

CMBI Credit Commentary

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

- *This morning, the new MUFG 31-36/MUFG 6.35 Perp/MITSCO 28-35s/KYUSEL 35/ORIX 30 were unchanged to 3bps wider. The new SUMITR 28 floaters widened 7bps. The new SUMITR 4.35 30s/MITSCO 28 floaters tightened 3-5bps. The new NOMURA 36 widened 5bps. The new NORBK 30-35s were unchanged. The new ACAFP 7.125 Perps rose 0.3pt.*
- **FOSUNI:** *Neutral on the new FOSUNI 6.8 09/09/29, which was 0.3pt higher from RO at par this morning. See below.*
- **ADANEM:** *Adani Electricity Mumbai repurchased USD44.7mn ADANEM 3.867 07/22/31 in the open market, the o/s amount reduced to USD255.3mn. ADANEM 30-31s were 0.2-0.5pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, in the IG new issuance pipeline, there were 6 Japanese and 1 Indian bonds. As a result, the secondary IG market in Japan space was under pressure amid heavy supply. New issues last week such as JERA/HOKKEL/MITSCO widened 2-4bps. Perpetuals were also under pressure amid the bear-steepening in USD yield curve. Japanese insurance hybrids/AT1s were 0.1-0.3pt lower amid better selling from AMs in mostly on-the-run NC10 issues. Yankee AT1s and insurance hybrids lowered by 0.4-0.5pt under heavy selling from AMs and RMs on the recent NC7-10yr papers. MTRC 5 5/8 and 4 7/8 PERPs were down by 0.1-0.3pt. NWDEVL PERPs dropped 1.6-2.2pts, and NWDEVL 27-31s declined by 1.7-2.3pts. NWD denied the media rumors on funding proposal from the Cheng family. China IG widened 2-4bps. We saw better selling on TMT benchmark names BABA/TENCNT/ MEITUA/WB/XIAOMI. FOSUNI 26-28s were 0.1-0.3pt higher. Fosun's USD400mn 6.8% 4NC2.5 was priced at par, and it concurrently launched a tender offer to purchase at par any and all of its due-2026 notes. See comments below. DALWAN 11 02/13/26 was 0.6pt higher. The buyout fund for the acquisition of 48 Wanda malls was established on 25 Aug'25 with registered capital of approximately RMB22.43bn (cUSD3.15bn). In Chinese properties, LNGFOR 27-32s were unchanged to 0.7pt higher. FUTLAN 26-28s were 0.1-0.5pt higher. In Macau gaming, SANLTD/STCITY/WYNMAC/MPEL/MGMCHI/SJMHOL were 0.2pt lower to 0.1pt higher. The Gross Gaming revenue (GGR) in Macau for 8M25 was MOP163.05bn (cUSD20.27bn), up 7.2% yoy. Visitor arrivals Macau in Jul'25 surged 19.6% mom/14.5% yoy to 3.46mn. TW lifers tightened despite the new issue mandate of Fubon Life, see our comments on [1 Sep'25](#). NSINTW/SHIKON tightened 1-3bps. Korea IG space was 1-5bps wider. FRNs were 1-2bps wider and fixed curve was 1-3bps wider. In SEA space, GLPSP Perps retreated 2.1-2.3pts. BBLTB curve widened 5bps and the new OCBCSP 35 closed unchanged with small selling. PTTGC 31-52s were 3bps tighter to 5bps wider. See our comments on PTTGC's new issues and tender offers [yesterday](#).

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In LGFV space, we saw a mixed two-way session from RMs skewed towards better selling, as trade prints continued to reprice bonds at c30-50bps wider from YTD tightness seen a month ago.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
BIMLVN 7 3/8 05/07/26	93.7	1.3	GLPSP 4 1/2 PERP	65.0	-2.3
MONMIN 8.44 04/03/30	99.8	1.0	NWDEVL 4 1/8 07/18/29	61.6	-2.3
LNGFOR 3.85 01/13/32	76.8	0.7	NWDEVL 10.131 PERP	40.7	-2.2
DALWAN 11 02/13/26	95.7	0.6	GLPSP 4.6 PERP	62.0	-2.1
INDYIJ 8 3/4 05/07/29	99.0	0.5	NWDEVL 4 3/4 01/23/27	82.8	-2.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.69%), Dow (-0.55%) and Nasdaq (-0.82%) were lower on Tuesday. US Aug'25 S&P Global Manufacturing PMI was 53.0, lower than the market expectation of 53.3. US Aug'25 ISM Manufacturing PMI/Prices was 48.7/63.7, respectively, lower than the market expectation of 49.0/65.1. UST yield was higher on Tuesday. 2/5/10/30 yield was at 3.66%/3.74%/4.28%/4.97%.

