

## CMBI Credit Commentary

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

- The new TOPTB 6.1 Perp was 0.2-0.4pt higher from RO at 99.967 this morning on back of PB buying. The new SOCGEN 7.125 Perp was largely unchanged from RO at par. CDHIIN 26/CHIYBK 32/LNGFOR 32 were 0.4-0.8pt higher. EHICAR 26/VLLPM 29 were 0.6-0.7pt lower.*
- Asia bonds issuance:** Will net redemption trend to reverse in 2026? See below.*
- HSBC:** HSBC agreed to pay cEUR300mn (cUSD350mn) to settle French claims over alleged dividend tax fraud. HSBCs and European AT1s were unchanged this morning.*

#### ❖ Trading desk comments 交易台市場观点

Yesterday, Asian IG credits traded in a mixed and balanced tone, with spreads broadly moving from 2bps tighter to 2bps wider amid ongoing primary supply digestion. In the Middle East, the new FABUH 4.299 01/13/31 was up by 0.1pt amid steady two-way flows and supported by balanced interests from private banks, lifers, banks and fast money accounts. The recent KSA 29-56s softened by 0.3pt, with more noticeable selling pressure on the longer-duration tranches KSA 36-56s. In KR space, recent new issues EIBKOR 29-41s leaked 1-2bps wider. TW lifers, MEITUA 35s and Australian T2s also widened 1-2bps. In contrast, front-end beta tranches FRESHK 26-28s and BNKEA 32 tightened 6bps amid AM topping. In Chinese AMC space, we saw better-buying interests in CCAMCL 27-30s, which were up to 9bps tighter. WESCHI 28 rose 1.0pt. The Macau gaming complex were unchanged to 0.2pt lower. See our comments on SJMHOL [yesterday](#). The NWDEVL/VDNWDL complex were 0.4pt lower to 0.2pt higher. FAEACO 12.814 Perp was 0.1pt lower. Media reported that NWD-Far East Consortium JV got an 8-month extension for loan, borrowed by Rich Fast International and backed by the Pavilia Forest project in the Kai Tak. In Chinese properties, LNGFOR 27-32 led the space and rose 0.6-1.0pt. VNKRLE 27-29 were 0.1-0.5pt lower. Greater China AMs continued to buy Japanese and Yankee AT1s HSBC/NOMURA, despite relatively timid flows from London. In SE Asia space, TOPTB 28-30s were 1-5bps tighter, while TOPTB 43-50s traded 4-8bps wider. See comments on TOPTB [yesterday](#). GARUDA 31s/VLLPM 27-29 were unchanged to 0.1pt higher. VEDLN 28-33s were down by 0.1-0.2pt. LGFV space remained upbeat thanks to persistent deployment buying from RMs, taking offers from HFs and tactical investors.

**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** 張鈺婧  
(852) 3900 0830  
zhangyujing@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LNGFOR 3 3/8 04/13/27	<b>94.5</b>	<b>1.0</b>	CHIYBK 5 3/4 04/07/32	<b>99.4</b>	<b>-0.6</b>
WESCHI 9.9 12/04/28	<b>99.4</b>	<b>1.0</b>	SAMTOT 5 1/2 07/18/29	<b>98.4</b>	<b>-0.6</b>
LNGFOR 4 1/2 01/16/28	<b>91.0</b>	<b>0.9</b>	TAQUAUH 3.4 04/29/51	<b>71.4</b>	<b>-0.6</b>
LNGFOR 3.95 09/16/29	<b>81.0</b>	<b>0.8</b>	ARAMCO 5 3/4 07/17/54	<b>96.6</b>	<b>-0.6</b>
GRNLGR 6 1/4 12/16/28	<b>12.5</b>	<b>0.7</b>	TAQUAUH 4 10/03/49	<b>80.5</b>	<b>-0.5</b>

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.01%), Dow (+0.55%) and Nasdaq (-0.44%) were mixed on Thursday. The US latest initial jobless claims was +208k, lower than the market expectation of +213k. UST yield was higher on Thursday. 2/5/10/30 year yield was at 3.49%/3.74%/4.19%/4.85%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➤ Asia bonds issuance: Will net redemption trend to reverse in 2026?

#### **Gross USD issuance of Asia Pacific increased 26.1% in 2025**

In 2025, the gross issuance of USD bonds in Asia Pacific increased by 26.1% yoy to USD385.0bn. China (USD106.1bn), Japan (USD92.0bn), and Australia (USD51.3bn) were the top issuers. 65.9% of the gross issuance amount were IGs. By sector, financials (37.9%), sovereigns (14.6%) and real estate (10.3%, of which 74% were issued under restructuring) were the top issuers.

