

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!

- *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/KOBCOP/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/SOCGEN 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. NWDEVL 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,

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

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

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/BAZHHDV 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, CFAMCI 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

Author Certification

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.