

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *Markets were quiet this morning amid Golden Week Holiday. Asia IG spreads were 1-3bps wider. GLPSP/GLPCHI were 0.2-0.7pt lower. WLISRC '36 dropped 0.4pt. On the other hand, CKINF Perps were 0.4-0.7pt higher. DALWAN '29/LASUDE '29 rose 0.4pt.*
- **Gross USD bond issuance:** Asia Pacific gross USD bond issuance decreased by 4.4% yoy in 9M26. See below.
- **NWDEVL/VDNWDL:** Media reported Bain Capital is exploring to invest in NWD. NWDEVLS were 0.5-1.2pts higher last Friday and were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Last Friday, liquidity thinned as the China onshore holiday commenced, although flows remained relatively active amid the evolving rates volatility. Accounts turned better sellers of credit duration into the rates relief. Combined with wider bid-offer spreads, this led to liquidity bids being hit in the China tech complex, with KUAISH/BABA/TENCNT and HYUELE 7-10yr bonds quoted 3-5bps wider. Elsewhere, we also saw notable selling on Japanese corporates and financials, including SUMITR/SUMIBK/NOMURA/MITHCC. FRNs were generally 2-3bps softer, in line with the broader spread pressure. Bank T2 and TW lifer T2 were also 1-3bps wider. China AMC moved 1-3bps wider with better selling flows.

In higher-yielding space, European credit remained under pressure amid a weak macro backdrop, with AT1s declined by 0.2-1.0pt, led by French names as spreads widened sharply. Flows were skewed towards heavy selling into limited bid-side liquidity. Short covering and selective retail dip-buying provided only modest support, largely concentrated in higher-quality names such as HSBC/STANLN/UBS and the Nordic banks. Japanese insurance subs and AT1s, however, appeared to stabilize, trading broadly around end-Sep levels amid light two-way flows. Greater China activity was muted given the onshore holiday. Flows were largely limited to offshore AM selling in high-beta perps, which had generally lagged the broader sell-off since Sep on a spread basis. NWDEVLS rebounded 0.5-1.2pts post media report on potential investment from Bain Capital. Chinese developers remained weak, CHJMAO/GRNCH/LNGFOR were unchanged to 0.4pt lower. There were occasional selling of CNH papers to recycle cash. CNH TMT BABA/MEITUA/TENCNT dropped 0.1-0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
PMBROV 11 1/2 02/18/30	94.5	1.2	CITLTD 4 3/4 02/04/36	90.0	-3.1
NWDEVL 8 5/8 02/08/28	95.5	1.2	ZHOSHK 5.98 01/30/28	91.6	-2.0
NWDEVL 6 1/4 PERP	53.1	1.1	SOCGEN 7 1/8 PERP	90.3	-1.2
NWDEVL 4 1/8 07/18/29	81.0	0.9	CKINF 4 PERP	65.8	-1.1
NWDEVL 5 7/8 06/16/27	96.6	0.7	MGMCHI 6 1/4 05/15/33	93.0	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.73%), Dow (+0.49%) and Nasdaq (+1.19%) were higher on last Friday. US Sep'26 Nonfarm Payrolls were +29k, lower than the market expectation of +89k. US Sep'26 Unemployment Rate was 4.2%, higher than the market expectation of 4.1%. UST yield was higher last Friday. 2/5/10/30 year UST yield was at 4.83%/5.06%/5.28%/5.63%.

❖ Desk Analyst Comments 分析员市场观点

➤ Gross USD bond issuance: Asia Pacific gross USD bond issuance decreased by 4.4% yoy in 9M26

