

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市場日報

- *This morning, the new CNH INDON 2.5 30/INDON 2.9 30 increased by 0.1-0.4pt from RO at par. We saw buyers for front-end JP/KR floaters. LASUDE 26/GLPSP 28 were 0.4-0.5pt higher, while LIHHK 26/HYSAN 4.85 Perp lowered 0.5-0.6pt. The new GLPCHI 29 down 0.5pt this morning. See below.*
- **FUTLAN/FTLNHD:** *USD50mn retap on FUTLAN 11.88 06/26/28. FUTLAN 11.88 06/26/28 was unchanged this morning. See below.*
- **China Policy:** *China targets tech self-reliance and economic transition in the 15th Five-Year Plan. CMBI views the Plan signals an economic pivot toward consumption-led growth, shifting fiscal support from "investment in projects" to "investment in people". See comments from CMBI economic research below.*

#### ❖ Trading desk comments 交易台市場观点

Yesterday, Asia IG spreads were largely unchanged amid balanced two-way flows. In the Middle East, BSFR 5.761 09/03/35 was actively traded by Chinese RMs and global PBs. There was better selling on 2-5yr CCAMCL/HAOHUA/TENCNT papers, OCBCSP 32-35s, and AIA 40/54s. In Greater China, MTRC Perps rose 0.3-0.5pt thanks to RM buyers. REGH 6.5 PERP increased by 1.3pts. NANFUN 5 Perp/FAEACO 12.814 Pere were 0.2-0.4pt higher. NWDEVLS fell another 0.1-1.7pts. In Macau gaming, MGMCHI 26-31s/SANLTD 27-31s/STCITY 28-29s were unchanged to 0.1pt higher. See comment on SANLTD [yesterday](#). In Chinese properties, LNGFOR 27-32s were unchanged to 0.2pt higher. VNKRLE 27-29s dropped by 0.5-0.8pt. FUTLAN lowered 0.2pt. See comment on Seazen below. In JP space, SOFTBKs were 0.1pt lower to 0.1pt higher. Japanese insurance hybrids edged another 0.2pt firmer with PB buying. There was moderate buying from Asia for Yankee AT1s but tone from London was more cautious. In Southeast Asia, GLPSP Perps were unchanged to 0.3pt higher, while GLPSP 28 lowered 0.1pt. See comments below on GLP China's new issue. VLLPM 27-29s were unchanged to 0.3pt higher. PETMK 35s closed unchanged amid two-way flows. GARUDA 31s/VEDLN 28-33s were 0.1pt lower to 0.1pt higher.

In LGFV space, liquidity remained overall weak amid mixed two-way interests. IG quality papers and onshore AAA-guaranteed issues remained firm as there was [sustain](#) demand from asset managers, whereas higher-yielding issues down the credit curve leaked amid selling from tactical and retail investors.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
REGH 6 1/2 PERP	29.5	1.3	NWDEVL 5 1/4 PERP	46.1	-1.7
CFAMCI 5 1/2 04/27/47	98.8	0.6	NWDEVL 6 1/4 PERP	39.7	-1.3
MTRC 5 5/8 PERP	105.9	0.5	NWDEVL 4 1/8 PERP	41.0	-1.2
CFAMCI 4.95 11/07/47	92.7	0.5	BABA 5 5/8 11/26/54	106.0	-0.9
NANFUN 5 PERP	79.9	0.4	NWDEVL 10.131 PERP	54.9	-0.9

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.58%), Dow (+0.31%) and Nasdaq (+0.89%) were higher on Thursday. The release of the latest initial jobless claims has been delayed by the federal government shutdown. UST yield was higher on Thursday. 2/5/10/30 yield was at 3.48%/3.61%/4.01%/4.58%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➤ FUTLAN/FTLNHD: USD50mn retap on FUTLAN 11.88 06/26/28

**Table 1: Bond profile of FUTLAN/FTLNHD**

Security name	ISIN	O/s Amt (USD mn)	Maturity	Coupon	Offer price	YTM (%)
FUTLNHD 4 1/2 05/02/26	XS2290806285	404	5/2/2026	4.50%	96.4	12.0%
FTLNHD 11.88 09/30/27	XS3192214685	160	9/30/2027	11.88%	98.2	12.9%
FUTLAN 11.88 06/26/28	XS3099012406	350	6/26/2028	11.88%	98.7	12.5%

Source: Bloomberg.

