

CMBI Credit Commentary

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

- *This morning, the JP new issues MITSCO 28-35s/ORIX 30/NORBK 30-35s widened 2-4bps. MEITUAs widened 1-2bps, while the other China TMTs were unchanged. The new SUMILF 5.875 30NC10 was 0.2pt higher, and ALVGR 6.55 PERP/INTNED 7 PERP were 0.1pt higher.*
- **FUBON:** FUBON 5.45 12/10/35 offers room for compression of 20bps. FUBON 5.45 12/10/35 was 2-3bps wider this morning. SHIKON remains our top pick among Taiwan lifers. See below.
- **PTTGC:** PTT Global Chemical priced its new USD600mn PTTGC 6.5 NC5.25 Perp at 99.962, and its new USD500mn PTTGC 7.125 NC10 Perps at par. The two bonds rose 0.3-0.5pt this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, the primary market was active. The new FOSUNI 6.8 09/09/29 was 0.2pt higher during the day amid two-way flows. See our comment [yesterday](#). In JP space, the new MITSCO 28/SUMITR 28 FRNs held up and tightened 1-5bps from RO, given the relatively generous spreads at RO pricing and buyers on short FRNs. However, the new fixed JP corps credits MITSCO 28-35s/ORIX 30/NORBK 30-35s/KYUSEL 35 leaked 2-5bps intra-day and slightly recovered in the late afternoon. MUFG 6.35 PERP also failed to perform in light of its tight primary offering yield, and traded around par over the day. The new SBIIN 30 widened 2-3bps. The new ACAFP 7.125 PERP and INTNED 7 PERP rose 0.3-0.4pt in Asia morning thanks to retail-buying flows, before retreating by 0.2-0.3pt after London opened.

On secondary front, the Asia IG bids were 1-2bps wider on benchmark names. TW lifers NSINTW/SHIKON were unchanged with FUBON 5.45 12/10/35 in the pipeline. See our comment on FUBON below. We saw better buying from AMs for 2-3yr Chinese financials/leasing FRNs. For Greater China high-beta credits, the space remained largely afloat. NWDEVL 27-31s and NWDEVL PERPs nonetheless dropped 0.4-1pt. MTRC PERPs, Yankee and Japanese AT1s, and insurance hybrids had another choppy session amid heavy selling from AMs. Bonds were overall down 0.3pt across the board, though we saw buying from RMs during the London session in the belly of the curve, like ALVGR 6.55 PERP. In SEA, ADANEM 30-31s were 0.3pt higher. Adani Electricity Mumbai repurchased USD44.7mn ADANEM 3.867 07/22/31 in the open market, the o/s amount reduced to USD255.3mn. PTTGC 31-52s tightened 3-10bps. There was recovery in the LGFV space yesterday. We saw RMs buying cheaper, repriced offers, bringing bonds 0.2pt higher across USD and CNH credits.

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

Cyrena Ng, CPA 吴倩莹
 (852) 3900 0801
 cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHGDNU 4.8 09/11/48	89.9	1.7	NWDEVL 4 1/2 05/19/30	59.8	-1.0
PTTGC 5.2 03/30/52	93.6	1.3	NWDEVL 8 5/8 02/08/28	79.9	-0.8
CSLAU 5.417 04/03/54	94.7	1.1	NWDEVL 4 3/4 01/23/27	82.0	-0.8
TACHEM 5.8 07/05/64	97.6	1.1	NWDEVL 4 1/8 07/18/29	60.8	-0.8
CSLAU 4.95 04/27/62	86.7	1.1	NWDEVL 3 3/4 01/14/31	55.8	-0.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.51%), Dow (-0.05%) and Nasdaq (+1.02%) were mixed on Wednesday. The Jul'25 US JOLTS Job Openings was 7.181mn, lower than the market expectation of 7.38mn. UST yield was lower on Wednesday. 2/5/10/30 yield was at 3.61%/3.69%/4.22%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➤ FUBON: FUBON 5.45 12/10/35 offers room for compression of 20bps

