招银国际
CMB INTERNATIONAL

Fixed Income
Credit Commentary

27 Jul 2026

CMBI Credit Commentary

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

- *This morning, 10yr Asia IG credits were unchanged to 2bps wider, while we saw better buying in the front-end and FRNs. JP and European AT1s and insurance subs were marked up 0.3pt amid light flow. 10yr CNH TMT papers and higher-yielding CNH LGFVs edged 0.3pt higher amid two-way flows.*

- ***Gross USD bonds issuance:*** *Asia Pacific gross USD bonds issuance decreased 1.1% yoy in 1H26. See below.*

- ***BABA/MEITUA:*** *Media reported consumer associations in Beijing, Tianjin, and Hebei summoned 10 airline companies and five online ticketing platforms, including Alibaba's Fliggy and Meituan, over flight overbooking. Chinese TMTs were unchanged to 2bps wider this morning.*

❖ **Trading desk comments 交易台市场观点**

Last Friday, we saw flows were skewed to better selling in the morning, with Asia IG belly widened 1-2bps and long-end widened 2-5bps at the open. Flows turned more balanced into the afternoon as dip buying emerged and a recovery in risk sentiment. Chinese TMTs were mixed, BABA/TENCNT closed unchanged while MEITUA closed 2-3bps wider. ZHOSHK 28 recovered 1.5pts. We saw better selling in JP/KR financials, belly T2s, AI-related names HYUELE/TAISEM and TW lifers. See our comments on the new FUBON 41 and TW lifers last Friday. In the Middle East, ARAMCOs recovered up to 0.8pt.

In higher-yielding space, FAEACO 12.814 Perp rose 0.8pt. NWDELV/VDNWDL complexes closed unchanged to 0.4pt higher. VNKRLE 27-29/FUTLAN 28/FTLNHD 27-29 edged 0.1-0.3pt higher. WESCHI 28-29 were down 0.3-0.7pt. In JP, SOFTBKs lost up to 1.2pts. JP insurance subs and European AT1s were marked down by 0.5-0.8pt, with some short covering and dip buying from AMs and PBs. In SE Asia, INDYIJ 29/MEDCIJ 28-30 were unchanged to 0.2pt lower. LGFVs remained resilient despite the macro backdrop. Demand for higher-yielding names stayed firm across CNH and USD issues, while in non-LGFV CNH we saw selling flows in the long end.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ZHOSHK 5.98 01/30/28	**90.5**	**1.5**	SOFTBK 7 5/8 04/29/61	**94.3**	**-1.2**
FAEACO 12.814 PERP	**83.6**	**0.8**	SOFTBK 7 1/2 07/10/35	**99.2**	**-0.9**
ARAMCO 5 7/8 07/17/64	**89.5**	**0.8**	SOFTBK 7 1/4 07/10/32	**96.3**	**-0.9**
ARAMCO 4 3/8 04/16/49	**76.2**	**0.6**	SOFTBK 8 1/2 04/22/36	**100.7**	**-0.8**
VLLPM 7 1/4 07/20/27	**71.6**	**0.6**	SOFTBK 8 1/4 10/22/31	**100.7**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.05%), Dow (+0.46%) and Nasdaq (-0.64%) were mixed on last Friday. US Jul'26 S&P Global Manufacturing PMI was 53.8, lower than the market expectation of 54.4. US Jul'26 S&P Global Services PMI was 53.6, higher than the market expectation of 51.3. US Jun'26 New Home Sales were 628k, higher than the market expectation of 609k. UST yield were lower on last Friday. 2/5/10/30 year yield was at 4.33%/4.43%/4.69%/5.16%.

❖ Desk Analyst Comments 分析员市场观点

➢ Gross USD bonds issuance: Asia Pacific gross USD bonds issuance decreased 1.1% yoy in 1H26

Gross USD issuance of Asia Pacific increased 3.5% yoy in Jun'26

In Jun'26, the gross issuance of USD bonds of Asia Pacific increased 3.5% yoy to USD51.9bn. Japan (USD24.9bn), China (USD6.2bn), and India (USD4.7bn) were among the largest issuers. 87.2% of the gross issuance amount were IGs. By sector, financials (60.8%), communications (17.5%) and metals & mining (4.3%) were among the largest issuers.

Cumulatively, the gross issuance of USD bonds of Asia Pacific decreased 1.1% yoy to USD219.0bn in 1H26. Japan (USD72.3bn), Australia (USD33.8bn), and South Korea (USD30.0bn) were among the largest issuers. 84.7% of the gross issuance amount were IGs. Financials (64.0%), communications (7.4%) and sovereigns (6.7%) were among the largest issuing sectors.

