

## CMBI Credit Commentary

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

- *The new NTT Float 31 tightened 1-2bps from RO at SOFR+90 this morning. The new TOHOKU 31 tightened 5bps from RO at T+70. The new OCBCSP 36 tightened 1bp from RO, and the existing OCBCSP 35 tightened 2bps. The new CNH INDON 29-31 edged 0.1pt higher from ROs, while INDON 36 was unchanged.*
- **FUTLAN/FTLNHD:** *IPT at 13.25% for the new FTLNHD 29 is roughly fair; concurrent tender offers for FTLNHD 26-27. FTLNHD 27 rose 1.6pts this morning. See below.*
- **CBQKQD:** *Commercial Bank of Qatar said it would give notice of its intention to fully redeem CBQKQD 4.5 Perp of USD500mn on 9 Mar'26. CBQKQD 4.5 Perp was 0.1pt higher this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, in the new issuance space, ADVANC 31-36s tightened 1-2bps from ROs. The new SUMI 31 tightened 6bps from RO at T+90, while SUMI 36 hovered around RO. SUMIBK 41 tightened 3bps. The new DAESEC 29-31 initially opened 2bps wider from ROs on flipper activities but closed 1-2bps tighter. In secondary Chinese IG space, TMT MEITUA/KUAISHI/LENOVO/BABA/TENCNT tightened 1-3bps in mixed two-way flows. HAOHUA tightened 1-2bps, though we noted selling pressure on the 29-30 tranches. Taiwan lifers edged 1bp tighter, supported by better buying interests in NSINTW. In Chinese properties, VNKRLE 27-29 retraced 0.2-0.5pt. On the other hand, FUTLAN 28/FTLNHD 26-27 rose 0.2-0.7pt. Seazen circulated IPT for proposed 3yr USD bond, and launched concurrent tender offers for FTLNHD 26 and 27. See comments below. LNGFOR 27-32 traded 0.1-0.3pt higher. In HK, the NWDEVL/VDNWDL complex is 0.2-2.6pts higher. LASUDE 26 was 0.5pt higher. KR corporate bonds stabilized and tightened 1-3bps, led by long-end LGENSO and POHANG. JP insurance subs were roughly unchanged, though flows continued to skew towards better selling. Yankee AT1s were unchanged to 0.1pt weaker amid selling pressure from London and mixed flows in Asia. In SE Asian space, OCBCSP 35s widened 2bps following the new USD 10NC5 T2 issuance announcement. VEDLN 28-33s were unchanged to 0.2pt higher. VLLPM 27-29 gained 0.3-1.4pts. In the Middle East, long-end KSAs were up to 0.4pt lower amid incremental selling pressure. In LGFV space, we saw profit-taking selling post-CNY, which was largely digested by RM demand, especially for quality names and AAA-guaranteed papers.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 5 1/4 PERP	84.3	2.6	ROADKG 5.9 09/05/28	22.9	-0.9
NWDEVL 10.131 PERP	86.0	2.4	PTTGC 5.2 03/30/52	94.2	-0.6
NWDEVL 4 1/8 PERP	77.3	2.1	VNKRLE 3.975 11/09/27	47.9	-0.5
NWDEVL 6 1/4 PERP	67.5	1.6	PTTEPT 3.903 12/06/59	76.5	-0.4
VLLPM 7 1/4 07/20/27	51.9	1.4	HIKTSU 6.13 09/18/35	101.8	-0.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.81%), Dow (+0.63%) and Nasdaq (+1.26%) were higher on Wednesday. 2yr UST yield was higher on Wednesday. 2/5/10/30 year yield was at 3.45%/3.61%/4.05%/4.70%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ FTLNHD/FUTLAN: IPT at 13.25% for the new FTLNHD 29 is roughly fair

Seazen proposes to issue 3-year USD senior unsecured bond (S&P:B-). We view the FV of the new FTLNHD 29 to be roughly fair at 13.25% IPT in view of the valuation FUTLAN 28 (YTW of 13.3%), adjusted for tenor differential. While FTLNHD 27 is trading at YTW of 14.2%, we consider FTLNHD 27 not a very good benchmark for comparison given the small issue size (USD160mn) and thin trading liquidity. The new FTLNHD 29 will be issued by Seazen's subsidiary New Metro Global Limited and guaranteed by Seazen Group (1030.HK), same structure as the FTLNHD 26.

Concurrently, Seazen launched tender offers for the FTLNHD 26 at 101 and the FTLNHD 27 at 98.182. Net proceeds from the new USD bond issuance will only be used to fund the tender offer for FTLNHD 26. Seazen will only fund the tender offer for FTLNHD 27 with internal resources. Seazen intends to accept any and all tendered FTLNHD 26, and USD60-120mn for the FTLNHD 27. As per our discussion with Seazen, the inclusion of FTLNHD 27 in the tender offers instead of just focusing on FTLNHD 26 is because Seazen's preference to deal with FTLNHD 27 early in view of the bond's small issue size and thin trading liquidity. In our opinion, the inclusion of FTLNHD 27 in the tender offers ahead of maturity of FTLNHD 26 in May'26 reflects Seazen's confidence on its liquidity position.

