

CMBI Credit Commentary

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

- *The new ANZ NZ 29-31s tightened 3-5bps from ROs this morning. MEITUA curve tightened 3-5bps. JP AT1s and insurance subs edged 0.1-0.3pt higher, led by NOMURA 7 Perp. GLPSP 4.6 Perp/CKINF 4 Perp were 0.3-0.4pt higher. VLLPM 29/EHICAR 26 were down by 0.5-0.9pt.*
- **KUAISH:** *FV of the new KUAISH 31s to be T+50bps and the new KUAISH 36s to be T+65bps. See below.*
- **China Economy:** *Rebalancing remains challenging. CMBI expects growth of exports of goods to slow from 5.5% in 2025 to 3.5% in 2026 while growth of imports of goods to rebound from 0% in 2025 to 2%. See comments from CMBI economic research below.*

❖ Trading desk comments 交易台市场观点

Yesterday, MEITUA curve tightened 3-5bps. Chinese IG beta names FRESHK/ZHOSHK tightened 2-4bps with flows among PB and AM accounts. In HK, LASUDE 26/FAEACO 12.814 Perp gained 0.3pt. HYSANs were unchanged to 0.3pt higher. NWDEV/VDNWDL complex were 0.4pt lower to 0.2pt higher. CASHLD Perps/MTRC Perps were up by 0.1pt. In Chinese properties, VNKRLE 27-29 recovered 1.2pts. GRNLGR rose 1.1pts. FTLNHD 27 was up by 0.2pt. In KR space, recent new issues SKBTAM/HYNMTR as well as older HYUELE/LGENSO curves tightened 2-3bps, driven by robust real-money deployment demand from Chinese onshore accounts. POHANG/PKX 28-35s also tightened 1-4bps, after the new issues of POHANG 31s/36s. In JP space, 5yr financial FRNs were 1-3bps tighter, while recent fixed-rate tranches of MUFG 32-37s tightened 5bps, benefited from foreign account topping. JP AT1s and insurance subs had an active session; NOMURA 7 Perp and RESLIF 6.875 Perp gained 0.2pt. European AT1s were a touch weaker amid better selling from London, as offers moved lower by 0.1-0.3pt. In SE Asia space, VLLPM 27-29 dropped 0.2-1.5pts. On the other hand, VEDLN 28-33s remained strong and rose 0.2-0.5pt. GLPSP Perps/IHFLIN 27-30s increased by 0.1-0.2pt. In the Middle East, the recent EBIUH and FABUH 31s held steady and closed unchanged, while EBIUH/FABUH FRNs remained well bid by PBs. KFHHK 31s gained 0.1pt. The recent KSA 31s closed unchanged amid some selling pressure from Chinese accounts, while KSA 36s edged 0.2pt higher. The LGFV space remained largely afloat thanks to demand from RM investors.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
VNKRLE 3 1/2 11/12/29	16.2	1.2	VLLPM 7 1/4 07/20/27	69.4	-1.5
VNKRLE 3.975 11/09/27	16.5	1.2	YUZHOU 7 06/30/27	8.0	-0.7
GRNLGR 5.6 11/13/28	13.2	1.1	ROADKG 6.7 03/30/28	19.8	-0.6
BEIENT 6 3/8 05/12/41	111.3	1.0	JGSPM 4 1/8 07/09/30	98.6	-0.5
HAOHUA 5 1/2 03/14/48	100.9	0.9	NWDEVL 3 3/4 01/14/31	69.9	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.53%), Dow (-0.09%) and Nasdaq (-1.00%) were lower on Wednesday. US Nov'25 PPI was +0.2% mom, same as market expectation. US Nov'25 retail sales and core retails sales was +0.6%/+0.5%, respectively, higher than the market expectation of +0.5%/+0.4%. UST yield was lower on Wednesday. 2/5/10/30 year yield was at 3.51%/3.72%/4.15%/4.79%.

❖ Desk Analyst Comments 分析员市场观点

➤ KUAISH: FV of the new KUAISH 31s to be T+50bps and the new KUAISH 36s to be T+65bps

Kuaishou Technology (1024.HK, Kuaishou) purposes to issue 5yr- and 10yr- Reg S/144A USD senior unsecured bonds (A3/A-/A-). We view the FV of the new KUAISH 31s to be T+50bps vs IPT at T+85bps, while the new KUAISH 36s to be T+65bps vs IPT at T+100bps. Our FV estimation is based on the valuation of its Chinese TMT peers and adjusted for a debut issuer premium. See Table 1. Net proceeds will be used for general working capital. Meanwhile, Kuaishou proposes to issue 5yr dim sum bond with IPT at 2.95%.