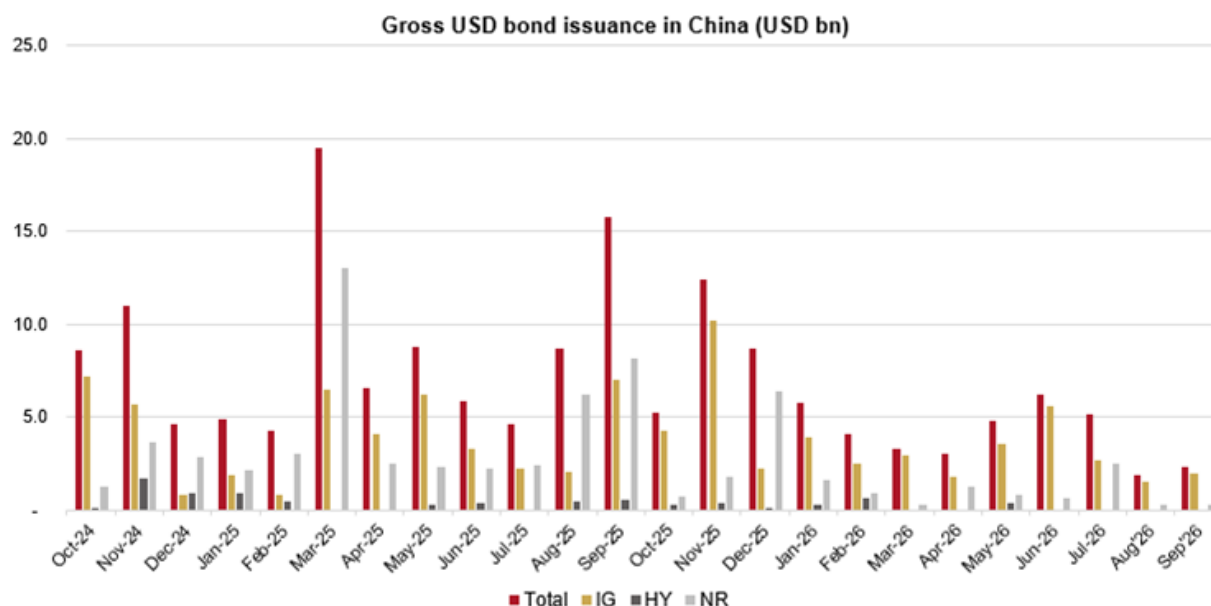
Gross USD bond issuance in Asia Pacific decreased 13.4% yoy in Sep'26 and 4.4% yoy in 9M26

In Sep'26, gross USD bond issuance in Asia Pacific decreased 13.4% yoy to USD44.4bn. Japan (USD20.3bn), Korea (USD6.3bn), and Australia (USD5.7bn) were among the largest issuers, with IG bonds accounting for 64.0% of the total amount. By sector, financials (48.6%), communications (24.8%) and government entities (16.8%) were the largest issuing sector.

Cumulatively, gross USD bond issuance in the region decreased 4.4% yoy to USD304.6bn in 9M26. Japan (USD104.7bn), Korea (USD43.5bn), and Australia (USD42.7bn) were the top issuers, with IG bonds accounting for 82.7% of the total amount. Financials (54.6%), government entities (15.5%) and communications (9.2%) were the largest issuing sector.

Gross USD bond issuance in China dropped 85.5% yoy in Sep'26 and 53.7% yoy in 9M26

In Sep'26, gross USD bond issuance in China dropped 85.5% yoy to USD2.3bn. IGs and unrated bonds contributed 86.2% and 13.8% of the gross issuance amount, respectively. Cumulatively, gross USD bond issuance decreased 53.7% yoy to USD36.5bn in 9M26. IGs, HYs, and unrated bonds contributed 72.5%, 3.7% and 23.8% of the total amount, respectively. Financials (46.1%), communications (18.1%), and LGFVs (16.9%) were among the largest issuing sectors.



Source: Bloomberg.