Gross USD issuance of Asia ex-JP, AU & NZ increased 11.8% in Jun'26

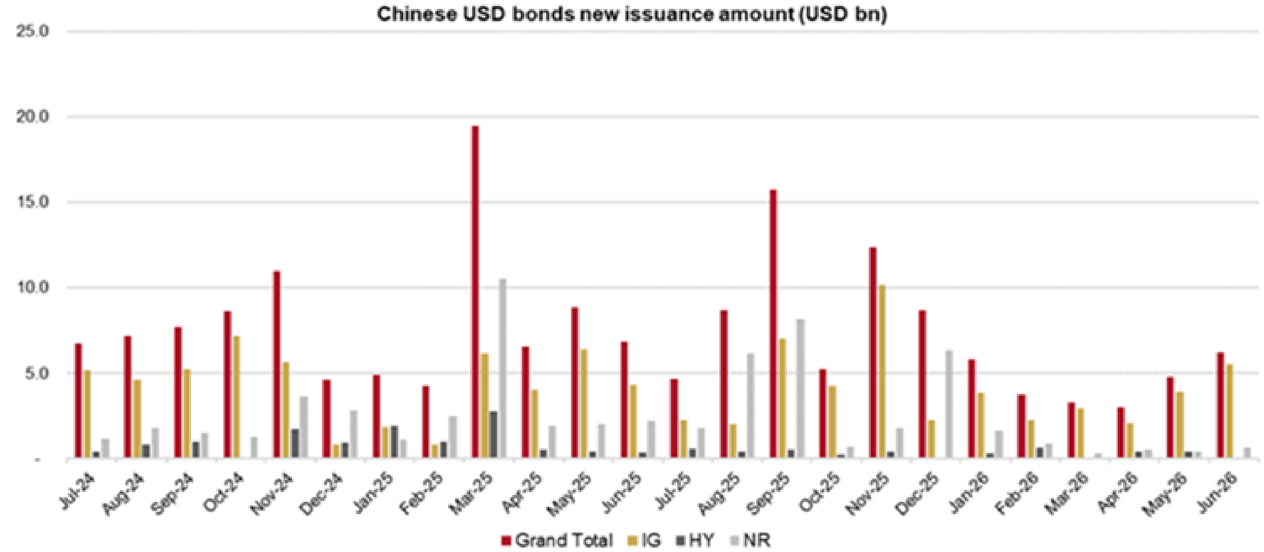
In Jun'26, the gross issuance of USD bonds of Asia ex-JP, AU & NZ increased 11.8% yoy to USD24.4bn. China (USD6.2bn), India (USD4.7bn), and South Korea (USD4.6bn) were among the largest issuers. 74.1% of the gross issuance amount were IGs. By sector, financials (51.4%), communications (14.8%) and metals & mining (9.2%) were among the largest issuers.

Cumulatively, the gross issuance of USD bonds of Asia ex-JP, AU & NZ decreased by 14.3% yoy to USD108.9bn in 1H26. South Korea (USD30.0bn), China (USD26.9bn) and Indonesia (USD9.5bn) were among the largest issuers. 73.9% of the gross issuance amount were IGs. Financials (55.0%), sovereigns (13.5%) and communications (8.0%) were among the largest issuing sectors.

Gross USD issuance of China fell 9.3% yoy in Jun'26

In Jun'26, the gross issuance of USD bonds of China decreased 9.3% yoy to USD6.2bn. IGs and unrated contributed 89.2% and 10.8% of the gross issuance amount, respectively. By sector, financials (40.1%), communications (39.3%) and LGFVs (17.3%) were among the largest issuers.

Cumulatively, gross issuance of USD bonds of China decreased 47.2% yoy to USD26.9bn in 1H26. IGs, HYs, and unrated contributed 74.4%, 4.7% and 20.9% of the gross issuance amount, respectively. Financials (52.9%), LGFVs (16.8%) and communications (14.7%) were among the largest issuing sectors.



Source: Bloomberg.

Gross USD issuance of Middle East surged 145.7% yoy in Jun'26

In Jun'26, the gross issuance of USD bonds of the Middle East rose 145.7% yoy to USD25.3bn, after a consecutive decrease since the start of the US-Iran war in Feb'26. The UAE (USD5.4bn), Turkey (USD5.2bn) and Saudi Arabia (USD4.7bn) were among the largest issuers. IGs, HYs, and unrated contributed 64.9%, 20.0% and 15.1% of the gross issuance amount, respectively. By sector, financials (46.9%), energy (27.7%) and sovereigns (20.3%) were among the largest issuing sectors.

