招銀国际 CMB INTERNATIONAL

Fixed Income
Credit Commentary

29 Jul 2026

CMBI Credit Commentary

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

- *Asia IG traded in a cautious tone this morning ahead of the FOMC meeting. Chinese TMTs were unchanged amid light two-way flows. JP higher-yielding space was marked down by 0.1pt. VNRKLE 27-29 gained 0.6-1.6pts. WESCHI 28 was 0.4pt higher. SOFTBK 31-35s were 0.3pt lower. We saw flows picking up for higher-grade CNH issues.*

- ***HYUELE:** Record 2Q26 earnings fueled by strong AI demand; cash balance reached KRW88.0tn as of Jun'26. HYUELE 30-31s widened 3bps this morning. See below.*

- ***INCLEN/INGPHL/RPVIN**: CPP Investments and Sumant Sinha increased their non-binding offer to USD7.02 per share from USD6.75 to acquire the shares they not already owned in ReNew Energy Global. INCLEN/INGPHL/RPVIN were unchanged this morning.*

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❖ **Trading desk comments 交易台市场观点**

Yesterday, the new KEBHNB FRN closed around RO at SOFR+68 in a quiet session. In the rest of the KR space, industrials LGENSO/HYNMTR/ HYUELE/POSCO complexes and higher-beta financials DAESEC were marked 2-5bps wider amid better selling. See our comments on SK Hynix 2Q26 results below. In JP, FRNs and corporate/leasing papers closed 1-3bps wider. Chinese TMT space widened 2-4bps amid better selling on 10yr BABA/TENCNT/MEITUA/KUAISH and belly of BABA/MEITUA. ZHOSHK 28 was down 0.3pt. In HK, 10yr HKTGHD 36 traded 2bps wider amid two-way flows. We saw better selling in BNKEA/DAHSIN T2s versus better buying in SHCMBK T2s. Taiwan lifer papers were unchanged to a touch wider amid two-way flow on the recent new issue FUBON 41. See our comments on FUBON on 24 Jul'26.

In higher-yielding space, GLPSPs/GLPCHI rose 0.2-1.3pts. On the other hand, SOFTBKs were down up to 1.0pt amid RM selling. JP and European AT1s and insurance subs had a largely stable session amid light flows. In Greater China, CASHLD/FOSUNI/HONGQI lost 0.1-0.5pt amid AMs switching out of these issues. VNKRLE 27-29 rose 0.3-0.6pt. Strength in LGFVs persisted as cross-border RMs continued to chase after higher-yielding CNH names, while loose bonds sold by tactical investors were digested quickly. However, we saw small better selling in several non-LGFV CNH 10yr bonds by AMs and non-Chinese accounts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4.6 PERP	**56.3**	**1.3**	SOFTBK 7 5/8 04/29/61	**93.8**	**-1.0**
CCAMCL 4 3/4 12/04/37	**90.7**	**0.8**	SOFTBK 7 1/2 07/10/35	**98.1**	**-0.8**
TACHEM 5.8 07/05/64	**95.7**	**0.7**	SOFTBK 7 1/4 07/10/32	**95.3**	**-0.8**
AXIATA 3.064 08/19/50	**70.0**	**0.7**	SOFTBK 8 1/2 04/22/36	**99.6**	**-0.6**
BHP 5 1/2 09/08/53	**95.8**	**0.6**	SOFTBK 8 1/4 10/22/31	**100.0**	**-0.6**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.21%), Dow (+1.03%) and Nasdaq (-0.22%) were mixed on Tuesday. US Jul'26 CB Consumer Confidence was 90.8, lower than the market expectation of 92.4. UST yield were lower on Tuesday. 2/5/10/30 year yield was at 4.26%/4.35%/4.61%/5.09%.

❖ Desk Analyst Comments 分析员市场观点

➢ HYUELE: Record 2Q26 earnings fueled by strong AI demand; cash balance reached KRW88.0tn as of Jun'26

We maintain buy on HYUELEs in view of SK Hynix (Baa1/BBB+/BBB+)'s strong market position globally and solid operating cash flow, as well as HYUELEs' more balance risk-return profiles compared with those of peers such as MUs (Baa2/BBB/BBB+) and KIOXIAs (-/BBB-/BBB-). Within the HYUELE complex, we prefer HYUELE 2.375 01/19/31 most for lower cash price. At 89.9, HYUELE 2.375 01/19/31 is trading at YTM of 4.9%/Z+79bps.

SK Hynix delivered another record-high quarterly revenue of KRW79.3tn in 2Q26, up 51% qoq and 257% yoy, with operating profit rising 61% qoq and 557% yoy to KRW60.5tn. Operating margin expanded further to 76% (+4 ppts qoq, +35 ppts yoy). In 1H26, revenue reached KRW131.9tn, surpassing KRW100tn for the first time. The strong growth in earnings and profitability were broadly driven by pricing of DRAM and NAND, where ASP rising sharply by 30% qoq and mid-50% qoq, respectively. We understand that the DRAM ASP was weighed down by the shipments of some high-value DRAM products were delayed to 2H26 from 2Q26. Bit shipment growth remained comparatively modest (high-single digit qoq for DRAM; mid-teen qoq for NAND), in line with management guidance.