Gross USD bond issuance in the Middle East fell 64.2% yoy in Sep'26 and 1.7% yoy in 9M26

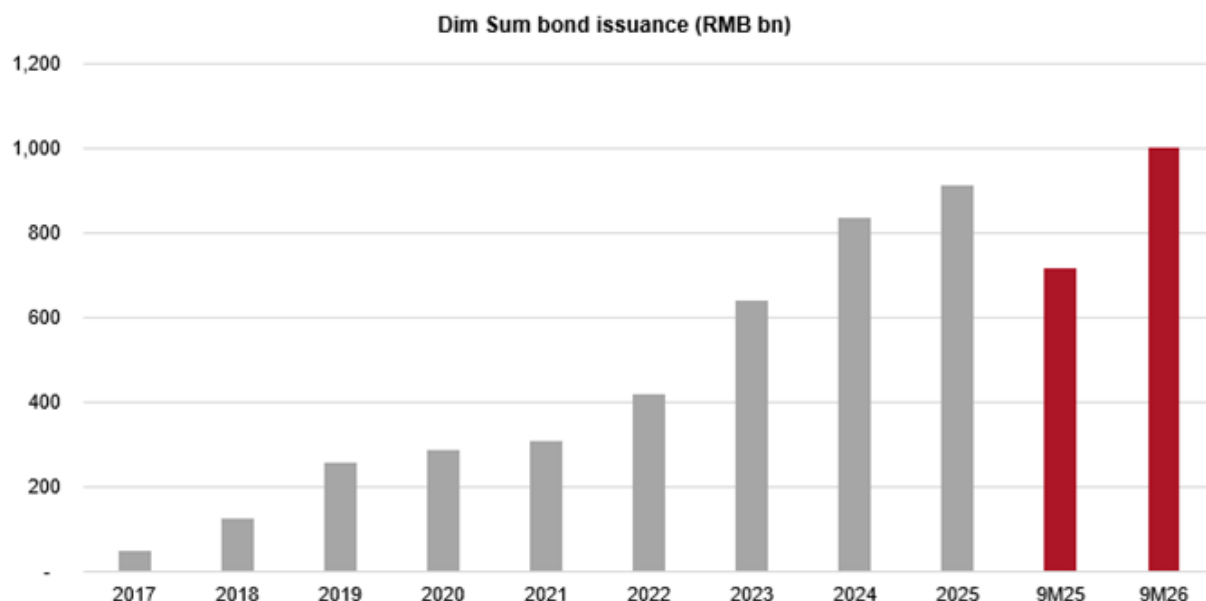
In Sep'26, gross USD bond issuance in the Middle East fell 64.2% yoy to USD15.9bn. Saudi Arabia (USD4.0bn), Israel (USD3.2bn), and Qatar (USD3.1bn) were among the largest issuers, with IG bonds accounting for 78.3% of the total amount. By sector, government entities (51.9%), financials (20.6%), and health care (20.1%) were the largest issuing sectors.

Cumulatively, gross USD bond issuance in the Middle East decreased by 1.7% yoy to USD152.5bn in 9M26. Saudi Arabia (USD44.9bn), Turkey (USD33.4bn) and the UAE (USD25.4bn) and were among the top issuers. IGs, HYs, and unrated bonds contributed 68.9%, 18.9% and 12.2% of the gross issuance, respectively. By sector, government entities (46.2%), financials (31.5%), and energy (10.1%) were among the largest issuing sectors.

Dim Sum bond issuance increased 69.0% yoy in Sep'26 and 40.1% yoy in 9M26

Gross issuance of Dim Sum bonds increased 69.0% yoy to RMB193.6bn in Sep'26. China (RMB132.2bn), the US (RMB26.1bn), and Hong Kong (RMB16.0bn) were among the largest issuers, with IGs represented 29.8% of the total amount. By sector, government entities (46.6%), financials (33.3%), and industrials (10.1%) were the largest issuing sectors.

Cumulatively, gross issuance of Dim Sum bonds increased 40.1% yoy to RMB1,002.2bn in 9M26. China (RMB627.8bn), the US (RMB176.5bn), and Hong Kong (RMB54.7bn) were the top issuers, with IGs accounted for 33.5% of the total amount. By sector, government entities (41.9%), financials (41.4%), and LGFVs (3.9%) were among the largest issuing sectors.

