CMBI Credit Commentary

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

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- *Asia IG was quiet this morning amid the US holiday. In higher-yielding space, GLPSPs/GLPCHI '29 down 1.2-1.4pts. SOFTBKs were unchanged to 0.7pt lower. VNKRLEs dropped 0.8-0.9pt In LGFV space, we saw selling flows on high-quality CNH bonds and dip-buying flows in Shandong LGFV.*

- ***FUBON/SHIKON:** Equity sell-off weighs on Oct'26 earnings, while recurring income cushions the volatility. TW lifers were unchanged this morning. See below.*

- ***ZHHFGR:** Zhuhai Huafa Properties terminated up to RMB2.7bn private placement; to transfer RMB11bn shareholder loan to perpetual debt. CNH ZHHFGRs were unchanged to 0.5pt higher this morning.*

❖ Trading desk comments 交易台市场观点

Asian IG space was quiet yesterday. Long-end Chinese TMT were under better selling and widened 2-5bps. CNH BABA/MEITUA/TENCNT dropped 0.3-1.5pts. Bank T2 BNKEA/NANYAN/DAHSIN were unchanged to 3bps wider. TW lifer T2s widened 3-5bps. Front-end FRNs were active with two-way flows. Korean industrial HYUELE/POHANG/KORELE were unchanged to 2bps tighter. EU AT1s were weak and dropped 0.2-1.0pt. The recent new issues HSBC 7.625 Perp and INTNED 7.75 Perp dropped 0.5pt and 0.7pt, respectively.

The higher-yielding space remained weak. NWDEVLs were 0.1-0.3pt lower. Chinese property developers CHJMAO/GRNCH/FUTLAN dropped 0.2-0.8pt. VNKRLEs were 3.0-3.4pts lower. Vanke scheduled bondholder meeting on 8 Dec'26 for bond extension. CPDEV/BCDHGR lost 0.6-1.5pts. We also saw dip-buying flows in Guangdong names in LGFV space. Macau gaming names further dropped 0.1-1.0pt. Outside China, GENTMK Perps were 3.7pts lower. SOFTBKs were down 0.4-2.2pts. GLPSP '28/GLPCHI '29 dropped 2.0-3.0pts and GLPSP Perps were 0.5pt lower.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
TACHEM 5.8 07/05/64	**93.3**	**1.1**
BEIENT 6 3/8 05/12/41	**105.5**	**0.9**
BHP 5 1/2 09/08/53	**92.6**	**0.9**
BHP 5 3/4 09/05/55	**95.2**	**0.9**
CSLAU 5.417 04/03/54	**89.1**	**0.8**

Top Underperformers	Price	Change
GENTMK 8.3 PERP	**72.5**	**-3.7**
GENTMK 7 5/8 PERP	**73.3**	**-3.7**
VNKRLE 3 1/2 11/12/29	**43.7**	**-3.4**
VNKRLE 3.975 11/09/27	**46.5**	**-3.0**
GLPSP 9 3/4 05/20/28	**78.3**	**-3.0**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.25%), Dow (+0.33%) and Nasdaq (-0.62%) were mixed yesterday. US 3Q26 GDP was +4.3% qoq, higher than the market expectation of +3.4%. US Oct'26 Core PCE Price Index was +3.3% yoy, higher than the market expectation of +3.2%. The latest Initial Jobless Claims were +189k, lower than the market expectation of +201k. US Oct'26 Durable Goods Orders were +0.2%, lower than the market expectation of +0.7%. UST yield was lower yesterday. 2/5/10/30 year UST yield was at 4.61%/4.65%/4.85%/5.24%.

