15 Apr 2026

CMBI Credit Commentary

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

- *The new KORAIR 4.125 04/21/29 tightened 6bps from RO at T+40. The new NHNCOR 4.375 04/21/31 tightened 5bps from RO at T+60. SOFTBK 29-65s were down another 0.3-0.8pt. LASUDE 26 was 0.6pt lower. QDJZWD 7.9 06/04/27 was down 0.3pt amid better selling.*

- ***BBNIIJ:** FV of the new BBNIIJ Perp to be low 7% vs IPT at 7.5%. Maintain buy on BBNIIJ 4.3 Perp, which rose 1.5pts yesterday and up 0.7pt this morning. See below.*

- ***China Economy:** Trade surplus to narrow. CMBI expects China's goods export growth may moderate from 5.2% in 2025 to around 4.0% in 2026, while imports may rebound from -0.5% to around 8%; USD/RMB may stay firm around 6.8 in 2Q26 before edging back toward 6.9 by year-end. See comments from CMBI economic research below.*

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

Cyrena Ng, CPA 吴蒨莹
(852) 3900 0801
cyrenang@cmbi.com.hk

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

❖ Trading desk comments 交易台市场观点

Yesterday, EHICAR 26 rose 1.8pts, while EHICAR 27 edged 0.1pt higher. As per media report, eHi plans to apply for a new NDRC quota to address the remaining USD97.064mn EHICAR 7 09/21/26 and launch a second round of exchange offer. See our comments yesterday. WESCHI 28-29 were 1.1-1.3pts firmer. In Chinese IG space, KUAISH/MEITUA tightened 1-3bps. We saw global RMs topping beta names FRESHK and ZHOSHK. ZHOSHK 28 edged 0.2pt higher. TW lifers tightened 2-5bps on continued Chinese RM buying. In HK, T2 names BNKEA/SHCMBK/NANYAN/DAHSIN traded 5bps tighter. LINREI and MTRC 26-55 tightened 2-4bps. MTRC 5.625 Perps/MTRC 4.875 Perp were 0.2pt higher. The NWDEVL/VDNWDL complex gained 0.1-1.9pts. In Chinese properties, VNKRLE 27' and 29' gained 1.3-1.4pts. LNGFOR 27-32 were unchanged to 0.2pt higher. KR corporate IG credits tightened another 1-4bps, led by HYUELE and HYNMTR. We saw small profit-taking from PBs after the recent rally on POHANG/PKX/LGENSO. Bank-guaranteed names SKBTAM/MOMPER/LOTCOR were also squeezed to 1-3bps tighter. JP IG bonds tightened 2-5bps, led by the recent new issues MIZUHO/MUFG. SOFTBK 29-65s dropped 0.6-1.1pts. SOFTBK announced IPTs on six USD/EUR senior unsecured bonds. The proceeds will be used to redeem some of SoftBank's existing bonds and refinance bridge loans to fund investment in OpenAI. Japanese and Yankee AT1s and insurance subs edged another 0.4-0.5pt higher. RMs were buying front end of the curve while PBs buying the belly. Australian Yankee bonds tightened 2-5bps, though some front-end profit-taking emerged. In SE Asian space, OCBCSP 35-36s traded 1-2bps tighter, and the BBLTB sub curve closed 2-4bps tighter. BBNIIJ 4.3 Perp was 1.5pts firmer. Bank Negara Indonesia announced tender offer for BBNIIJ 4.3 Perp and concurrent new USD Perp issue. See comments below. SMCGL Perps were 0.3-1.1pts higher. GLPSPs/VEDLN 28-33s/ReNew Energy complex gained 0.1-0.5pt. In the Middle East, most names closed 0.4-0.8pt higher.

CMBI Fixed Income
fis@cmbi.com.hk

In LGFV space, the new issue BCDHGR 6.3 04/20/29 rose 0.9pt from RO at par. We saw overall better buying across CNH and USD papers.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
NWDEVL 4 1/8 PERP	**77.9**	**1.9**	SOFTBK 7 07/08/31	**98.5**	**-1.1**
EHICAR 7 09/21/26	**68.4**	**1.8**	SOFTBK 7 1/2 07/10/35	**99.7**	**-1.0**
BBNIIJ 4.3 PERP	**98.9**	**1.5**	SOFTBK 8 1/4 10/29/65	**92.0**	**-0.9**
VNKRLE 3.975 11/09/27	**41.5**	**1.4**	SOFTBK 7 1/4 07/10/32	**97.0**	**-0.8**
ARAMCO 6 02/02/56	**98.1**	**1.3**	SOFTBK 5 1/4 07/06/31	**92.3**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.18%), Dow (+0.66%) and Nasdaq (+1.96%) were higher on Tuesday. US Mar'26 PPI was +0.5% mom, lower than the market expectation of +1.1% mom. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.76%/3.87%/4.26%/4.87%.

