CMBI Credit Commentary

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

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- *Asian IG opened firm but softened toward noon. Chinese TMTs were broadly unchanged, while SOE and AMC bonds were under better selling. LGFVs remained weak with better selling flows. BCDHGR '29 dropped 2.3pts. GENTMK Perps were 0.5-0.6pt lower.*

- ***MEDCIJ:** Early call MEDCIJ '28s at par. Maintain buy on MEDCIJ '29-30s, which were 0.1-0.3pt higher this morning. See below.*

- ***ZHHFGR:** Zhuhai Huafa plans to redeem RMB400mn onshore bond in full on 22 Dec'26. CNH ZHHFGR 6 Perp dropped 4pts this morning while and other ZHHFGRs were unchanged to 0.5pt higher.*

❖ **Trading desk comments 交易台市场观点**

Asian IG space was mixed yesterday. In Chinese TMT space, BABA/TENCNT/MEITUA/JD were 2-3bps wider. CNH BABA/MEITUA/TENCNT dropped 0.1-0.3pt. Front-end financial FRNs were under better buying. HK bank T2s and TW lifer T2s widened 1-3bps. EU AT1s rebounded 0.25-0.75pt. The recent new issues HSBC 7.625 Perp and INTNED 7.75 Perp rose c0.75pt, and we saw selling flows from AM clients.

Higher-yielding space remained sluggish. WLISRC '36 fell 1.7pts. Macau gaming names dropped another 0.1-0.5pt. Chinese property developers were weak, CHJMAO/GRNCH dropped 0.2-1.8pts on limited buyers. CPDEV and CNH ZHHFGR were 1.1-1.5pts lower. In LGFVs space, we continued to see dip-buying flows on high high-quality Guangdong names, while CNH names were under better selling. Outside China, GENTMK Perps dropped 1.5-2.6pts. GLPSP were 1.3-1.6pts lower. SOFTBKs were unchanged to 0.5pt lower.

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❖ **Last Trading Day's Top Movers**

Top Performers	Price	Change
CKINF 4 PERP	**61.7**	**1.5**
ARAMCO 3 1/4 11/24/50	**58.1**	**1.0**
LLOYDS 6 5/8 PERP	**95.9**	**1.0**
CKPH 3 1/2 PERP	**53.3**	**1.0**
INFRAB 14 1/2 11/15/28	**105.7**	**1.0**

Top Underperformers	Price	Change
GENTMK 7 5/8 PERP	**79.2**	**-2.6**
GRNCH 7 05/19/29	**81.5**	**-1.8**
WLISRC 7 7/8 06/23/36	**82.4**	**-1.7**
GARUDA 6 1/2 12/28/31	**76.6**	**-1.7**
GLPSP 4.6 PERP	**45.3**	**-1.6**

❖ **Marco News Recap 宏观新闻回顾**

Macro – S&P (+4.73%), Dow (+3.01%) and Nasdaq (+6.51%) were higher yesterday. US Nov'26 S&P Global Services PMI was 54.7, lower than the market expectation of 55.6. US Nov'26 S&P Global Manufacturing PMI was 54.5, in line with the market expectation. 5yr UST yield was higher yesterday while the 30yr was lower. 2/5/10/30 year UST yield was at 4.63%/4.74%/4.92%/5.29%.

❖ **Desk Analyst Comments 分析员市场观点**

➢ **MEDCIJ: Early call MEDCIJ '28s at par**

Medco Energi issued a call notice to redeem in full the MEDCIJ 6.95 11/12/28s on 10 Dec'26 at par. The outstanding amount is USD261.0mn. We expect the redemption to be funded by the USD300mn MEDCIJ 8 ⅛ 01/17/32s issued last week. Despite the new bond carries a higher coupon than the '28s, the transaction reduces near-term refinancing risk and lengthens the maturity profile. Following the full redemption of the MEDCIJ '28s, there will be no USD bond maturities until Apr'29, i.e. USD482mn MEDCIJ '29s, which gives the company more time to manage its refinancing.

We understand the MEDCIJ '29s are callable at 101.12 from 27 Oct'27 and at par from 27 Oct'28. Medco Energi may therefore have an incentive to call the bonds before maturity if its funding cost falls. This would be consistent with its approach on the '28s, where it refinanced early to extend maturities. As discussed, we view Medco Energi's 1H26 results as supportive of its credit profile, with adequate liquidity and good access to diverse funding channels. We maintain buy on MEDCIJ '29-30s. Please refer to our 1H26 results comments in our daily of 28 Sep'26.

➢ **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)
No Offshore Asia New Issues Priced Today					

➢ News and market color

- Regarding onshore primary issuances, there were 110 credit bonds issued yesterday with an amount of RMB93bn. As for month-to-date, 1,169 credit bonds were issued with a total amount of RMB1,182bn raised, representing a 29.6% yoy decrease

- **[SAMTOT]** Moody's affirmed Hanwha TotalEnergies Ba1 ratings and changed outlook to stable from negative

- **[SOFTBK]** Media reported that SoftBank is not actively considering a buyout of SK Hynix

- **[SWIRE]** Swire Pacific to sell 4.15% stake in Cathay Pacific for USD456mn

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