

CMBI Credit Commentary

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

The Asset G3 Bond Benchmark Review 2026

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset G3 Bond Benchmark Review 2026". Thank you for your support!

- This morning, we saw better selling in Australian T2s and TW lifers, versus small better buying in Chinese TMTs and JP FRNs, but the space was largely unchanged in spreads. GLPSP 4.6 Perp rose another 1.8pts. NWDEVL 6.25 Perp was 0.5pt higher. ACPM 4.85 Perp/ACENPM 4 Perp were 0.7-1.1pts lower.*
- HKTGHD:** *FV of the new HKTGHD 36 to be T+70bps vs IPT of T+110bps. HKTGHDs were unchanged this morning. See below.*
- SMCGL:** *San Miguel Global Power launched exchange and tender offer for any and all of the USD683.548mn SMCGL 5.45 Perp at par, and concurrent new USD perp issuance. SMCGL 5.45 Perp was 0.1pt higher this morning, while the other SMCGL Perps were unchanged.*

❖ Trading desk comments 交易平台市场观点

Yesterday, GLPSPs/GLPCHI 29 led the space and rose up to 2.6pts. Media reported GLP seeks to raise up to USD3bn from an IPO in Hong Kong by 4Q26. For the rest of the SE Asian space, SMCGL 5.45 Perp lost 0.1pt, while the other SMCGL Perps were unchanged. San Miguel Global Power announced issuance of new USD Perp and launched concurrent tender offer for SMCGL 5.45 Perp. In JP space, SOFTBKs gained another 0.9pt. In Chinese IG space, MEITUA/XIAOMI traded 1-3bps tighter on Meituan's better-than-expected 1Q26 results. See our comments on Meituan 1Q26 results [yesterday](#) and on Xiaomi [last Friday](#). WESCHI 28-29 edged 0.1pt higher. In Macau gaming, MGMCHI 31-33s lost 0.4-0.5pt, while MGMCHI 27 was 0.1pt higher. MGM Resorts received takeover offer valued at cUSD18bn from U.S. media and internet conglomerate People Inc. The rest of the Macau gaming complexes were unchanged to 0.2pt lower. The Macau gaming revenue in May'26 rose 6.7% yoy to MOP22.6bn. In HK, HYSANs were unchanged to 0.1pt higher. Hysan had repurchased USD21.021mn HYSAN 4.85 Perp since Sep'22, and the outstanding amount reduced to USD424.136mn. Elsewhere, European AT1s had a weaker session led by UBS Perps, which closed up to 0.7pt weaker. UBS priced its new USD1.5bn PerpNC6.5 AT1 at 6.875%. CNH papers rallied by up to 1.0pt amid better buying from Chinese AMs and international accounts across TMT, property, and non-Chinese names. In LGFV space, higher-yielding CNH issues remained sought after but their USD counterparts continued to experience selling pressure.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吴倩莹
(852) 3900 0801
cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
(852) 3900 0830
zhangyujing@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 7.865 PERP	61.6	2.6	UBS 7 PERP	100.5	-0.7
GLPCHI 7 3/4 04/30/29	88.4	1.0	MGMCHI 6 1/4 05/15/33	99.8	-0.6
GLPSP 9 3/4 05/20/28	88.3	1.0	VLLPM 7 1/4 07/20/27	52.0	-0.5
SOFTBK 8 1/4 10/29/65	99.1	0.9	UBS 7 PERP	100.2	-0.5
SOFTBK 7 5/8 04/29/61	98.3	0.8	UBS 9 1/4 PERP	115.1	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.13%), Dow (+0.45%) and Nasdaq (+0.03%) were higher on Tuesday. US Apr'26 JOLTS Job Openings was 7.618mn, higher than the market expectation of +6.860mn. 5/10/30 year UST yield were lower on Tuesday. 2/5/10/30 year yield was at 4.05%/4.17%/4.46%/4.97%.

