0.9-1.3pts. FTLNHD 29 was 0.7pt lower.*
- **SUNOTG:** *FV of the new dim sum SUNOTG 31 to be low-to-mid 2% vs IPT at 2.65%. See below.*
- **FOSUNI:** *Fosun International obtained approval from Hong Kong stock exchange on the proposed spinoff and listing of Fosun Adgenvax. FOSUNIs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Last Friday, the new DAESec 29 closed unchanged from RO at T+100, while the new DAESec 31 traded 2bps wider from RO at T+110. Recent new issues NHSECS/HANFGI widened 5-7bps. Existing HYUELE/LGENSO/PKX/POINTL and other KR quasi-sovereign curves also closed 3-8bps wider. In JP space, the recent new issues NTT 29-31 FRNs widened 1-2bps, fixed-rate NTT 31-36s closed 1bp wider, and NOMURA 31-36s traded 1-2bps wider. Japanese and European AT1s and insurance subs lost 0.3pt. We saw better selling across 5-10yr Chinese TMT papers BABA/TENCNT/KUAISH/MEITUA/XIAOMI and AACTEC, 10yr TW lifers SHIKON/NSINTW/CATLIF and HK names HKE/HKTGHD, and their spreads widened 2-6bps overall. As for higher-yielding papers, EHICAR 27-29 leaked 1.7-2.1pts. In HK/Chinese properties, NWDEVL Perps led the space and rose up to 2.0pts. There were chatters NWD will launch a right issue, but the company did not respond to this matter. LASUDE 26 edged 0.3pt higher. On the other hand, FAEACO 12.814 Perp lost 0.4pt, Far East Consortium FY26 revenue down 31% yoy to HKD6.6bn (cUSD842.5mn). VNKRL 27-29 were 0.1pt lower to 0.1pt higher.

In SE Asia, the new VEDLN 32-37s were down 0.1-0.5pt from ROs at par. See our comments on [25 Jun'26](#). PTTGC Perps lost 0.1-0.2pt. Moody's affirmed PTT Global Chemical's rating at Baa3 and maintained negative outlook. See our comments [last Friday](#). GLPSPs/GLPCHI were 0.1-1.6pts higher. SMCGL Perp were unchanged to 0.2pt higher. San Miguel Global Power upsized loan to USD500mn with 18 lenders joining syndicate.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|--------------------|-------|--------|-----------------------|-------|--------|
| NWDEVL 12.179 PERP | 89.7 | 2.0 | EHICAR 12 09/26/27 | 45.8 | -2.1 |
| GLPSP 4.6 PERP | 53.7 | 1.6 | EHICAR 10 10/14/29 | 41.7 | -1.7 |
| NWDEVL 6 ¼ PERP | 60.5 | 1.5 | ARAMCO 5 7/8 07/17/64 | 94.0 | -0.9 |
| NWDEVL 4.8 PERP | 58.6 | 1.5 | SOFTBK 7 5/8 04/29/61 | 96.2 | -0.9 |
| NWDEVL 4 1/8 PERP | 78.6 | 1.3 | ARAMCO 6 02/02/56 | 97.2 | -0.8 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.05%), Dow (-0.09%) and Nasdaq (-0.24%) were lower on last Friday. 2/5/10 year UST yield were lower on last Friday. 2/5/10/30 year yield was at 4.07%/4.12%/4.38%/4.87%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SUNOTG: FV of the new dim sum SUNOTG 31 to be low-to-mid 2% vs IPT at 2.65%**

Sunny Optical Technology (Sunny Optical, Baa1/-/-) proposes to issue 5yr senior unsecured dim sum bond (Baa1/-/-). We view the FV of the new dim sum SUNOTG 31 to be low-to-mid 2% vs IPT at 2.65%, taking cues of its Chinese IG peers such as JD 2.05 04/10/31 (A3/A-/-, YTM of 2.0%) and KUAISH 2.45 01/22/31 (A3/A-/A-, YTM of 2.1%), adjusted for difference in credit rating and longer in tenor.

