CMB INTERNATIONAL 招銀国际

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CMBI Credit Commentary

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

- *Markets were quiet this morning. In Asia IG space, long-end bonds were heavy while the others were relatively stable. The new SOFTBK '30s dropped 0.3pt while the new '32s/'34s up 0.1pt. CWAHK '30 up 0.4pt. GENTMK 8.3 Perp/LASUDE '29 down 0.7-1.1pts.*

- ***FUBON/NSINTW/SHIKON:** Equity tailwind continues to drive strong profit growth in 8M26. Maintain buy on FUBON '35 and NSINTW '41. Taiwan lifers were unchanged this morning. See below.*

- ***HUANEN:** Moody's affirmed Huaneng Power International's A2 rating; outlook changed to positive from stable. HUANENs were unchanged this morning.*

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❖ Trading desk comments 交易台市场观点

Yesterday, flows were light in Asia IG space amid higher UST rates. Recent new issues HWQCUS '29 and NSINTW '42 were unchanged in spread. Chinese TMT BABA/MEITUA/TENCNT remained weak and widened 1-3bps. Chinese AMC CCAMCL/GRWALL were unchanged to 2bps wider. Active bank T2 BBLTB '34/BNKEA '34/NANYAN '34 and TW lifer T2s widened 1-2bps. We saw selling flows in KR/JP space. KR industrial HYUELE/KORELE/POHANG widened 1-2bps. KR securities papers were firm. DAESEC/HYUSEC/NHSECS were unchanged to 1bp tighter.

In higher-yielding space, a highly volatile session followed the sharp overnight USD rates sell-off. The new SOFTBK USD tranches were relatively resilient, holding onto their primary-market gains amid two-way AM rebalancing flows and modestly better PB buying. Japanese and European AT1s and insurance subs fell by up to 1.3-1.5pts, with selling emerging early in Japanese names and accelerating in European paper into London. RMs trimmed long-end risk and raised cash from short-dated holdings, partly offset by modest PB dip-buying and dealer short-covering in selected on-the-run issues. ZHHFGR again came under heavy Chinese AM selling, with liquidity bids hit across the Perp/'27/'28 ahead of quarter-end and the Golden Week holiday, the bonds declined 1.5-3.0pts and pushing yields to c7% or above. Non-Chinese RMs later absorbed the '27 and Perp, underscoring the market's shifting view of the name from LGFV-like credit toward property. Elsewhere, LGFVs, especially CNH paper, remained resilient despite mild HFs and tactical selling to raise cash. Bids stayed supportive across CNH and higher-yielding USD names. The exception was USD IG LGFVs yielding below 6%, or inside roughly +110bps, which remained better offered by AMs and RMs. However, the rates-driven rise in yields has begun to attract interest from Chinese accounts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
LASUDE 5 07/28/29	**77.3**	**1.0**
EHICAR 10 10/14/29	**40.7**	**0.4**
AVAPLN 8 1/2 05/15/31	**91.5**	**0.4**
SOFTBK 7 1/4 07/10/32	**94.1**	**0.4**
HENLND 3 7/8 03/01/29	**95.7**	**0.3**

Top Underperformers	Price	Change
ARAMCO 5 7/8 07/17/64	**85.3**	**-1.7**
NWDEVL 6 1/4 PERP	**54.2**	**-1.5**
PMBROV 11 1/2 02/18/30	**92.9**	**-1.4**
ADGREG 6.7 03/12/42	**95.1**	**-1.3**
SONYLF 7 1/8 09/24/56	**99.9**	**-1.3**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.02%), Dow (-0.31%) and Nasdaq (+0.01%) were mixed on Thursday. The US latest Initial Jobless Claims were +197k, lower than the market expectation of +201k. The US Aug'26 New Home Sales were 684k, higher than the market expectation of 615k. UST yield was higher yesterday. 2/5/10/30 year UST yield was at 4.87%/5.03%/5.18%/5.47%.