We have a hectic start in 2026. Up to 9 Jan'26, the gross issuance of USD bonds in Asia Pacific was USD22.0bn, compared to a total of USD41.0bn in the full January in 2025. Japan (USD9.4bn), South Korea (USD4.6bn) and Australia (USD2.5bn) were the top issuers. 91.8% of the gross issuance amount were IGs. The overall supply was digested constructively, with most tranches, both fixed and FRN, settling 2-5 bps tighter than reoffer levels. China supply was light.

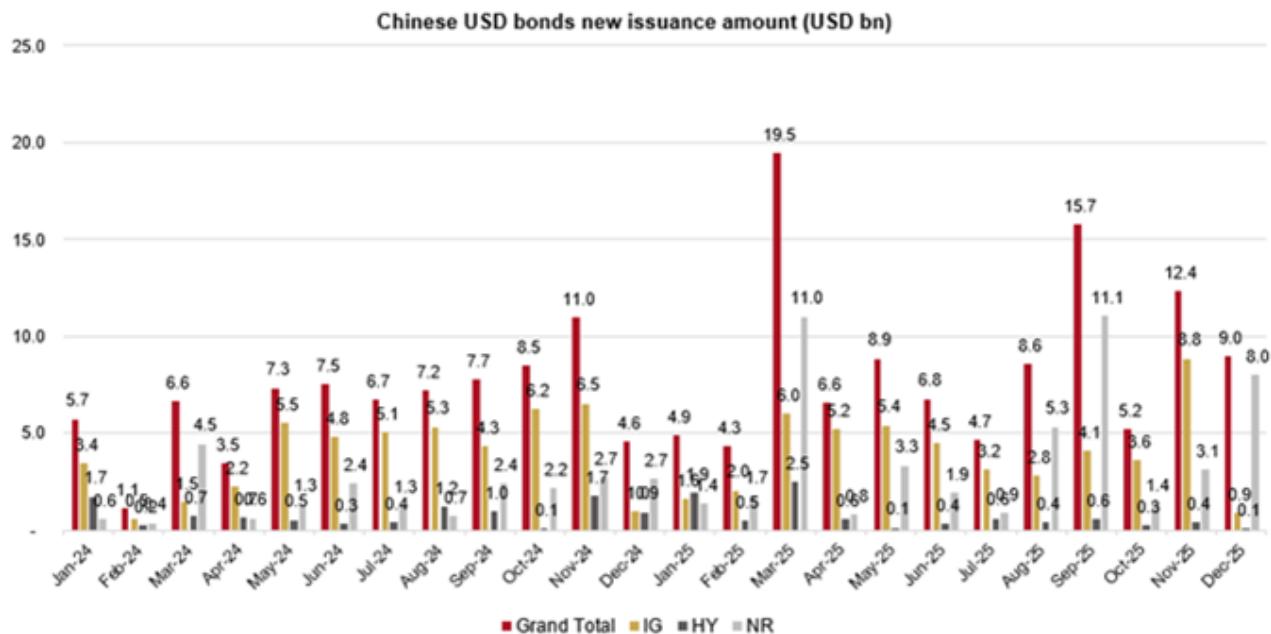
#### **Gross USD issuance of Asia ex-JP, AU & NZ increased 20.5% in 2025**

In 2025, the gross issuance of USD bonds in Asia ex-JP increased by 20.5% yoy to USD237.2bn. China (USD106.1bn), South Korea (USD40.0bn) and Hong Kong (USD26.9bn) were the top issuers. 55.3% of the gross issuance amount were IGs. By sector, financials (28.1%) and sovereigns (20.5%) and real estate (16.5%, of which 75% were issued under restructuring) were the top issuers.

Up to 9 Jan'26, the gross issuance of USD bonds in Asia ex-JP, AU & NZ was USD10.1bn, compared to a total of USD26.9bn in the full January of last year. South Korea (USD4.6bn), China (USD1.7bn) and Hong Kong (USD1.2bn) were the top issuers. 83.2% of the gross issuance amount were IGs.