Holders of FTLNHD 26/ FTLNHD 27 who subscribe to the new USD bond will receive priority acceptance in the tender offer in a principal amount equal to the principal amount of new bond allocated. Holders of the FTLNHD 26 or FTLNHD 27 who subscribe to the new USD bond will receive priority acceptance in the tender offers, up to a principal amount equal to their allocated new bond. Investors holding both the FTLNHD 26 and FTLNHD 27 who subscribe to the new bond will receive priority acceptance across both offers (up to their new bond allocation) and may allocate this combined amount between the two series. If a holder does not specify an allocation, Seazen will prioritize the FTLNHD 26, with any remaining amount allocated to the FTLNHD 27. The tender offers expire on 5 Mar'26 GMT.

Seazen continues to demonstrate notably better access to funding channels than most of its non state-owned peers. Earlier this month, Seazen raised cUSD60.4mn through a private share placement to help repay FTLNHD 26. In 2025, Seazen raised USD510mn from the USD bond market to refinance USD bonds totaled USD600mn maturing in Jul' and Oct'25. Seazen also raised CBICL-guaranteed bonds totaled RMB3.65bn in 2025 for refinancing at a weighted average coupon of 3.46%. Seazen issued RMB616mn (cUSD87mn) 25-year

ABS backed by Shanghai Wuyue Square in Nov'25 also add to its liquidity. Besides, it is also exploring C-REITs backed by Wuyue Plazas. As of Dec'25, Seazen has 178 Wuyue Plazas, which generated revenue of RMB14.1bn in FY25.

Seazen's maturity profile is even more manageable after the resumption of access to USD bond market. We also take comfort from the financial flexibility offered from its IPs and its access to various funding channels. Seazen has cRMB7.0bn in public debts due by Dec'26, comprised of the FTLNHD 26 (USD404mn, or cRMB2.9bn), RMB2.0bn in ABS, RMB1.7bn in MTNs, and RMB400mn in corporate bonds. Refinancing the FTLNHD 26 will notably alleviate Seazen's near-term refinancing pressure. Furthermore, Seazen holds unencumbered shopping malls valued at cRMB15bn as of Jun'25. Assuming a 40% LTV ratio, the unencumbered shopping malls could translate into secured borrowing headroom of cUSD1bn. We maintain buy on FUTLAN/FTLNHDs for their good carry and manageable refinancing risk.

**Table 1: Bond profiles of FUTLAN/FTLNHD**

Security name	Issuer	Guarantor	Amt o/s (USD mn)	Maturity	Coupon	Px	YTW
FTLNHD 4 1/2 05/02/26	New Metro Global	Seazen Group	404	5/2/2026	4.50%	99.6	7.0%
FTLNHD 11.88 09/30/27	New Metro Global	Seazen Group, Seazen Holdings	160	9/30/2027	11.88%	96.7	14.2%
FUTLAN 11.88 06/26/28	Seazen Group	N/A	350	6/26/2028	11.88%	98.2	13.3%

Source: Bloomberg.

**Table 2: Summary of the tender offers**

Security name	FTLNHD 4 1/2 05/02/26	FTLNHD 11.88 09/30/27
ISIN	XS2290806285	XS3192214685
Amt o/s (USDmn)	404	160
Tender px (USD)	101.0	98.182
Maximum acceptance amt (USDmn)	Any and all	60-120
Expiration deadline	5 Mar'26 GMT	
Settlement date	On or about 10 Mar'26	

Source: Company filing.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
NTT Finance	500	5yr	SOFR+90	SOFR+90	A3/A-/-
Oversea-Chinese Banking Corporatio	500	10NC5	4.517%	T+90	A2/BBB+/A
Tohoku Electric	500	5yr	4.324%	T+70	-/A-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
New Metro Global	USD	-	3yr	13.25%	-/B/-

Sumitomo Mitsui Trust	USD	-	3yr/ 5yr/ 10yr	T+80-85/ T+90-95/ T+105-110	A1/A/-
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### ➤ News and market color

- Regarding onshore primary issuances, there were 28 credit bonds issued yesterday with an amount of RMB17bn. As for month-to-date, 966 credit bonds were issued with a total amount of RMB745bn raised, representing a 22.8% yoy decrease
- Hong Kong government to increase luxury property taxes, halt commercial land sales
- UAE to exit JPMorgan Emerging Markets Index as Gulf's developed market 'credibility' grows
- **[CBQKQD]** Commercial Bank of Qatar said it will give notice of its intention to fully redeem its CBQKQD 4.5 Perp of USD500mn on 9 Mar'26
- **[HYUELE]** SK Hynix will invest KRW21.6tn (cUSD15.0bn) to build Fab Phases 2-6 of the Yongin Semiconductor Cluster Phase 1; recorded a loss of KRW8.4tn (cUSD5.8bn) in derivative trading of exchangeable bonds in 2025 which were offset by the gain on the disposal of treasury stock recognized and the impact on total equity is minimal
- **[INDON]** Republic of Indonesia priced 3yr CNH4.5bn, 5yr CNH3.5bn, and 10yr CNH1.25bn bonds at 2.45%, 2.65%, 3.05%, tightened from IPT at 2.85%, 3.0%, 3.45%, respectively
- **[MINAU]** Moody's changed the outlook of Mineral Resources to stable from negative; Ba3 ratings affirmed
- **[SKONKR]** SK On signed three-year deal to buy lithium from POSCO Group to ensure stable supply of the key raw material
- **[VEDLN]** Vedanta Ltd's board approved raising up to INR30bn via NCDs

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