

## CMBI Credit Commentary

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

- *This morning, PINGIN 35/OCBCSP 35/FUBON 35 widened 1-3bps. NORBK 30-35s widened 5-10bps against the headlines that a JV between Norinchukin Bank and Mitsui & Co. faces USD1.75bn of exposure to bankrupt First Brands Group. We saw better selling on HSBC/BNP/STANLN AT1s. PTTGC 7 1/8 Perp and PTTGC 6.5 Perp were down 0.3pt.*
- **ZHHFGR:** *FV of the new dim sum ZHHFGR 28 to be low-3% vs IPT at 3.5%. See below.*
- **IHFLIN:** *Sammaan Capital priced USD450mn 5yr senior secured bonds at 7.5%. Proceeds will be used in accordance with its sustainable financing framework, and as may be permitted by the RBI ECB guidelines including for onward lending purposes. The new IHFLIN 30s were 0.3pt higher this morning while IHFLIN 27-28s moved -0.1pt to +0.1pt.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, activities picked up as onshore Chinese accounts returned from Golden Week holiday. In Asia IG space, we saw overall better buying across the space. China onshore funds were buying Japanese banks FRNs, and offshore Chinese PBs were adding Middle Eastern/Chinese/Japanese banks FRNs. In Korea space, there were two-way flows on HYNMTR FRNs. Japanese and Yankee AT1s and insurance hybrids were softer. HSBC Perps softened 0.1-0.4pt on back of the Hang Seng privatization news. See our comments [yesterday](#). BNP Perps lowered up to 0.4pt despite the recovery in French government yields. BHP 5 1/2 09/08/53 was down by 0.5pt. In TW lifers, FUBON 35/NSINTW 34-41s were 1bp tighter amid better-buying from PBs. REGH 6.5 Perp gained 2.3pts. Regal Hotels put Kowloon City hotel up for sale at an indicative price of HKD1.5bn (cUSD192mn). FAEACO Perp lost 0.1pt after gaining 20pts since Monday as Far East Consortium is set to pay the perp coupon on 18 Oct'25. LASUDE 26 was down by 0.3pt. NWDEVLS were 0.1-0.9pt lower. In Chinese properties, VNKRLE 27-29s were up by 0.3-0.4pt. In Southeast Asia, there was small selling from PBs on Indian names. VLLPM 27-29 were 0.5-2.8pts higher. GLPSPs lost 0.1-0.2pt.

Flows were mixed in LGFV space. IG/quality USD bonds yielding less than 5% were still sought after, whereas higher-yielding issues across USD and CNH remained moderately heavy despite the slight emergence of tactical AMs buyers. CDECST 6 1/2 11/18/27 and FZSZJJ 7 12/27/27 gained 0.5pt.

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

**Cyrena Ng, CPA 吳蒨瑩**  
(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      |
|-----------------------|-------------|------------|-----------------------|--------------|-------------|
| VLLPM 9 3/8 07/29/29  | <b>51.3</b> | <b>2.8</b> | BIMLVN 7 3/8 05/07/26 | <b>93.2</b>  | <b>-1.4</b> |
| REGH 6 1/2 PERP       | <b>23.2</b> | <b>2.3</b> | NWDEVL 5 1/4 PERP     | <b>46.6</b>  | <b>-0.9</b> |
| CFAMCI 5 1/2 04/27/47 | <b>98.4</b> | <b>1.0</b> | KOREAT 6 1/2 09/07/34 | <b>109.1</b> | <b>-0.8</b> |
| CDECST 6 1/2 11/18/27 | <b>98.3</b> | <b>0.5</b> | BACR 7 5/8 PERP       | <b>105.5</b> | <b>-0.6</b> |
| VLLPM 7 1/4 07/20/27  | <b>60.1</b> | <b>0.5</b> | BHP 5 1/2 09/08/53    | <b>101.4</b> | <b>-0.5</b> |

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.28%), Dow (-0.52%) and Nasdaq (-0.08%) were lower on Thursday. UST yield was higher on Thursday. 2/5/10/30 yield was at 3.60%/3.74%/4.14%/4.72%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➤ ZHHFGR: FV of the new dim sum ZHHFGR 28 to be low-3% vs IPT at 3.5%

Zhuhai Huafa Group proposes to issue 3-year dim sum bond (Fitch: BBB). We view the FV of the new ZHHFGR 28 to be low-3% vs IPT at 3.5%, taking cues from its existing ZHHFGR 27 trading at 3.1% YTW. The proceeds will be used to refinance offshore debts, its only o/s USD bond ZHHFGR 2.8 11/04/25 of USD400mn will be due on 4 Nov'25.