#### **Gross USD issuance of China increased 36.7% in 2025**

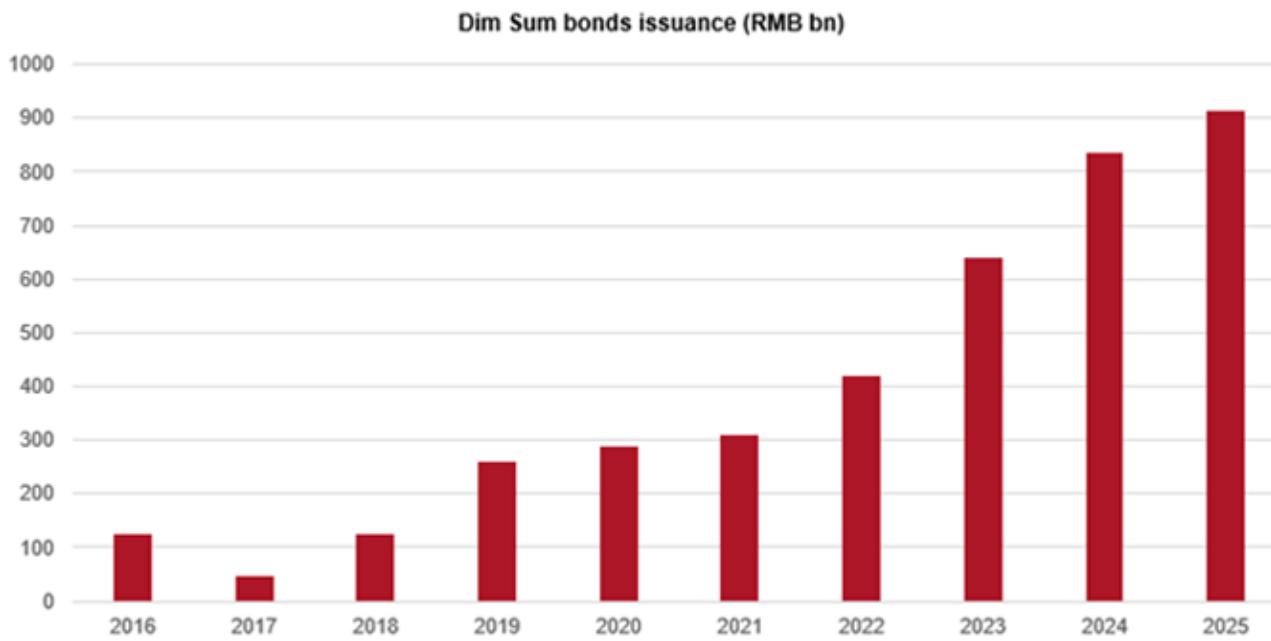
In 2025, Chinese USD bonds gross issuance totaled USD106.1bn, increased 36.7% yoy. IGs, HYs, and unrated contributed 45.3%, 7.7% and 47.0% of the gross issuance amount in 2025, respectively. By sector, LGFVs (28.6%), real estate (28.3%, of which 97% were issued under restructuring) and financials (27.5%) were the top issuers.



Source: Bloomberg.

### Another record breaking year for Dim Sum bonds issuance

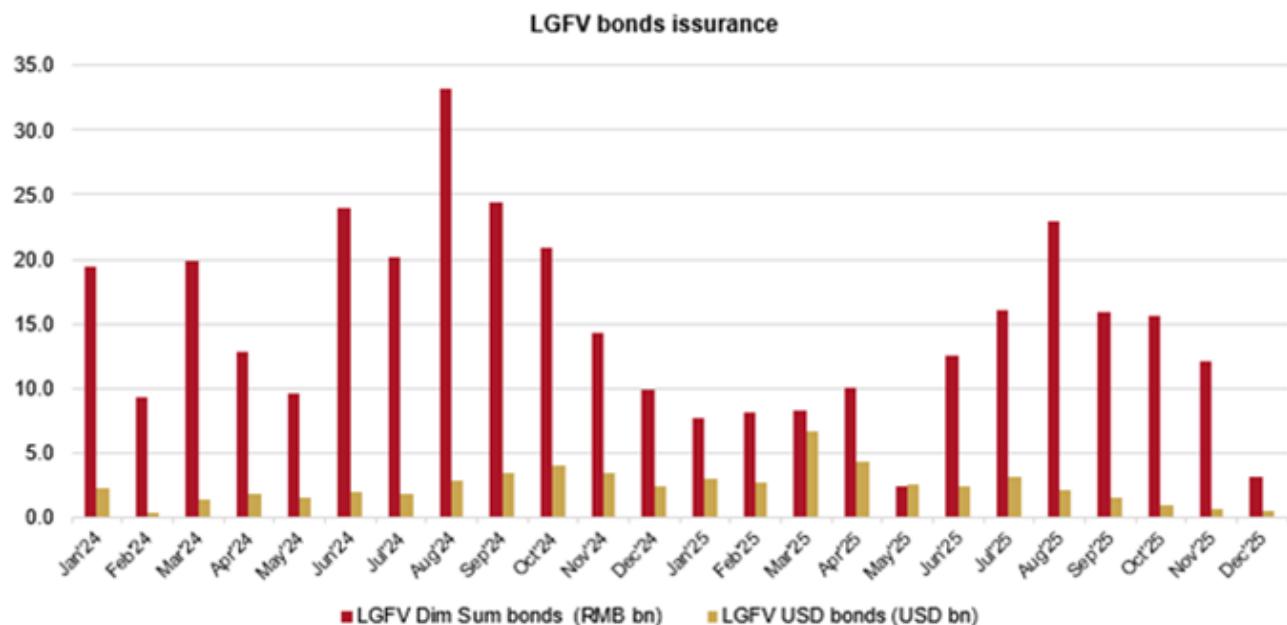
In 2025, the gross issuance was RMB914.3bn, up 9.4% yoy. Out of this, the gross issuance of Asia ex-JP Dim Sum bonds totaled RMB784.8bn, increased 10.0% yoy. 2025 is another record year for Dim Sum bond issuance with improving issuer profile and expanding investor base. We saw debut issuers such as Tencent and Meituan.