Looking ahead, SK Hynix guided DRAM bit shipments to grow 10% qoq in 3Q26, supported by server demand, while NAND bit shipments are expected to increase low-single digit qoq. SK Hynix has secured long-term agreements with c10 customers and is in discussions with other major customers. These agreements combine purchase commitments with deposits and will run for c5 years, exact terms vary by customer and product characteristics. While this should support near-to-medium term volume and revenue visibility, it is unclear whether terms could be renegotiated if market conditions soften.

SK Hynix continues to scale investments to expand production capacity, including Yongin Phase 1 (scheduled to open in early 2027), P&T7 advanced packaging, and M17 NAND. Management guided FY26 capex at high-KRW40tn, up from KRW27.5tn in FY25, reflecting a substantial step-up and risk of over-expansion into the next down cycle. That said, we take some comfort in SK Hynix's phased capacity expansion approach based on customer demand.

SK Hynix's operating cash flow strengthened substantially, with cash balance increased 62% qoq to KRW88.0tn as of Jun'26, supported by a 149% qoq increase in operating cash flow. We expect operating cash inflows to cover elevated capex in the near term. SK Hynix maintained a net cash position of KRW69.4tn as of Jun'26, with total debt/LTM EBITDA at 0.1x, supported by strong EBITDA expansion. The next USD bond maturity, HYUELE 5.5 01/16/27 of USD500mn, is manageable based on internal liquidity. Furthermore, SK Hynix's US listing in Jul'26 further broadens its funding flexibility. Overall, while SK Hynix's credit profile is supported by exceptional earnings and liquidity, we will continue to monitor its capex discipline and margin sustainability.

Table 1: SK Hynix's o/s USD bonds

Security Name	ISIN	Amt o/s (USDmn)	Ask px	Z-Spread (bps)	YTM	Mod Dur
HYUELE 5.5 01/16/27	USY8085FBT67	500	100.5	40	4.5%	0.5
HYUELE 6.375 01/17/28	USY8085FBK58	1,000	102.4	49	4.7%	1.4
HYUELE 4.25 09/11/28	USY8085FBY52	600	99.0	57	4.7%	2.0
HYUELE 5.5 01/16/29	USY8085FBU31	1,000	101.7	60	4.8%	2.3
HYUELE 4.375 09/11/30	USY8085FBZ28	600	98.0	79	4.9%	3.7
HYUELE 2.375 01/19/31	USY8085FBD16	1,000	89.9	79	4.9%	4.1
HYUELE 6.5 01/17/33	USY8085FBL32	750	107.4	100	5.1%	5.3

Source: Bloomberg.

Table 2: SK Hynix's 2Q26 financial highlights

KRW bn	2Q25	2Q26	yoy change	1Q26	qoq change
Revenue	22,232	79,319	257%	52,576	51%
-DRAM	*17,119*	*57,903*	*238%*	*41,009*	*41%*
-NAND	*4,669*	*21,416*	*359%*	*11,041*	*94%*
Gross profit	11,983	65,991	451%	41,679	58%
Operating profit	9,213	60,543	557%	37,610	61%
EBITDA	12,645	64,563	411%	41,336	56%
Net profit	6,996	93,923	1243%	40,346	133%
Operating cash flow	9,208	65,710	614%	26,430	149%
Capex	4,332	10,671	146%	7,657	39%
Gross profit margin	54%	83%	29 ppts	79%	4 ppts
Operating profit margin	41%	76%	35 ppts	72%	4 ppts
EBITDA margin	57%	81%	24 ppts	79%	2 ppts
Net profit margin	31%	118%	87 ppts	77%	41 ppts

KRW bn	Mar'26	Jun'26	qoq change
Cash and equivalent	54,330	87,958	62%
Total debt	19,318	18,586	-4%
Net debt/(net cash)	(35,012)	(69,372)	98%
Total debt/LTM EBITDA	0.2	0.1	-
Net debt/LTM EBITDA	(0.4)	(0.5)	-

Source: Company filling, CMBI FICC Research

➢ Offshore Asia New Issues (Priced)

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

➢ 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 130 credit bonds issued yesterday with an amount of RMB119bn. As for month-to-date, 1,942 credit bonds were issued with a total amount of RMB2,072bn raised, representing a 2.4% yoy increase

- **[ARAMCO]** Aramco shuts 400,000-bpd Jazan refinery after attack

- **[INCLEN/INGPHL/RPVIN]** CPP Investments and Sumant Sinha increased their offer to acquire the shares they do not own in ReNew Energy Global

- **[ORIEAS]** Orient Securities to acquire Shanghai Securities for RMB25.1bn (cUSD3.7bn)

- **[SIASP]** Singapore Airlines 1QFY27 EBITDA fell 30.8% yoy to SGD702.4mn (cUSD544.3mn), increases in air fares and cargo rates have not fully offset the jump in fuel costs caused by the Iran war

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