Fubon Life priced 10.25yr T2 USD bond, C (-/BBB+/BBB+) at T+120bps, tightened 30bps from IPT at T+150bps. The issue size is USD650mn on an order book of over USD1.9bn. This is Fubon Life's first USD T2 bond issuance and the coupon of this T2 will be FFL and non-deferrable. The new bond will be callable 10 years after the issuance and within the three-month window preceding the maturity. At 100.0, FUBON 5.45 12/10/35 is trading at T+123/YTM of 5.4%. This morning, FUBON 5.45 12/10/35 widened 2-3bps from RO at T+120bps but cash price stayed above reoffer price at 99.826. We divide Taiwan lifers into 2 buckets: CATLIF/FUBON; and NSINTW/SHINKON, based on their asset size and credit profiles. At current valuation, FUBON 5.45 12/10/35 is trading 25-30bps wider than CATLIF 5.95 07/05/34 and CATLIF 5.3 09/05/39. We believe that FUBON 5.45 12/10/35 offers good relative value with room for compression of 20bps against CATLIFs. For Taiwan lifers, SHIKON remains our top pick in view of its most appealing risk-return profile, especially after the recent widening from the tight. Please also read the new issue color in our daily on [1 Sep'25](#).

Table 1: Bond profile of TW lifers

Security name	ISIN	Amt o/s (USD mn)	Ask px	T-spread (bps)	Z-spread (bps)	YTM/YTC	Mod dur	Issue rating (M/S/F)
CATLIF 5.95 07/05/34	XS2852920342	600	105.5	87	150	5.2%	6.8	-/BBB+/BBB+
CATLIF 5.3 09/05/39	XS2885079702	320	100.7	92	153	5.2%	6.9	-/BBB+/BBB+
FUBON 5.45 12/10/35	XS3151416727	650	100.0	123	175	5.4%	7.8	-/BBB+/BBB+
NSINTW 5.45 09/11/34	XS2888260564	700	97.0	160	221	5.9%	6.8	-/BBB+/BBB
SHIKON 6.95 06/26/35	XS3096123883	400	105.0	197	254	6.3%	7.0	-/BBB/-

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size	Tenor	Coupon	Priced	Issue Rating
Arab Petroleum Investment Corp	600	5.4167yr	4.103%	SOFR MS+75	Aa2/-/AA+
Asian Infrastructure Investment Bank	2000	3yr	3.625%	3.625%	Unrated
Fubon Life	650	10.25yr	5.45%	T+120	-/BBB+/BBB+
KSA Ijarah Sukuk	2250/ 3250	5yr/ 10yr	4.25%/ 4.875%	T+65/ T+75	Aa3/-/A+

PTT Global Chemical	600/	PerpNC5.25/	6.5%/	99.962	Ba2/-/BB
	500	PerpNC10	7.125%	7.125%	
Sumitomo Life Insurance	1200	30NC10	5.875%	5.875%	A3/-/A-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
SK Hynix	USD	-	3yr/ 5yr	CT3+115/ CT5+120	Baa2/BBB/BBB

➤ News and market color

- Regarding onshore primary issuances, there were 17 credit bonds issued yesterday with an amount of RMB9bn. As for Month-to-date, 111 credit bonds were issued with a total amount of RMB74bn raised, representing a 42.3% yoy decrease
- **[BHP]** BHP Group is set to raise USD1.5bn via dual-tranche bond issuance, with settlement slated for 5 Sep'25
- **[COGARD]** Country Garden's Aug'25 contracted sales were RMB2.96bn (cUSD414.9mn)
- **[CTFSHK/NWDVEL]** Former NWD chief executive Adrian Cheng resigns as director of Chow Tai Fook Enterprises
- **[FAEACO/NWDVEL]** NWD and Far East Consortium's new Kai Tak project generated HKD4.6bn (cUSD589mn) in sales
- **[FTHDGR]** Fantasia extended the consent fee deadlines in its offshore debt restructuring to 23 Sep'25 to accommodate creditors
- **[IHFLIN]** Sammaan Capital board approved up to INR100bn (cUSD1.1bn) debt issuance
- **[LGCHEM]** LG Chem is in talks to sell its naphtha cracking centers in South Korea's Yeosu City to GS Caltex, and both petrochemical firms would jointly develop the plant
- **[NOMURA]** Nomura launched a US commercial real estate platform, bolstering its securitized products and private credit business
- **[PCORPM]** Petron launched new PERP NC3 and concurrent exchange and tender offer for USD550mn PCORPM 5.95 PERP
- **[SMCGL/SMCPM]** San Miguel is in talks to raise a syndicated loan of about USD1.5bn, to be used for general purposes
- **[SZMETR]** Shenzhen Metro filed application for RMB10bn bond offering
- **[TAISEM]** TSMC widened its lead in the global foundry market after an 18.5% qoq revenue rise in 2Q25

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

Disclaimer:

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide

this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.