

CMBI Credit Commentary

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

- *This morning, the new NIPDES 31s tightened 7bps from RO at T+58. The new POWFIN 31 tightened 2bps from T+105. The new NHSECS 29-31 traded 1-3bps wider from initial pricing at T+105 and T+110, respectively. The new POINTL 31s widened 3bps from RO at T+90. GENTMKs/SOFTBKs were down 0.1-0.3pt amid better selling.*
- **SIASP:** *FV of the new dim sum SIASP 31 to be mid-2% vs IPT at 2.8%. See below.*
- **BABA/JD/MEITUA:** *Average daily sales for this year's 618 shopping festival rose to RMB25.2bn from RMB23.1bn in 2025, according to Chinese online retail data provider Syntun. Cumulative GMV across the entire e-commerce network reached RMB934bn during the event, a 4% yoy increase, though a notable deceleration from last year's 15.2% growth. Chinese TMT were 1bp wider this morning.*

❖ Trading desk comments 交易平台市场观点

Yesterday, the Greater China IG space overall closed unchanged to 3bps wider, amid better buying in TENCNT 36s/NSINTW/FUBON, verses better selling on FRESHK 28-29s and front-end HK bank T2s like DAHSIN. The recent new issue WLISRC 36 lost 1.0pt. HYSANs were down 0.1-0.3pt. On the other hand, LASUDE gained 0.2pt. Lai Sun Development expects to complete the sale of its stake in Hong Kong's CCB Tower to JD.com by the first week of Jul'26. In Chinese properties, CSCHCN 27 was 0.6pt firmer, while LNGFOR 28-32 were 0.1pt lower to 0.2pt higher. In KR space, HANGFI/DAESEC/NHSECS traded unchanged to 2bps wider. In JP space, 10yr NTT/SUMIBK/SUMITR/MUFG widened 1-2bps amid selling pressure. Japanese and European AT1s and insurance hybrids leaked by 0.1-0.3pt amid better-selling flows from AMs.

In SE Asia, VLLPM 27-29 led the space and rose 3.6-4.8pts. In contrast, GLPSPs lost 0.2-0.9pt. SMGCL/PTTGC Perps were 0.1-0.2pt weaker. VEDLN 28-33s traded unchanged to 0.2pt lower. We saw mixed two-way flows in Malaysian bank senior papers and Thai front-end T2s, and the spreads were range bound. In the Middle East, ARAMCOs were up to 1.2pts lower. Elsewhere, CNH papers across financial and TMT names were up to 0.3pt higher amid better buying. Singapore Airlines announced new 5yr dim sum bond issue. See comments below. In LGFV space, we saw moderate two-way flows among PBs and RMs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 7 1/4 07/20/27	61.2	4.8	ARAMCO 3 1/2 11/24/70	61.4	-1.2
VLLPM 9 3/8 07/29/29	48.1	3.6	ARAMCO 5 7/8 07/17/64	94.2	-1.1
CSCHCN 4 1/2 08/19/27	21.4	0.6	BABA 5 5/8 11/26/54	100.2	-1.0
TSINGH 6 1/2 01/31/28	93.2	0.5	WLISRC 7 7/8 06/23/36	97.3	-1.0
TAISEM 2 1/2 10/25/31	90.0	0.5	ARAMCO 6 3/8 06/02/55	102.1	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.37%), Dow (+0.29%) and Nasdaq (-1.32%) were mixed on Monday. UST yield were higher on Monday. 2/5/10/30 year yield was at 4.24%/4.29%/4.51%/4.95%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SIASP: FV of the new dim sum SIASP 31 to be mid-2% vs IPT at 2.8%**

Singapore Airlines (SIA) proposes to issue a 5yr senior unsecured dim sum bond (unrated). We view the FV of the new SIASP 31 to be mid-2% vs IPT at 2.8%, taking cues from dim sum peers such as TEMASE 1.85 07/30/30 (Aaa/AAA-, YTM of 1.9%) and CB 2.4 05/14/31 (A2/A/A, YTM of 2.3%). At the time of writing, the order book exceeded RMB3.5bn.

