

CMBI Credit Commentary

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

- *This morning, the new NSINTW 5 7/8 03/17/41 tightened 10bps from RO at T+185, and the rest of TW lifers CATLIFs/SHIKON/FUBON were 1-2bps tighter. The new KOMATS 4.196 30 and the new KHFC 3 7/8 09/17/30 tightened 2bps from RO. Higher-yielding LGFV papers slightly retraced.*
- **Asia ex-JP USD bonds issuance:** Gross issuance increased 20.7% yoy in 8M25. See below.
- **China economy:** Persistent deflation points to continued liquidity easing. See the comments from CMBI economic research below.

❖ Trading desk comments 交易平台市场观点

Yesterday, the new NIPDES 4.282 09/17/30 tightened 8bps from RO at T+68. The rest of Japan IG space was 1-2bps tighter. We saw better buying on NTT 30s and mixed two-way flows on SMBCAC 28-34s. Japanese and Yankee AT1s and insurance hybrids were a touch softer. Buying interests from Asia slightly slowed down. TW lifers CATLIFs/SHIKON/FUBON/NSINTW initially widened 1-3bps in the morning, after Nanshan Life announced the IPT of new USD T2. See our comment on the FV of the new NSINTW bond [yesterday](#). CATLIFs/FUBON held up relatively well and closed 1-2bps tighter. NSINTW 34s closed unchanged while SHIKON 35s were 2bps wider. In China IG space, MEITUA curve was 1-3bps tighter with Chinese AMs buying, while the other IG names were unchanged. In the China FRN space, there was cash deployment for 28-30s banks and leasing papers. We saw RMs selling long-end HK names AIA/MTRC and bank T2s. FAEACO 12.814 PERP dropped another 0.7pt. Far East Consortium and CTFE need to repay AUD120mn (cUSD79.0mn) more ahead of the Australian JV loan refinance. MTRC 5 ¼ and 4 7/8 PERPs leaked 0.1pt amid selling by AMs. In Korea space, the recent HYUELE 28-30s were 1bp tighter, while the rest was largely unchanged. In Chinese properties, YUZHOU 28-34s dropped 0.5-0.7pt. LNGFOR 27-32s were unchanged to 0.2pt higher, and FUTLAN 28 was up 0.2pt. In Southeast Asia, PTTGC 31-52s tightened 2-5bps. PTT Global Chemical will accept all the USD100.405mn PTTGC 4.3 03/18/51 and USD41.815mn PTTGC 5.2 03/30/52 tendered; USD273.926mn of PTTGC 4.3 03/18/51 and USD61.165mn of PTTGC 5.2 03/30/52 will remain outstanding. RILIN 45 and PETMK 55 were 0.8-0.9pt higher, whereas VLLPM 9 3/8 07/29/29 was down by 1pt. In LGFV space, we saw moderate two-way flows across higher-yielding issues, as valuations retraced a touch wider amid thin liquidity.

Glenn Ko, CFA 高志和
 (852) 3657 6235
 glennko@cmbi.com.hk

Cyrena Ng, CPA 吴倩莹
 (852) 3900 0801
 cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CCAMCL 5 02/08/48	91.2	1.7	VLLPM 9 3/8 07/29/29	61.8	-1.0
RILIN 4 7/8 02/10/45	93.6	0.9	YUZHOU 4 06/30/28	5.4	-0.7
HAOHUA 3.7 09/22/50	77.0	0.8	YUZHOU 4 1/2 06/30/29	4.6	-0.6
SOCGEN 8 1/2 PERP	106.9	0.8	YUZHOU 5 06/30/30	3.9	-0.6
PETMK 5.848 04/03/55	105.3	0.8	YUZHOU 1 06/30/34	1.2	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.30%), Dow (-0.48%) and Nasdaq (+0.03%) were higher on Wednesday. The US Aug'25 PPI was -0.1% mom, lower than the market expectation of +0.3% mom. The US Crude Oil Inventories was +3.939mn, higher than the market expectation of -1.9mn. UST yield was lower on Wednesday. 2/5/10/30 yield was at 3.54%/3.59%/4.04%/4.69%.

