招銀国际 CMB INTERNATIONAL

Fixed Income
Credit Commentary

3 Aug 2026

CMBI Credit Commentary

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

- *Asia IG space was unchanged to 2bps tighter this morning. We saw better selling in JP financial and FUBHKL 36. FRNs with spreads >100bps were unchanged amid cash-parking activities. We saw light two-way flows in AT1s, insurance subs and other higher-yielding papers from PBs. SOFTBK 35 edged 0.5pt higher. CNH HY LGFVs were largely unchanged amid better buying.*

- ***HONGQI:** Private placement underscores strong funding access. Maintain neutral on HONGQIs, which were unchanged this morning. See below.*

- ***GLPCHI:** GLP China FY25 net loss narrowed by 60% yoy to RMB3.6bn (cUSD528mn) as valuation losses eased and some major subsidiaries returned to profit. GLPCHI/GLPSP gained 0.1-0.4pt this morning.*

❖ **Trading desk comments 交易台市场观点**

Last Friday, Asia IG closed unchanged to 5bps wider. We saw two-way flows skewed towards better selling in 10yr papers across BABA/TENCNT/KUAISH/MEITUA as well as TW lifers NSINTW/SHIKON, while we saw better buying in FUBON 41. JP space held up well overall, with FRNs unchanged and PBs buying front-end SMBCAC/NTT. In KR space, HYUELEs widened 5bps. See our comments on SK Hynix on 29 Jul'26. Other KR industrials POSCO/HYNMTR/SAMAER widened 2-5bps amid lighter selling pressure.

In higher-yielding space, SOFTBKs led the space and rose 0.3-2.2pts on back of short covering and RMs buying. JP insurance subs were 0.3pt firmer. European AT1s edged 0.3pt higher as long-duration buyers returned to quality names, and two-way flows in the belly and front end. In SE Asia space, GENTMK Perps gained 0.4-0.5pt. VEDLNs were unchanged to 0.2pt higher. Vedanta Resources planned to redeem VEDLN 11.25 12/03/31 of USD290.627mn in full and VEDLN 9.85 04/24/33 of USD130mn on 7 Aug'26. In Greater China space, VNKRLE 27-29 were 1.0-1.6pts higher. REGH 6.5 Perp rose 1.8pts. LASUDE closed 0.2-0.6pt higher. Lai Sun Development completed the settlement of its consent solicitation and exchange offer for USD493mn LASUDE 26 by issuing USD333.88mn LASUDE 8 07/28/29, while LASUDE 26 of USD16.03mn principal outstanding was extended to 28 Jul'29. HONGQIs were unchanged to 0.1pt lower. See comments below. Elsewhere, higher-yielding CNH LGFVs remained sought after by RMs as >7%-yielding names gradually compressed towards inside 7%, while offshore investors continued to pick up CNH ZHHFGR 6 Perp, which closed 0.1pt higher.

Cyrena Ng, CPA 吴倩莹
(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
SOFTBK 8 1/2 04/22/36	**100.5**	**2.2**	CKINF 4.85 PERP	**81.3**	**-1.0**
SOFTBK 8 1/4 10/22/31	**100.9**	**2.0**	CKINF 4.2 PERP	**70.7**	**-0.8**
SOFTBK 7 5/8 04/29/61	**94.9**	**1.9**	TOPTB 5 3/8 11/20/48	**89.0**	**-0.8**
REGH 6 1/2 PERP	**33.2**	**1.8**	MTRC 5 1/4 04/01/55	**94.7**	**-0.8**
SOFTBK 8 1/4 10/29/65	**96.7**	**1.7**	HAOHUA 5 1/2 03/14/48	**95.9**	**-0.7**

❖ Marco News Recap 宏观新闻回顾

❖ **Macro** – S&P (+0.70%), Dow (+0.53%) and Nasdaq (+1.00%) were higher on last Friday. US Jul'26 Chicago PMI was 57.6, higher than the market expectation of 56.0. UST yield was higher on last Friday. 2/5/10/30 year yield was at 4.28%/4.45%/4.75%/5.27%.

❖ Desk Analyst Comments 分析员市场观点

➢ HONGQI: Private placement underscores strong funding access

China Hongqiao (HONGQI)'s subsidiary Hongqiao Holdings (002379.CH) proposes to raise up to RMB12bn (cUSD1.8bn) via private placement. Proceeds will be allocated to 11 wind power projects (47%, RMB5.65bn), 6 photovoltaic projects (19%, RMB2.25bn), 2 aluminum deep processing projects (19%, RMB2.30bn), as well as bank loans repayment and working capital replenishment of Hongqiao Holdings (15%, RMB1.80bn). HONGQI will fund any shortfall from alternative sources if the actual proceeds fall below target. The transaction is expected to dilute HONGQI's equity interest in Hongqiao Holdings by no more than 10%, to 80.9% from 88.99%.