Seazen retapped FUTLAN 11.88 06/26/28 for USD50mn. The bond was issued in Jun'25 with an original issue size of USD300mn. Recalled that in late Jun'25, Seazen completed the tender offers to repurchase USD158.9mn of FUTLAN 4.45 07/13/25 and USD50mn of FTLNHD 4 5/8 10/15/25 in principal amounts, and a concurrent new issue of FUTLAN 11.88 06/26/28. We take the small retap positively as this demonstrated once again Seazen's ability to access the USD bond market, and the retap is on the longer tenor FUTLAN 11.88 06/26/28 instead of FTLNHD 11.88 09/30/27 issued last month. We estimate that Seazen has a remaining NDRC quota of USD120mn to be expired in Apr'26. We will not be surprised to see more retaps from Seazen over the next few months.

Seazen posted weaker 1H25 results due mainly to the notably lower GFA delivered and ASP. The impact of these was partly mitigated by the higher contribution from IPs, supported by high occupancy rate of its IPs (97.8% as of Jun'25). In 1H25, total recurring income increased 8.6% yoy to RMB7.0bn, equivalent to 3.9x of its gross interest expenses. Seazen maintained a largely stable credit profile. It obtained additional secured loans of cRMB4.5bn against its IPs in 1H25. We estimated that total secured loans against its IPs were cRMB50bn with an LTV of c40%. Seazen has 18 malls remain unpledged, and this could be translated into a headroom of additional cUSD1bn secured loans against its IPs (vs total o/s USD bonds of USD954mn). See our daily on 18 Sep'25 for more discussions on Seazen's 1H25 results.

Seazen has demonstrated a notably better access to funding channels than most of its peers. In addition to operating loans secured by its IPs, Seazen raised CBICL-guaranteed bonds totaled RMB1.9bn at funding costs of 2.68% and 3.29% for refinancing YTD. It also raised USD510mn from the USD bond market to refinance USD bonds totaled USD600mn maturing in Jul' and Oct'25. We believe that the maturity profile of Seazen is manageable in view of the financial flexibility offered by its IPs and the gradual resumption of access to various funding channels. Hence, we maintain buy on FUTLAN and FTLNHDs for their good carry.

➤ **GLPCHI: Completed USD300mn private placement to address GLPCHI 26**

GLP China privately placed a USD300mn 3.5-year bond at 7.75% yesterday. The new GLPCHI 7.75 04/30/29 will mature in Apr'29 and is callable at par, in whole or in part, one month before maturity. Proceeds will be used to partially refinance the USD700mn GLPCHI 2.95 03/29/26 due in Mar'26. Following the redemption of GLPCHI 26, the GLPCHI 29 will be GLP China's sole outstanding USD bond.

The new USD300mn issue has considerably alleviated the refinancing risk of GLPCHI 26, however, there remains a funding gap of USD400mn. In addition, the funding cost of new issue increases significantly to 7.75%, compared with 2.95% of GLPCHI 26. That will weaken its interest coverage ratios. In Sep'25, Hopu partner and GLP board member Gunther Hamm indicated that GLP is preparing an IPO of its China business in 2026. The IPO, if successful goes ahead, will be credit positives to GLP and GLP China. These include deleveraging at the parent level, as well as improving liquidity and financial flexibility of GLP China. That said, the timing of the IPO remains uncertainty and we view the IPO as a medium-term catalyst for GLP China bonds to perform.

➤ **China Policy: China targets tech self-reliance and economic transition in the 15th Five-Year Plan**

China's 15th Five-Year Plan (2026-2030) reaffirms high-quality development as the cornerstone of economic strategy, prioritizing technological self-reliance, social livelihoods, ecological sustainability and national security over rigid GDP targets. The plan targets continued tech breakthroughs in six strategic engines—AI, semiconductors, advanced robotics & brain-computer interfaces, green energy & fusion, space economy and industrial software. The plan signals an economic pivot toward consumption-led growth, shifting fiscal support from "investment in projects" to "investment in people". This is favourable to staples and social services like healthcare, elderly care and childcare, with enhanced safety nets, urbanization incentives, and pension reforms. But it is negative for construction materials and base metals. China will continue to diversify foreign trades and investment partnerships to improve the export resilience.

