

CMBI Credit Commentary

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

- *Asian IG space was unchanged to 2bps tighter this morning. We saw small better buying flows on AT1s and LGFVs. LASUDE 26 gained 1.7pts. SHUION 26 was 0.6pt higher. DALWAN 28/GLPSP 28/GLPCHI 29 were 0.4pt lower.*
- **GRNCH:** *FY25 earnings drop cushioned by robust funding access. Maintain buy on GRNCH 8.45 02/24/28, which was 0.4pt higher yesterday and unchanged this morning. See below.*
- **China Economy:** *Exports remained resilient. CMBI expects China's goods exports to moderate from 5.2% in 2025 to 4% in 2026 while imports may rebound from -0.5% to 2%. USD/RMB rates may appreciate from the current 6.87 to 6.8 by Jun'26, and then depreciate to 6.9 by year end. See comments from CMBI economic research below.*

❖ Trading desk comments 交易台市场观点

Yesterday, in JP, SOFTBKs led the space and rose up to 2.6pts. RESLIF 6.875 Perp/NOMURA 7 Perp edged 0.4-0.6pt higher. Rest of Japanese and Yankee AT1s and insurance subs also largely recouped the previous losses. We saw RMs and prop desks reloading risks, whilst dealers took profits off positions that were hit at the lows. In HK, NWDEVLs increased by 0.1-1.5pts, and VDNWDLs were 0.1-0.2pt higher. FAEACO 12.814 Perp rose 1.2pts. LASUDE 26 was 0.7pt higher, and MTRC Perps gained 0.2-0.4pt. The Macau gaming complex recovered 0.1-0.7pt. As for the rest of greater China, higher-yielding papers, FOSUNI 26-29 were unchanged to 0.5pt higher. EHICAR 26 leaked 0.8pt, while EHICAR 27 gained 0.3pt. Media reported that eHi Car Services is soliciting investor feedback for a proposed exchange offer on its outstanding USD267mn EHICAR 7 09/21/2026. eHi is offering 10% upfront, with the remainder exchanged into a new 3.5yr amortizing bond. WESCHI 28-29 recovered 0.6pt. In Chinese properties, GRNCH 28 was 0.4pt higher. Greentown expects FY25 profit to drop c95% yoy. See comments below. FUTLAN 28/FTLNHD 26-29 were 0.1pt lower to 0.1pt higher. See comments on [9 Mar'26](#). LNGFOR 27-32 edged 0.1-0.7pt higher despite the profit warning, while VNKRL 27' and 29' were down by 0.3-0.5pt. In SE Asian space, VEDLN 28-33s were increased by 0.3-2.2pts. The ReNew Energy complex and IHFLIN 27-30 were 0.1-0.6pt higher. PTTGC Perps/TOPTB 6.1 Perp bounced 0.7-1.3pts higher. GLPSPs recovered 0.9-1.1pts. Media reported that GLP is planning Hong Kong IPO to raise at least USD1bn. MEDCIJ 26-30/SMCGL Perps gained 0.1-0.8pt. In the Middle East, ARAMCO 30-36/SECO 29-36/BSFRs closed 0.1-0.3pt higher.

In LGFV space, we saw active two-way flows across higher-yielding names among HFs and RMs. HFs continued to take profit on well in-the-money positions in order to raise cash and buy the dip elsewhere, whilst RMs remained solid buyer of risk papers.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SOFTBK 8 1/4 10/29/65	90.7	2.6	CHGDNU 4.8 09/11/48	92.8	-1.6
SOFTBK 7 5/8 04/29/61	91.3	2.6	CNOOC 4.2 05/05/45	90.0	-1.4
VEDLN 9.85 04/24/33	105.4	2.2	TACHEM 5.65 07/05/54	97.8	-1.3
VEDLN 9 1/8 10/15/32	102.7	2.1	BHP 5 3/4 09/05/55	102.4	-1.3
SOFTBK 7 1/2 07/10/35	101.1	2.0	TACHEM 5.8 07/05/64	98.3	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.21%), Dow (-0.07%) and Nasdaq (+0.01%) were mixed on Tuesday. US Feb'26 Existing Home Sales was 4.09mn, higher than the market expectation of 3.89mn. UST yield was higher on Tuesday. 2/5/10/30 year yield was at 3.57%/3.73%/4.15%/4.78%.