❖ Desk Analyst Comments 分析员市场观点

➤ HKTGHD: FV of the new HKTGHD 36 to be T+70bps vs IPT of T+110bps

Table 1: Bond profile of HKTGHDs and peers

Security name	ISIN	Amt o/s (USD mn)	Px	T-spread (bps)	YTM (%)	Issue rating (M/S/F)
HKTGHD 3 07/14/26	XS1438451848	750	99.8	62	4.7%	Baa2/BBB/-
HKTGHD 3.25 09/30/29	XS2055636109	500	95.7	57	4.7%	Baa2/BBB/-
HKTGHD 3 01/18/32	XS2414130711	650	91.2	63	4.8%	Baa2/BBB/-
LINREI 4.875 02/02/36	XS3277031533	600	98.4	63	5.1%	-A/-

Source: Bloomberg.

HKT Capital plans to issue 10-year USD senior unsecured bond (Baa2/BBB/-). We view the FV of the new HKTGHD 36 to be T+70bps vs IPT of T+110bps, taking cues from the valuations of existing HKTGHDs and its peer. See Table 1.

The proceeds from the new issue will be used for general corporate purposes, including repayment of existing debts. HKT Capital's next bond maturity is USD750mn HKTGHD 3 07/14/26. The new HKTGHD 36 will share the same structure as existing HKTGHDs, guaranteed by parent HKT Group Holdings Limited (HKTGH) and immediate holding company Hong Kong Telecommunications (HKT) Limited (HKTHK, Baa2/BBB/-).

HKTGH operates telecommunications services mainly through HKTHK, as well as mobile and other businesses through other group entities. In FY25, HKTGH's revenue rose 5% yoy to USD4.7bn and EBITDA grew 4% yoy to USD1.8bn. Its EBITDA margin contracted modestly to 39% from 40% in FY24, partly reflecting margin pressure at the mobile segment. That said, the margin pressure was somewhat tempered by 4% yoy decline in opex to USD407mn, driven by AI-led efficiency gains in workflows and network management. Its profit attributable to holder of share stapled units and adjusted fund flow both increased 4% yoy to USD678mn and USD795mn, respectively.

In FY25, HKTGH's capex declined 5% yoy to USD270mn from disciplined investments and efficiency gains from capacity upgrades and network maintenance following the completion of territory-wide 5G coverage. As of Dec'25, HKTGH held cash of USD312mn and undrawn facilities of USD2.3bn, totaled USD2.6bn, compared

to net debt of USD5.4bn. The company's total debt/EBITDA and net debt/EBITDA was 3.1x and 2.9x, respectively, as of Dec'25, broadly stable yoy, and would further improve to 3.0x and 2.9x assuming passive network disposal proceeds are applied to repay debts. HKTGH's credit profile remains solid, underpinned by its leading position in Hong Kong's telecommunications market and a manageable debt maturity profile.

➤ **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)
HKT Capital Limited	USD	-	10yr	T+110	Baa2/BBB/-
IIFL Finance	USD	-	3.25yr	7.9%	-/B+/B+

➤ **News and market color**

- Regarding onshore primary issuances, there were 89 credit bonds issued yesterday with an amount of RMB102bn. As for Month-to-date, 141 credit bonds were issued with a total amount of RMB134bn raised
- Indonesia officially launched its "single-gate" export regime, activating Danantara Sumberdaya Indonesia (DSI), a unit of sovereign wealth fund Daya Anagata Nusantara (Danantara), as the state-controlled hub for strategic commodity trade starting 1 Jun'26
- **[CWAHK]** Media reported China Water Affairs' associate Kangda International is planning its first USD bond issuance with USD200mn NDRC quota
- **[FAEACO]** Far East Consortium International revised consideration for disposal of office, hotel, town hall in UK to GBP59.5mn
- **[HONGQI]** S&P upgraded China Hongqiao by one notch to BB+ from BB on improving operating conditions; outlook stable
- **[HYSAN]** Hysan Development repurchased USD21.021mn HYSAN 4.85 Perp, outstanding amount reduced to USD424.136mn
- **[LGELEC]** S&P upgraded LG Electronics by one notch to BBB+ from BBB on improving profitability; outlook stable
- **[MARUB]** Marubeni entered into Japan's tourism business by acquiring control of travel agency and rental car operator Okinawa Tourist Service
- **[VEDLN]** Media reported India's Enforcement Directorate conducted search operations at Vedanta Limited's premises, part of a probe related to royalty payment to parent Vedanta Resources

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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