**High-quality development as the key target.** China continues to put high-quality development as the key target in the 15th Five-Year Plan (FYP) while the GDP growth target remains vague and flexible. High-quality development includes tech self-reliance, social civilisation, people's livelihoods, ecological environment and national security. While keeping GDP growth within a reasonable range is important, the policymakers consider tech innovation, social development and national security as the priorities. The Party leaders are expected to suggest a target for yearly GDP growth at the Central Economic Work Conference in early December each year. We expect the GDP growth targets might be at 4.5%-5% for the next five years, compared to the average actual growth rates of 5.4% in 2021-2025 and 5.7% in 2016-2020. Real GDP growth is expected to mildly slow down from 5% in 2025 to 4.8% in 2026.

**A tech-first strategy targeting self-reliance breakthroughs.** In response to US export controls and intensifying tech competition, China prioritizes tech self-reliance breakthroughs and new quality productive forces. Six core sectors are positioned as strategic engines with trillions in market potential. First is AI+ strategy. China will accelerate AI infrastructure investment and increase AI application penetration rates in various sectors. Second is semiconductor breakthroughs with increasing market share of domestic players. Third is advanced robotics & brain-computer interfaces for industrial & service automation as well as healthcare. Fourth is green energy & fusion. China's commitment to peak carbon emissions by 2030 and carbon neutrality by 2060 means that the 15th FYP will likely contain detailed steps toward a greener economy. Fifth is space economy. China will expand low-orbit satellite networks (ChinaSat) and reusable rockets (Space Transport) to dominate space infrastructure. Last is industrial software. China will take greater efforts to accelerate the CAE/EDA/IP core development to unblock bottleneck sectors.

**Economic transition towards consumption-driven growth with fiscal support shift from project investment to social development.** The 15th FYP marks a strategic pivot from "investment-in-objects" to

"investment-in-people", indicating a possible gradual relocation of public resources away from traditional fixed-asset investment (e.g., infrastructure) toward social development. This transition is negative for infrastructure-heavy industries (e.g. construction materials, base metals) yet positive for healthcare, elderly care, childcare and staples. The government will strengthen social safety net and fiscal support to low-income households, young couples and farmers. China will continue to facilitate the urbanisation process with more entrepreneurship and job opportunities, better subsidized housing system and lower living costs. With China facing demographic challenges such as a declining birth rate and a rapidly aging population, the 15th FYP may include stronger family support policies, pension reforms, and incentives for elderly care innovation.

**Foreign trade and investment diversification.** Amid escalating US-China tensions, China is accelerating trade and investment diversification, forging deeper ties with Asia, Europe, the Middle East, Latin America and Africa. This strategy mitigates risks, boosting RMB internationalization and supply chain resilience. Chinese companies in technologies, telecommunication services, energy, EVs, construction services and capital goods might benefit from the trade and investment diversification strategy.

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

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Deyang Development Holding Group	350	3yr	4.29%	4.29%	-/-/BBB-
Seazen	50 (tap)	3yr	11.88%	97.5	-/B-/-
GLP China	300	3.5yr	7.75%	7.75%	Unrated
Shangrao Investment Holdings International	240	3yr	4.4%	4.4%	-/-/BBB-

#### ➤ 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 185 credit bonds issued yesterday with an amount of RMB155bn. As for month-to-date, 1,265 credit bonds were issued with a total amount of RMB1,205bn raised, representing a 28.7% yoy increase
- [DALWAN]** Dalian Wanda Commercial Management sells Guangzhou Zengcheng Wanda Plaza to Beijing Jiajun Technology Development for RMB250mn (cUSD35mn)
- [INDON]** Indonesia priced RMB3.5bn 5-year and RMB2.5bn 10-year dim sum bonds at 2.5% and 2.9%, respectively
- [MEITUA]** Meituan plans debut 5-year and 10-year dim sum bonds up to RMB10bn
- [MINMET]** China Minmetals puts forward HKD1 per share privatization proposal for Minmetals Land, the price represents a premium of c104% over the last close of HKD0.49. Maximum cash consideration is HKD1.3bn (cUSD164mn)

- **[SINOPE]** Sinopec discovered a new shale oil reserve in southwest China's Sichuan Basin, estimated at 100mn metric ton

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