

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- *The new CDBALF 4.25 02/11/31 was largely unchanged around pricing at T+50 this morning. See our comments [yesterday](#). PMBROV 30/BSFR 6.375 Perp edged 0.3-0.4pt higher. ACPM 4.85 Perp/EHICAR 26 were 0.9-1.2pts lower.*
- **FRESHK:** *An unconvincing rating action. FRESHKs were unchanged this morning. See below.*
- **GLPSP/GLPCHI:** *GLP Pte circulated 8.95% guidance for its USD500mn tap of GLPSP 9.75 05/20/28. Concurrently, GLP China launched a tender offer for all of the o/s USD495mn GLPCHI 2.95 03/29/26 at par. GLPCHI 26 was 0.5pt higher this morning, while GLPCHI 29/GLPSP 28/GLPSP Perps were 0.5-1.0pt lower.*

❖ Trading desk comments 交易台市場观点

Yesterday, the new INTNED 6.5 perp traded 0.2-0.3pt lower from RO at par amid mixed flows. Yankee AT1 space was unchanged to 0.3pt weaker. In Chinese IG space, short-end MEITUA tightened 2-4bps, while belly to long end MEITUA were unchanged to 2bps wider. CCAMCL/ORIEAS were 1-3bps tighter. ZHOSHK 28 closed 2bps tighter. FRESHK 28-29 widened 25-55bps and CNH FRESHK 28 closed 2.0pts lower amid one-way selling by AMs. S&P placed Far East Horizon on CreditWatch negative after the profit warning of its 41.7%-owned subsidiary Horizon Construction Development. See comments below. EHICAR 26 decreased by 1.3pts. In HK, FAEACO 12.814 Perp/MTRC 4.875 Perp were 0.1pt lower. SUNHKC 29 closed 0.1pt higher. The Macau gaming complex were unchanged to 0.1pt higher. See our comments on [3 Feb'26](#). In Chinese properties, FUTLAN 28/FTLNHD 26-27 edged 0.6-1.3pts higher. Seazen will hold non-deal roadshows during 9-10 Feb'26 in Hong Kong. VNKRL 27-29 were 1.0pt lower. In JP space, NTT 35/MUFG 35-36s/SOBKCO 35/SMBCAC 35/TACHEM 35 traded 1-3bps wider. RESLIF 6.875 Perp was 0.1pt higher. In SE Asian space, BBLTB/OCBCSP T2s were 2bps tighter to 1bp wider. VLLPM 27-29 dropped 1.8-2.3pts. GLPSP Perps closed 0.1pt lower. In the Middle East, belly of ARAMCO tightened 1-3bps while the long-end widened 1-3bps.

LGFV space remained firm especially among CNH issues across the curve, papers yielding from lower than 3% or higher than 7% remained largely well bid, whereas flows were stable two way in USD issues.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GRNLGR 5.6 11/13/28	15.4	1.4	VLLPM 7 1/4 07/20/27	59.3	-2.3
FTLNHD 4 1/2 05/02/26	98.3	1.3	VLLPM 9 3/8 07/29/29	47.4	-1.8
ACPM 3.9 PERP	66.5	1.0	EHICAR 7 09/21/26	70.1	-1.3
TSTSME 11 3/8 02/05/31	103.5	0.7	FRESHK 6 10/01/28	101.3	-1.0
FUTLAN 11.88 06/26/28	95.5	0.7	VNKRLE 3.975 11/09/27	31.1	-1.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.51%), Dow (+0.53%) and Nasdaq (-1.51%) were mixed on Wednesday. US Jan'26 ADP nonfarm employment was +22k, lower than the market expectation of +46k. US Jan'26 ISM Non-Manufacturing Prices/PMI was 66.6/53.8, respectively, higher than the market expectation of 65.0/53.5. 10/30 year UST yield was higher on Wednesday. 2/5/10/30 year yield was at 3.57%/3.83%/4.29%/4.91%.

❖ Desk Analyst Comments 分析员市场观点

➤ FRESHK: An unconvincing rating action

S&P placed Far East Horizon (FEH)'s BBB- rating on CreditWatch with negative implications, following Horizon Construction Development's (HCD, 9930.HK) recent profit warning, indicating a 70%-90% yoy decrease in profit attributable to shareholders in FY25. HCD is a listed subsidiary of FEH, which holds a 41.7% stake. HCD specializes in engineering and construction services and equipment leasing which are affected by challenging conditions in China's construction sector amid a prolonged downturn in the property market. We estimated HCD's revenue, gross profit, and PBT represented c25%, c12% and c1% of FEH in 1H25, respectively.

We are not convinced about the rating action given the apparently small impact on FEH's PBT. As per FEH, it has restructured HCD-related businesses in response to cyclical volatility in the construction sector, while its core financial leasing businesses remain resilient. FEH expects net profit to remain broadly stable, with the profitability of its principal businesses not materially affected by HCD. Asset quality has remained stable, supported by sufficient provisioning buffers. FEH also believes it has sufficient capacity to withstand the cyclical weakness at subsidiaries without impairing group-wide debt-servicing capability.