❖ Desk Analyst Comments 分析员市场观点

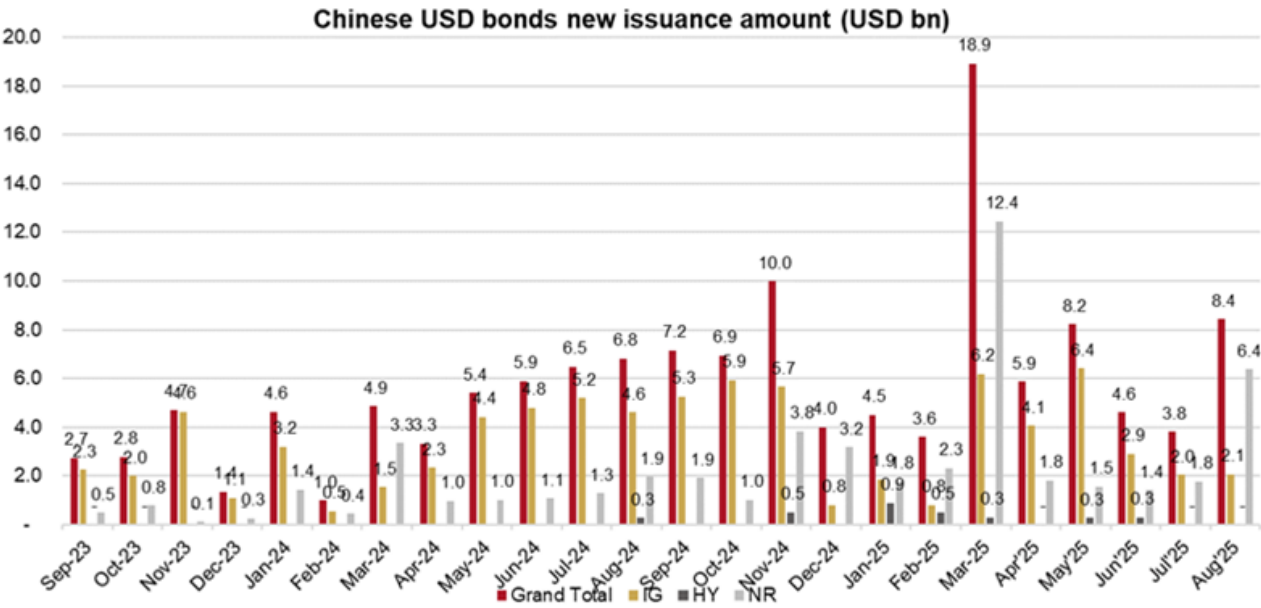
➤ Asia ex-JP USD bonds issuance: Gross issuance increased 20.7% yoy in 8M25

In Aug'25, the gross issuance of Asia ex-JP USD bonds (excl. supranational banks) increased by 28.5% yoy to USD15.9bn from USD12.4bn in Aug'24. China (USD8.4bn), Singapore (USD4.5bn) and Macau (USD1.0bn) were the largest issuers. IGs contributed 44.4% of the gross issuance amount. Issuance from financials and real estate totaled USD7.5bn and USD5.2bn, accounting for 46.8% and 32.8% of total gross issuance of the month, respectively. In 8M25, gross issuance of Asia ex-JP USD bonds increased 20.7% yoy to USD130.4bn. China (USD58.0bn), South Korea (USD24.3bn), Hong Kong (USD11.8bn) were the major issuers. IGs contributed 67.5% of the gross issuance amount. Financial institutions issued USD bonds totaled USD51.7bn, accounting for 39.7% of the gross issuance amount.

