

CMBI Credit Commentary

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

- *The new SUMIBK 4.522 02/12/32 was unchanged around RO at T+68 this morning. ACPM 4.85 Perp was 1.0pt lower. EHICAR 26 decreased by 0.9pt. GARUDA 31 was 0.9pt higher. NWDEVL 4.8 Perp was up by 0.5pt.*
- **CDBALF:** *FV of the new CDBALF 31 to be T+55-60bps vs IPT at T+95bps. See below.*
- **FRESHK:** *S&P placed Far East Horizon's BBB- rating on CreditWatch negative following the profit warning of its 41.7%-owned subsidiary Horizon Construction Development. S&P intends to resolve the CreditWatch in the next three to six months. FRESHK 26-29 widened 30-50bps while CNH FRESHK 28 was 2.0pts lower this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asian IG credits rebounded, supported by improved macro sentiment and elevated rates levels. ZHOSHK 28 traded 4bps tighter. In financials, CCAMCL/ORIEAS tightened 2-4bps. FRESHK 26-29 tightened 1-4bps. Last night, S&P placed Far East Horizon (FEH) on CreditWatch negative after the profit warning of its 41.7%-owned subsidiary Horizon Construction Development, which contributed only c1% of FEH's PBT in 1H25. We do not see too much on the profit warning and are unconvinced on the negative rating action. TW lifers recovered and stabilized, with spreads tightening 1-3bps. In Chinese HY, the recent new issue WESCHI 10.5 11/11/29 was 0.6pt higher from the RO at par. See our comments on 2 Feb'26. In HK, NWDEVL/VDNWDL Perps rose 0.5-1.0pt, except NWDEVL 6.125 Perp closed 0.2pt lower. The Macau gaming complex SJMHOL/MGMCHI/MPEL/SANLTD/ STCITY/WYNMAC were unchanged to 0.1pt higher. See our comments on Jan'26 Macau gaming GGR yesterday. In Chinese properties, FUTLAN 28/FTLNHD 26-27 closed 0.2-0.7pt higher. VNKRLE 27-29/LNGFOR 27-32s edged 0.1-0.3pt higher. In KR space, LGENSO/SKBTAM/MOMPER curves were squeezed to another 2-4bps tighter, with renewed deployment buying concentrated in front-end to belly maturities. Chinese AM accounts were buying JP bank FRNs to park cash, and the bonds tightened 1-3bps. On the other hand, JP insurance subs remained unchanged in lighter flows. Yankee AT1s edged 0.3-0.4pt firmer; Chinese/Asian RMs continued to buy front end and belly of the curve whilst dealers rushed to cover shorts across the curve. We saw better selling on AU and EU bank IG issues, but the flows were well absorbed by the market. PBs were selling AU T2s (particularly longer-dated callable tranches). In SE Asian space, TOPTB/KBANK/BBLTB/OCBCSP tightened 3-4bps. VLLPM 27 decreased by 0.4pt. GLPSP Perps recovered to 0.1-0.2pt higher. VEDLN 28-33s were up by 0.2-0.4pt. In the Middle East, ARAMCO 35-56s tightened 2-4bps. SECO 29-36s were 1-3bps tighter. LGFVs remained firm as higher-yielding papers continued to grind tighter on back of marginal buying from

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RMs/retail accounts, whereas there were balanced two-way flows on IG names.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
TSTSME 11 3/8 02/05/31	102.8	1.6	GZUIHG 7.7 02/24/26	100.2	-1.1
ROADKG 5 1/8 01/26/30	24.2	1.3	KZOKZ 3 1/2 04/14/33	89.8	-0.7
VDNWDL 9 PERP	102.4	1.0	DBKAZ 2.95 05/06/31	90.3	-0.5
NWDEVL 4 1/8 PERP	68.4	1.0	PTTTB 5 7/8 08/03/35	105.0	-0.5
NWDEVL 5 1/4 PERP	76.2	0.9	VLLPM 7 1/4 07/20/27	61.6	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.84%), Dow (-0.34%) and Nasdaq (-1.43%) were lower on Tuesday. 10yr UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.57%/3.83%/4.28%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➤ CDBALF: FV of the new CDBALF 31 to be T+55-60bps vs IPT at T+95bps

China Development Bank Financial Leasing (CDBL, A1/A+/A) proposes to issue a USD Reg S 5yr senior unsecured bond (A2/-/A). We view the FV of the new CDBALF 31 to be T+55-60bps vs IPT at T+95bps, in view of CDBALF 4.75 05/27/30 trading at T+56bps, adjusted for c9-month longer in tenor for an A-rated issue.

