

## CMBI Credit Commentary

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

- *This morning, yesterday's new issues SHINCA Float 29 and KOHNPW 31 traded 1-3bps wider, while TENCNT 36s and CNH TENCNT 36/56 were largely unchanged. AT1s were marked down by 0.3pt. EHICAR 29 rose 0.9pt. VNKRLE 27 recovered 0.3pt, while VNKRLE 29 lost 0.8pt. FTLNHD 27 was 0.3pt lower.*
- **WESCHI:** *Potential asset monetization to Anhui Conch to support liquidity profile amid Africa-related overhang. WESCHI 28-29 were unchanged this morning. See below.*
- **LASUDE:** *Media reported Lai Sun's proposed CCB Tower sale received all approvals, expect to commence a roadshow next week for LME for LASUDE 26 to offer an upfront payment of 30% of the principal and exchange the remaining 70% into new 3yr bond at around 8%. LASUDE 26 was unchanged this morning.*

#### ❖ Trading desk comments 交易平台市场观点

In the new issuance space yesterday, the new SHINCA Float 29 closed around RO at SOFR+82. The new KOHNPW 31 was unchanged from T+43 amid balanced flows. TENCNT 36s/46s widened 1-3bps from RO at T+50 and T+60, respectively. The new CNH TENCNT 36/56 edged 0.1-0.3pt higher from ROs at par, despite some quick profit taking from AMs during the day. In secondary IG space, 10-30yr MEITUA/KUAISH/HKTGHD/LINREI/MIZUHO and Taiwanese lifers widened 2-5bps, while long-end BABA/TENCNT closed c10bps wider amid heavy selling pressure. Alibaba and NIO vowed legal action after the US added the firms to "Chinese military" list. WESCHI 28-29 leaked 0.4-0.5pt. See comments below. In Chinese/HK properties, VNKRLE 27 lost 3.1pts, and VNKRLE 29 was 0.2pt lower. Vanke said its bondholders agreed to extend the full payment of two onshore bonds totaled RMB4bn (cUSD590.1mm) by one year. On the other hand, LASUDE 26 rose another 1.4pts. Media reported that Lai Sun Development's proposed sale of its entire 50% stake in CCB Tower in HK to JD.com has received all approvals, and the company plans to hold roadshows as early as next week for its planned LME for its USD493mn LASUDE 26. In SE Asian space, VLLPM 27-29 gained 1.8-4.0pts. SMCGL Perps were unchanged to 0.1pt lower. San Miguel Global Power accepted total USD425.02mn of SMCGL 5.45 Perp in exchange and tender offer, and USD258.528mn remains outstanding. VEDLN 28-33s were unchanged to 0.3pt firmer. See our comments on VEDLN [yesterday](#). European AT1s leaked by 0.1-0.3pt in a soft session amid light better selling from AMs and PBs mostly in the front end, while long-end on-the-run issues held on relatively well. In LGFV space, we saw active two-way flows in USD issues among RMs and PBs.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 7 1/4 07/20/27	54.4	4.0	VNKRLE 3.975 11/09/27	45.4	-3.1
VLLPM 9 3/8 07/29/29	40.3	1.8	BABA 5 5/8 11/26/54	98.7	-1.5
LASUDE 5 07/28/26	88.7	1.4	TENCNT 3.94 04/22/61	74.0	-1.4
CFAMCI 5 1/2 04/27/47	98.3	0.7	BABA 4.4 12/06/57	81.0	-1.2
IDASAL 5.8 05/15/50	92.3	0.4	TENCNT 4.525 04/11/49	85.7	-1.2

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-1.62%), Dow (-1.87%) and Nasdaq (-1.98%) were lower on Wednesday. US May'26 CPI was +0.5% mom/+4.2% yoy, same as the market expectation. US May'26 Core CPI was +0.2% mom, lower than the market expectation of +0.3% mom. 5/10/30 year UST yield were higher on Wednesday. 2/5/10/30 year yield was at 4.13%/4.27%/4.55%/5.03%.

## ❖ Desk Analyst Comments 分析员市场观点

- **WESCHI: Potential asset monetization to Anhui Conch to support liquidity profile amid Africa-related overhang**

**Table 1: Bond profile of WESCHIs**

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTW
WESCHI 9.9 12/04/28	XS3219577148	400	92.1	13.8%
WESCHI 10.5 11/11/29	XS3277000900	300	91.0	13.9%

Source: Bloomberg.

As per media report, West China Cement (Weschi) is considering to use proceeds from potential onshore asset sales to Anhui Conch, for repayments of USD bonds. Anhui Conch, owns c29% stake in Weschi, had completed due diligence on several Weschi's projects in May'26, although pricing and structural terms have yet to be finalized. We view this as broadly consistent with Weschi's ongoing non-core asset disposal strategy, focusing on divesting operations outside its core Shannxi market, including projects in Guizhou and Sichuan. Recalled that Weschi sold cement projects in Xinjiang to Anhui Conch for RMB1.65bn in Aug'25.

We like WESCHIs in view of their appealing risk-return profiles, the company's good execution of overseas expansion strategy, considerably relieved refinancing risk following the "friendly" LMEs in Dec'25 and Feb'26 and subsequently early redemption of WESCHI 4.95 07/08/26 in full on 6 Mar'26. That said, the recent performance of WESCHIs has been weighed by concerns over weaker operating conditions in its African markets amid the Ebola outbreak and ongoing instability in the Democratic Republic of the Congo. Prolonged disruption could pressure volumes and margins in the region. While we continue to monitor developments in Africa, we see potential near-term upside catalysts from the execution of asset disposals to Anhui Conch, which should strengthen Weschi's liquidity position and support the bond performance.

➤ **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)
PT Danantara Investment Managemen	USD	-	5yr/ 10yr	5.7%/ 6.3%	Baa2/BBB/BBB

➤ **News and market color**

- Regarding onshore primary issuances, there were 121 credit bonds issued yesterday with an amount of RMB125bn. As for month-to-date, 749 credit bonds were issued with a total amount of RMB832bn raised, representing a 54.7% yoy increase
- **[HYUELE]** SK Hynix aims for US listing as soon as Aug'26
- **[QBEAU]** QBE Insurance priced EUR500mn (cUSD577mn) fixed-rate resetting subordinated notes QBEAU 4.293 06/17/37 as part of its ongoing funding and capital management strategy
- **[SMCGL]** San Miguel Global Power accepted total USD425.02mn of SMCGL 5.45 Perp in exchange and tender offer, USD258.528mn remains outstanding
- **[SOFTBK]** SoftBank Group's discussions with potential lenders for a margin loan of at least USD6bn supported by its OpenAI stake are at a standstill
- **[VNRLE]** China Vanke said its bondholders agreed to extend the full payment of two onshore bonds totaled RMB4bn (cUSD590.1mm)

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