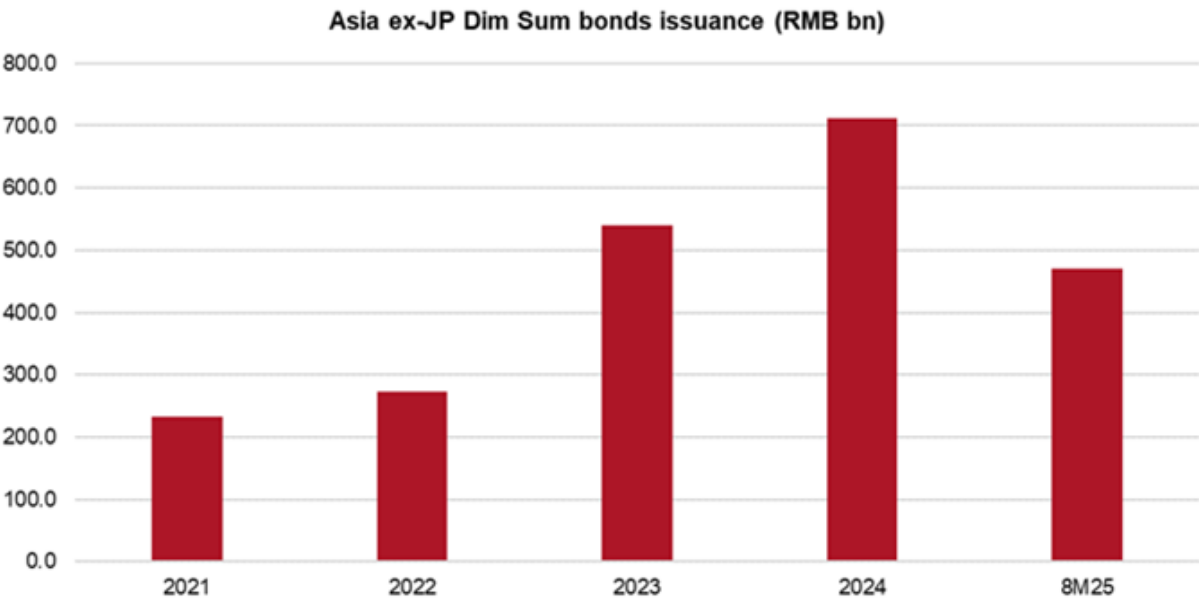
For Chinese USD bonds, the gross issuance totaled USD8.4bn in Aug'25. IGs and unrated contributed 24.5% and 75.5% of the gross issuance amount, respectively. Issuances from real estate and LGFV totaled USD4.7bn and USD2.1bn, accounting for 56.0% and 25.5% of the gross issuance amount in Aug'25, respectively. In 8M25, the gross issuance of Chinese USD bonds totaled USD58.0bn. IGs, HYs, and unrated contributed 45.4%, 3.9% and 50.7% of the gross issuance amount in 8M25, respectively. Issuance from LGFVs and financials totaled USD23.4bn and USD18.5bn, accounting for 40.4% and 32.0% of gross issuance amount in 8M25, respectively.

The offshore LGFV USD bonds issuance (including only issues with an issue size of at least USD100mn) was USD2.1bn in Aug'25, decreased by 0.6% yoy from USD2.2bn in Aug'24. In 8M25, the gross issuance was USD23.4bn, increased by 129.6% from USD10.2bn in 8M24.

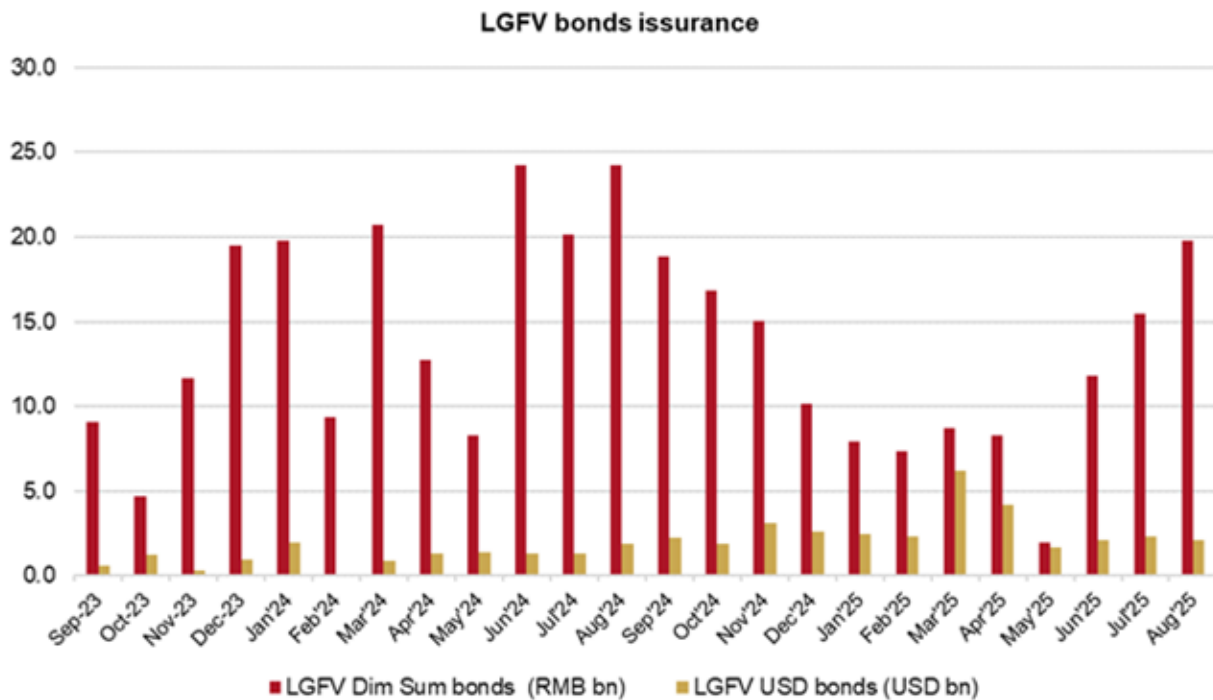
On the other hand, the Asia ex-JP Dim Sum bonds issuance in Aug'25 increased 2.1% yoy to RMB89.8bn from RMB88.0bn in Aug'24. In 8M25, the gross issuance was RMB470.1bn, increased 6.2% yoy from RMB442.5bn in 8M24. On LGFV Dim Sum issuance, the gross issuance in Aug'25 decreased by 18.5% yoy to RMB19.8bn from RMB24.2bn in Aug'24. In 8M25, the gross issuance was RMB81.4bn, down 41.7% yoy from RMB139.5bn from 8M24. The lower LGFV Dim Sum issuance was partly due to the tightened regulatory environment for banks to invest in LGFV Dim Sum bonds through Southbound bond connect starting from 4Q24.