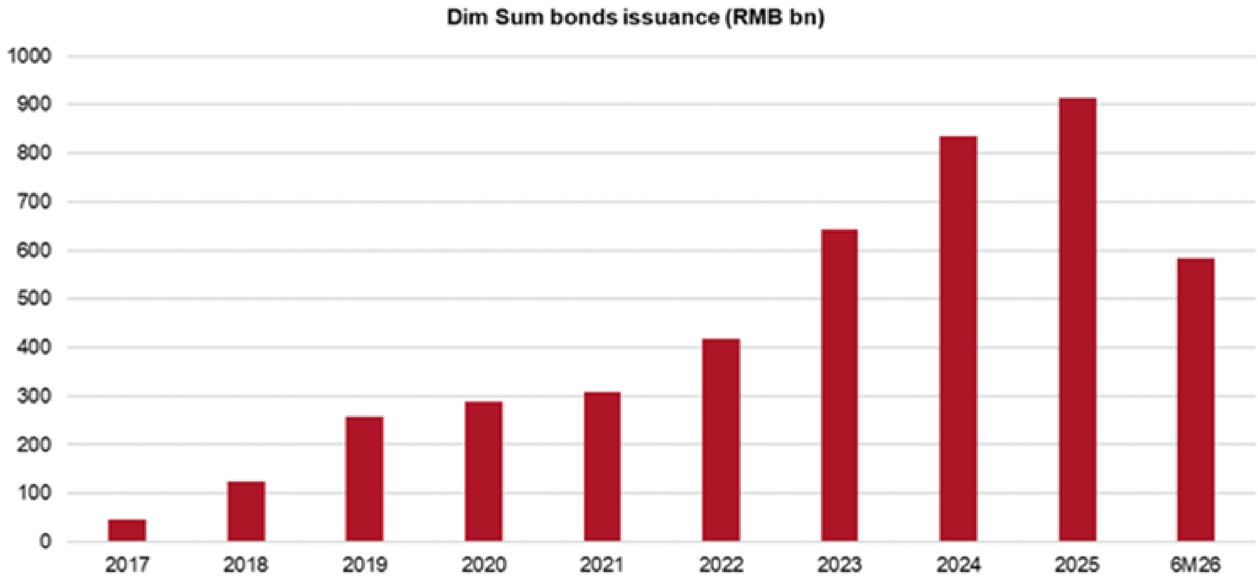
Cumulatively, the gross issuance of USD bonds of the Middle East increased by 28.9% yoy to USD127.1bn in 1H26. Saudi Arabia (USD41.3bn), the UAE (USD24.5bn) and Turkey (USD24.3bn) were among the largest issuers. IGs, HYs, and unrated contributed 67.2%, 18.4% and 14.4% of the gross issuance amount, respectively. By sector, financials (42.4%), sovereigns (37.1%) and energy (10.5%) were among the largest issuing sectors.

Dim Sum bonds issuance increased 44.1% yoy in Jun'26

The gross issuance of Dim Sum bonds increased 44.1% yoy to RMB118.5bn in Jun'26. China (RMB81.5bn), US (RMB18.9bn) and Hong Kong (RMB5.1bn) were among the largest issuers. 43.6% of the gross issuance amount were IGs. By sector, financials (40.3%), sovereigns (33.8%), and communications (12.7%) and were among the largest issuers.

Cumulatively, the gross issuance of Dim Sum bonds increased 35.0% yoy to RMB583.0bn in 1H26. China (RMB367.5bn), US (RMB97.9bn) and Hong Kong (RMB29.3bn) were among the largest issuers. 35.7% of the gross issuance amount were IGs. By sector, sovereigns (44.0%), financials (42.2%), and LGFVs (5.4%) were among the largest issuers.

