8 Aug 2025

CMB INTERNATIONAL 招銀国际

## CMBI Credit Commentary

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

### The Asset Asian G3 Bond Benchmark Review 2025

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset Asian G3 Bond Benchmark Review 2025". Thank you for your support!

- *This morning, the new CNH paper XYDXIV moved 0.5pt higher, while the other CNH new issues CHGRID/ZZREAL/QDBTTI remained largely unchanged. MTRC Perps were up c0.1pt. China IGs and Thailand BBLTB tightened 1-2bps, while LGENSOs widened 1-2bps.*

- ***FUTLAN/FTLNHDs:*** *The 8th tranche of CBICL-guaranteed bond. We maintain buy on FUTLAN/FTLNHDs. FTLNHD 4 5/8 10/15/25 was 0.2pt higher this morning. See below.*

- ***China Economy:*** *Exports rebounded with headwinds ahead. CMBI expects China's export growth to decelerate from 5.9% in 2024 to 2% in 2025 while import growth may mildly slow down from 1.1% to 0.5%. USD/RMB rates may appreciate from the current 7.15 to 7.1 by year end. See below for comments from CMBI economic research.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, NWDEVL 27-31s and NWDEVL Perps rose 1.8-4.5pts and 1-1.5pts, respectively on the rumor of privatization, which NWD denied, and on the report that NWD and China Resources Land would pay a lower premium for Northern Metropolis project in HK. We saw balanced two-way flows for CNH SWIPROs, which closed largely unchanged. Swire Pacific 1H25 revenue rose 15.7% yoy to HKD45.77bn, while operating profit was down 62.4% yoy to HKD1.86bn. In Chinese properties, LNGFOR 27-32s/ROADKG 28-30s were 0.2pt lower to 0.1pt higher. Longfor begins phased early repayment of offshore syndicated loan due Dec'2025. ROADKG failed to obtain the requisite consent from bondholders to amend the terms of five USD bonds ROADKG 28-30s. China IG was 0-2bps tighter. In Macau gaming, MPELs/SJMHOLs/MGMCHIs/WYNMACs/SANLTDs/STCITYs/STDCTY were 0.1pt lower to 0.1pt higher. Wynn Macau 2Q25 operating revenue was flat yoy, while MGM China 1H25 adjusted EBITDA slips 1.4% yoy. See our comments on Macau gaming on 4 Aug'25. TW lifers CATLIFs/SHIKON/NSINTW were 1-3bps wider. Away from Greater China, Japanese AT1s and insurance hybrids edged up c0.25pt, led by NOMURA/DAIL/NIPLIF. SOFTBKs were up 0.1-0.7pt. SoftBank Group 1Q26 net sales rise 7% yoy to JPY1.82tn. Korea space was largely unchanged, with the exception that HYNMTR 30s tightened 1bp amid better-buying.

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Yankee AT1s continued to move up slowly. In SEA, VEDLN 28-33s were unchanged to 0.2pt higher. VEDL announced all-time high 1Q EBITDA. See our comment yesterday. KBANK 31s were 2bps tighter and BBLTB unchanged. PETMKs were unchanged to 2bps wider.

## ❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|---|---|---|---|---|---|
| NWDEVL 8 5/8 02/08/28 | **74.4** | **4.5** | BORLTD 9 1/2 08/07/32 | **97.2** | **-0.7** |
| NWDEVL 5 7/8 06/16/27 | **75.9** | **4.1** | XIAOMI 4.1 07/14/51 | **78.6** | **-0.5** |
| NWDEVL 4 1/2 05/19/30 | **54.7** | **2.8** | HCELEC 4.65 12/29/26 | **62.2** | **-0.5** |
| NWDEVL 4 3/4 01/23/27 | **78.1** | **2.8** | RILIN 6 1/4 10/19/40 | **107.7** | **-0.5** |
| NWDEVL 4 1/8 07/18/29 | **55.9** | **2.5** | VONTOB 9.48 PERP | **112.3** | **-0.4** |

