CMBI Credit Commentary

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

- *This morning, the new EIBKOR/KORELE/KTGC/MUFG/MITHCC/SMBCAC overall traded 2bps wider to 2bps tighter from ROs. Asia IG space was unchanged to 2bps wider amid light flows. We saw better selling in AT1s and USD LGFV issues, versus better buying in higher-grade CNH papers. SOFTBK 31-36 lost 0.6-0.8pt. LASUDE 26/FAEACO Perp up 0.2-0.3pt higher.*

- ***Chinese properties:** Yoy decline in contracted sales narrowed to 15.0% in 1H26. See below.*

- ***INDON:** S&P affirmed Indonesia rating at BBB on government efforts to centralize management and reduce leakages in the resource and mineral sectors could eventually increase revenue and export earnings, particularly if policy implementation improves; outlook stable. INDYIJ/MEDCIJ were unchanged to 0.1pt lower this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, Chinese 10yr benchmarks BABA/TENCNT/KUAISH/MEITUA traded 1-2bps wider. Media reported Meituan has axed nearly 2,000 jobs over the past two months as it seeks to recover from a price war in China, while Xiaomi has been cutting jobs across its businesses over the past few months amid rising component costs and softer EV demand. Front-end, lower-spread FRNs and 2-4yr AMC papers were 2bps wider amid ongoing selling pressure. ZHOSHK 28 was 0.2pt weaker. In KR space, HYNMTR belly bonds tightened 1-2bps, while the rest of the space closed 1-2bps wider. In JP space, MUFG/SMBCAC/MITHCC/NOMURA/NTT and short-dated bank FRNs closed flat to 2bps wider ahead of abundant JP new issue pipelines.

In higher-yielding space, FAEACO 12.814 Perp led the space and rose 1.3pts. There were market chatters that Far East Consortium will soon emerge with a bondholder-friendly LME for the perp, and expects to monetise HKD1bn (cUSD128mn) Malaysian assets via a REIT listing. The NWDEVL/VDNWDL complex were up to 1.0pt weaker. VNKRLE 27-29 lost 0.3-0.4pt. China Vanke expected its 1H26 net loss to widen to RMB12-15bn (cUSD1.8-2.2bn) in 1H26 from RMB12.0bn (cUSD1.8bn) in 1H25, partly because of additional asset impairment provisions and losses in certain operating businesses and financial investments. European and Japanese AT1s and insurance subs were 0.1pt softer in amid light flows. In SE Asian space, GENTMK/TOPTB/PTTGC Perps were down 0.1-0.2pt. In LGFV space, ZHHFGRs lost 0.3-0.4pt amid better selling from cross-border AMs. In rest of the LFGV space, we saw RMs and PBs selling lower-yielding IG USD bonds. Chinese accounts buying c5%-yielding papers, and PBs and HFs buying higher-yielding (especially CNH) issues. The rest of the CNH space continued to be well bid by AMs.

Cyrena Ng, CPA 吴蒨莹
(852) 3900 0801
cyrenang@cmbi.com.hk

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

Yujing Zhang 张钰婧
(852) 3900 0830
zhangyujing@cmbi.com.hk

CMBI Fixed Income
fis@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
FAEACO 12.814 PERP	**79.4**	**1.3**	NWDEVL 4.8 PERP	**59.3**	**-1.0**
TSIVMG 1.6 12/17/39	**48.5**	**1.2**	TAQAUH 4 10/03/49	**76.4**	**-0.9**
CRNAU 9 1/4 10/01/29	**91.3**	**1.2**	CNPCCH 5.95 04/28/41	**107.5**	**-0.9**
SSW 5 1/2 08/01/29	**98.0**	**0.5**	MUFG 5.868 04/21/47	**98.6**	**-0.8**
VLLPM 9 3/8 07/29/29	**56.0**	**0.5**	CBAAU 5.929 03/14/46	**98.5**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.79%), Dow (-0.26%) and Nasdaq (-1.55%) were lower on Monday. UST yield were higher on Monday. 2/5/10/30 year yield was at 4.26%/4.37%/4.62%/5.10%.

❖ Desk Analyst Comments 分析员市场观点

➢ Chinese properties: Yoy decline in contracted sales narrowed to 15.0% in 1H26

In Jun'26, the 30 developers under our radar reported aggregate contracted sales of RMB173.2bn, down 10.0% yoy from RMB192.5bn in Jun'25. 8 out of 30 developers recorded yoy increase in contracted sales in Jun'26, compared to 5 out of 30 in May'26.