❖ Desk Analyst Comments 分析员市场观点

➢ BBNIIJ: FV of the new BBNIIJ Perp to be low 7% vs IPT at 7.5%

Bank Negara Indonesia (BNI) proposes to issue USD PerpNC5.5 (Moody's: Ba3) to fund the concurrent tender offer for BBNIIJ 4.3 Perp. We view the FV of the new BBNIIJ Perp to be low 7% vs IPT at 7.5%, in view of the valuation of its BBNIIJ 4.3 Perp (first call in Mar'27) prior to the announcement of tender offer and concurrent new issue, compared with its global peers with similar first call date and adjusted for rating differential.

BNI plans to raise at least USD500mn, to address c83% of the outstanding amount of BBNIIJ 4.3 Perp of USD600mn. BNI may give priority to the holders of BBNIIJ 4.3 Perp in the new bond allocation if they have validly tendered or have given a firm intention to tender. The tender offer is subject to the successful completion of the new issue.

The new BBNIIJ PerpNC5.5 are contractual, non-viability preferred securities. It will be first callable in year 5.5 and every distribution payment date thereafter, subject to OJK approval. The distribution will be reset on the first reset date and every 5 years thereafter to 5yrUST+initial spread. Coupons could be cancelled on a non-cumulative basis at BNI's discretion, and on a mandatory basis subject to the availability of distributable funds, regulatory capital requirements and regulatory discretion.

The principal amount of the perp could also be partially or fully written down if: (1) the bank's CET 1 ratio is at or below 5.125%; (2) a competent authority plans to rescue the bank by injecting capital; (3) the regulator instructs the bank to do so on grounds of non-viability. Furthermore, on any reporting date, if the CAR of BNI equal or exceeds 24%, BNI will have to redeem all but not some of the perp at the principal amount plus a premium of 0.25% or the aggregate amount of any distribution that had cancelled, whichever is greater.

We have a buy recommendation on BBNIIJ 4.3 Perp in view of its good RV, state-ownership and solid capital adequacy. As discussed in our Asia Credit Outlook 2026, we view BNI and Indonesian government to have strong incentive to fully redeem the AT1 on the first call date to preserve USD bond market access and to avoid premium for future issuance across the Indonesian banking sector. The coupon reset to c7.3% from 4.3%

based on current UST rate, if not called, also incentivizes BNI to refinance the perp with a lower cost alternative given its good access to onshore and offshore funding channels.

Table 1: Summary of the tender offer

Security name	**BBNIIJ 4.3 Perp**
ISIN	XS2385923722
Amt o/s (USDmn)	600
Tender px	99.7
Maximum acceptance amount	Up to the principal amount of the new bond
Expiration deadline	22 Apr'26 4pm GMT
Results announcement	On or about 23 Apr'26
Settlement date	On or about 24 Apr'26
Ask px	99.9
YTC	4.4%

Source: Bloomberg, Company filling.

- **China Economy: Trade surplus to narrow**

Export growth moderated sharply in Mar after the surge in 2M26, likely reflecting a much higher base last year due to export front-loading. Overall, 1Q26 exports continued to pick up as semiconductors and electronic devices remained resilient thanks to the global tech cycle. Imports accelerated markedly in Mar driven by stronger purchases of integrated circuits, copper ore and iron ore, suggesting resilient demand for tech and raw-material inputs rather than a broad-based recovery in domestic consumption. Rising energy prices may gradually lift import values while eroding global consumer confidence and weighing on exports. As a result, the trade surplus may narrow in the coming quarters, reducing support for GDP growth, in our view. Looking forward, we expect China's goods export growth may moderate from 5.2% in 2025 to around 4.0% in 2026, while imports may rebound from -0.5% to around 8%. We estimate USD/RMB may stay firm around 6.8 in 2Q26 before edging back toward 6.9 by year-end.

Exports moderated sharply due to a higher base. Exports moderated to 2.5% (all on a YoY basis unless specified) in Mar compared to 21.8% in 2M26, lower than market expectations at 3.9%, as front-loading ahead of reciprocal tariffs last year created a much higher base. Overall, 1Q26 exports rose by 14.7% compared to 3.8% in 4Q25. By destination, exports to the US dropped sharply by 26.5% in Mar. Exports to other destinations including ASEAN, the EU, Africa and Japan all notably moderated in Mar, while exports to Latin America and Canada fell to YoY contraction. Trade surplus narrowed to US$51.1bn in Mar from US$101.9bn a year earlier. 1Q26 surplus dipped by 6.3% to US$264.3bn, the first contraction since 2023, weighing on the magnitude of the apparent rebound of Q1 GDP.

