

CMBI Credit Commentary

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

- *The new NOMURA Float 29-31 tightened 5-7bps from ROs, while fixed-rate NOMURA 29-36s were unchanged from ROs. The new LYURBN 29 leaked 1.0pt from RO at par. The new CNH SIASP 31 edged 0.5pt higher from RO at par. See our comments [yesterday](#). The new CNH HNYUZI 29 hovered around RO at par.*
- **SNE:** *We consider the pricing of the new SNE 31-36 to be tight, which widened 2-3bps this morning from RO at T+40 and T+60, respectively. See below.*
- **BABA:** *Media reported Alibaba Group is planning to sell its gaming brand Lingxi Games for up to RMB9bn (cUSD1.3bn) BABAs were largely unchanged this morning amid better selling.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new NIPDES 31s tightened 7bps from RO at T+58. The new NHSECS 29s/31s widened 5-7bps from initial pricing at T+105 and T+110, respectively, amid thin liquidity. The new POINTL 31s traded 8bps wider from RO at T+90, while the existing POSCO complex closed unchanged to 3bps wider. As for the other KR names, DAESECS/HANFGIs widened 5bps. SKONKR/NHNCOR/HIGHWY were 2-6bps wider amid Chinese AM selling. In Chinese IG space, 5-10yr TMT names TENCNT/MEITUA/KUAISH traded 3-5bps wider on the back of heavy selling. HK T2s/HKE 36s/TW lifers also widened 2-5bps. As for higher-yielding issues, the Macau gaming complexes were up to 0.5pt lower. WESCHI 28-29 were down 1.2-1.3pts. In Chinese properties, VNKRL 27-29/LNGFOR 28-32/FUTLAN 28/FTLNHD 27-29 traded 0.1-0.3pt lower.

In SE Asia, VLLPM 27-29 continued to lead the space and rose 5.9-7.1pts. There were market chatters on Vista Land is considering to launch a creditor-friendly LME to refinance VLLPM 27 and remove a negative-pledge covenant on its onshore debt, but the company did not respond to the matter. ACENPM 4 Perp gained 0.6pt. On the other hand, GLPSPs/GLPCHI lost 0.8-2.4pts. TOPTB/PTTGC Perps were down 0.2-0.4pt. HDFCB 31s traded 2bps wider. BBLTB front-end subs tightened 3-5bps amid better buying. Elsewhere, European AT1s and insurance hybrids were marked 0.1-0.3pt lower. In LGFV space, we saw better selling from AMs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 9 3/8 07/29/29	55.2	7.1	GLPSP 7.865 PERP	56.9	-2.4
VLLPM 7 1/4 07/20/27	67.1	5.9	GLPSP 4.6 PERP	52.1	-2.0
CFAMCI 5 1/2 04/27/47	99.3	1.0	GLPSP 9 3/4 05/20/28	85.2	-1.6
PMBROV 11 1/2 02/18/30	87.2	0.6	WESCHI 9.9 12/04/28	89.1	-1.3
ACENPM 4 PERP	60.6	0.6	WESCHI 10 1/2 11/11/29	87.7	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.44%), Dow (-0.09%) and Nasdaq (-2.21%) were lower on Tuesday. US Jun'26 S&P Global Services/Manufacturing PMI was 51.3/55.7, higher than the market expectation of 51.1/54.6, respectively. UST yield were lower on Tuesday. 2/5/10/30 year yield was at 4.16%/4.27%/4.50%/4.94%.

❖ Desk Analyst Comments 分析员市场观点

➤ **SNE: We consider the pricing of the new SNE 31-36 to be tight**

Yesterday, Sony Group (SNE) priced new 5yr and 10yr senior unsecured USD bonds (A2/A+/-) at T+40bps and T+60bps, respectively, tightened 30bps from IPT at T+70bps and T+90bps. Both tranches are sized at USD500mn. We consider the pricing of the new SNE 31-36 to be tight, taking cues of the valuations of its JP peers such as NIPDES 31 (A2/A+/-) and MITCO 31-36s (A2/A/-). This is SNE's first USD issue in 25 years, with the last issue in 2001.