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.08%), Dow (-0.51%) and Nasdaq (+0.35%) were mixed on Thursday. The US latest initial jobless claims was +226k, higher than the market expectation of +221k. UST was higher on Thursday, 2/5/10/30 yield at 3.72%/3.79%/4.23%/4.81%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➢ FUTLAN/FTLNHDs: The 8th tranche of CBICL-guaranteed bonds

| Security name | Amt o/s (USD mn) | Maturity | Coupon | Offer price | YTM (%) |
|---|---|---|---|---|---|
| FTLNHD 4 5/8 10/15/25 | 250.00 | 10/15/2025 | 4.625% | 99.38 | 7.9% |
| FTLNHD 4 1/2 05/02/26 | 404.00 | 5/2/2026 | 4.5% | 93.82 | 13.6% |
| FUTLAN 11.88 06/26/28 | 300.00 | 6/26/2028 | 11.88% | 97.26 | 13.0% |

*Source: Bloomberg.*

On 4 Aug'25, Seazen issued the 8th tranche of CBILC-guaranteed bond. The issue size is RMB1bn and tenor is 5-year. The bond was priced at a coupon rate of 2.68%, close to the tight end of the IPT of 2.5-3.5%. The company started making use of IPs to tap the CBICL-guaranteed bond market since Sep'22. We notice that the tenor of its CBICL-guaranteed bonds has lengthened to 5-year from 3-year and the funding cost has been trending lower. The 2.68% coupon rate of the latest issue is the lowest among 8 tranches issued. These reflect Seazen's improving access to the CBICL-guaranteed bond market. As per the offering documentation, proceeds from latest issue will be used to fund project developments and repay offshore debts. Seazen has a CBICL-guaranteed bond of RMB1bn maturing on 13 Sep'25.

Another sign of Seazen's improving funding access is the completion of the partial tender offers and concurrent new issue of 3-year USD300mn bond in Jun'25. These notably relieved its near-term refinancing pressure. Its high quality IPs (with an occupancy rate of 98%), headroom for secured financing (estimated to be over USD1.5bn) and growing recurring income from IPs (RMB12.2bn in FY24) should offer Seazen good financial flexibility for refinancing requirements over the coming 2-3 years.

### ➢ China Economy: Exports rebounded with headwinds ahead

China's exports notably beat expectations despite further contraction in exports to the US, as ASEAN and Africa made up for 129% of the US loss since Apr. Exports of motor vehicles and chips remained strong while ships, personal computers and cell phones softened. Imports rebounded thanks to robust AI-related demand, as imports volume of copper ore, copper products and integrated circuits further picked up. Soybean imports from the US also quickly rebounded in May and June after the sharp decline in Apr, reflecting the steady progress in US-CN trade negotiations. However, we see more headwinds in 2H25 to curb China's exports: 1) payback effect from export front-loading; 2) potential 25% secondary tariffs as Russian oil purchaser; 3) effective tariffs have increased further after the trade deal, weighing on global demand and supply chain; and 4) 40% tariff on export re-routing and suspension of the de minimis exemption has closed most of the loopholes to circumvent tariff. Looking forward, we expect China's export growth to decelerate from 5.9% in 2024 to 2% in 2025 while import growth may mildly slow down from 1.1% to 0.5%. USD/RMB rates may appreciate from the current 7.15 to 7.1 by year end.

**Exports edged up as exports to ASEAN and Africa compensated the US loss.** Exports bounced up to 7.2% (all on a YoY basis unless specified) in July from 5.9% in June, beating market expectation of 5.8%. Exports to the US further slumped to -21.7% in July from -16.1% in June, as the impact of the tariffs truce faded. Surprisingly, shipments to Africa notably accelerated to 42.4% in July from 34.8% in June, while exports to ASEAN remained robust at 16.6%. Since the tariff shocks, the exports to ASEAN and Africa surged from 7.8% and 10.8% in 1Q25 to 17.5% and 31.2% respectively in 2Q25. The increase in shipments made up for 129% of the export losses to the US since Apr, pointing to potential rerouting of exports in reaction to tariffs. Exports to the EU, Australia, Korea and Canada rebounded, while Japan, the UK and Russia moderated. Trade surplus narrowed to US$98bn in July from US$115bn.