❖ Desk Analyst Comments 分析员市场观点

➤ FOSUNI: Neutral on the new FOSUNI 6.8 09/09/29

Fosun International (Fosun) priced USD bonds, FOSUNI 6.8 09/09/29 (S&P: BB-), at 6.8% (vs IPT of 7.2%). The issue size is capped at USD400mn on an order book of over USD2.5bn. The new bond has a tenor of 4 years with first 2.5 years non-call period, callable at 103.4 from 9 Mar'28 to 8 Mar'29, and at 101.7 anytime thereafter. At 100.3, FOSUNI 6.8 09/09/29 is trading at YTM of 6.7%, moved 0.3pt higher from RO at par this morning. We view the valuation of the new bond is fair, taking cues from FOSUNI 8.5 05/19/28 is trading at YTM of 6.4% at 105.1. We are neutral on FOSUNI 6.8 09/09/29 on valuation. For Chinese HY, we prefer BTSDf 9.125 07/24/28 and EHICARs for better risk-adjusted return profiles. At 105.3, BTSDf 9.125 07/24/28 is trading at YTM of 7.1%, while EHICAR 26-27 are trading at YTM of 37.1-40.3%.

Concurrently, Fosun announced a tender offer for USD500mn FOSUNI 5 05/18/26, offering to buyback any and all tendered at par. The tender offer will be financed by the new bond issue and/or internal resources. The tender offer will expire on 10 Sep'25 4pm (GMT), and to be settled on or about 16 Sep'25. We noted that participation in the tender offer does not provide priority allocation for the new bond.

The new issuance and tender offer are part of Fosun's active management of its debt maturity profile. During 2025, Fosun has repurchased USD186.1mn and USD35mn of FOSUNI 5.95 10/19/25 via tender offer in Jan'25 and Jun'25, respectively, and subsequently called the remaining USD178.9mn at 101 in Aug'25. As of Jun'25, Fosun held RMB16bn cash and RMB89.2bn total debt at holdco level, with a plan to deleverage further via asset sales and dividends. Fosun guided RMB15-20bn receipt at the holdco level in 2025, it had already received RMB3bn in dividend during 1H25 and completed disposals including the stake sales in Laopu Gold and a Shanghai office property.

The credit profile of Fosun is improving, supported by its deleveraging effort from asset disposals, active management of debt maturity profile, as well as its improving access to different funding channels onshore and offshore. Fosun issued USD300mn FOSUNI 8.5 05/19/28 in Nov'24 and tap USD200mn in Jan'25; raised a new 3yr syndicated loan of USD675mn equivalent in Mar'25 offshore and subsequently upsized to USD910mn equivalent; as well as issued RMB8.8bn onshore bonds YTD at coupons between 3.5% and 5.3%.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Arab National Bank	750	PerpNC5.5	6.4%	6.4%	Unrated
Ares Capital	650	5yr	5.1%	T+160	Baa2/BBB/BBB
Credit Agricole	1250	PerpNC10	7.125%	7.125%	Baa3/BBB-/BBB
First Abu Dhabi Bank	750	5yr	4.38%	T+65	Aa3/AA-/AA-
Fosuni International	400	4NC2.5	6.8%	6.8%	-/BB-/
HSBC Holdings	1500	11NC10	5.741%	T+147	Baa1/BBB/A-
ING	1500	PerpNC7	7.0%	7.0%	Ba1/-/BBB
Kyushu Electric Power	500	10yr	5.246%	T+95	A3/-/
Mitsubishi Corp	400/	3yr/	SOFR+70/	SOFR+70/	A2/A/-
	300/	3yr	4.0%/	T+45/	
	500/	5yr/	4.125%/	T+50/	
	400	10yr	4.875%	T+65	
MUFG	1000/	6NC5/	4.527%/	T+80/	A1/A-/A-
	1000/	6NC5/	SOFR+113/	SOFR+113/	A1/A-/A-
	1000/	11NC10/	5.188%/	T+93/	A1/A-/A-
	1000	PerpNC10	6.35%	6.35%	Baa3/BB+/BB+
Nomura Holdings	750	10.75NC5.75	5.043%	T+130	Baa3/-/
ORIX Corp	500	5yr	4.45%	T+75	A3/BBB+/A-
State Bank of India	500	5yr	4.5%	T+105	-/BBB/BBB-
Sumitomo Mitsui Trust Bank	750/	3yr/	SOFR+75/	SOFR+75/	A1/A/-
	500	5yr	4.35%	T+65	
Sumitomo Mitsui Trust Group	500	11NC10	5.416%	T+115	Baa1/BBB/-
The Norinchukin Bank	500/	5yr/	4.674%/	T+93/	A1/A/-
	500	10yr	5.359%	T+108	
Zhengding State-owned Assets Holdings and Operating Group	100	3yr	6.9%	6.9%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Fubon Life	USD	-	10.25yr	T+150	-/BBB+/BBB+
PTT Global Chemical	USD	-	PerpNC5.25/	7.0%/	Ba2/-/BB
			PerpNC10	7.625%	
Sumitomo Life Insurance	USD	-	30NC10	6.125%	A3/-/A-

➤ News and market color

- Regarding onshore primary issuances, there were 37 credit bonds issued yesterday with an amount of RMB25bn. As for Month-to-date, 99 credit bonds were issued with a total amount of RMB68bn raised, representing a 10.8% yoy decrease
- [NIO]** NIO 2Q25 revenue rises 9%yoy to RMB19bn (cUSD2.7bn)
- [SUMIBK/YESIN]** India regulator approved SMBC's acquisition of 20% shareholding in YES Bank
- [TAISEM]** US revokes TSMC waiver for shipping chipmaking tools to China

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