Fixed Income
Credit Commentary

04 Sep 2026

CMBI Credit Commentary

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

- *This morning, the new TME '31 widened 1bp from RO at T+60 and the new TME '36 widened 2bps from RO at T+95. The new BMRIIJ 7.35 Perp rose 0.5pt from RO at par. Asia IG space was quiet with light flows. We saw profit taking on front-end names. China TMTs were 1-2bps wider. LGFV remained under better buying flows.*

- ***INCLEN/INGPHL/RPVIN:*** *1QFY27 earnings momentum supports stronger cash generation. Maintain buy on INCLEN 4.5 04/18/27. See below.*

- ***ZHOSHK:*** *S&P changed the outlook of Zhongsheng to negative from stable on risk of EV transition; BBB- rating affirmed. We view the current valuation of ZHOSHK 28 already priced in the negative rating action. ZHOSHK 28 was unchanged following the rating action yesterday. See our comments on Zhongsheng's 1H26 results on 1 Sep'26.*

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❖ Trading desk comments 交易台市场观点

Yesterday, rates eased 2-3bps from their overnight highs. China/HK IG faced selling pressure on 10yr benchmarks BABA/TENCNT/ KUAISH/MEITUA/HKTGHD/LINREI 36, which widened 2-3bps. TW lifers also drifted 1-2bps wider on two-way flow in CATLIF/FUBON. In Japan, the recent new issue SUMIBK held firm despite two-way flows in '29 fixed-rate and FRN tranches, alongside continued buying in NORBK and secondary bank FRNs. In Southeast Asia, the new BBLTB tranches traded mixed with '31s 2bps wider and '36s 4bps tighter from RO at T+105/T+130, respectively, though we saw selling on its sub curve across '36s/40s. Korea credits were broadly unchanged, with the recent new KDB '29/'31 paper hovered around reoffer.

In higher-yielding space, AT1s, insurance subs and high-beta perps recovered by 0.1-3pt as the macro tone stabilized. The recent issue SUMIBK 6.95 Perp and BNP 7.125 Perp led the move. Flows were skewed toward better buying from PBs, with some potential short covering in the 6-10yr bucket, while Chinese AMs continued to seek front-end, high-coupon paper. China/HK names WESCHI 28-29 rose 0.3-0.5pt. EHICAR 26/NWDEVL Perp down 0.3-0.4pt. LGFV strength persisted, with higher-yielding CNH paper compressed by another 20bps. Quality Shandong names reached the mid-5% yield area, while names at the very long end of the credit curve compressed toward the mid-6% area, supported by robust RM and HF demand. AMs continued to look for onshore AAA-guaranteed paper around the 3% yield handle. Flows were heavily skewed toward buying, as existing holders remained reluctant to release risk. Consequently, offer-side liquidity was thin and often gappy.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 7 1/4 07/20/27	**79.5**	**0.9**	TRAFIG 5 7/8 PERP	**99.6**	**-0.4**
ARAMCO 4 3/8 04/16/49	**76.5**	**0.6**	BZSOCI 6 04/13/29	**95.4**	**-0.4**
ARAMCO 5 7/8 07/17/64	**89.5**	**0.6**	EHICAR 7 09/21/26	**76.5**	**-0.4**
NUFAU 5 01/27/30	**94.7**	**0.5**	INTNED 5 3/4 PERP	**99.9**	**-0.3**
WESCHI 10 1/2 11/11/29	**89.5**	**0.5**	NWDEVL 4.8 PERP	**57.3**	**-0.3**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.06%), Dow (+1.18%) and Nasdaq (+1.14%) were higher on Thursday. US Aug'26 S&P Global Services PMI was 56.5, lower than the market expectation of 56.8. US Aug'26 ISM Non-Manufacturing Prices/PMI was 72.6/55.4, respectively, higher than the market expectation of 70.0/54.1. UST yield was lower yesterday. 2/5/10/30 year yield was at 4.34%/4.52%/4.77%/5.25%.

❖ Desk Analyst Comments 分析员市场观点

➢ INCLEN/INGPHL/RPVIN: 1QFY27 earnings momentum supports stronger cash generation

Table 1: RNW o/s USD bonds

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Mod dur	Issue rating (M/S/F)
INGPHL 4 02/22/27	USV4819LAA09	368	99.2	5.7%	0.5	Ba3/-/BB-
RPVIN 5.875 03/05/27	USY7279WAA90	270	100.1	5.7%	0.4	Ba3/-/BB-
INCLEN 4.5 04/18/27	USV4605MAA63	400	99.2	5.8%	0.6	Ba3/-/BB-
RPVIN 4.5 07/14/28	USY7280PAA13	585	97.3	6.1%	1.7	Ba3/-/BB-
RPVIN 6.5 02/02/31	USY72910AA35	600	99.2	6.7%	3.8	Ba3/-/BB-

Source: Bloomberg.

