

CMBI Credit Commentary

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

- *This morning, the new CATLIF 41 initially widened 2bps from RO at T+128 but returned to around RO level. The old CATLIF 39 widened 3bps, while the rest of TW lifers were unchanged. The new DALWAN 29 was 0.4pt lower from RO at par. Chinese IG names were unchanged to 1bp tighter. HYSAN 4.85 Perp lost 0.8pt, while FAEACO 12.814 Perp gained 0.3pt.*
- **BBNIIJ:** Bank Negara Indonesia announced tender offer results for BBNIIJ 4.3 Perp, and accepted the purchase of USD568.165mn. The o/s amount will reduce to USD31.835mn. We switch our buy recommendation to BBNIIJ 7.15 Perp from BBNIIJ 4.3 Perp, in view of BBNIIJ 7.15 Perp 's notably better carry and trading liquidity anticipated. BBNIIJ Perps were unchanged to 0.1pt higher this morning. See below.
- **BTSDf:** Revenue expanded strongly in 1Q26 underpinned by robust BNC segment performance. BTSDf 9.125 07/24/28 edged 0.1pt higher this morning. See below.

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❖ Trading desk comments 交易台市场观点

Yesterday, GLPSPs/GLPCHI 29 dropped another 1.0-1.7pts. TOPTB/PTTGC Perps leaked 0.1-0.4pt. BBNIIJs were unchanged to 0.2pt lower. We switch our buy recommendation to BBNIIJ 7.15 Perp from BBNIIJ 4.3 Perp. See comments below. In AU, SCGAU 5.125 09/24/80 edged 1.0pt higher post tender offer for any and all of the o/s amount. Taiwanese lifers were largely unchanged, though fast-money accounts sold selling SHIKON. Cathay Life priced its new 15NC10 bond at T+128. In HK, there was better selling in front-end bank T2s DAHSIN/NANYAN and 10yr LINREI/HKE, but the flows were well absorbed. In Chinese IG space, we saw balanced two-way flows in TMT names MEITUA/LENOVO, but the spreads closed unchanged. ZHOSHK 28 traded 0.3pt lower amid PB/AM selling. CWAHK 26-30 were unchanged to 0.3pt lower. Media reported China Water Affairs plans tap of USD150mn CWAHK 5.875 10/22/30 to refinance CWAHK 4.85 05/18/26. In Chinese properties, VNKRL 27 edged 0.1pt higher, while VNKRL 29 lost 0.3pt. Vanke proposed one-year maturity extension for RMB2bn 3.1% due-May'26 interbank notes. See our comments on [22 Apr'26](#) on Vanke's 3rd extension of onshore bond maturity. In KR space, HYUELE tightened 1-3bps, while POHANG/PKX/LGENSO were unchanged. Japanese FRNs tightened 1-2bps amid better buying in 3-5yr FRNs, while 10yr SEKIS/KYUSEL/MUFG encountered slightly better selling. In the Middle East, bonds were roughly 0.3pt lower, with better selling in long-end KSA and ARAMCO. UBS AT1s retraced 0.1-0.3pt from the previous high, alongside other long-end and belly Yankee AT1 issues, amid moderate selling flows from Asian AMs and prop desks. The LGFV space remained largely upbeat amid balanced two-way flows across the credit curve among RMs and tactical investors.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CCAMCL 4 3/4 12/04/37	94.1	2.0	GLPSP 9 3/4 05/20/28	77.8	-1.7
SCGAU 5 1/8 09/24/2080	101.0	1.0	GLPSP 4 1/2 PERP	45.9	-1.4
SMCGL 8 1/8 PERP	99.8	0.4	GLPSP 4.6 PERP	42.8	-1.4
SAMTOT 5 1/2 07/18/29	96.2	0.3	NDPAPE 14 PERP	104.8	-1.0
SOFTBK 4 5/8 07/06/28	96.9	0.3	GLPCHI 7 3/4 04/30/29	78.4	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.41%), Dow (-0.36%) and Nasdaq (-0.89%) were lower on Thursday. The US Initial Jobless Claims was +214k, higher than the market expectation of +211k. The US Apr'26 S&P Global Services PMI and Manufacturing PMI were 51.3 and 54.0, higher than the forecast of 50.5 and 52.5, respectively. UST yield was higher on Thursday. 2/5/10/30 year yield was at 3.83%/3.96%/4.34%/4.92%.