Net proceeds will be used for aircraft purchases and aircraft related payments, general corporate and working capital purposes, including refinancing of existing borrowings. SIA may redeem the bond at par one month prior to maturity, at make-whole redemption price (prevailing CGB + spread) up to the par call date, and at par on or after the par call date.

SIA is c50.4% owned by Temasek Holdings, Singapore's state-owned sovereign wealth fund. It is one of the global aviation leaders covering both premium and low-cost segments under the Singapore Airlines and Scoot brands, respectively. Its core businesses span passenger airlines, cargo, and engineering. Changi Airport ranked 4th globally for international passenger traffic in 2025 and is core to Singapore's position as a leading financial and trade hub. The upcoming Terminal 5 at Changi Airport is expected to handle up to 50mn passengers annually, supporting long-term capacity growth.

In FY26 (ending 31 Mar'26), SIA generated revenue of SGD20.5bn, up 5% yoy and a record full-year result, underpinned by sustained travel demand and higher passenger yields. Passenger revenue accounted for 81% of total revenue, with cargo contributing the remaining 19%. Operating profit rose 39% yoy to SGD2.4bn, partly driven by a 6.7% yoy decline in net fuel costs, benefiting from lower weighted average fuel prices and USD depreciation against SGD, which more than offset the volume uplift. Excluding the SGD1.1bn one-off gain from the Vistara disposal in FY25, SIA's EBITDA was SGD4.4bn at a margin of 21.9% in FY26, compared to SGD4.6bn at 23.8% in FY25. Net profit declined 29.5% yoy to SGD1.2bn. These were largely reflecting the share of full year losses from Air India.

Looking ahead to FY27, SIA plans to expand its fleet to 224 aircrafts from 218 as of Mar'26, with a capex budget of SGD2.9bn for aircraft. We understand that aircraft capex to increase to SGD3.1-4.1bn in FY28-30, though this should remain manageable given SIA's cash flow generation and strong liquidity position. As of Mar'26, SIA had total cash and bank balances of SGD7.9bn and committed credit lines of SGD3.3bn. We view SIA's

refinancing risk as limited, supported by its internal resources and access to diversified funding channels. Total debt was SGD10.6bn as of Mar'26, spanning across FY27-FY36. SGD1.3bn of bonds will be matured in 2026, comprising USD500mn SIASP 3 07/20/26 in Jul'26 and SGD630mn SIASP 3.13 11/17/26 in Nov'26.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Denso Corp	500	5yr	4.864%	T+58	A2/A+/-
First Abu Dhabi Bank	750	10.5NC5.5	5.701%	T+140	-/-/A
Jinan Energy	210	3yr	4.4%	4.4%	A3/-/-
NH Investment & Securities	300/ 300	3yr/ 5yr	4.875%/	T+105/ T+110	A3/A/-
POSCO International	500	5yr	5.125%	T+90	Baa2/BBB/-
Power Finance Corp	300	5yr	5.32%	T+105	Baa3/BBB/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Axis Bank	USD	-	5yr/ PerpNC5.5	T+130/ 7.125%	Baa3/BBB/- -/BB/-
Nomura	USD	-	3yr/ 3yr/ 5yr/ 5yr/ 10yr	T+105/ SOFR Equiv/ T+120/ SOFR Equiv/ T+135	Baa1/BBB+/-
Sony Group	USD	-	5yr/ 10yr	T+70/ T+90	A2/A+/-
Yi Bright International	USD	-	3yr	5.1%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 115 credit bonds issued yesterday with an amount of RMB89bn. As for month-to-date, 1,676 credit bonds were issued with a total amount of RMB1,710bn raised, representing a 13.9% yoy increase
- **[CRHZCH]** China Resources Land raised RMB1.5bn (cUSD221.5mn) from a sale of domestic medium-term notes
- **[FUTLAN/FTLNHD]** Seazen plans up to RMB2.2bn tap of private REIT as soon as this month
- **[HCELEC]** Huachen still collecting funds for 21 Jun'26 coupon on USD627mn HCELEC 4.65 12/29/26
- **[JD]** JD.com expects robots to replace its 700,000 delivery riders 'sooner or later'

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