ReNew Energy (ReNew)'s credit profile remains underpinned by resilient operating cash generation, a growing renewables portfolio and its scaled market position as India's second-largest renewable operator by installed capacity after Adani Green. Within the ReNew complex, we continue to prefer INCLEN 4.5 04/18/27 in view of the holdco's more diversified income sources and generation mix, despite the structural subordination risk.

ReNew delivered a solid 1QFY27 results, with revenue up 14.3% yoy to INR44.6bn and adj. EBITDA up 11.7% yoy to INR30.4bn. Earnings growth was mainly driven by a 26.9% yoy increase in external manufacturing sales to INR16.4bn, partly offset by lower solar PLF due to grid curtailment and cloudier weather. ReNew maintained FY27 adj. EBITDA guidance of INR103-109bn and CFe guidance of INR18-22bn. We view ReNew is on track to its target given the current run-rate of 28-30% in 1QFY27. We expect external manufacturing sales to continue diversifying ReNew's earnings beyond generation, albeit the segment's EBITDA margin should normalize from 34% recorded in the 1Q. Commissioned capacity increased 17% yoy to 13.1GW as of Jun'26, while total portfolio capacity reached 20.5GW, including 1.7GW/6.2GWh of BESS. ReNew targets 1.6-2.4GW of construction completion in FY27, which should support further EBITDA expansion.

Operating cash flow increased 81.6% yoy to INR21.6bn, supported by higher operating profit and improved working capital management. Receivable days declined by 3 days yoy to 71 days as of Jun'26, helped by a

higher central-government receivables mix and manufacturing DSO of 5 days. Capex remained manageable at INR26.4bn, while cash and bank balances increased 10.5% qoq to INR76.8bn as of Jun'26.
We expect continued operating cash inflows and asset monetization to fund FY27 capex and support gradual deleveraging.

ReNew faces USD1.1bn of USD bond maturities in 2027, of which around 60% is asset-backed. The company has secured a USD400mn in-principle refinancing commitment and is evaluating further onshore and offshore funding, depending on relative funding costs. With cUSD1bn of cash and undrawn bank facilities, we take comfort from ReNew's demonstrated ability to access diversified funding channels. Overall, 1QFY27 results are supportive of ReNew's credit profile, reflecting capacity expansion, resilient EBITDA growth, stronger collections and adequate liquidity.

Furthermore, the proposed take-private by the consortium of founder Sumant Sinha and CPP Investments at USD7.02/share is potentially supportive over the medium term, given the stronger alignment with a long-term institutional sponsor. Following privatization, ReNew should remain subject to bond reporting obligations, although disclosure may be less frequent and less extensive than under its current listing requirements. The transaction agreement with a long-stop date of the later of 31 Mar'27 and 95 days after publication of the scheme circular.

Table 2: 1QFY27 financial highlights

INR mn	1QFY26	1QFY27	Change
Revenue	38,998	44,581	14.3%
Adj. EBITDA	27,220	30,392	11.7%
Profit before tax	7,731	8,343	7.9%
Operating cash flow	11,876	21,570	81.6%
Capex	25,248	26,387	4.5%
Cashflow to equity (CFe)	15,325	12,838	-16.2%
Plant load factor			
Wind	32.8%	32.0%	-0.8 ppts
Solar	24.6%	22.4%	-2.2 ppts
INR mn	**Mar'26**	**Jun'26**	**Change**
Cash and bank balances	69,551	76,832	10.5%
Total debt	785,246	806,952	2.8%
Net debt	715,695	730,120	2.0%
Net debt/adj. LTM EBITDA	7.3x	7.2x	-

Source: Company filling, CMBI FICC Research.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bank Mandiri Persero Tbk	750	PerpNC5	7.35%	7.35%	Ba2/-/-
Jinan Lixia Holdings Group	300	3yr	4.9%	4.9%	-/-/BBB
Tencent Music Entertainment	500	5yr	5.05%	T+60	A2/A/-
	500	10yr	5.65%	T+95	

➢ 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

- Regarding onshore primary issuances, there were 77 credit bonds issued yesterday with an amount of RMB161bn. As for Month-to-date, 281 credit bonds were issued with a total amount of RMB330bn raised, representing a 314.9% yoy increase

- **[EHICAR]** Media reported eHi may fully redeem USD97.1mn EHICAR 7 09/21/26 at maturity

- **[LNGFOR]** Media reported that Longfor prepared sufficient funds to repay RMB1.3bn bank loan due later Sep'26

- **[NSINTW]** Nan Shan Life 1H26 insurance revenue up 3% yoy to TWD62.7bn and operating profit down 41.7% yoy to TWD38.5bn

- **[WESCHI]** S&P expected West China Cement should increasingly benefit from its expanding overseas operations. The higher-margin business will likely offset weakness in the China market, which weighed on its first-half results

- **[ZYAMCL]** Fitch affirmed Zhongyuan AMC BBB rating and revised the outlook to positive

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