Source: Bloomberg.



Note: Included all Asia ex-JP issuance regardless of tenor and size. Source: Bloomberg.



Source: Bloomberg.

➤ China economy: Persistent deflation points to continued liquidity easing

After a short-lived uptick, CPI YoY slipped back into negative territory in August, as slumping food prices offset modest non-food gains. Benefiting from anti-involution measures, PPI contraction eased as upstream material prices strengthened, though consumer goods prices at the terminal end stayed muted. Upstream sector momentum has moderated heading into September, yet persistently weak price levels should keep prompting further policy action, with anti-involution firmly established as a government priority, in our view. We expect the subdued PPI should recover in the remainder of the year due to continuous policy effort to curb involution and additional stimulus package on consumer demand. Looking forward, we expect a policy easing window in 4Q25 with a further 10bps LPR cut and 50bps RRR cut, while fiscal policy might expand to support household and property sectors. CPI may remain unchanged at 0.2% in 2025, while PPI may rise from -2.8% in 1H25 to -1.9% in 2H25, in our view.

CPI dropped to negative due to slumping food price. China's CPI YoY dropped to -0.4% in Aug from 0% in July, missing market expectation at -0.2%. In sequential terms, CPI moderated to 0% in Aug from 0.4% in July. Food prices rose by 0.5% MoM in Aug, well below the 10-year seasonal average increase of 1.4%, bringing YoY growth down to -4.3%. Vegetable price rose 8.5% MoM, while pork price slipped by 0.1% MoM, reversing the brief 0.4% gain recorded in the prior month. Vehicle fuel price declined to -0.9% MoM. High-frequency data indicated continued recovery in vegetable price by 3% MoM in early Sep while pork retail price extended its decline. Guideline gasoline price was revised lower by 2% in late Aug. We expect the CPI to recover to -0.2% YoY in Sep due to a rebounding food price and lower base.

Core CPI edged up. Core inflation increased to 0.9% YoY in Aug from 0.8%, while its MoM eased to 0% from 0.4%. Durable goods including telecom equipment and vehicles remained subdued with -0.1% and 0% MoM growth, while home equipment expanded by 1.1%. Discretionary goods remained muted as footwear and clothing both dropped by 0.1% in Aug, as export demand deteriorated. Service price slowed down to 0% MoM in Aug from 0.6%, as tourism price dropped 0.6% after the sharp rebound of 9.1% in July. Medical service picked up to 0.5% in Aug from 0.3%, while other services remained subdued, including housing rent, education, express, telecommunications and home services, with 0% MoM growth.

