Fixed Income
Credit Commentary

02 Sep 2026

CMBI Credit Commentary

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

- *This morning, the new NORBK 31s was 5bps tighter from RO at T+93 while the '36s was unchanged from RO at T+115. The new SUMIBK 29 was 3bps tighter from RO at T+48, the FRNs 29/31 were 2-3bps wider from RO at SOFR+63/+75, respectively, and the SUMIBK Perp was unchanged from RO at par amid two-way flows. Asia IG space was unchanged to 2bps wider. LGFV across CNH and USD remained upbeat.*

- ***BBLTB:** FV of the new BBLTB 31s/36s to be T+75/100bps vs IPT at T+105/130bps, respectively. BBLTBs were unchanged this morning. See below.*

- ***TOPTB:** Thai Oil planned USD757mn disposal of key ERU energy project lapses. TOPTBs were unchanged this morning.*

Cyrena Ng, CPA 吳蒨瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

CMBI Fixed Income
fis@cmbi.com.hk

❖ **Trading desk comments 交易台市场观点**

Yesterday, JP space generally held up well despite the new issue pipelines NORBK/SUMIBK. In JP FRNs, there were some selling in the belly of JERA/MUFG/NECORP/SOBKCO, still the space closed unchanged to 1bp tighter. China IG closed 2-5bps tighter, driven by all-in yield buying in BABA/MEITUA/TENCNT. We saw heavier selling pressure in the front end of AMC CCAMCL/GRWALL. HK T2s traded mixed, with two-way flows along the BNKEA curve and mixed action in DAHSIN/SHCMBK 33. In TW lifers, we saw better selling pushed CATLIF/NSINTW/FUBON 2-3bps wider, while SHIKON held unchanged. Korea traded mixed. Chinese AMs stepped in as better buyers of 2-5yr quasi-sovereigns, KORGAS/KOROIL/KORELE tightened by 1-2bps. However, KR securities and corporates softened into the afternoon as global accounts sold HYUELE/HYNMTR/NHNCOR/DAESEC/HANFGI, pushing spreads 1-2bps wider. In Australia, PBs were better sellers of front-end T2s. In SE Asia, the market digested Bangkok Bank's new supply mandates which prompted better selling in outstanding BBLTB senior papers, while PBs stepped in as better buyer of OCBCSP 34/35s.

In higher-yielding space, Asian high-beta perps, JP insurance subs, and European AT1s sold off by 0.5pt in the belly and long end amid a renewed sell-off in rates and risk assets. Bid support was limited largely to short covering, against otherwise one-way selling from RM/HF/PB accounts that began in Asia and accelerated after London opened. Short-dated-to-call issues still saw moderate dip-buying, mainly from Chinese AMs. China/HK names FAEACO Perp down 1.2pts, EHICAR 26 up 0.9pt. LGFVs continued to outperform. Higher-yielding CNH paper compressed or gapped another 10-25bps tighter, supported by robust RM demand that extended further down the credit curve and absorbed loose bonds from tactical holders. USD LGFV flows were relatively modest despite the constructive tone. Onshore AAA-guaranteed CNH LGFVs ground toward the 3% yield handle, we began to see demand gradually emerge in international BBB-rated USD LGFV paper around the 5% handle. That said, AM selling pressure remained substantial in bonds trading c+100bps over CT2 or tighter.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change
VLLPM 7 1/4 07/20/27	**79.5**	**0.9**
EHICAR 7 09/21/26	**76.3**	**0.9**
PMBROV 11 1/2 02/18/30	**89.8**	**0.7**
ARAMCO 3 1/2 11/24/70	**57.8**	**0.3**
TAIFNG 7 3/4 PERP	**105.7**	**0.3**

Top Underperformers	Price	Change
FAEACO 12.814 PERP	**79.4**	**-1.2**
ACNRGY 5.1 PERP	**74.9**	**-1.0**
PKSTAN 7 3/8 04/08/31	**99.7**	**-0.9**
LLOYDS 6 5/8 PERP	**97.9**	**-0.8**
PKSTAN 8 7/8 04/08/51	**100.3**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.71%), Dow (-0.79%) and Nasdaq (-1.03%) were weak on Tuesday. US Aug'26 Markit Manufacturing PMI was 53.9, higher than the market expectation of 53.2. China Aug'26 Caixin Manufacturing PMI was 51.5, higher than the market expectation of 51.0. UST yield moved higher yesterday. 2/5/10/30 year yield was at 4.39%/4.55%/4.79%/5.27%.