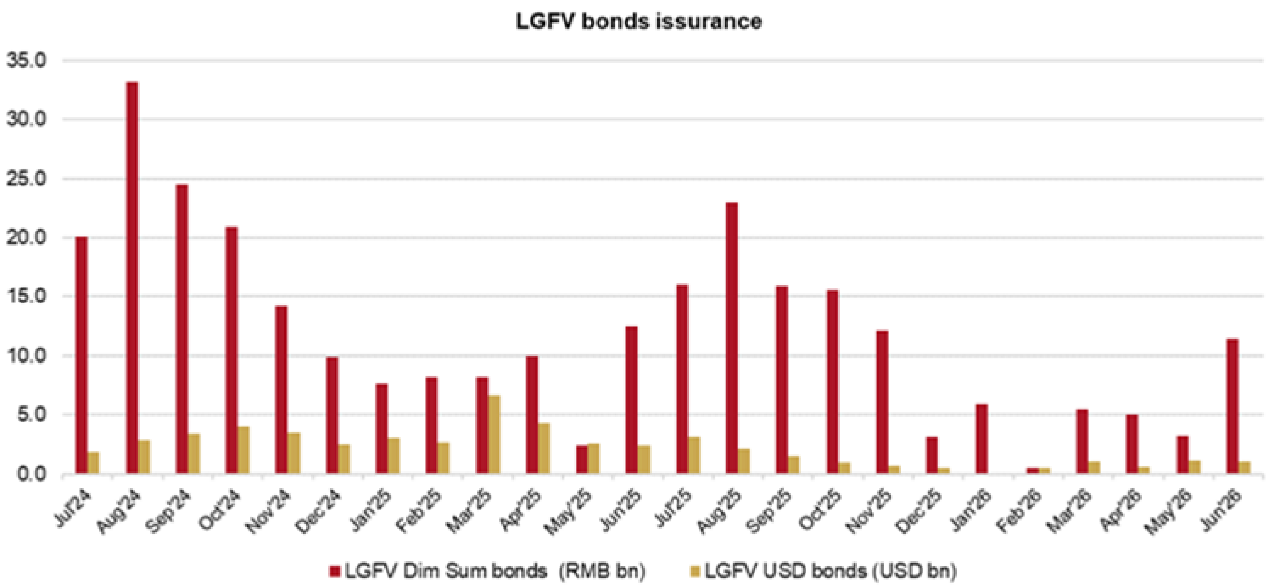
Within Asia ex-JP, AU & NZ, the gross issuance of Dim Sum bonds increased 37.1% yoy to RMB90.1bn in Jun'26. In 1H26, the gross issuance was RMB414.4bn, representing a 17.3% yoy increase.



Source: Bloomberg.

Lower issuance of USD and Dim Sim bonds from LGFVs

In Jun'26, the gross USD bonds issuance of LGFVs dropped 55.7% yoy to USD1.1bn, while the Dim Sum LGFV bonds issuance decreased by 8.5% yoy to RMB11.5bn. Cumulatively in 1H26, the gross USD bonds issuance of LGFVs declined 79.2% yoy to USD4.5bn, and Dim Sum LGFV bonds issuance decreased by 35.5% yoy to RMB31.7bn. The declining issuance was partly attributed rising offshore funding costs and tightening NDRC scrutiny for new issues. Additionally, the tightened regulatory environment starting from 4Q24 to limit 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)
Development Bank of Mongolia	250 (tap)	5yr	6.9%	99	B1/BB-/-

➢ 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 118 credit bonds issued last Friday with an amount of RMB166bn. As for month-to-date, 1,726 credit bonds were issued with a total amount of RMB1,902bn raised, representing a 3% yoy increase

- US and Iran extended pause in strikes as Oman holds talks

- **[ADEIN]** Adani Enterprises denied media reports over its potential foray into the airline business, saying it is not evaluating any such proposal

- **[FRIDPT]** Freeport Indonesia 1H26 copper sales declined 68% yoy to 235mn pounds, gold sales slumped 64% yoy to 234koz

- **[GLMTMO]** Golomt Bank is looking to refinance at lower cost USD loans maturing in 2H26

- **[HYUELE]** SK Hynix is among companies considered as candidates to help Intel operate its semiconductor fabrication plant (fab) project in Ohio

- **[LGELEC]** LG Electronics increased the total annual capacity of its functional materials business to 6,500 tons with full-scale operations at its Vietnam plant

- **[ORIEAS]** Orient Securities 1H26 operating revenue up 20% yoy to RMB95.6bn (cUSD14.1bn)

- **[SHFLIN]** Shriram Finance 1QFY27 interest income rose 15.6% yoy to INR129.2bn (cUSD1.3bn); media reported Shriram Finance is targeting to double its gold loan portfolio to 5% of total loans over the next three years

- **[SOFTBK]** SoftBank mulls acquiring stake in Swiss robotics firm Gravis to boost AI portfolio

- **[TYANLI]** Tongyang Life Insurance expected 1H26 sales to rise 28% yoy to KRW2.5tn (cUSD1.7bn)

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