❖ Desk Analyst Comments 分析员市场观点

➤ GRNCH: FY25 earnings drop cushioned by robust funding access

Despite the profit warning, we take comfort from its improved debt structure, manageable debt maturity profile and smooth access to funding channels, thanks partly to its state-ownership. Hence, we maintain buy on GRNCH 8.45 02/24/28 and consider the bond a low-beta and good carry play. At 102.3, GRNCH 8.45 02/24/28 is trading at YTM of 6.9%.

Table 1: Bond profile of GRNCH

Security name	Issue amt (USD mn)	O/s amt (USD mn)	Coupon	Maturity	Ask price	YTM
GRNCH 8.45 02/24/28	500.0	500.0	8.45%	2/24/2028	102.3	6.9%

Source: Bloomberg.

Greentown issued a profit warning, expecting FY25 profit attributable to owners to drop by c95% yoy from RMB1.6bn in FY24. The decline was primarily driven by lower GP margin and a decreased share of results from JVs and associate companies as management accelerated the destocking of long-term inventory, alongside assets impairment losses. Despite the earnings hit, Greentown's debt structure improved. ST debt decreased to less than 20% of total debt as of Dec'25 from 23% as of Dec'24, while cash-to-ST debt ratio increased to over 2.5x from 2.3x a year prior.

Greentown's operating performance remained challenged by the weak macroeconomic backdrop. Greentown's FY25 contracted sales fell 9% yoy to RMB252.9bn, ranking the 5th in sales growth among the 31 developers under our radar. Only China Jinmao and Greenland achieved positive sales growth last year. The sluggish sales momentum has continued into 2026. Greentown's 2M26 contracted sales declined 27% yoy to RMB18.3bn. The yoy change was weaker than that of China Jinmao (+23% yoy) and China Overseas (+21% yoy) but better than that of Yuexiu (-31% yoy) and Greenland (-35% yoy).

That said, we take comfort from Greentown's smooth access to funding channels and its state-owned background. Greentown has actively managed its debt maturity profile since 2024. In Feb'25, Greentown redeemed GRNCH 4.7 04/29/25 and GRNCH 5.65 07/13/25 totaling RMB452mn in principal amount through tender offers, funded by concurrent issuance of USD500mn GRNCH 8.45 02/24/28. This was the first USD bond issuance by Chinese property developer since Feb'23.

Greentown's access to onshore funding channels remains robust. Greentown issued eight onshore bonds totaling RMB8.5bn in 2025 and remains one of the few developers capable of issuing onshore bonds on an unsecured basis and without CBICL guarantees. Furthermore, funding costs have steadily trended downward. The onshore bond coupons dropped to 3.2% in Nov'25 from 4.25% in Jan'25 with a weighted average at 3.7%. We consider Greentown's debt maturity profile to be manageable, supported by a consistently cash-to-ST debt ratio of over 2x and its good access to various funding channels.

➤ **China Economy: Exports remained resilient**

China's exports notably expanded by 21.8% YoY in 2M26 in USD terms, likely supported by front-loading due to a late Chinese New Year (CNY), lower base and the global semiconductor upcycle. Exports to the US notably narrowed the contraction since 2Q25. Imports rebounded markedly driven by AI-related demand including copper-related materials and integrated circuits. We expect China's goods exports to remain resilient in 2026, supported by the AI investment upcycle and China's comparative advantage in cost among manufacturing sectors. However, softer external backdrop including rising energy prices that may erode purchasing power and increase shipping costs could weigh on the momentum. Looking forward, we expect China's goods exports to moderate from 5.2% in 2025 to 4% in 2026 while imports may rebound from -0.5% to 2%. USD/RMB rates may appreciate from the current 6.87 to 6.8 by June 2026, and then depreciate to 6.9 by year end.