❖ Desk Analyst Comments 分析员市场观点

➢ BBLTB: FV of the new BBLTB 31s/36s to be T+75/100bps vs IPT at T+105/130bps, respectively

Table 1: Bangkok Bank's selected o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Px	G-Spread (bps)	YTW	Mod dur	Payment rank	Issue rating
BBLTB 4.507 11/26/30	USY0606WCD03	500	97.5	65	5.2%	3.8	Sr Unsecured	Baa1/BBB+/-
BBLTB 5 ½ 09/21/33	USY06072AF24	750	100.0	82	5.5%	5.6	Sr Unsecured	Baa1/BBB+/-
BBLTB 5.65 07/05/34	USY06072AH89	750	100.4	89	5.6%	6.1	Sr Unsecured	Baa1/BBB+/-
BBLTB 5.082 11/26/35	USY0606WCE85	600	95.7	92	5.7%	7.1	Sr Unsecured	Baa1/BBB+/-

Source: Bloomberg.

Bangkok Bank (BBLTB) proposes to issue 5yr and 10yr 144A/Reg S senior unsecured USD bonds (Baa1/BBB+/-). We view the FV of the new BBLTB 31s at T+75bps and the new BBLTB 36s at T+100bps, vs IPT at T+105bps and T+130bps, respectively. Proceeds are for general corporate purposes. The new BBLTB 31s are callable at par one month prior to maturity, while the BBLTB 36s are callable at par three months prior to maturity, which should have minimal impact on the valuation.

BBLTB's 1H26 results reflected continued earnings pressure from Thailand's lower-rate environment, while asset quality weakened modestly. Net profit fell 15.9% yoy to THB20.7bn, as NII declined 12.4% yoy and NIM compressed to 2.46% from 2.85%, following four BOT rate cuts since Feb'25. Non-NII also declined 4.0% yoy, while cost discipline helped reduce opex by 6.5% yoy. Weaker revenue pushed the cost-to-income ratio up to 47.1%. ROAE/ROAA fell to 7.16%/0.89% in 1H26, respectively, from 8.75%/1.07% in 1H25.

Loan growth remained moderate at 2.7% YTD, supported by large corporate and international lending. Growth should slow in 2H26 given management's full-year target of 2-3% yoy. Asset quality softened, with the NPL ratio rose to 3.3% as of Jun'26 from 3.0% as of Dec'25, while NPL coverage declined to 306.3% from 324.1%, reflecting lower ECL charges relative to NPL formation. Still, coverage remained strong in absolute terms.

Capital ratios declined modestly but remain robust, RWA growth outpaced internal capital generation. As of Jun'26, its CET1/Tier 1 ratio fell to 16.9% from 17.2% as of Dec'25, while CAR dropped to 21.4% from 21.8%, all well above regulatory minimums. We continue to view the risk of a non-viability event as low over the medium term.

We expect Thai bank asset quality to remain under pressure through 2026, especially in SME and retail exposures, which are more sensitive to slower economic growth. Additional BOT policy rate cuts should also continue to weigh on profitability. That said, BBLTB's more diversified loan book and geographically broader revenue mix compared to peers, together with its solid capital adequacy, should help cushion volatility in asset quality. Overall, near-term earnings and asset-quality headwinds persist, but the bank's diversified franchise and strong capitalization remain supportive of its credit profile.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Norinchukin Bank	500	5yr	5.487%	T+93	A1/A/-
	500	10yr	5.95%	T+115	
Sichuan Naxing Industrial Group	66	3yr	4.7%	4.7%	Unrated
Sumitomo Mitsui Banking Corp	1000	3yr	4.936%	T+48	A1/A/-
	500	3yr	SOFR+63	SOFR+63	
	1000	5yr	SOFR+75	SOFR+75	
Sumitomo Mitsui Financial Group	500	PNC10.25	6.95%	6.95%	Baa3/BB+/-

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
Bangkok Bank	USD	-	5yr	T+105	Baa1/BBB+/-
	USD	-	10yr	T+130	
Korea Securities Finance	USD	-	3yr	-	Aa2/-/-
PT Bank Mandiri Tbk	USD	-	PerpNC5	-	Ba2/-/-
Tencent Music Entertainment	USD	-	5/10yr	-	A2/A/A-

➢ News and market color

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB94bn. As for Month-to-date, 120 credit bonds were issued with a total amount of RMB94bn raised, representing a 128.3% yoy increase

- Macau gross gaming revenue down 1.2% yoy to MOP21.9bn; 8M26 GGR up 3.7% yoy to MOP169.1bn

- **[DALWAN]** Dalian Wanda Group signed USD190mn loan deal to refi due-Sep'26 loan backed by Infront Sports shares

- **[FUTLAN/FTLNHD]** Seazen Holdings plans to issue at least RMB200-300mn bonds by 15 Sep'26; guides 7%-9% coupon

- **[KYUSEL]** Kyushu Electric Power shares to be delisted from Japan exchanges on 29 Sep'26

- **[NIO]** NIO 1H26 revenue rose 86% yoy to RMB57.7bn and net loss narrowed to RMB860mn

- **[SOFTBK]** SoftBank Group owned AI firm SB Energy files for US IPO

Fixed Income Department
Tel: 852 3900 0801/ 852 3761 8919
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-6under 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.