FEH has good access to diversified onshore and offshore funding channels, supporting its refinancing needs. In 2025, FEH raised bonds in HKD, JPY, RMB and HKD totaled cUSD3.2bn. We also take some comfort that FEH's key relationship banks have maintained credit lines to FEH and HCD following the 1H25 results and FY25 profit warning of HCD, as well as the negative rating action. That said, we are monitoring HCD's refinancing progress, given cRMB6bn of short-term debt maturities in 2026.

We maintain buy on FRESHK 26-29. In our view, FRESHKs offer more attractive risk-return profiles than other leasing peers such as BOCAVI 26-29s (YTM of 4.0-4.2%). The yield pick-up sufficiently compensates for the 3 notches lower in rating, partly due to the stronger shareholding background. We like FEH's more diversified operations compared with those of other Chinese commercial leasing peers. Yesterday, FRESHK 28-29 widened 25-55bps and CNH FRESHK 28 was 2.0pts lower in the morning and stabilized in the afternoon. FRESHKs were unchanged this morning.

Table 1: Bond profiles of FRESHK

Security name	ISIN	Amt o/s (USD mn)	Ask px	Z-spread (bps)	YTM	Mod dur	Issue rating (M/S/F)
FRESHK 4.25 10/26/26	XS2393797530	300	99.7	116	4.7%	0.7	-/BBB/-
FRESHK 6.625 04/16/27	XS2800583606	500	101.6	176	5.2%	1.1	-/BBB/-
FRESHK 5.875 03/05/28	XS2886144232	550	101.0	196	5.4%	1.9	-/BBB/-
FRESHK 6 10/01/28	XS3025777221	500	101.5	196	5.4%	2.4	-/BBB/-
FRESHK 5.25 01/13/29	XS3249057400	400	99.7	193	5.4%	2.7	-/BBB/-

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
CDBL Funding 1	500	5yr	4.25%	T+50	A2/-/A
Huantaihu international investment	185.5	3yr	5.8%	5.8%	Unrated

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
CICC Hong Kong Finance	USD	-	2yr/ 3yr	SOFR+105/ SOFR+110	Baa1/-/-
GLP Pte (tap)	USD	500	3yr	8.95%	Unrated
Mizuho Financial Group Inc	USD	-	6.25NC5.25/ 6.25NC5.25/ 11.25NC10.2	T+95-100/ SOFR Equiv/ T+110-115	Unrated
Neijiang Investment	USD	-	3yr	3.9%	Unrated
Republic of Korea	USD	-	3yr/ 5yr	T+13/ T+16	Aa2/AA/AA-
Shengzhou Investment Holding	USD	-	3yr	4.4%	Unrated
Tianfeng Securities	USD	-	2yr	5.7%	-/-/BBB-
Yuexiu REIT	USD	-	3yr	6.75%	-/-/BBB-

➤ News and market color

- Regarding onshore primary issuances, there were 127 credit bonds issued yesterday with an amount of RMB84bn. As for month-to-date, 342 credit bonds were issued with a total amount of RMB295bn raised. No credit bonds were issued during 1-4 Feb'25 due to CNY holiday
- Saudi Arabia and Turkey signed an intergovernmental agreement for Saudi companies to build solar plants in Turkey for cUSD2bn to meet the needs of 2.1m households
- [BNKEA] Bank of East Asia put One Bedford Place, a commercial complex in Hong Kong, valued HKD2.0bn (cUSD253mn) up for sale
- [CHIOIL] China Oil & Gas to accept for purchase USD271.795mn of CHIOIL 4.7 06/30/26 in the tender offer, outstanding amount will be reduced to USD89.205mn

- **[FUTLAN/FTLNHD]** Media reported Seazen is applying for offshore-debt quota up to USD300mn to refinance FTLNHD 26 of USD404mn; USD100mn quota remains expiring in Apr'26
- **[IHFLIN]** Sammaan Capital 9MFY26 interest income fell 20.6% yoy to INR45.1bn (cUSD499.5mn)
- **[KDB]** KDB to review independent stake sale in HMM
- **[KZOKZ]** KazMunayGas agreed production expansion plan with China National Petroleum Corporation (CNPC)
- **[LASUDE]** Lai Sun Development delayed dispatch of circular on sale of LP interest in fund to on or before 11 Feb'26
- **[LGENSO]** LG Energy Solution to supply Hanwha Qcells in deal at KRW1.5tn (cUSD1bn)
- **[MARUB]** Marubeni 9M25 revenue rose 7.9% yoy to JPY6.2bn (cUSD39.7bn)
- **[QNBFB]** QNB Bank FY25 net interest income climbed 52% yoy to TRY113.3bn (cUSD2.6bn)
- **[PETMK]** Petroliam Nasional's subsidiary, Petronas LNG, signed a 20-year liquefied natural gas sale and purchase agreement with QatarEnergy
- **[SINOCE]** Sino-Ocean onshore unit agreed to sell 75% stake in a key project to help fund repurchase option; Sino-Ocean Holding Group disclosed that the company had RMB16.78bn (cUSD2.42bn) overdue debts excluding interests as of the end of Jan'26
- **[SINOPE]** Sinopec partners with Towntgas to advance hydrogen projects in Hong Kong

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