SNE manufactures and distributes electronics products and provides related solutions, operating across five segments: Gaming & Network Services (G&NS), Music, Pictures, Entertainment, Technology & Services (ET&S), and Imaging & Sensing Solutions. In FY25 (ended 31 Mar'26), SNE's revenue rose 4% yoy to a record high at JPY12.5tn, with G&NS and ET&S contributed c60% of revenue. Operating income increased 13% yoy to JPY1.4tn, lifting the operating margin to 11.6% from 10.6% in FY24. Operating cash flow was broadly flat at JPY2.0tn.

Looking into FY26 (ended 31 Mar'27), SNE guided for a modest 1% yoy decline in revenue to JPY12.3tn, mainly driven by lower hardware sales, partially offset by higher sales of first-party game software in G&NS segment. Operating income is projected to increase by 11% yoy to JPY1.6tn, partly due to the absence of impairment losses on Bungie totaled JPY120.1bn in FY25. Excluding this one-off loss, operating income should remain broadly flat yoy in FY26. SNE's stable profit-generating capability should continue to support its credit profile, in our view.

SNE's liquidity position is ample. As of 31 Mar'26, SNE was in a net cash position of JPY539bn, with cash and cash equivalents of JPY2.2tn against total debt of JPY1.7tn, that should provide a buffer against cyclicity in hardware. In Mar'26, S&P upgraded SNE by one notch to A+ from A with a stable outlook, reflecting the enhanced earnings profile as the portfolio shifts toward entertainment businesses.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
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AviLease Capital	650	5yr	5.5%	T+125	Baa2/-/BBB
Axis Bank	300/	5yr/	5.348%/	T+110/	Baa3/BBB/-
	500	PerpNC5.5	6.875%	6.875%	-/BB/-
Nomura Holdings	1000/	3yr/	4.996%/	T+78/	
	500/	3yr/	SOFR+95/	SOFR+95/	
	700/	5yr/	5.166%/	T+90/	Baa1/BBB+/-
	300/	5yr/	SOFR+114/	SOFR+114/	
Sony Group	1000	10yr	5.545%	T+105	
	500/	5yr/	4.657%/	T+40/	
	500	10yr	5.089%	T+60	A2/A+/-
Yi Bright International	170	3yr	4.85%	4.85%	Unrated

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
NTT Finance	USD	-	2yr/	T+90/	A3/BBB+/-
			3yr/	SOFR+110/	
			3yr/	T+95/	
			5yr/	SOFR+130/	
			5yr/	T+110/	
			7yr/	T+125/	
Shaoxing City Development Group	USD	-	10yr	T+135	-/-/BBB+
			3yr	4.8%	

➤ **News and market color**

- Regarding onshore primary issuances, there were 173 credit bonds issued yesterday with an amount of RMB136bn. As for month-to-date, 1,850 credit bonds were issued with a total amount of RMB1,846bn raised, representing a 16% yoy increase
- **[BABA]** Alibaba Group's semiconductor subsidiary, T-Head, has expanded its capital base by more than three times to RMB1bn (cUSD147.6mn); sued the US government to remove its name from a list of companies accused of supporting the Chinese military
- **[GLOPM]** Globe Telecom obtained a PHP5bn (cUSD81.8mn) loan to help fund capex, to refinance debt, and for general corporate purposes
- **[LGCHEM]** LG Chem will invest KRW15tn (cUSD9.8bn) in research and development by 2035, with 70% to be spent on advanced technologies
- **[SIASP]** Singapore Airlines priced RMB1.5bn dim sum bond at 2.38%, tightened from IPT at 2.8%
- **[VEDLN]** Media reported Twin Star Holdings, a founder entity of Vedanta Limited (VEDL), sold 73mn shares in VEDL for cUSD227mn; S&P affirmed Vedanta Resources' BB rating with stable outlook
- **[YWSOAO]** Moody's Ratings upgraded YSCO's rating by one notch to Baa1 from Baa2, driven by the increase in Yiwu city's government capacity to support score; outlook stable

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