Exports remained led by tech cycle and transport equipment. Integrated circuit exports markedly surged 84.9% in Mar and 77.3% in 1Q26, extending the semiconductor upcycle, while personal computers and cellphones picked up to 37.1% and 2.4% in Mar. Exports of automobiles and ships stayed robust at 43.9% and 35.8% in Mar. On the other hand, low-value added products including textile, garment and toys notably dropped 28.5%, 29.4% and 41.9% in Mar while their Q1 exports rebounded compared to 4Q25. Housing-related products including furniture, lamps and home appliances also improved modestly in Q1 but notably dipped in Mar.

Imports surged due to tech inputs and commodity restocking. China's imports of goods sharply rose 27.8% in Mar, notably higher than market expectations at 5.6%. Imports in 1Q26 accelerated to 22.7%, up from 2.9% in 1Q25. AI-related inputs remained firm, as import volumes of copper ore and integrated circuits rose 10% and 14.3% in Mar, while their import prices notably surged 51.5% and 34.4%, respectively. Iron ore also rose by 11.5% in volume as infrastructure investment rebounded. For energy products, crude oil import volume dropped 2.8% in Mar, with price dropping 1.6%, as supply tensions has shown in imports due to the shipping lags. For intermediate goods, import volumes of unwrought copper and primary plastics remained weak at -11.6% and -4.8% while steel products, rubber and machine tools rose 2.4%, 3.6% and 14.2%. Imports volumes of grain and soybean both picked up to 37.4% and 14.8% in Mar, up from 2.9% and -7.8% in 2M26. Overall, the import rebound looks more like restocking of raw materials and tech components than a clear turn in broad domestic demand, in our view.

We expect trade surplus to narrow in 2026. We believe the AI capex upcycle supporting semiconductors, together with energy-security demand driving new energy exports such as NEVs, photovoltaic products and lithium batteries, should underpin the resilience of China's exports in 2026. But declining global consumer confidence, and rising energy and freight costs are likely to cap further upside, while surges in energy price might be gradually shown in imports. As a result, net exports may provide a smaller boost to growth in the upcoming quarters especially in 2Q26, prompting the need for policy support to bolster domestic demand in 2H26. Looking forward, we expect China's goods export growth may moderate from 5.2% in 2025 to around 4.0% in 2026, while imports may rebound from -0.5% to around 8%. USD/RMB may stay firm around 6.8 in 2Q26 before edging back toward 6.9 by year-end.

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➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Incheon International Airport	300	3yr	4.125%	T+40	Aa2/AA/-
Yi Bright International	130	3yr	4.55%	4.55%	Unrated

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Aluminum Corp of China	USD	-	3yr	T+75	-/-/BBB+
Bank Negara Indonesia	USD	-	PerpNC5.5	7.5%	Ba3/-/-
PLS Group	USD	500	5NC2	7-7.25%	Ba3/BB-/BB
Softbank Group	USD	-	3.5yr/ 5.5yr/ 10yr	7.875%/ 8.5%/ 8.875%	-/BB+/-
Sompo Holdings	USD	-	11NC10	T+145	-/A-/A+
Whitehaven Coal	USD	-	5.5yr/ 8yr	T+280/ T+325	-/BBB-/BBB-

➢ News and market color

- Regarding onshore primary issuances, there were 136 credit bonds issued yesterday with an amount of RMB104bn. As for month-to-date, 872 credit bonds were issued with a total amount of RMB838bn raised, representing a 16.4% yoy increase

- BlackRock's Asia Pacific-focused private-credit fund suffered its first loan repayment default as Chinese borrower Metcold Holdings was unable to meet its obligations

- **[BABA/JD/MEITUA]** China plans to fine e-commerce platforms over food delivery safety

- **[BHP]** BHP's iron ore shipment restrictions partially eased by China

- **[EHICAR]** eHi Car completed exchange offer, exit consent solicitation for EHICAR 7 09/21/26

- **[LASUDE]** Lai Sun bondholder group reiterated reasons for opposition to LME

- **[SHFLIN]** Fitch upgraded Shriram Finance by one notch BBB- from BB+ with stable outlook, following Mitsubishi UFJ's acquisition of 20% stake in Shriram

- **[SINOCH]** Sinochem Holdings said Italy's decision to curb its influence in high-end tiremaker Pirelli violates its shareholder rights, and it may take legal action

- **[VEDLN]** Vedanta Ltd said a boiler explosion killed 10 workers and injured 14 others at its power unit in India's Chhattisgarh state on 14 Apr'26

- **[VNKRLE]** China Vanke proposed to extend 60% of 23WankeMTN001 bond for one year

Fixed Income Department
Tel: 852 3657 6235/ 852 3900 0801
fis@cmbi.com.hk

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