

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!

- *The new CNH TEMASE 30/35/55 were unchanged to 0.2pt lower this morning. The new CNH CHMEDA 30/35 were down 0.2pt. LGENSO 27-35s tightened 1-3bps following the its 2Q25 operating profit rose 31% qoq from 1Q25.*
- **HYUELE:** *Leverage declined as 2Q25 profit hit a record-high. Maintain buy on HYUELEs. HYUELE 1 ½ 01/19/26 and HYUELE 2 ¾ 01/19/31 were 2-5bps tighter post results announcement, while HYUELE 6 ¼ 01/17/26 and HYUELE 6 ¾ 01/17/28 were 2-5bps wider. See below.*
- **ROADKG:** *Road King, CVC seek full exit from Indonesian toll road business for USD1bn. ROADKG 28-30s were 0.2-2.3pts lower yesterday and were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, in Chinese IGs, TENCNT 30/BABA 31 tightened 1bp, MEITUA 30 widened 1bp. ZHOSHK 28 tightened 5bps on onshore AM buying. In financials, CMINLE/CSILTD/BCLMHK Float 27-30s were unchanged to 2bps tighter amid mixed flows. SUMIBK/MIZUHO 30-31s were 1-2bps tighter. BBLTB 36-40s closed 1-3bps tighter. In insurance, CATLIF 34 tightened 1bp, NSINTW 34 widened 1bp. MYLIFE/NIPLIF 55s were up 0.1pt. In AT1s, BNP 7.75/HSBC 6.95 Perps were up 0.2-0.4pt. EFGBNK 5.5/INTNED 4.25 Perps were up 0.4-0.6pt. In HK, DAHSIN/BNKEA 32-34s were 1-2bps tighter on PB buying. REGH 6.5 Perp/HYSAN 4.1 Perp/LASUDE 26 lowered 0.5-0.9pt. In Chinese properties, ROADKG 28-30s were 0.2-2.3pts lower, ROADKG Perps were unchanged. Road King launched a holder identification for all of its three perps. Outside properties, WESCHI 26 was 1.7pts higher following 1H25 positive profit alert. See our comments on 24 Jul '25. FOSUNI 25-28s were up 0.1-0.5pt following Fosun announced to early redeem its o/s USD178.9mn FOSUNI 5.95 25 at 101 on 22 Aug'25. In SEA, GLPSP Perps were up 0.4-0.5pt. VLLPM 29 was down 0.7pt.

In CNH space, the new CNH TEMASE 1.85 30/TEMASE 2.05 35 were 0.1-0.2pt lower, while TEMASE 2.55 55 was 0.3pt higher from ROs at par. The new CNH CHMEDA 2 30/CHMEDA 2.3 35 were 0.2-0.3pt lower from ROs at par. In LGFVs, there were two way interests on CNH names such as

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

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

LZINHO 7.5 28s/SDCDGP 5.5 28s/ZOUCAO 6.9 27s and USD names such as JZSOCO 6.5 28s/CHDOHU 7.6 28s/QICHEN 7 27s. In SOE perps, CHPWCN Perp was up 0.1pt. SPICPD Perp was down 0.1pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
WESCHI 4.95 07/08/26	92.3	1.7	ROADKG 5.9 09/05/28	24.8	-2.3
GRNLGR 5 7/8 07/03/30	23.2	1.3	ROADKG 5.2 07/12/29	23.7	-2.3
NSANY 7 3/4 07/17/32	101.4	0.7	ROADKG 6.7 03/30/28	25.1	-1.4
NSANY 4.81 09/17/30	91.4	0.6	ROADKG 6 03/04/29	24.6	-1.2
EFGBNK 5 1/2 PERP	97.2	0.6	REGH 6 1/2 PERP	21.7	-0.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.07%), Dow (-0.70%) and Nasdaq (+0.18%) were mixed on Thursday. US Jul'25 S&P Global Manufacturing PMI was 49.5, lower than the market expectation of 52.7. US Jul'25 S&P Global Services PMI was 55.2, higher than the market expectation of 53.0. Trump and Powell clash at Fed headquarters. UST yield was higher on Thursday, 2/5/10/30 yield at 3.91%/3.98%/4.43%/4.96%.

