CMBI Credit Commentary

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

- *This morning, Asia IG space was largely unchanged amid light flows. EU AT1s edged 0.3-0.5pt higher. GLPSP Perps gained 0.5-0.9pt. SOFTBKs rose 0.5-0.8pt. VNKRLE 27-29 rose 0.6-0.7pt. GENTMK/CASHLD were up 0.3-0.5pt. On the other hand, WESCHI 28-29 lost 0.4pt. LIFUNG 5.25 Perp was 0.2pt lower.*

- ***CCAMCL:** 1H26 profit warning driven by higher tax charges and lower NCI loss attribution. Maintain buy on CCAMCL 4.4 Perp, which was unchanged this morning. See below.*

- ***CNMDHL:** China Modern Dairy increased its stake in rival China Shengmu Organic Milk to 83.5% after the closing of its mandatory cash offer. CNMDHL 30 was unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, Asia IG traded directionless and closed largely unchanged. We saw better selling in high-beta, front-end names KRKPSC/FRESHK. In HK/TW spaces, there was better buying in 10yr HKTGHD and FUBON 35/41, versus better selling in LINREI and FUBHKL. FRNs held steady, driven by Chinese RMs and global PBs buying higher-spread JP and EU papers.

In higher-yielding space, NWDEVL Perps led the space and rose up to 1.5pts. VNKRLEs closed 1.0-1.3pts higher. Media reported that Vanke Real Estate (HK) has paid on time the Jul'26 semi-annual interest on two offshore unsecured bullet loans due Dec'26 totalling HKD15.7bn principal, as well as the 31 Jul'26 interest on another HKD7.5bn bullet loan due in 2028. Meanwhile, Fitch upgraded China Vanke to CC from RD on completion of distressed debt exchange. WESCHIs were 0.3pt higher. HONGQIs were unchanged to 0.1pt higher. See our comments on HONGQI on 3 Aug'26. In LGFV space, RMs continued to buy CNH issues across 3%-yielding AAA-guaranteed papers to 7%+ higher-yielding Shandong names, driving another 10-20bps compression in yields. LGFV USD issues were afloat driven by selective buying from RMs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/8 PERP	**86.1**	**1.5**	TSIVMG 1.6 12/17/39	**47.4**	**-0.9**
NWDEVL 10.131 PERP	**100.7**	**1.5**	TSINGH 6 1/2 01/31/28	**93.2**	**-0.6**
VNKRLE 3 1/2 11/12/29	**47.4**	**1.3**	ACPM 5 1/8 PERP	**78.0**	**-0.5**
NWDEVL 6 1/4 PERP	**66.0**	**1.1**	VLLPM 7 1/4 07/20/27	**71.3**	**-0.5**
VNKRLE 3.975 11/09/27	**51.5**	**1.0**	ACPM 3.9 PERP	**57.2**	**-0.3**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.48%), Dow (+1.32%) and Nasdaq (+2.13%) were higher on Monday. US Jul'26 S&P Global Manufacturing PMI was 53.9, higher than the market expectation of 53.8. US Jul'26 ISM Manufacturing PMI/Prices was 55.6/71.1, respectively, higher than the market expectation of 54.0/70.0. UST yield was lower on Monday. 2/5/10/30 year yield was at 4.25%/4.40%/4.70%/5.23%.

❖ Desk Analyst Comments 分析员市场观点

➢ CCAMCL: 1H26 profit warning driven by higher tax charges and lower NCI loss attribution

China Cinda AMC (Cinda) issued a profit warning, guiding a 20-25% yoy decrease in net profit in 1H26 from RMB905mn in 1H25, while the profit attributable to equity holders to decrease by 60-70% yoy from RMB2.3bn. The decline in profit was primarily due to higher tax expenses in 1H26 following deferred tax adjustment compared to a tax reversal in 1H25, as well as reduced net losses attributable to the NCI of Cinda Real Estate.

We view Cinda's credit profile remained solid despite the profit warning, as we view the AMC sector from a top-down perspective that they are strategically important to maintain the stability of the Chinese financial system, which support our expectation of continued policy support and funding access. Within CCAMCL, we like CCAMCL 4.4 Perp and see a high likelihood of call at the first call date in Nov'26. At 99.9, CCAMCL 4.4 Perp is trading at YTC of 4.8%. While Cinda and the other three AMCs have good access to lower-cost onshore funding, we expect them continue to fund a considerable part of offshore maturities via onshore funding channels including bond market and bank borrowing. YTD, these AMCs have not issued USD bonds to address totaled USD1.2bn of maturities in 1H26, and we expect this trend to continue through the remainder of 2026. Net USD bond redemption trend is likely to continue, which should provide ongoing technical support for outstanding offshore bonds.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Korean Air Lines	300	3yr	4.75%	T+57	Aa3/-/-

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)

Yieldking Investment Limited/ Sichuan Development International	USD	-	3yr	5.0%	-/-/A

➢ News and market color

- Regarding onshore primary issuances, there were 63 credit bonds issued yesterday with an amount of RMB86bn. As for Month-to-date, 63 credit bonds were issued with a total amount of RMB86bn raised, representing a 3.3% yoy increase

- **[FOSUNI]** Fosun-owned Frankfurter Leben unit close to buying insurer Athora Germany

- **[HYUELE]** Moody's upgraded SK Hynix by one notch to A3 from Baa1, outlook stable

- **[INDYIJ]** Indika Energy 1H26 adjusted EBITDA jumped 44% yoy to USD139.1mn

- **[NSANY]** Nissan Motor 1QFY27 net sales rose 9.5% yoy to JPY3.0tn (USD18.8bn); revised down its sales volume outlook for the year ending in Mar'27, citing a challenging business environment, particularly in China

- **[UPLLIN]** UPL 1QFY27 EBITDA rose 15% yoy to INR15bn (cUSD157.2mn)

- **[VNKRLE]** China Vanke unit paid on time Jul'26 interest on HKD15.7bn loans due Dec'26

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