❖ Desk Analyst Comments 分析员市场观点

➤ **BBNIIJ: Initiate buy on BBNIIJ 7.15 Perp**

Table 1: BNI's o/s USD bonds

Security Name	ISIN	Amt o/s (USDmn)	Ask Px	YTC	Issue rating (M/S/F)
BBNIIJ 4.3 Perp	XS2385923722	31.835*	100.0	4.3%	Ba3/-/-
BBNIIJ 7.15 Perp	XS3343218866	700	100.6	7.0%	Ba3/-/-

Source: Bloomberg.

*upon completion of the tender offer

We switch our buy recommendation to BBNIIJ 7.15 Perp (coupon reset Oct'31) from BBNIIJ 4.3 Perp, in view of the new perp's notably better carry and trading liquidity anticipated. Recalled that Bank Negara Indonesia (BNI) issued USD700mn AT1 (BBNIIJ 7.15 Perp) at par last week. The issue was upsized from USD500mn and issue yield tightened to 7.15% from IPT of 7.5%. The coupon of BBNIIJ 7.15 Perp will be first reset to 5yrUST+initial spread of 326bps on the first call date on 22 Oct'31. At 100.6, BBNIIJ 7.15 Perp is trading at YTC of 7.0%, offering pick-up of c270bps over BBNIIJ 4.3 Perp with c4.5 years longer to first call date/first coupon reset. We also like BBNIIJ 7.15 Perp for its good RV compared with other Asian AT1 peers, BNI's state-ownership and its solid capital adequacy. Please also read our new issue color in our daily on [15 Apr'26](#).

The proceeds BBNIIJ 7.15 Perp of USD700mn were used to fund the concurrent tender offer for BBNIIJ 4.3 Perp of USD600mn. Yesterday, BBNIIJ announced to accept for purchase all validly tendered USD568.165mn for BBNIIJ 4.3 Perp. Upon completion of the tender offer (scheduled 24 Apr'26), the o/s amount of BBNIIJ 4.3 Perp will reduce to only USD31.835mn. We expect to see dwindling trading liquidity for this perp. That said, the tender offer for BBNIIJ 4.3 Perp reinforces our view that BNI and Indonesian government have strong incentive to redeem AT1s on or prior to the first call dates to maintain access to USD bond market access and avoid issue premium for the Indonesian banking sector.

➤ **BTSDF: Revenue expanded strongly in 1Q26 underpinned by robust BNC segment performance**

H&H credit profile continues to improve, supported by active liability management and IMF recovery. On Wednesday, Moody's changed the rating outlook of H&H to stable from negative and affirmed its Ba3 rating, reflected sustained recovery in infant milk formula sales, strengthening consolidated profit margins. We maintain neutral on BTSDF 9.125 07/24/28 on current valuation. In Chinese HY space, we like FOSUNI 8.5 05/19/28 (-/BB-/-), which offer c170bps pick-up over BTSDF 28 and c2months earlier to maturity.

Table 1: Bond profile of BTSDF

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTM	Issue rating (M/S/F)
BTSDF 9.125 07/24/28	XS2971969287	300	105.4	5.3%	Ba3/BB/-

Source: Bloomberg.

H&H's revenue rose 34.4% yoy to RMB4.3bn in 1Q26, driven by Baby Nutrition and Care (BNC) and Adult Nutrition & Care (ANC) businesses. China continued to be H&H's largest market with strong revenue growth of 44.9% yoy to RMB3.2bn. For BNC in China, IMF sales growth was 74.4% yoy in 1Q26, driven by robust sell-through and healthy channel stock replenishment activity, from improved Stage 3 IMF products conversion and new mother education, as well as temporary spike in demand for Biostime IMF due to new industry developments. Biostime's market share reached an all-time high at 22.1% in 2M26. We expect the growth momentum in IMF to continue in 2Q26, which will be partly driven by its first launch of HMO IMF in Apr'26.