The new ZHHFGR 28 will be issued through Huafa 2024 I Company Limited with the full guarantee from Zhuhai Huafa Group. The structure is the same as that of existing dim sum issues ZHHFGR 4 ½ 12/23/27 and ZHHFGR 6 Perp. Zhuhai Huafa Group is 93.48% owned by Zhuhai SASAC and 6.52% by Guangdong Provincial Department of Finance. We view the government support towards Zhuhai Huafa Group is strong. Zhuhai Huafa Group received government capital injection totaled RMB24.1bn in the forms of assets and equity during 2020-2024. These represented 13.9% of Zhuhai Huafa Group's total owner's equity as of Dec'24. In May'25, Fitch revised the outlook of Zhuhai Huafa Group to positive from stable and affirmed the BBB rating. The outlook revision reflects its strengthening position and financing role as a core government-related entity following two rounds of reforms in 2024 and 2025, which could increase the government's incentive to provide support to the company.

Zhuhai Huafa Group is the largest state-owned platform in Zhuhai with RMB729.3bn total assets. Zhuhai Huafa Group holds a strategic infrastructure mandate by the Zhuhai Government including SZM CBD with RMB35.8bn estimated investment. The Group demonstrates business diversification beyond property development, with 45.5% of the FY24 total revenue was from sales and trading of materials and commodities, 36.4% from property development, and the remainder from urban operations and other sectors. Furthermore, Zhuhai Huafa Group has diversified funding channels onshore and offshore. It has RMB256.4bn undrawn bank facilities as of Mar'25.

**Table 1: Zhuhai Huafa existing dim sum bonds**

| Security name       | ISIN         | Maturity | First call date | Amt o/s<br>(RMB mn) | Px    | YTC/YTW | Issue rating<br>(M/S/F) |
|---------------------|--------------|----------|-----------------|---------------------|-------|---------|-------------------------|
| ZHHFGR 6 Perp       | HK0001038576 | -        | 06/30/27        | 2530                | 104.1 | 3.4%    | -/-/BBB-                |
| ZHHFGR 4 ½ 04/27/26 | MO0000000246 | 04/27/26 | -               | 500                 | 100.5 | 3.6%    | -/-/BBB                 |
| ZHHFGR 4 ½ 12/23/27 | HK0001085882 | 12/23/27 | -               | 1400                | 103.0 | 3.1%    | -/-/BBB                 |

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

| Issuer/Guarantor          | Size (USD mn) | Tenor     | Coupon | Priced | Issue Rating (M/S/F) |
|---------------------------|---------------|-----------|--------|--------|----------------------|
| Burgan Bank               | 500           | 5yr       | 4.875% | T+115  | -/BBB+/A             |
| Kuwait International Bank | 300           | 10.5NC5.5 | 5.535% | T+175  | -/-/BBB+             |
| Oman Sovereign Sukuk Co   | 1000          | 7yr       | 4.525% | T+60   | Baa3/BBB/-           |
| Sammaan Capital           | 450           | 5yr       | 7.5%   | 7.5%   | -/B+-                |

➤ 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 37 credit bonds issued yesterday with an amount of RMB36bn. As for month-to-date, 37 credit bonds were issued with a total amount of RMB36bn raised, representing a 35.5% yoy decrease
- China tightens rules against industry price wars, vows to step up enforcement
- Indonesia in negotiations with China to restructure high-speed rail debt, aim to avoid default on China Development Bank loans. Indonesia's government expects SOEs to spend IDR720tn (cUSD43.5bn) on capex in 2026 versus IDR380tn (cUSD23bn) in 2025
- Macau Oct'25 Golden Week visitor tally at 1.14mn, up 15pct from a year ago
- **[BHP]** BHP is facing a protracted stalemate in talks over iron ore prices with China, which may drag on to early next year
- **[FRIDPT]** Freeport Indonesia expects to resume copper and gold production at its Grasberg Block Cave mine by mid-2026, after a recent landslide halted its operations
- **[GLPSP]** GLP Investment (Shanghai) is proposing to offer RMB9.4bn (cUSD1.32n) ABS
- **[SUNOTG]** Sunny Optical will transfer its entire equity interest in Shanghai OmniLight to Goertek Optical for a total consideration of RMB1.9bn (cUSD267mn)
- **[TAISEM]** TSMC 9M25 net revenue jumps 36% yoy to TWD2.8tn (cUSD90.3bn) as benefits from AI boom

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto: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.