Table 1: Kuaishou's peers

Security name	ISIN	Amt o/s (USD mn)	Px	T-spread (bps)	YTW	Issue rating (M/S/F)
BABA 4.875 05/26/30	USG01719AK26	1000	102.7	46	4.2%	A1/A+/A
BABA 5.25 05/26/35	USG1719AM89	1150	104.5	50	4.6%	A1/A+/A
BIDU 2.375 08/23/31	US056752AU22	700	90.6	56	4.3%	A3/-/A
BIDU 0 03/12/32 (CB)	XS3015248209	2000	99.0	-	0.3%	A3/-/A
JD 3.375 01/14/30	US47215PAE60	700	97.3	40	4.1%	A3/A-/A
TENCNT 2.88 04/22/31	US88032XBA19	500	94.4	34	4.1%	A1/A+/A

Source: Bloomberg.

Kuaishou was found in 2011 and listed in Hong Kong in 2021. It is China's 2nd largest short video platform and 3rd largest app in China by total time spent. In 9M25, average MAUs were 719mn and DAUs were 411mn, with more than 1.3bn monthly short video uploads. Kuaishou generated revenue of RMB103bn in 9M25, up 12.8% yoy, comprised of 56% from online marketing, 29% from live streaming and 15% from other services. Adj. EBITDA in 9M25 was RMB22bn, 21.1% yoy increase, with an adj. EBITDA margin of 21.1%.

In 9M25, Kuaishou generated operating cash flow of RMB20bn which was sufficient to cover its capex of RMB12bn. As of Sep'25, Kuaishou had total cash and cash equivalent and short-term investment of RMB59bn and total debt of RMB23bn, implying a net cash position of RMB36bn. The total debt/adj. EBITDA was 0.8x as of Sep'25.

➤ China Economy: Rebalancing remains challenging

China's exports of goods in 2025 demonstrated resilience amid global challenges, with the 5.5% growth exceeding our forecasts, driven by enhanced ties with non-US economies and supply chain rerouting through intermediaries. Manufacturing sector expanded through innovation and upgrading, with a significant rise of high-tech exports like integrated circuits, motor vehicles and medical equipment, while traditional sectors like garments and toys declined. Imports stagnated at zero growth, widening the trade surplus to a record US\$1.19trn (estimated 6.1% of GDP), constrained by weak demand and overcapacity pressure in the domestic market. China's GDP growth slowed post-3Q25, dipping below 5% for at least two quarters, with further deceleration expected in 1Q26. Policymakers may respond with additional policy stimulus. Deflation could mildly ease as commodity prices rise. We expect growth of exports of goods to slow from 5.5% in 2025 to 3.5% in 2026 while growth of imports of goods to rebound from 0% in 2025 to 2%. However, economic rebalancing remains elusive, contrasting China's high consumer savings rates, excess supply capacity, deflationary pressure, trade surplus and low interest rates with the US' low consumer savings rates, inadequate supply capacity, inflationary pressure, trade deficit and high interest rates. Fundamental economic and social reforms are needed but challenging. Market implications hinge on China's policy focus: aggressive rebalancing could boost reflation expectations, bond yields, RMB, and stocks especially in cyclical sectors and consumer goods & services; limited economic rebalancing may yield milder gains, favouring tech sectors.

China's exports remained robust amid destination diversification and global supply chain rerouting.

China's exports of goods rose 5.5% in 2025, surpassing our forecast of 5.2%. Exports to the US slumped 20% amid ongoing China-US decoupling in trade and supply chains. However, demand from most other advanced economies was strong, with China's exports to the EU, UK, Japan and Australia growing by 8.4%, 7.8%, 3.5% and 7.9% YoY, respectively. This resilience was supported by stable economic growth and stubbornly high prices in those markets as well as by significant price advantages of Chinese goods. Exports to most developing economies grew even faster, fuelled by their rapid economic expansion, accelerating industrialisation and increasing processing trade. In 2025, China's exports to ASEAN, Africa, Latin America and India grew by 13.4%, 25.8%, 7.4% and 12.8%, respectively. China continued to strengthen ties with these developing economies while partially decoupling from the US. Meanwhile, global supply chains evolved to adapt to the China-US tensions with key intermediaries (such as super connectors like Vietnam and Mexico) acting as buffers to mitigate the negative impacts on global economy and China's exports.

China's manufacturing sector continued to expand with accelerated innovation and upgrading. China's exports of traditional labour-intensive goods such as garment, toys, travel goods & bags, furniture, and lamps & lighting fixtures declined 5%, 12.7%, 13.5%, 6.1% and 12.4% respectively in 2025. Cell phone exports also experienced a sharp decline by 9.4% as the US and Japanese companies continued to diversify their supply chains away from China. However, exports of integrated circuits, motor vehicles, ships, general equipment and medical equipment showed resilience, growing 26.9%, 21.4%, 26.7%, 6.1% and 6%, respectively. These industries have been seeing rapid technology innovation and product upgrades.