❖ Desk Analyst Comments 分析员市场观点

➤ HYUELE: Leverage declined as 2Q25 profit hit a record-high. Maintain buy on HYUELEs

We maintain buy on HYUELEs in view of SK Hynix's resilience against trade war given its strong market position globally and solid operating cash flow, as well as HYUELEs' more balance risk-return profile. Within the HYUELE complex, we prefer HYUELE 1 ½ 01/19/26 and HYUELE 2 ¾ 01/19/31 most for lower cash prices. At 98.5 and 88.4, HYUELE 1 ½ 01/19/26 and HYUELE 2 ¾ 01/19/31 was traded at YTM of 4.7%/Z+34bps and YTM of 4.8%/Z+117bps, respectively. HYUELEs also provide 6-30bps yield pick-up over Micron's bonds.

Table 1: Bond profiles of HYUELEs

Security Name	Amt o/s (USDmn)	Coupon	Mod Dur	Ask px	YTM	Z-Spread (bps)	Rating (M/S/F)
HYUELE Float 11/17/25	300	6.024%	0.1	100.4	4.8%	46	Baa2/-/BBB
HYUELE 6 ¼ 01/17/26	750	6.250%	0.5	100.7	4.7%	35	Baa2/BBB-/BBB
HYUELE 1 ½ 01/19/26	1000	1.500%	0.5	98.5	4.7%	34	Baa2/BBB-/BBB
HYUELE 5 ½ 01/16/27	500	5.500%	1.4	101.2	4.6%	79	Baa2/BBB-/BBB
HYUELE 6 ¾ 01/17/28	1000	6.375%	2.3	104.0	4.7%	102	Baa2/BBB-/BBB
HYUELE 5 ½ 01/16/29	1000	5.500%	3.1	102.6	4.7%	108	Baa2/BBB-/BBB
HYUELE 2 ¾ 01/19/31	1000	2.375%	5.0	88.4	4.8%	117	Baa2/BBB-/BBB
HYUELE 6 ½ 01/17/33	750	6.500%	5.9	108.0	5.2%	145	Baa2/BBB-/BBB

Source: Bloomberg.

SK Hynix achieved record-high revenue and operating profit in 2Q25, reflecting robust industry demand. This growth was primarily driven by aggressive AI investments from leading tech companies, as well as customers accelerating inventory purchases ahead of changes in tariff policies.

DRAM bit shipments rose by mid-20% qoq, fueled by the full-scale expansion of 12-high HBM3E product. The ASP of DRAM increased by a low-single digit qoq despite higher shipments of lower-priced conventional DRAM products, indicating a favorable mix shift toward HBM products. NAND bit shipments surged 70% qoq, reflecting strong demand across all applications. However, the ASP declined by a high single-digit qoq due to intensified pricing competition.

SK Hynix expects DRAM bit shipments to grow by low-to-mid single digit in 3Q25, while the increase in NAND bit shipments to be limited. The company maintains its projection that HBM demand in 2025 will double compared to 2024. SK Hynix shipped the industry's first HBM4 samples to customers in Mar'25 and is currently collaborating with partners for performance optimization. We expect SK Hynix's revenue and operating profit growth momentum to continue in 2025, supported by strong demand for memory used in AI services, which should drive higher HBM bit shipments.

As at Jun'25, the cash balance of SK Hynix increased by 19% qoq to KRW17.0tn, attributable to higher operating cash flow as well as lower capex during 2Q25. The company expects the capex will be higher than its original plan, particularly for HBM-related equipment, with the final investment scale to be determined after negotiation with key customers. Besides, the M15X fab is scheduled to open in 4Q25 and will begin full-scale DRAM (incl. HBM) production in 2026. Construction of Yong-in fab (Phase 1) remains on track for completion in 2Q27. That said, we expect the management to remain disciplined in expansion, with capex continue to be funded by cash on hand and operating cash flow.