❖ Desk Analyst Comments 分析员市场观点

➢ FUBON/SHIKON: Equity sell-off weighs on Oct'26 earnings, while recurring income cushions the volatility

Fubon Life reported a net loss of TWD6.5bn in Oct'26, compared with a net profit of TWD12.4bn in Oct'25. For 10M26, net profit fell 1.4% yoy to TWD59.4bn. The loss reflected volatility in both US and Taiwan equity markets, alongside adjustments to the fixed income portfolio. The TAIEX declined 5.7% in Oct'26. Fubon Life continued to realize capital gains from domestic equities and to allocate to fixed income while interest rates remain elevated. Steady CSM release and recurring investment income remained supportive, while reinvestment at higher yields should lift recurring income over time. Including FVOCI equity disposal gains, the combined contribution to retained earnings was TWD7.3bn in Oct'26 and TWD190.2bn in 10M26. FVOCI disposal gains accounted for TWD130.8bn, or c69% of the 10M26 total. We view reinvestment at higher yields should gradually increase the share of recurring income, which would reduce reliance on equity gains. Capitalization remained solid, with a preliminary equity-to-asset ratio of c16% as of Oct'26, well above the 3% regulatory minimum.

Shin Kong Life showed broadly similar trends. After-tax profit was TWD2.1bn in Oct'26, up 2.5% yoy, as stable CSM release and recurring investment income offset the equity headwinds. For 10M26, after-tax profit rose to TWD34.3bn from TWD2.9bn in 10M25. Please see our comments on Cathay Life and Nan Shan Life's 10M26 results in our daily on 17 Nov'26.

We view Taiwan lifers' earnings quality as partly sensitive to market conditions, particularly equity performance and valuation gains. A sharp equity sell-off can turn a monthly profit into a loss, as in the case for Fubon Life and Nan Shan Life. That said, the earning volatility was absorbed by their solid capital buffers. Among the four Taiwan lifers, we view CATLIF and FUBON as RV peers, in view of their credit profiles and scale of operations. We continue to prefer FUBON 5.45 12/10/35 with a yield pick-up of 10-20bps against CATLIFs. We also pair NSINTW and SHIKON, with NSINTW 5 ⅞ 03/17/41 remained our preferred pick, reflecting its more balanced risk-return profile.

Table 1: Bond profile of selected TW lifers

Security name	ISIN	Amt o/s (USD mn)	Ask px	Z-spread (bps)	YTW	Mod dur	First call date	Payment rank	Issue rating (M/S/F)
CATLIF 5.95 07/05/34	XS2852920342	600	99.7	155	6.0%	5.9	N/A	Subordinated	-/BBB+/BBB+
CATLIF 5.3 09/05/39	XS2885079702	320	99.8	175	6.2%	6.1	09/05/2034	Subordinated	-/BBB+/BBB+
CATLIF 5 1/2 04/29/41	XS3255390463	500	99.3	214	6.6%	7.1	04/29/2036	Subordinated	-/BBB+/BBB+
FUBON 5.45 12/10/35	XS3151416727	650	99.8	182	6.3%	6.8	09/10/2035	Subordinated	-/BBB+/BBB+
FUBON 5.87 07/27/41	XS3384667146	350	99.4	221	6.7%	7.0	07/27/2036	Subordinated	-/BBB+/BBB+
NSINTW 5.45 09/11/34	XS2888260564	700	99.7	232	6.8%	6.1	N/A	Subordinated	-/BBB+/BBB
NSINTW 5 ⅞ 03/17/41	XS3046322593	653	99.7	260	7.1%	6.7	12/17/2035	Subordinated	-/BBB+/BBB
NSINTW 6.85 03/25/42	XS3502507943	333	99.9	262	7.1%	7.1	12/25/2036	Subordinated	-/BBB+/BBB
SHIKON 6.95 06/26/35	XS3096123883	400	99.0	252	7.0%	6.2	N/A	Subordinated	-/BBB/-

Source: Bloomberg.

- **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 117 credit bonds issued yesterday with an amount of RMB105bn. As for month-to-date, 1,397 credit bonds were issued with a total amount of RMB1,433bn raised, representing a 28% yoy decrease

  - The Bank of Korea increased its seven-day repurchase rate by 25bps to 3.25%, bringing this year's tightening to 75bps; raised its growth forecasts for 2026 and 2027 to 3.9% and 4.1%, respectively, from 3.3% and 2.9% in Aug'26, due to a historic semiconductor boom

  - **[ZHHFGR]** Zhuhai Huafa Properties terminated up to RMB2.7bn private placement; to transfer RMB11bn shareholder loan to perpetual debt

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