Imports showed mild improvement but remained weaker than exports. China's imports of goods registered zero growth in 2025, outperforming our forecast of -0.5%. However, import growth lagged far behind exports, pushing the trade surplus to a record high of US\$1.19trn (about 6.1% of GDP). Weak domestic demand, deflationary pressure, self-dependence initiatives, significant price advantages of domestic supplies and increasing technology control by advanced economies continued to constrain imports. Specifically, import volumes of steel products dropped 21.4% amid slumping property development and a sharp slowdown in traditional infrastructure investment. Auto import volume declined 23.5%, continuing a downward trend from 2022 as domestic suppliers increasingly dominated the market. Conversely, with the rise of domestic auto makers and strong auto exports, rubber import volumes jumped 29.3%. Machine tool imports also saw a strong recovery, thanks to accelerating automation and robotization. Trends in raw material imports were mixed: volumes of grain, coal and natural gas declined while those of soybean, iron ore, copper ore and crude oil increased.

Economic rebalancing remains challenging. China and the US exhibit contrasting economic imbalances like a mirror image. China features high household savings rates, weak consumer demand, excess supply capacity, deflationary pressures, trade surplus, net capital outflows and low interest rates, while the US has overheated consumer demand, low household savings rates, inadequate supply capacity, inflationary pressure, trade deficit, net capital inflows and high interest rates. Both countries face high fiscal deficits, yet China's fiscal resources disproportionately support local governments and enterprises for fixed asset investment, whereas US fiscal funds mainly bolster households for consumption spending. To rebalance, China needs to lower household savings rates, boost consumption, reduce supply capacity & industrial capex, and redirect fiscal support from local governments and enterprises to households and consumers. The US needs to increase household savings rates, expand supply capacity & industrial capex, and shift fiscal priorities from households and consumers to enterprises. These changes require fundamental structural reforms or even economic and social institutional shifts, which are difficult to implement. In the short term, China may introduce moderate stimulus for property and consumption sectors along with anti-involution (“反内卷”) measures to defy deflation. Deflation could mildly ease as commodity prices rebound. But broader economic imbalances are likely to persist without deeper reforms. China's appetite for fixed investment stimulus and industrial expansion might remain. In the face of the recent slowdown in manufacturing investment, likely driven by the anti-involution policy signal, policymakers are reverting to stimulating its growth, a move that we believe could exacerbate involution and deflationary pressure in the future.

Market implications. China's economic growth has slowed since 3Q25, as the property stimulus, trade-in subsidies for durables, and the front-loading of exports created high bases and exhausted future demand. GDP growth remained below 5% for two consecutive quarters and is likely to slow further in 1Q26. With the GDP growth target for 2026 still set at 5%, policymakers face mounting pressure to introduce additional stimulus measures in 1Q26. We anticipate the central bank will cut the RRR by 50bps and the LPRs by 10bps. The Ministry of Finance may also roll out moderate stimulus for the property and consumption sectors. The scale and focus of these policies will be critical for China's bond, stock and FX markets. If policymakers prioritize economic rebalancing through aggressive stimulus for property and consumption, combined with strong capacity reductions across most industries, we could see a robust rally in reflation expectations, bond yields, RMB exchange rates, earnings guidance and stocks—particularly in cyclical sectors and consumer goods and services. Conversely, if the emphasis remains on technological innovation and fixed asset investment, any rallies in reflation expectations, bond yields, RMB exchange rates, earning guidance and stocks would likely be more subdued, with technology stocks continuing to outperform.

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

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
ANZ New Zealand (Int'l) London Branch	500/	3yr/	4.0%/	T+45/	A1/AA-/A+
	500/	3yr/	SOFR+61/	SOFR+61/	
	500	5yr	SOFR+75	SOFR+75	
Sun Hung Kai & Co.	250	3yr	6.75%	6.75%	Unrated
Tai'an Guotai Minan Investment Group	280	3yr	4.85%	4.85%	Unrated

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

Issuer/Guarantor	Size (USD)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
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Kuaishou Technology	USD	-	5yr/ 10yr	T+85/ T+100	A3/A-/A-
Qatar National Bank	USD	-	5yr	SOFR+80	-/A+/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 110 credit bonds issued yesterday with an amount of RMB83bn. As for month-to-date, 750 credit bonds were issued with a total amount of RMB597bn raised, representing a 20.6% yoy decrease
- **[BIDU]** Media reported Baidu considers primary listing in Hong Kong
- **[BIOLIN]** Biocon concluded INR4,150 crore (cUSD460mn) QIP
- **[CERCG]** China Energy Reserve and Chemicals Group launched new exchange offer, consent solicitation for 2018, 2019, 2021, 2022 USD bonds
- **[PERTIJ]** Pertamina USD2.5bn 364-day unsecured loan in syndication; commitments due 16 Feb'26
- **[UOBSP]** United Overseas Bank issued SGD850mn PerpNC7 (AT1) at 3%
- **[VICVN]** Vingroup repurchased USD5.8mn of VICVN 10 11/13/28

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