SK Hynix's leverage was lower as of Jun'25. Net debts decreased by 46% qoq to KRW4.9tn from Mar'25, while the total debt/LTM EBITDA and net debt/LTM EBITDA fell to 0.5x and 0.1x, respectively. SK Hynix upcoming USD bond maturities are HYUELE Float 11/17/25 of USD300mn due in Nov'25, and two USD bonds totaled USD1.75bn due Jan'26. We expect SK Hynix to refinance these maturing bonds at reasonable costs in view of its strong operating cash generation and good access to different funding channels

Table 2: SK Hynix 2Q25 financial highlights

KRWbn	2Q25	2Q24	yoy change	1Q25	qoq change
Revenue	22,232	16,423	35%	17,639	26%
-DRAM	17,119	10,839	58%	14,111	21%
-NAND	4,669	5,091	-8%	3,175	47%
-Others	445	493	-10%	353	26%
Gross profit	11,983	7,496	60%	10,102	19%
Operating profit	9,213	5,468	68%	7,441	24%
EBITDA	12,645	8,591	47%	10,769	17%
Net profit	6,996	4,120	70%	8,108	-14%
Operating cash flow	9,208	5,697	62%	9,075	1%
Capex	4,332	2,079	108%	6,284	-31%
Gross profit margin	54%	46%	8 pct pt	57%	-3 pct pt
Operating profit margin	41%	33%	8 pct pt	42%	-1 pct pt
EBITDA margin	57%	52%	5 pct pt	61%	-4 pct pt
Net profit margin	31%	25%	6 pct pt	46%	-14 pct pt
	Jun'25	Dec'24	Change	Mar'25	Change
Cash and equivalent	16,962	14,156	20%	14,311	19%
Total debt	21,841	22,684	-4%	23,334	-6%
Net debt	4,879	8,528	-43%	9,023	-46%
Net debt/equity	6%	12%	-6 pct pt	11%	-5 pct pt
Total debt/LTM EBITDA	0.5x	0.6x	-	0.6x	-
Net debt/LTM EBITDA	0.1x	0.2x	-	0.2x	-

Source: Company filling, CMBI Research

➤ 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	Pricing	Issue Rating (M/S/F)
Dazhou Kaisheng Construction Development Group	USD	-	3yr	7.0%	Unrated
Sichuan Zigong Huidong Development	USD	-	3yr	6.8%	Unrated
Tianjin Binhai New Area Construction & Investment Group	USD	-	3yr	5.8%	Baa2/-/-

➤ News and market color

- Regarding onshore primary issuances, there were 134 credit bonds issued yesterday with an amount of RMB137bn. As for month-to-date, 1,722 credit bonds were issued with a total amount of RMB1,842bn raised, representing a 15.8% yoy increase
- [ADEIN]** Adani Enterprises and MetTube partner to build copper tube ecosystem
- [ADTIN]** Adani Energy 1QFY26 total EBITDA rises 14.5% yoy to a record high of INR20.17bn (cUSD233.5mn)
- [CERCG]** China Energy Reserve and Chemicals Group adjourns meetings for six bonds due to lack of quorum
- [COGARD]** Media reported Country Garden agrees to key terms with key bank creditors on offshore restructuring
- [FOSUNI]** Fosun unit looking to issue RMB1bn yulan bonds by mid-Aug'25
- [IDASAL]** Danantara looks to buy Jiangsu Delong smelter unit in Indonesia through MIND ID
- [JD]** JD.com in advanced talks to buy German retailer Ceconomy for EUR2.2bn (cUSD2.6bn)
- [MONMIN]** Mongolian Mining 2Q25 washed coking coal sales drop 25% yoy to 1.74mn tons
- [SAMIND]** Samsung Heavy Industries 1H25 sales rise 6% yoy to KRW5.18tn (cUSD3.76bn)
- [SANLTD]** Sands China eyes USD2.7bn annual EBITDA run rate
- [SINOPE]** Sinopec 1H25 oil and gas production rises 2% yoy to 262.81mn barrels of oil equivalent
- [SOFTBK]** SoftBank-backed tech startup InMobi plans India IPO at up to USD6bn valuation

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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