

CMBI Credit Commentary

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

- *This morning, the new KORGAS 29-31s widened 2-3bps from ROs. The new MITCO 31s tightened 5bps from RO at T+47, while MITCO 36s were unchanged. The new HYNMTR 29s tightened 1bp from RO at T+70, HYNMTR 28s and 31s were unchanged, and HYNMTR 33s widened 2bps from RO at T+93. TENCNTs traded 2bps wider. TW lifers were unchanged to 2bps wider.*
- **WLISRC:** *Debut T2 issuance reflects a premium for smaller scale and shorter operating history. The new WLISRC 7.875 06/23/36 was 0.5pt lower from RO at 99.493 this morning. See below.*
- **VEDLN:** *Media reported Vedanta Resources is looking to relist its shares in the US. VEDLNs were unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, VNKRL 27' and 29' rose 1.5-1.7pts. Vanke will redeem 40% principal and interest on 23WankeMTN003, and receive a secured loan of up to RMB1.1bn (cUSD168.4mn) from Shenzhen Metro to repay debts. LNGFOR 28-32 traded 0.3-0.6pt higher. WESCHI 28-29 lost 0.4-0.5pt. In HK, LASUDE 26 gained 1.0pt. Lai Sun Development launched an exchange offer for any and all of LASUDE 26 into a new 3yr USD bond with 8% coupon. See our comments [yesterday](#). LIFUNGS traded 0.1-0.9pt higher. Li & Fung expanded its licensing partnership with Vera Bradley into apparel, building on the strong performance of its existing soft home business. On the other hand, FAEACO 12.814 Perp was 0.4pt weaker. The Macau gaming complexes were unchanged to 0.5pt higher. In IG space, the recent new issues TENCNT 36/46 tightened 1-2bps amid small better buying. Despite front-end sellers emerged on HAOHUA/TAISEM/FRESHK/NANYAN/OCBCSP/RECLIN/MTRC, their spreads were held up well and closed unchanged. In KR, we saw better selling from AMs and PBs on the front-end, lower-beta papers including SKONKR/HWQCUS/HYUELE/HYNMTR traded 1bp wider. In JP, SOFTBKs closed 0.2pt lower to 0.8pt higher. RESLIF 6.875 Perp/NOMURA 7 Perp were 0.2-0.4pt firmer. As for European AT1s, STANLN 7 Perp gained 0.5pt. In SE Asian space, VLLPM 29/GARUDA 31 were marked 3.8-4.4pts higher. GENTMK Perps edged 0.3-0.7pt higher. TOPTB/PTTGC Perps and INDYIJ 29 were up by 0.2-0.4pt. VEDLN 28-33s closed 0.1pt lower to 0.2pt higher. Vedanta eyes relisting its shares, with the US a likely destination, to help attract capital. In LGFV space, QDJZWDs gained 0.1-0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VLLPM 9 3/8 07/29/29	44.5	4.4	PTTGC 5.2 03/30/52	90.2	-0.9
GARUDA 6 1/2 12/28/31	88.3	3.8	CFAMCI 5 1/2 04/27/47	98.2	-0.7
VNKRLE 3.975 11/09/27	46.8	1.7	BEIENT 6 3/8 05/12/41	109	-0.6
VNKRLE 3 1/2 11/12/29	44.5	1.5	NWDEVL 4.8 PERP	56.0	-0.6
NWDEVL 5 1/4 PERP	84.8	1.2	WDSAU 5.7 09/12/54	95.8	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.65%), Dow (+0.92%) and Nasdaq (+3.07%) were higher on Monday. 2/5/10 year UST yield were lower on Monday. 2/5/10/30 year yield was at 4.07%/4.18%/4.47%/4.97%.

❖ Desk Analyst Comments 分析员市场观点

➤ **WLISRC: Debut T2 issuance reflects a premium for smaller scale and shorter operating history**

Yesterday, Well Link Life Insurance (Well Link, -/BBB-/BBB) priced its 10NC5 T2 USD bond (-/BB+/BB+) at 8.0% yield with a coupon of 7.875%, tightened from IPT at 8.375%. The issue size is USD200mn on an order book of over USD900mn. We note a lack of comparable peers within the Asian lifer universe in terms of operating scale, market positioning, and credit ratings. Taking cues of the valuations of FWDGHD 7.635 07/02/31 (Baa2-/BBB-, YTW of 5.6%) and SHIKON 6.95 06/26/35 (-/BBB/-, YTW of 6.3%), we view the new WLISRC 7.875 06/23/36 at 8.0% yield as broadly fair, after adjusting for rating differentials, smaller issue size and the new issue premium. Within the Asian lifer universe, we prefer FUBON 5.45 12/10/35, NSINTW 5 ½ 03/17/41, RESLIF 6.875 Perp and SUMILF 5.875 Perp, which offer more attractive risk-adjusted return profiles and better trading liquidity. See Table 1.