The new bond is callable, in whole or in part, at a make-whole price prior to the par call date, and at par on or after the par call date (three months prior to maturity). Net proceeds from the new bond will be used to refinance existing debt. Sunny Optical's only offshore bond maturity is the USD400mn SUNOTG 5.95 07/17/26, which will fall due next month. We would not be surprised to see more issuers refinancing USD maturities via dim sum issue, in view of the relatively cheaper funding costs and supported by strong onshore demand and expanding investor base.

Listed in Hong Kong in 2007, Sunny Optical is a global leader in integrated optical products and intelligent optical system solutions, principally engaged in the design, R&D, manufacturing and sales of optical and optical-related products across diverse application scenarios. As of Dec'25, Sunny Optical had 7,561 granted patents, with a further 2,814 patent applications pending. As per Sunny Optical, it ranked as the largest global producer of vehicle lens sets with a 31.2% market share in 2024. It is also among the leading producers of handset lens sets (28.2% market share in 2025) and handset camera modules (11.4% market share in 2025). Sunny Optical is 35.61% owned by Sun Xu Limited, with the remaining 64.39% held by public shareholders.

Sunny Optical generated revenue of RMB43.2bn in FY25, representing a 12.9% yoy increase, with contributions from handset products (63%), vehicle products (17%), XR products (6%) and others (14%). Geographically, revenue was predominantly derived from China (73%), followed by Asia ex-China (17%), North America (5%) and Europe (4%). Adj. EBITDA increased 31.3% yoy to RMB5.9bn, with margin expanded to 13.6% from 11.7% in FY24, driven by continued premiumization of handset lens and module mix that lifted the ASPs, alongside rising contribution from the higher-margin vehicle segment. As of Dec'25, Sunny Optical maintained a strong net cash position of RMB16.8bn, increased from RMB15.2bn as of Dec'24, partly supported by a 75.9% yoy increase in operating cash inflow to RMB6.1bn. Credit metrics improved accordingly, with total debt/adj. EBITDA declined to 1.1x from 1.4x, while adj. EBITDA/interest expense rose to 13.5x from 9.0x over the same period.

➤ 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 | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|--|----------|---------------|---------|-------------|----------------------|
| Mizuho Financial Group | USD | - | 4NC3/ | T+110/ | A1/A-/- |
| | | | 4NC3/ | SOFR Equiv/ | |
| | | | 6NC5/ | T+110-115/ | |
| | | | 6NC5/ | SOFR Equiv/ | |
| | | | 11NC10/ | T+120-125/ | |
| Shenwan Hongyuan International Finance | USD | - | 21NC20 | T+120-125 | -/BBB/- |
| | | | 3yr | SOFR+105 | |

➤ News and market color

- Regarding onshore primary issuances, there were 141 credit bonds issued on last Friday with an amount of RMB75bn. As for month-to-date, 2,317 credit bonds were issued with a total amount of RMB2,292bn raised, representing a 18.6% yoy increase
- **[ARAMCO]** Aramco resumed crude loadings at Ras Tanura after four-month halt
- **[DFHOLD/SHINFN]** Shinhan Financial, Korea Investment weigh Lotte Non-Life Insurance acquisition
- **[FUBON]** Moody's affirmed A3 rating of Fubon Life, A2 rating of Fubon Insurance, Baa1 rating of Fubon P&C and Baa1 rating of Fubon Financial; outlook on Fubon Life, Fubon P&C, and Fubon Financial remained stable, Fubon Insurance's outlook changed to positive on its improving underwriting profitability and strengthened solvency ratio under TIS
- **[HCELEC]** Huachen Energy plans to initiate a consent solicitation to extend bond maturities as part of its debt restructuring
- **[HYUELE]** SK Hynix reported fatal incident at one of its sites; Ministry of Labor to investigate
- **[MEITUA]** Meituan plans to conduct share buybacks and may consider exiting some investments to restore market confidence
- **[NOMURA]** Nomura Holdings is partnering with US stablecoin giant Circle Internet Group to collaborate on digital finance in Japan and other global market

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