ANC also recorded 33.5% yoy growth in China, as supported by Swisse Plus and Little Swisse. On Pet Nutrition and Care (PNC), H&H target to complete the supply localization by the end of 2026, and accelerate the growth of Solid Gold's high margin pet nutritional food and supplements. During 1Q26, H&H launched first ever 'cat-derived' probiotics range in China.

Revenue in North America grew by 12.9% yoy to RMB452mn, mainly from PNC, as benefited from changing demographics, rising pet populations and premiumisation and humanization trends. Revenue in ANZ declined 2.8% yoy to RMB378mn, reflected that H&H strategically deprioritized the corporate overseas personal shopping (diagou) business. Still, Swisse maintained its position as Australia's No.1 vitamins and mineral supplements brand. In the nine expansion markets in Asia, revenue increased by 34.8% yoy to RMB271mn.

Looking ahead, H&H guided the EBITDA margin of ANC to be high-teen level in FY26, BNC to grow to low-to-mid-teen level, while PNC to stay at mid-single digit level. As of Mar'26, H&H had cash of cRMB2.1bn, increased from RMB1.7bn as of Dec'25. Gross debts were down by RMB300mn from Dec'25, H&H voluntarily prepaid USD term loan of RMB500mn equivalent, funded by internal resources and lower-cost RMB borrowings. Management reiterated its target to reduce gross debt by RMB700mn by end of 2026 and dividend payout of RMB200mn, funded by c90% of FY26 EBITDA to be translated into pre-tax operating cash flow.

Table 3: 1Q26 financial highlights

RMB mn	1Q25	1Q26	Change
Revenue by segment			
Adult nutrition and care products (ANC)	1,529	1,931	26.3%
Baby nutrition and care products (BNC)	1,140	1,835	60.9%
Pet nutrition and care products (PNC)	501	493	-1.5%
Total	3,170	4,260	34.4%

Revenue by geography

China	2,180	3,159	44.9%
ANZ	389	378	-2.8%
North America	401	452	12.9%
Others	201	271	34.8%

Source: Company filing.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Cathay Life Insurance	500	15NC10	T+128	T+128	-/BBB+/BBB
Dalian Wanda Commercial Management	150	3yr	12.5%	12.5%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ News and market color

- Regarding onshore primary issuances, there were 159 credit bonds issued yesterday with an amount of RMB210bn. As for month-to-date, 1,844 credit bonds were issued with a total amount of RMB1,905bn raised, representing a 16.2% yoy increase
- **[ACPM]** Ayala's real estate arm is scaling back capex and focusing on preserving liquidity amid geopolitical risks
- **[BABA/TENCNT]** Alibaba and Tencent are in talks to invest in DeepSeek at over USD20bn valuation
- **[EBIUH]** Emirates NBD Bank 1Q26 net interest income rose 12% yoy to AED7.6bn (cUSD2.1bn)
- **[FAUBH]** First Abu Dhabi Bank 1Q26 net interest income rose 7.5% yoy to AED4.8bn (cUSD1.3bn)
- **[GENTMK]** GOHL Capital set USD1.25bn maximum amount for purchase of USD1.5bn GENTMK 4.25 01/24/27
- **[INDON]** Moody's has assigned Baa2 rating and S&P assigned BBB rating to Indonesia's proposed yen-denominated bonds
- **[NWDEVL]** NWD has netted over HKD3.4bn (cUSD434mn) from the sale of Pavilia Farm III in Tai Wai so far

- **[SANLTD]** Sands China 1Q26 EBITDA rose 18.3% yoy to USD633mn
- **[SOFTBK]** SoftBank is in talks to partially guarantee USD10bn OpenAI-backed loan at SOFR+ 425bps
- **[VNKRLE]** China Vanke proposed one-year maturity extension for RMB2bn 3.1% due-May'26 interbank notes

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