❖ Desk Analyst Comments 分析员市场观点

➢ FUBON/NSINTW/SHIKON: Equity tailwind continues to drive strong profit growth in 8M26

Fubon Life reported another strong set of earnings in Aug'26, with net profit increased 196.9% yoy to TWD17.3bn. For 8M26, net profit increased 79.6% yoy to TWD65.2bn. The amount recorded in retained earnings, including net profit and FVOCI equity disposal gains, reached TWD29.3bn in Aug'26 and TWD173.2bn for 8M26, both record highs for the corresponding periods. The strong yoy performance reflected steady CSM release, recurring investment income and supportive equity market performance. The TWSE Index rose by c59% YTD as of end-Aug'26, providing a meaningful tailwind, while domestic equities accounted for 12.1% of Fubon Life's investment portfolio as of Jun'26. Capitalization also improved. The equity-to-asset ratio rose to c16% as of Aug'26, from c15% as of Jun'26, well above the 3% regulatory minimum requirement and providing a sizeable buffer against potential market volatility.

Nan Shan Life and Shin Kong Life reported broadly similar earnings trends, with growth supported by stable CSM release, recurring investment income, and equity performance and valuation gains. Nan Shan Life's Aug'26 net income increased by 234.8% yoy to TWD8.5bn, while 8M26 net income rose 128.4% yoy to TWD40.5bn. Shin Kong Life recorded after-tax profit of TWD2.1bn in Aug'26, compared with a TWD0.9bn loss in Aug'25. For 8M26, after-tax profit rose to TWD30.4bn from TWD0.9bn in 8M25. We believe the recovery likely reflected materially improved investment performance in 8M26, compared with investment losses recorded in 8M25. Please also read our comments on Cathay Life's 8M26 results in our daily on 16 Sep'26.

Out of the four Taiwan lifers, we pair up CATLIF and FUBON for fair and relative value assessments, 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 20-30bps against CATLIFs. We also pair up NSINTW and SHIKON, and we prefer NSINTW 5 ⅞ 03/17/41 most at current valuation in view of its more balanced risk-return profile, as well as lower cash price and better trading liquidity.

Table 1: TW lifers' selected USD bonds

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	99.2	129	6.1%	6.1	N/A	Subordinated	-/BBB+/BBB+
CATLIF 5.3 09/05/39	XS2885079702	320	94.7	137	6.2%	6.3	09/05/2034	Subordinated	-/BBB+/BBB+
CATLIF 5 1/2 04/29/41	XS3255390463	500	92.7	174	6.6%	7.1	04/29/2036	Subordinated	-/BBB+/BBB+
FUBON 5.45 12/10/35	XS3151416727	650	93.8	155	6.4%	6.9	09/10/2035	Subordinated	-/BBB+/BBB+
FUBON 5.87 07/27/41	XS3384667146	350	94.6	182	6.6%	7.2	07/27/2036	Subordinated	-/BBB+/BBB+
NSINTW 5.45 09/11/34	XS2888260564	700	92.1	196	6.8%	6.3	N/A	Subordinated	-/BBB+/BBB
NSINTW 5 ⅞ 03/17/41	XS3046322593	653	92.8	216	7.0%	6.9	12/17/2035	Subordinated	-/BBB+/BBB
NSINTW 6.85 03/25/42	XS3502507943	333	98.4	226	7.1%	7.2	12/25/2036	Subordinated	-/BBB+/BBB
SHIKON 6.95 06/26/35	XS3096123883	400	99.8	218	7.0%	6.4	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 Pipeline Today					

➢ News and market color

- Regarding onshore primary issuances, there were 88 credit bonds issued yesterday with an amount of RMB69bn. As for month-to-date, 1,869 credit bonds were issued with a total amount of RMB1,866bn raised, representing a 3.7% yoy increase

- The average nightly rate for Macau's five-star hotels in Aug'26 was MOP1,478 (cUSD183), down 6.6% yoy

- **[MGMCHI]** MGM Resorts International will remain a standalone company after People Incorporated withdrew its proposal to take private

- **[MIZUHO/RAKUTN]** Mizuho plans to sell part of loan portfolio to Rakuten Bank

- **[NWDEVL/VDNWDL]** Media reported that New World Development reaped over RMB1.7bn from sale of properties in Ningbo and Hangzhou

- **[TPHL]** Times China unit to repurchase up to RMB200mn of bonds

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