Exports notably rebounded amid CNY distortions and lower base. Exports rebounded to 21.8% (all on a YoY basis unless specified) in 2M26 from 6.6% in Dec, notably beating market expectation. Besides a lower base in 2025, part of the upside likely reflected calendar effects, as the late CNY prompted corporates to front-load shipments before the holiday. For destinations, exports to the US recovered from -30% in Dec 2026 to -5.5% on average in Jan-Feb 2026, while exports to ASEAN, the EU and Africa further picked up. Exports to Latin America, Japan and India, on the other hand, moderated. Trade surplus expanded to US\$213.6bn in 2M26 from US\$124.7bn in 2M25, marking the biggest record in history.

Exports saw broad-based rebound by product. Chip exports continued to surge by 36.3% on average in 2M26 after rising 47.7% in Dec 2025, supported by the global semiconductor upcycle. Integrated circuits have quickly risen from the 4th largest export category in 2023 to the largest in 2025, reflecting China's resilience built not only from price competitiveness but also on continued tech advancement. Personal computers further picked up 10% on average in Jan-Feb, while cell phones dropped 4.2% on average after declining 8.6% in 4Q25. Transport equipment including ships and vehicles remained robust at 46.4% and 53%. Personal consumption goods rebounded, as low value-added exports including textile yam, travel goods & bags, garment and toys notably recovered, as well as housing-related products including furniture, lamps & lighting products and home appliances.

Imports improved driven by AI-related demand. China's imports of goods accelerated to 19.8% in 2M26 from 5.7% in Dec. Import value of processing trade dropped to 11.3% in 2M26 from 22.4% in Dec, while imports of general trade recovered to 4.1% from -2.4%. AI-related demand notably picked up, as import volume of copper ore and integrated circuits rose 5% and 9% in 2M26, while their price surged by 30.8% and 28.3%. For energy products, import volume of coal and crude oil increased 1.5% and 15.8% in 2M26, while natural gas dropped 1.1%. For raw materials, volume of iron ore picked up 10%. For intermediate products, volume of steel & copper products, plastics in primary form, rubber and machine tools significantly dropped. Import volume of soybean dropped 7.8% while grain rebounded 2.9%.

We expect goods exports to remain resilient in 2026. The strong Jan-Feb export print was likely supported by temporary factors such as the CNY timing mismatch and a lower base. Nevertheless, we expect exports to

remain resilient in 2026 supported by the global semiconductor upcycle and China's comparative advantage in cost among manufacturing sectors. However, softer external backdrop as rising energy prices erode purchasing power and increase shipping costs, may weigh on the momentum. Looking forward, we expect China's goods exports may moderate from 5.2% in 2025 to 4% in 2026 while imports may rebound from -0.5% to 2%. USD/RMB rates may appreciate from the current 6.87 to 6.8 by June 2026, and then depreciate to 6.9 by year end.

Click [here](#) for the full report.

➤ **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Laizhou Finance Investment	45	3yr	5.9%	5.9%	Unrated
Science City (Guangzhou) Investment Group	150	2yr	4.39%	4.39%	-/-/BBB

➤ **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 129 credit bonds issued yesterday with an amount of RMB129bn. As for month-to-date, 637 credit bonds were issued with a total amount of RMB561bn raised, representing a 41.5% yoy increase
- **[ARAMCO]** Saudi Aramco FY25 adjusted EBIT fell 5.5% yoy to SAR744.6bn (cUSD197.9bn); plans to bring crude exports back to 70% of normal within days
- **[DFHOLD/HANFGI]** Korea Investment bids for Hana Securities building with estimated USD539mn price
- **[EHICAR]** eHi intends to pay 10% upfront of USD267mn EHICAR 7 09/21/2026 under planned exchange offer
- **[HYUELE]** SK Hynix's AI affiliate in the US will receive an investment of USD380mn from SK Innovation
- **[JFCPM]** Jollibee Foods FY25 EBITDA rose 13.8% yoy to PHP41.83bn (cUSD702.6mn)

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