Table 1: Our Asian lifer picks

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)
FUBON 5.45 12/10/35	XS3151416727	650	98.7	157	5.6%	7.3	9/10/2035	Sub	-/BBB+/BBB+
NSINTW 5 ½ 03/17/41	XS3046322593	653	98.1	207	6.1%	7.2	12/17/2035	Sub	-/BBB+/BBB
RESLIF 6.875 Perp	XS3219360081	750	100.8	278	6.7%	4.8	5/19/2032	Jr Sub	Baa3-/BBB
SUMILF 5.875 Perp	USJ77549AP86	1,040	100.7	175	5.8%	5.9	1/18/2034	Sub	A3/-A-

Source: Bloomberg.

Proceeds from the new issue will be used to replenish T2 capital and for general corporate purposes. The T2 will be callable at par at the issuer's option in whole on the 23 Jun'31 and any distribution payment dates thereafter, subject to prior regulatory approval, or the coupon will be reset to 5yrUST+initial spread of 3.83%. Early redemption prior to the fifth anniversary is only permitted if the T2 is fully replaced with new issue of securities of equal or higher quality under the applicable supervisory rules. We also note the absence of loss-absorption features.

Well Link is a small life insurer in Hong Kong and regulated by the Hong Kong Insurance Authority (HKIA). It obtained HKIA license and commenced businesses in Jul'19. It is 100%-owned by Well Link Insurance Group, which is 82.68%-owned by Mr. Xu Chujia. We understand that Well Link Insurance Group is ring-fenced from

shareholders and subject to HKIA oversight. In 2025, Well Link ranked 11th in Hong Kong with a 2.9% market shares by total new business premium (NBP), 9th with 4.8% market shares by NBP by agents and brokerage channel, and 7th with 7.4% market shares by NBP by brokerage channel.

In FY25, Well Link's PBT increased 31.4% yoy to HKD273.3mn, driven by stronger investment returns and partly offset by weaker insurance results. Investment yields ranged from 5.0% to 11.5% over the past three years, averaging 8.9%. As of Dec'25, Well Link's investment portfolio comprised of bonds (83%), equities (13%) and the remaining in cash and bank deposit (4%); 97% of bond holdings were IG-rated, with sector exposure concentrated in financials (64%), followed by commercial and industrial (20%) and real estate (6%). Its ROA declined to 1.5% in FY25 from 3.0% in FY24, due to 127.8% growth in total asset in FY25 to HKD17.4bn. Its ROE was broadly stable at 11.4% (FY24: 11.5%). As of Dec'25, Well Link's RBC ratio was 217%, comfortably above the regulatory minimum requirement of 100%.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hyundai Capital America	400/	2yr/	4.5%/	T+55/	A3/A-/A-
	1250/	3yr/	4.75%/	T+70/	
	750/	5yr/	5.0%/	T+83/	
	600/	7yr	5.25%	T+93	
Korea Gas Corporation	350/	3yr/	SOFR+45/	SOFR+45/	Aa2/AA/AA-
	350	5yr	4.5%	T+33	
Mitsubishi Corporation	500/	5yr/	4.625%/	T+47/	A2/A/-
	500	10yr	5.125%	T+70	
Well Link Life Insurance	200	10NC5	7.875%	8.0%	-/BB+/BB+

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Education Group	USD	-	3yr	T+220	-/BBB/-
HDFC Bank	USD	-	5yr	T+120	Baa3/BBB/-

➤ News and market color

- Regarding onshore primary issuances, there were 146 credit bonds issued yesterday with an amount of RMB158bn. As for month-to-date, 1,132 credit bonds were issued with a total amount of RMB1,305bn raised, representing a 44.3% yoy increase
- The Bank of Japan raised its benchmark interest rate by 0.25% to 1.0%, its highest level since 1995
- Bank Indonesia 25 bps rate hike poses challenges to property sector recovery
- **[ACENPM]** ACEN will sell up to a 49% stake in a solar energy project in India to Diamond India Renewables One (DIRO) for an undisclosed amount

- **[CTFSHK]** CTF Services is looking to sell more low-performing toll roads in addition to those announced in May'26, and plans to use the proceeds to invest in higher-return businesses
- **[DAESEC]** Mirae Asset probed in South Korea over failure to obtain SpaceX IPO shares
- **[ROADKG]** Road King Infrastructure scrapped its planned acquisition of the remaining 51% stake in a Beijing JV and is seeking to recoup a paid installment

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