**Exports performance of transport equipment and tech products polarized.** The two major drivers in exports have seen increasing divergence since the tariff shocks. Motor vehicles saw another strong growth of 18.6% in July, while ship exports recorded its first YoY decline in two years at -1.5%. Integrated circuits further surged to 29.2% in July from 24.2%, while cell phone and personal computer further contracted 9.6% and 21.8% in July. Low value-added exports including textile yarn, travel goods & bags, garment and toys declined further, as well as the housing-related products including furniture and lamps & lighting products. Rare earth exports recovered to -17.6% in July from -46.9%, indicating a partial easing of transport restrictions.

**Imports rebounded as AI-related demand remained robust.** China's imports of goods increased to 4.1% in July from 1.1% in June, better than the market expectations of 0.3%. Imports from the US steadied at -18.9%. AI-related demand was strong, as the import volume of copper ore and copper products rose 18% and 9.1% in July compared to 1.7% and 5.5% in June, while integrated circuits, the largest import category, picked up to 12.2%. For energy products, import volume of crude oil rebounded by 11.5% in July while coal and natural gas dropped by 22.9% and 2.1%. Machine tools, steel products & ore, rubber and plastics dropped in import volume, possibly indicating the softening industrial activities in China. Import volume of crops rebounded as grains and soybeans rose to 1.1% and 18.4% in July. It is worth noting that soybean imports from the US quickly rebounded from -43.7% in Apr to 28.6% and 20.6% in May and June, reflecting the steady progress of US-CN trade negotiations.

**Exports to soften in 2H25.** The CN-US trade negotiations are progressing slowly and steadily, as both sides are about to extend the deadline for another 90 days. However, we see more headwinds in 2H25 to curb China's exports: 1) payback effect from export front-loading in 1H25; 2) Trump just vowed additional tariffs for Russia oil buyers, potentially including China, with rates up to the 25% currently imposed on India; 3) effective tariffs have increased further after the trade deal with major trading partners including the EU, Japan and Asian countries, weighing on the global demand and supply chain; and 4) 40% tariff on export re-routing and suspension of the de minimis exemption has closed most of the loopholes to circumvent tariff. Looking forward, we expect China's export growth to decelerate from 5.9% in 2024 to 2% in 2025 while import growth may mildly slow down from 1.1% to 0.5%. USD/RMB rates may appreciate from the current 7.15 to 7.1 by year end.

Click [here] for the full report.

## Offshore Asia New Issues (Priced)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|---|---|---|---|---|---|
| No Offshore New Issues Priced Today | | | | | |

## Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|---|---|---|---|---|---|
| No Offshore New Issues Pipeline Today | | | | | |

## News and market color

- Regarding onshore primary issuances, there were 152 credit bonds issued yesterday with an amount of RMB148bn. As for month-to-date, 501 credit bonds were issued with a total amount of RMB507bn raised, representing a 17.6% yoy increase
- **[AVIILC]** Media reported AVIC plans to take direct control of AVIC International Leasing via an equity restructure
- **[HYUELE]** SK Hynix, along with Samsung Electronics, will be exempt from 100% US tariffs on semiconductors under the trade agreement between US and the South Korea
- **[LNGFOR]** Longfor begins phased early repayment of HKD9.3bn offshore syndicated loan due Dec'25
- **[MGMCHI]** MGM China 1H25 adjusted EBITDA slips 1.4% yoy to HKD4.9bn (cUSD622mn)
- **[MONMIN]** Mongolian Mining expects a consolidated net loss of USD15-25mn for 1H25, compared with a consolidated net profit of USD132.9mn in 1H24
- **[NWDEVL]** New World Development dismisses reports of take-private offer by controlling shareholder, Blackstone
- **[ORIX]** ORIX 1QFY26 revenue rises 8.5% yoy to JPY768.6bn (cUSD5.2bn)
- **[RAKUTN]** Rakuten Group to early redeem JPY16.8bn RAKUTN 1.81 11/04/55 on 4 Nov'25, the first optional redemption date, at par
- **[ROADKG]** Road King fails to obtain requisite consent for all series under consent solicitation
- **[SOFTBK]** SoftBank Group 1QFY26 net sales rise 7% yoy to JPY1.8tn (cUSD12.4bn)
- **[WYNMAC]** Wynn Macau 2Q25 operating revenue down 0.2% yoy to USD883.5m

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