Source: Bloomberg.

### Higher USD but lower Dim Sim issuance from LGFVs

In 2025, the gross USD issuance of LGFVs increased by 11.0% yoy to USD30.7bn but Dim Sum issuance decreased by 38.1% to RMB134.9bn, decreased 38.1% yoy. We view the lower LGFV Dim Sum bonds issuance in 2025 was partly due to the tightened regulatory environment for onshore investors starting from 4Q24 by limiting Southbound Bond Connect allocations to LGFV Dim Sum bonds.



Source: Bloomberg.

### Competing funding channels are key moving parts for reversal of net redemption trend

Despite higher gross issuance, the gross USD issuance in Asia Pacific and Asia ex JP, AU & NZ had experienced net redemption over the past 4 years. Since 2024, the scheduled maturity in our universe has been on the decline, reflecting the sharply lower gross issuance from 2022 onwards and the significant amount of early redemptions over the past few years. We see the possibility of net redemption trend to reverse in 2026. To illustrate, assuming gross issuance in Asia ex JP, AU & NZ to increase 15-20% in 2026, we estimate that the net issuance to be USD18-30bn in 2026, reversing the trend of net redemptions since 2022. The major moving parts will be the size of early redemptions and the size of potential gross issuance diverted into other lower-cost funding alternatives such as onshore loans and bonds.

### ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
DAE Funding LLC/ Dubai Aerospace	600	7yr	4.95%	T+120	Baa2/-/BBB
Korea Housing Finance Corporation	500/	3yr/	SOFR+49/	SOFR+49/	Aa2/AA/-
	500	5yr	CT5+36	CT5+36	
SJM International	540	5NC2	6.5%	6.5%	B1/-/BB-
STC Sukuk Company II/ Saudi Telecom	750/	5yr/	4.489%	T+75/	A3/-/A+
	1250	10yr	5.083%	T+90	
Thaioil Treasury Center Company	600	PerpNC5.25	6.1%	6.1%	Ba2/BB/-
Turkiye Government International Bond	2000/	7yr/	6.3%	6.35%	Unrated
	1500	12yr	6.875%	6.9%	

➤ **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 112 credit bonds issued yesterday with an amount of RMB101bn. As for month-to-date, 365 credit bonds were issued with a total amount of RMB306bn raised, representing a 18% yoy decrease
- **[ACAFP]** Credit Agricole priced SGD540mn 6NC5 senior non-preferred bond at 2.75%, tightened from IPT at 3.05%
- **[CHIOIL]** China Oil and Gas repurchased USD 39mn of CHIOIL 4.7 06/30/26, USD361mn in aggregate principal amount remain outstanding
- **[GLENLN/RIOLN]** Rio Tinto is in talks to buy Glencore to create the world's biggest mining company with a combined market value of more than USD200bn
- **[MINMET]** Minmetals Land to redeem all of the o/s USD48.826mn MINMET 4.95 07/22/26 on 15 Jan'26
- **[NWDEVL]** NWD-Far East Consortium JV obtained 8-month extension for loan backed by Pavilia Forest project in Kai Tak Hong Kong
- **[SINOPE]** China has approved the restructuring of China Petrochemical Corporation and China National Aviation Fuel Group
- **[VEDLN]** Delhi HC agreed to hear Vedanta's petition against Indian government's refusal to extend CB/OS-2 contract

*Fixed Income Department*

Tel: 852 3657 6235/ 852 3900 0801

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

**Author Certification**

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.