

CMBI Credit Commentary

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

- *Asia IG spreads widened 5bps this morning amid the rates backdrop. The recent new issues TENCNT '36s/'46s widened 3-5bps, while TW lifers were 5bps wider and FRNs widened 1-2bps. KR front-end paper widened 2-3bps, with corporates remaining heavy. GENTMK perps fell 0.8-0.9pt, GLPSPs declined 0.7-0.8pt, and SOFTBKs were unchanged to 0.8pt lower.*
- **CCAMCL:** *FV of the new CCAMCL '30 to be SOFR+100bps vs IPT at SOFR+140bps. We saw selling flows in front-end CCMACL '28/29 this morning. See below.*
- **NWDEVL/VDNWDL:** *NWD accepted USD33.519mn NWDEVL 4.75 01/23/27, USD20.338mn NWDEVL 5.875 06/16/27, and USD145.224mn NWDEVL 8.625 02/08/28 as of the early tender deadline; to issue USD189.1mn in new bond due in 2032. NWDEVLs/VDNWDLs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, KR new issues were mixed, with KORELE 3bps wider, KEBHNB moved 2bps wider to 2bps tighter, and HWEUHC 8bps tighter, although we saw very heavy flipping in the morning before stabilizing in the afternoon, with additional buying in HWEUHC supported by its KDB-guaranteed structure. Seasoned KR bonds widened heavily in response to the relative pricing, such as SKONKR/KOROIL widened 3bps, SKBTAM/CITNAT/INDKOR widened 4bps, catching up with the broader weakness over recent sessions. Following the supply-led repricing, valuations at the KR front-end looked more balanced, opening up room for RV opportunities. The new TENCNT '36s/'46s tightened 3bps and 10bps, respectively, supported by their relatively generous pricing levels, while the outstanding curve widened 1-3bps. The new DAHSIN '37 closed unchanged after trading as much as 3bps tighter. Elsewhere in China credit, we saw further selling in the belly, including AACTEC/CNMDHL/XIAOMI. TW lifers stabilized, but CATLIF '41 remained heavy. JP FRNs were better offered, particularly 5yr NTT and bank paper MIZUHO/MUFG/SUMIBK.

In higher-yielding space, JP insurance subs bonds gained 0.1-0.2pt as demand reemerged from domestic JP accounts and RM. European AT1s and insurance subs also firmed by 0.1-0.2pt, supported by AM and PB buying, albeit in moderate clips. High-yielding USD LGFVs were marginally better bid on modest RM buying. In CNH space, the new TENCNT '36/'56 held around par despite the sizeable issuance, but the rest of space remained soft. 10yr CNH issues remained better offered, led by tech/non-Chinese/insurance names amid Prudential's new CNH bond mandate announcement, whilst we also saw cross boarder RM switching out of selected 3-5yr papers. High-yielding CNH LGFVs also had a weak session as yields retracted by

Cyrena Ng, CPA 吴倩莹
 (852) 3900 0801
 cyrenang@cmbi.com.hk

Jerry Wang 王世超
 (852) 3761 8919
 jerrywang@cmbi.com.hk

CMBI Fixed Income
 fis@cmbi.com.hk

from YTD tightens. HF and tactical investors hitting bids in attempt to realize profits and recycle cash for USD assets and/or anticipated new issues into Nov'26. We saw onshore AAA-guaranteed papers faced further AM selling, with yields moving back to above 3% where buying interest began to emerge. Other higher-quality, non-guaranteed names under selling this week stabilized at mid-to-high-3%.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ANGSJ 6 1/2 04/15/40	100.1	0.9	CKINF 4 PERP	63.3	-2.0
GLENLN 5.893 04/04/54	91.7	0.6	SOFTBK 9 1/4 04/01/32	100.1	-0.7
CRNAU 9 1/4 10/01/29	80.4	0.5	SOFTBK 9 3/4 04/01/34	100.2	-0.7
MTRC 5 1/4 04/01/55	91.4	0.5	NUFAU 5 01/27/30	92.7	-0.7
TACHEM 5.8 07/05/64	90.6	0.5	PALPM 7 3/4 07/16/31	92.4	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.11%), Dow (-0.09%) and Nasdaq (-1.88%) were weak on Wednesday. US Sep'26 CPI was +3.7% yoy, higher than the market expectation of +3.6% yoy. US Sep'26 Core CPI was +2.6% yoy/+0.3% mom, higher than the market expectation of +2.5% yoy/+0.2% mom. 2yr UST yield was higher yesterday while 10/30 yr was lower. 2/5/10/30 year UST yield was at 4.82%/5.00%/5.19%/5.52%.