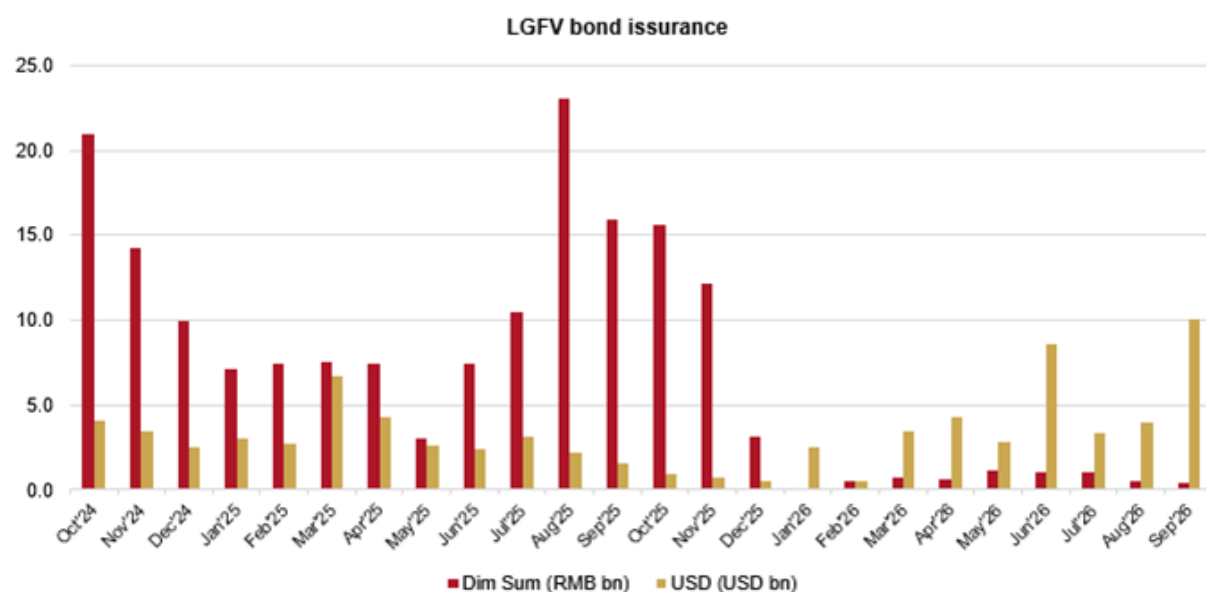


Source: Bloomberg.

Declining USD and Dim Sum bond issuance from LGFVs

In Sep'26, gross USD bond issuance by LGFVs dropped 73.0% yoy to USD0.4bn, while the Dim Sum bond issuance decreased 37.2% yoy to RMB10.0bn. Cumulatively, gross USD bond issuance by LGFVs fell 78.3% yoy to USD6.2bn in 9M26, and Dim Sum bond issuance decreased 62.0% yoy to RMB39.5bn.

We expect offshore LGFV issuance continue to decline, driven by lower onshore funding costs and tighter NDRC scrutiny for new issues. According to Wind, the average coupon of onshore LGFV bonds issued in Sep'26 is c1.9%, down from c2.0% in Aug'26 and lower than the average coupon of c5.3% for offshore USD LGFV bond issued in Sep'26. Additionally, the tightened regulatory environment since 4Q24, which limits onshore investors' allocations to LGFV Dim Sum bonds through Southbound Bond Connect is among one of the drivers for lower Dim Sum LGFV issuance.



Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Onshore primary issuances suspended yesterday during the National Day Holiday
- Macau logged over 750k visitors in first 4 days of October Golden Week, new single-day arrivals record at 210k
- **[FAEACO]** Far East Consortium to defer 18 Oct'26 distribution on FAEACO 12.814 Perp to next payment date
- **[NWDEVL/VDNWDL]** NWD-promoted State Residence project raises over HKD330mn in second round of sales
- **[SUNHUN]** Fitch has revised the outlook on Sun Hung Kai Properties to positive from stable, reflected the agency's expectation that its rental income will continue to grow as newly completed investment properties ramp up and as a recovery in Hong Kong's office market supports further rental growth; A rating affirmed

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