The PPI contraction narrowed supported by firmer upstream material prices. YoY contraction of PPI recovered to -2.9% in Aug from -3.6%, inline with market expectations. The MoM growth rebounded to 0% in Aug from -0.2%. PPI of mining industries surged to 1.3% MoM in Aug from -0.2%, supported by broad-based price gains across coal, ferrous metals, and non-ferrous metals. Raw material and processing products also rebounded to 0.2% and 0% MoM, as smelting and pressing of ferrous metals and non-ferrous metals saw 1.9% and 0.2% growth. However, final consumption goods dropped 0.1% MoM in Aug, as general daily goods and durable goods dipped 0.2% and 0.3% respectively, indicating the soft final demand. Automobile and computers & electronic devices saw 0.3% and 0.2% declines in Aug. According to NBS, key anti-involution sectors such as photovoltaics and autos saw narrower YoY declines in Aug. However, momentum softened in September, testing the effectiveness of the anti-involution policy in fostering a mild reflation. Photovoltaics slowed down in MoM growth in Sep, while lithium batteries, cement, and chemical products returned to negative territory. MoM growth of PPI might remain muted in Sep while YoY growth might continue to recover due to a much lower base last year.

Subdued prices may compel further reinforcement of anti-involution policies. While upstream key sectors have seen a notable rebound in prices in recent months, momentum has started to ease lately. At the same time, insufficient demand has kept terminal consumer goods prices weak. As anti-involution has become a policy priority, weaker-than-expected price levels will continue to necessitate additional policy measures. We expect the subdued PPI should recover in the remainder of the year due to continuous policy effort to curb involution and additional stimulus package on consumer demand. China's economy may face further headwinds in 2H25 given the softening property sector and the demand overdraft from export front-loading and trade-in scheme. Looking forward, we expect a policy easing window in 4Q25 with a further 10bps LPR cut and 50bps RRR cut, while fiscal policy might expand to support household and property sectors.

Click [here](#) for the full report.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hubei Science & Technology	300	3yr	4.4%	4.4%	-/-BBB
Komatsu Finance America	500	5yr	4.196%	T+62	A2/A/-
Korea Housing Finance Corp	500	5yr	CT5+40	CT5+40	Aa2/AA/-
Nanshan Life	395	15.5NC10.5	5.875%	T+185	-/BBB+/BBB
Saudi Aramco	1500/	5yr/	4.278%/	99.318/	Aa3/-/A+
	1500	10yr	4.83%	98.389	

➤ **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 104 credit bonds issued yesterday with an amount of RMB85bn. As for month-to-date, 561 credit bonds were issued with a total amount of RMB485bn raised, representing a 11.5% yoy increase

- **[AZUPOE]** Fitch upgraded Azure Power Energy's USD bond rating to B+ from B; outlook stable
- **[BABA/JD/MEITUA]** Alibaba announced USD3.2bn zero coupon convertible notes offering; Alibaba will inject USD140mn into local services, scaling up fight for consumers with Meituan and JD.com
- **[CHIOIL]** China Oil and Gas aims to refinance CHIOIL 4.7 06/30/26 with new bonds at coupon below 7% and concurrent tender offer
- **[DELMPPM]** Del Monte 1Q26 EBITDA rose 10.7% yoy to USD37.3mn
- **[EVERRE]** Trading in the shares of Evergrande Property Services on The Stock Exchange of Hong Kong Limited was halted with effect from 9:00 a.m. on 11 Sep'25
- **[FAEACO]** Far East Consortium and CTFE need to repay AUD120mn (cUSD79.0mn) more ahead of the Australian JV loan refinance
- **[GMRLIN]** Fitch revised GMR Hyderabad International Airport's outlook to positive from stable, based on expectations that GHIAL's net debt/EBITDA will remain below 5x
- **[GZRFPR]** Guangzhou R&F proposed options for restructuring domestic corporate bonds
- **[HTSC]** Huatai Securities launched a program to issue medium-term notes for up to USD3bn
- **[MEDCIJ]** Medco Energy eyes USD145m in 2026 additional EBITDA from newly acquired oil block
- **[NIO]** NIO will raise USD1bn via secondary HK listing to fuel next-gen EV tech
- **[PTTGC]** PTT Global Chemical will accept all the USD100.405mn PTTGC 4.3 03/18/51 and USD41.815mn PTTGC 5.2 03/30/52 tendered, USD273.926mn of PTTGC 4.3 03/18/51 and USD61.165mn of PTTGC 5.2 03/30/52 will remain outstanding
- **[TPHL]** Times China proposed to extend longstop date on offshore debt restructuring to 31 Dec'25

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-6 under 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.