❖ Desk Analyst Comments 分析员市场观点

➤ CCAMCL: FV of the new CCAMCL '30 to be SOFR+100bps vs IPT at SOFR+140bps

Cinda AMC proposes to issue a 3.5yr senior unsecured USD bond (S&P: BBB+). We view the FV of the new CCAMCL '30 to be SOFR+100bps vs. IPT at SOFR+140bps, taking cues of the valuations of its own curve. The bond will be issued by China Cinda (2020) I Management Limited, and guaranteed by its parent, China Cinda (HK) Holdings Company Limited, a wholly-owned subsidiary of Cinda AMC. The terms include a par call three months before maturity and a CoC put at 101%. Proceeds will be used to repay debt, which should help partly refinance its USD1.7bn CCAMCL 4.4 Perp on 3 Nov'26 following the redemption notice dated 16 Sep'26. Concurrently, Cinda AMC proposes to issue 2.5yr HKD senior unsecured fixed rate bond to repay debt.

In 1H26, Cinda AMC's total income from continuing operations fell 28.0% yoy to RMB22.6bn, reflecting the absence of RMB7.2bn of associate investment gains recorded in 1H25, higher FX losses and lower interest income, partly offset by higher gains on distressed debt assets and other financial instruments. Lower impairment charges and funding costs, alongside higher contributions from associates and JVs, supported a recovery in continuing pre-tax profit to RMB130.9mn from a RMB3.7bn loss. However, a swing from tax credit to tax expense widened the continuing net loss to RMB349.5mn from RMB122.6mn. Annualized ROAA/ROAE declined to 0.09%/0.33% in 1H26 from 0.11%/2.16% in 1H25, respectively, while the cost-to-income ratio improved to 25.8% from 33.6%.

Asset quality in the acquisition-restructuring portfolio weakened further. The impaired asset ratio increased to 77.4% as of Jun'26 from 41.7% as of Dec'25, while provision coverage declined to 43.3% from 70.9%. The portfolio's net carrying value fell to RMB17.1bn from RMB21.7bn, with property accounting for 79.6% of its gross balance. Capital headroom also narrowed, with the CET1 ratio fell 69bps to 9.04% from 9.73% as of Dec'25, leaving only 4bps above the 9.0% regulatory minimum; Tier 1 and total capital ratios both stood at

13.5%. We continue to take a top-down view of Cinda AMC's credit, as we view the AMC sector as strategically important to maintain the stability of the Chinese financial system, which support our expectation of continued policy support and funding access.

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

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

➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
China Cinda (2020) I Management Limited	USD	-	3.5yr	SOFR+140	-/BBB+/-
Halcyon Agri Corporation Limited	USD	-	PerpNC3	8.0%	-/BBB-

➤ **News and market color**

- Regarding onshore primary issuances, there were 121 credit bonds issued yesterday with an amount of RMB114bn. As for month-to-date, 456 credit bonds were issued with a total amount of RMB477bn raised, representing a 39.8% yoy increase
- [NWDEVL/VDNWDL]** FNWD accepted USD33.519mn NWDEVL 4.75 01/23/27, USD20.338mn NWDEVL 5.875 06/16/27, and USD145.224mn NWDEVL 8.625 02/08/28 as of the early tender deadline; to issue USD189.1mn in new bond due in 2032

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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