Proceeds will be used for general corporate purpose for the issuer, guarantor and their subsidiaries. The new CDBALF 31 will be issued by CDBL Funding 1 and will be unconditionally and irrevocably guaranteed by CDB Aviation (A2/A/A), with the benefit of a Keepwell and asset purchase deed provided by CDBL, same as the structure of CDBALF 4.75 05/27/30. The new bond maybe redeemed at the issuer's option, in whole or in part, at par one month prior to the maturity, subject to 30-60 days' notice to the bondholders.

CDBL's credit profile is underpinned by strong government linkage and adequate capital buffers. CDBL is supervised by the NFRA and is 64.4%-owned by CDB, a wholly state-owned policy bank. CDBL provides aircraft, ship, infrastructure, inclusive finance, green energy, and equipment leasing services across 40 countries/regions. In 1H25, CDBL generated revenue of RMB14.7bn and net profit of RMB2.4bn. Asset quality weakened modestly, with the NPA ratio increased to 0.63% in Jun'25 from 0.56% in Dec'24, though NPA coverage ratio remained robust at 540% in Jun'25. Capitalization remains sound with CET 1 ratio and Tier 1 ratio of 10.7%, higher than the regulatory minimum requirement of 7.5% and 8.5%, respectively.

The guarantor, CDB Aviation, is CDBL's 100%-owned aircraft leasing platform providing new/used aircraft leasing, sales/leasebacks and financing solutions to 87 airline customers across 42 jurisdictions. It has 517 aircraft (current fleet plus committed), with a weighted-average aircraft age of 5.7 years and a weighted-average remaining lease term of 6.9 years.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
New Development Bank	2000	3yr	SOFR MS+49	SOFR MS+49	Unrated

Sumitomo Mitsui Financial Group	500	6NC5	4.522%	T+68	A1/A-/A-
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➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
CDBL Funding 1	USD	-	5yr	T+95	A2/-/A
Huantaihu international investment	USD	-	3yr	6.3%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 128 credit bonds issued yesterday with an amount of RMB84bn. As for month-to-date, 223 credit bonds were issued with a total amount of RMB171bn raised. No credit bonds was issued during 1-3 Feb'25 due to CNY holiday
- China warned Panama it would face serious consequences after a court voided CK Hutchison's unit's contract to operate two Panama Canal ports
- Major restaurant chains in China are raising delivery prices and scrapping promotions on food delivery platforms
- Macau expects to attract more than 1.4mn visitors for the 9-day CNY holiday, represents a 6.9% yoy increase from 2025
- Kuwait planned to open some oil fields and lease part of its crude pipeline network to foreign investors
- **[ADSEZ]** Adani Ports 9MFY26 consolidated EBITDA rose 20% yoy to INR168.3bn (cUSD1.8bn)
- **[CKHH]** CK Hutchison's local subsidiary started arbitration proceedings against Panama after Panama court voided a concession to operate two ports
- **[FUTLAN/FTLNHD]** Seazen to meet investors 9-10 Feb'26 in Hong Kong
- **[INTNED]** ING Groep priced USD1.5bn INTNED 6.5 Perp (-/BBB-/BBB) at 6.5%, tightened from IPT at 7.0%. The coupon of the perp will be first reset to 5yrUST+2.846% on 16 Nov'33
- **[KZOKZ]** KazMunayGas said gas flows were achieved at the first testing of the Karaton Podsolevoy site next to the Tengiz oil field, which is Kazakhstan's largest
- **[LASUDE]** Media reported Lai Fung Holdings, which Lai Sun Development holds a 55.08% stake, has downsized to HKD3.3bn (cUSD416mn) from over HKD3.8bn (cUSD486.4mn) its loan aimed at refinancing its HKD3.3bn loan due 12 Mar'26
- **[VEDLN]** Vedanta Resources obtained an up to USD350mn debt facility from First Abu Dhabi Bank and Mashreqbank

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