In 1H26, the cumulative contracted sales of the 30 developers down 15.0% yoy to RMB772.1bn. SOEs such as CHIOLI (RMB134.4bn), CHJMAO (RMB57.5bn), and GRNLGR (RMB35.9bn) were the better performers with contracted sales growth of 12%, 8%, 7% yoy, respectively. The bottom performers were REDSUN/HONGSL (RMB943mn), SUNAC (RMB9.0bn), and LNGFOR (RMB11.0bn) with contracted sales down 67%, 62%, and 55% yoy, respectively.

The yoy decline in contracted sales moderated to 15.0% in 1H26 from 16.3% in 5M26, partly driven by a low base effect and a modest rebound in housing sales following supportive measures rolled out in Mar'26. These measures include allowing first-time homebuyers and young families in eligible cities to use their housing provident fund balances for home purchases, subject to local policy frameworks. In addition, CMBI Economic Research expects the PBOC to cut the LPR by 10bps by end-3Q26, which should provide incremental support to the still-weak housing market. That said, we expect the recovery pace of the nationwide housing market to remain sluggish, with divergence across city tiers. We believe higher-tier cities will recover earlier than lower-tier cities, supported by relatively stronger fiscal capacity to implement supportive policies.

Company	CN Name	BBG Ticker	Jan	Feb	Mar	Apr	May	Jun	Trend	Jun'26 MoM Growth	Jun'26 YoY Growth	Jun'26 YTD Sales	Jun'26 YTD Sales Growth
2026 YTD Sales (in RMB mn)													
China Overseas	中国海外发展	CHIOLI	14,478	8,464	28,578	24,191	27,291	31,350		15%	6%	134,352	12%
China Jinmao	中国金茂	CHJMAO	7,603	5,327	9,498	8,806	10,493	15,773		50%	1%	57,500	8%
Greenland Holding*	绿地控股集团•	GRNLGR	3,630	1,870	8,441	3,439	6,310	12,197		93%	[illegible]	35,887	7%
China Resources Land	华润置地	CRHZCH	11,650	10,050	22,420	25,880	23,510	22,990		-2%	-2%	116,500	6%
Poly Real Estate	保利地产	POLYRE	15,617	10,132	26,033	25,931	27,614	29,779		8%	3%	135,106	-7%
Powerlong	宝龙地产	PWRLNG	470	431	649	640	600	630		5%	[illegible]	3,420	-8%
Zhenro Properties	正荣地产	ZHPRHK	346	303	315	391	371	392		6%	-2%	2,118	-12%
China SCE*	中骏集团控股•	CHINSC	450	510	800	750	780	600		-23%	[illegible]	3,890	-14%
Country Garden (Attributable)	碧桂园	COGARD	2,210	2,230	2,230	2,500	2,630	2,450		-7%	[illegible]	14,250	[illegible]
Central China Real Estate	建业地产	CENCHI	400	580	639	604	696	839		21%	[illegible]	3,758	[illegible]
Yuexiu Property	越秀地产	YUEXIU	4,201	2,905	10,100	8,504	11,303	13,492		19%	[illegible]	50,505	[illegible]
Logan Property*	龙光地产•	LOGPH	350	350	360	530	660	580		-12%	[illegible]	2,830	[illegible]
Greentown	绿城	GRNCH	9,700	8,600	20,300	16,300	18,800	21,000		12%	[illegible]	94,700	[illegible]
Yuzhou Properties	禹洲地产	YUZHOU	530	362	482	457	470	543		16%	6%	2,844	[illegible]
Agile	雅居乐	AGILE	540	610	670	510	650	820		26%	[illegible]	3,800	[illegible]
Times Property	时代中国控股	TPHL	376	105	401	320	319	310		-3%	[illegible]	1,831	[illegible]
Future Land	新城控股	FUTLAN/FTLNHD	714	1,223	1,079	991	1,393	957		-31%	[illegible]	6,357	[illegible]
Shimao	世茂房地产	SHIMAO	1,510	1,301	1,712	1,208	1,220	1,257		3%	[illegible]	8,208	[illegible]
Sino-Ocean	远洋集团	SINOCE	1,150	470	1,420	1,630	1,730	1,700		-2%	[illegible]	8,100	[illegible]
Ronshine China	融信中国•	RONXIN	218	37	278	323	258	150		-42%	[illegible]	1,264	[illegible]
Yanlord*	仁恒置地•	YLLGSP	380	630	1,100	690	1,640	730		-55%	[illegible]	5,170	[illegible]
KWG Property	合景泰富集团	KWGPRO	325	250	352	428	441	254		-42%	[illegible]	2,050	[illegible]
Zhongliang*	中梁控股•	ZHLGHD	800	700	520	550	550	480		-13%	[illegible]	3,600	[illegible]
Gemdale	金地集团	GEMDAL	1,220	630	1,450	2,530	2,000	1,700		-15%	[illegible]	9,530	[illegible]
China Vanke*	万科企业•	VNKRLE	5,580	3,480	6,410	4,520	7,660	7,370		-4%	[illegible]	35,020	[illegible]
CIFI Holdings	旭辉集团	CIFIHG	730	530	1,150	670	860	1,080		26%	[illegible]	5,020	[illegible]
Hopson*	合生创展•	HPDLF	591	309	423	730	737	876		19%	[illegible]	3,666	[illegible]
Longfor (Attributable)	龙湖集团	LNGFOR	1,660	1,340	2,020	1,930	2,130	1,900		-11%	[illegible]	10,980	[illegible]
Sunac China*	融创中国•	SUNAC	1,080	2,550	2,150	840	1,450	880		-39%	[illegible]	8,950	[illegible]
Redsun	弘阳地产	REDSUN/HONGSL	100	134	167	179	187	176		-6%	[illegible]	943	[illegible]