We view the private placement underscores HONGQI's strong capital market access. HONGQI raised RMB10.2bn zero-coupon, 363-day CB in Apr'26 and completed USD1.5bn equity placement in Nov'25. In the onshore market, HONGQI raised RMB12.3bn in 2025 and RMB2bn YTD at a weighted average coupon rates of 2.6% for both periods. Meanwhile, it issued USD600mn of bonds and USD300mn of CBs in 2025 offshore.

HONGQI's operating performance remained resilient. HONGQI issued a positive profit alert in Jul'26, guiding for c39% yoy growth in net profit to cRMB18.8bn in 1H26 from RMB13.6bn in 1H25, mainly driven by higher sales prices for aluminum alloy products. We also view HONGQI's ongoing net debt reduction and improving liquidity profile as supportive of its credit profile, underpinned its resilience amid a still-constructive aluminum price backdrop under tight global supply conditions. We maintain neutral on HONGQIs, as we view current valuations have largely priced in the favorable aluminum price environment. Within Chinese HY, we prefer CWAHK 5.875 10/22/30, which in our view offers a more attractive risk-return profile

Table 1: HONGQI and Chinese HY peers

Security name	ISIN	Amt o/s (USDmn)	Ask px	YTM	Mod dur	Issue rating (M/S/F)
BTSDF 9 1/8 07/24/28	XS2971969287	300	105.3	6.2%	0.9	Ba3/BB/-
CWAHK 5.875 10/22/30	XS3201944314	300	95.5	7.1%	3.6	Ba1/BB+/-
FOSUNI 8 ½ 05/19/28	XS2922957746	500	101.9	7.3%	1.6	-/BB-/-
FOSUNI 6.8 09/09/29	XS3175828113	400	98.1	7.5%	2.7	-/BB-/-
HONGQI 7.05 01/10/28	XS2968971676	330	101.8	5.7%	1.3	-/-/BB+

HONGQI 6.925 11/29/28	XS3084116055	270	102.6	5.7%	2.1	-/BB/BB+

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	Pricing	Issue Rating (M/S/F)
Korean Air Lines	USD	-	3yr	T+90	Aa3/-/-

➢ News and market color

- Regarding onshore primary issuances, there were 61 credit bonds issued last Friday with an amount of RMB35bn. As for Jul'26, 2,166 credit bonds were issued with a total amount of RMB2,232bn raised, representing a 4.2% yoy increase

- Macau gross gaming revenue down 8.4% yoy in Jul'26 to MOP20.3bn (cUSD2.5bn)

- **[BHP]** BHP Group's workers at Australia's key iron ore export hub Port Hedland plan to hold 48-hour strikes, stepping up pressure for better pay

- **[HSBC]** HSBC to sell Egypt retail banking business to Emirates NBD, expected to generate an estimated pre-tax gain of cUSD0.3bn

- **[KYUSEL]** Kyushu Electric Power 1QFY27 net sales rose 6.9% yoy to JPY532.7bn (cUSD3.3bn)

- **[LGCHEM]** LG Chem 1H26 sales rose 7.9% yoy to KRW26.4tn (cUSD18.4bn)

- **[MARUB]** Marubeni 1QFY27 revenue jumped 21% yoy to JPY2.6tn (cUSD16.6bn)

- **[SINOCH]** Sinochem to sell 14% stake in Italian tiremaker Pirelli for USD1.1bn, cutting its stake to 20.1%

- **[SOFTBK]** SoftBank Group will inject JPY200bn (cUSD1.3bn) into the parent of convenience store chain 7-Eleven as part of a strategic partnership

- **[VEDLN]** Vedanta Resources to redeem up to USD290.627mn VEDLN 11 ¼ 12/03/31 and USD130mn VEDLN 9.85 04/24/33 at par on or about 7 Aug'26

- **[VNKRLE]** China Vanke provided credit enhancement for its onshore medium-term notes by pledging RMB1.2bn c(USD177.5mn) of accounts receivable as collateral; Fitch upgraded China Vanke to CC from RD on completion of distressed debt exchange

- **[WSTP]** Westpac completed sale of RAMS mortgage portfolio, which led to an increase in its CET 1 ratio by c23bps

CMB International Global Markets Limited
Fixed Income Department
Tel: 852 3900 0801/ 852 3761 8919
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.