*Note: * represents the data was collected from CRIC/CIH or estimated..*
Source: Company fillings, CRIC, CIH.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Export-Import Bank of Korea	1000	3yr	4.375%	T+18	Aa2/AA/AA-
	1000	5yr	4.5%	T+21	
Jinko Power Technology	100	3yr	4.38%	4.38%	Unrated
Korea Electric Power Corp	400	3yr	SOFR+62	SOFR+62	Aa2/AA/-
	300	5yr	4.75%	T+50	
KT&G Corp	300	3.5yr	4.875%	T+65	A3/A-/-
Mitsubishi HC Finance America	500	5yr	5.197%	T+83	A3/A-/-
Mitsubishi UFJ Financial Group	500	4NC3	4.98%	T+67	A1/A-/A-
	400	4NC3	SOFR+84	SOFR+84	
	600	6NC5	5.19%	T+82	
	500	6NC5	SOFR+107	SOFR+107	
	500	11NC10	5.568%	T+95	
	500	21NC20	6.049%	T+93	
SMBC Aviation Capital Finance	650	3yr	4.95%	T+70	-/A-/BBB+
	750	5yr	5.2%	T+85	

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

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

News and market color

- Regarding onshore primary issuances, there were 73 credit bonds issued yesterday with an amount of RMB59bn. As for month-to-date, 716 credit bonds were issued with a total amount of RMB723bn raised, representing a 14.5% yoy decrease
- **[ADGREG]** Adani Green 1QFY27 energy sales volume rose 30% yoy to 13.7bn units on capacity addition
- **[ADTIN]** Adani Energy Solutions is among bidders advancing to the second round of negotiations to acquire a majority stake in Polaris Smart Metering
- **[BHP]** BHP Group is considering divesting a desalination plant and its electricity transmission assets in Chile which worth cUSD1.5-2bn
- **[CGRNEG]** Continuum Green Energy to commence roadshow for proposed USD450mn 144A/Reg S 5NC2 bonds today; S&P changed the outlook to negative and affirmed rating
- **[CHALUM]** Aluminum Corporation of China expects its 1H26 net profit to jump by up to 73% yoy to RMB12.2bn (cUSD1.8bn), partly supported by cost control
- **[DFHOLD]** Korea Investment Holdings' efforts to acquire Yebyeol Non-Life Insurance stalled after it was not selected as the preferred negotiator for the insurer
- **[INDON]** S&P affirmed Indonesia rating at BBB on government efforts to centralize management and reduce leakages in the resource and mineral sectors could eventually increase revenue and export earnings, particularly if policy implementation improves; outlook stable
- **[JD]** Consortium including JD.com asset unit prepares Singapore REIT IPO
- **[PKX]** POSCO Holdings is considering exiting the titanium business amid rising competition from lower-cost Chinese producers
- **[ROADKG]** Road King Infrastructure said it achieved an accession rate of more than 60% for its offshore debt RSA
- **[SOFTBK]** SoftBank Group is considering buying a stake in Japanese retailer Seven & i Holdings, the parent of global convenience store chain 7-Eleven
- **[TAISEM]** TSMC net revenue up 36% yoy to TWD2.4tn (cUSD74.9bn) in 1H26

Fixed Income Department
Tel: 852 3657 6235/ 852 3900 0801
fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

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.