

CMBI Credit Commentary

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

- *This morning, BABA/TENCNT/XIAOMI 27-35s were 1-2bps tighter. SHUION 26s retreated 0.5pt. NWDEVLs were unchanged to 0.3pt lower. CPDEV 26-28s retreated 0.1pt.*
- **BBLTB:** *Initiate buy on the new BBLTB 6.056 03/25/40. Maintain buy on BBLTB 5 Perp (AT1) and BBLTB 3.466 09/23/36 (T2). BBLTB 40 tightened 2bps from RO this morning, BBLTB 36 tightened 1bp and the rest of BBLTBs were unchanged. See below.*
- *Media reported Chinese authorities are investigating CKH's port deal. CKH will release FY24 results tomorrow but it will not hold earnings calls. CKINF/CKPH Perps were unchanged to 0.3pt lower this morning, closed 2.1-3.1pts lower WTD. CKHH/HPHTSP 30-34s widened another 2-3bps this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, KR space was firm. DAESEC/HYNMTR 26-31s were 1-3bps tighter. In Chinese IGs, HAOHUA 27-28s were unchanged to 2bps tighter. BABA/MEITUA 28-31s tightened 2-3bps under better buying flows from RMs/PBs. The long end of BABAs/TENCNTs were also 1-2bps tighter (0.2-0.3pt higher) on onshore accounts buying. WB 30s, however, widened 2bps. See our comments on 18 Mar '25. In financials, BBLTB priced a 15NC10 bond of USD1bn at CT10+178. See comments below. The new DBSSP Float 28-30s widened 1-2bps, while NAB 36s/CBAAU 30s tightened 1bp. Insurance hybrids and AT1s were firm. MYLIFE 54-55s and FUKOKU Perp were up 0.1-0.2pt. UBS 6.25/BNP 8 Perps were 0.1-0.2pt higher. In HK, NWDEVL Perps/27-31s increased 0.3-1.0pt. NANFUN Perp/PCPDC 26s/CSIPRO 25s, however, declined 0.2-0.4pt. In Chinese properties, SHUION 26s increased 1.0pt. CHIOLI 34-43s were 0.1-0.2pr higher. Outside properties, WESCHI '26 dropped another 0.7pt, closed 1.2pts lower WTD. CHIOIL '26 was up 0.4pt. In Indonesia, CIKLIS 35s declined 0.4pt despite Moody's one notch upgrade to Baa3.

In LGFVs, CPDEV 4.65 '26 and CPDEV 7.15 '28 rose another 0.7pt and 0.3pt, respectively. There were two way interests on CNH names such as CHDOHU 7.6 28s/QDOCID 6.8 28s/QICHEN 7 26s. In SOE perps, CHSCOI Perp was up 0.1pt, CHPWCN Perp was 0.1pt lower.

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

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SHUION 5 1/2 06/29/26	97.3	1.0	CCAMCL 4 3/4 12/04/37	91.3	-0.7
NWDEVL 8 5/8 02/08/28	76.9	0.7	WESCHI 4.95 07/08/26	77.4	-0.7
CPDEV 4.65 01/19/26	99.6	0.7	PCPDC 5 1/8 06/18/26	94.9	-0.4
NWDEVL 4 1/2 05/19/30	61.4	0.6	PLNIJ 7 7/8 06/29/37	118.4	-0.3
NWDEVL 6.15 PERP	76.6	0.6	NANFUN 5 PERP	72.3	-0.3

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.07%), Dow (-0.62%) and Nasdaq (-1.71%) were lower on Tuesday. The Fed will release its latest policy statement on Wednesday. UST yield retreated on Tuesday, 2/5/10/30 yield at 4.04%/4.07%/4.29%/4.58%.

❖ Desk Analyst Comments 分析员市场观点

➤ BBLTB: Initiate buy on the new BBLTB 6.056 03/25/40

Yesterday, Bangkok Bank issued 15NC10 USD T2 bond (Moody's: Baa3) with IPT at T+215. The new BBLTB 6.056 03/25/40 was priced at T+178, tightened 37bps from the IPT. The issue size is USD1bn. BBLTB 6.056 03/25/40 is a T2 instrument with one time call at year 10, i.e. 25 Mar'35. The coupon will be reset at the call date to 5yrUST+initial spread of 178bps without coupon step-up. BBLTB 6.056 03/25/40 will be written down in full or partially permanently at the PONV, which will be the occurrence of the Bank of Thailand and/or any other government empowered government agency deciding to grant financial assistance to the bank of a capital injection, without which the bank would become unable to continue its business in any manner.

Taking cues from the BBLTB 3.733 09/25/34 (T2) and BBLTB 3.466 09/23/36 (T2) which was traded at T+155/YTC of 5.6% and T+162/YTC of 5.7%, respectively, we see the FV of BBLTB 6.056 03/25/40 at T+180 after adding tenor premium of 3.5 years. We initiate buy on the new BBLTB 6.056 03/25/40 for its highest YTC among BBLTBs as well as better trading liquidity. At 99.6, BBLTB 6.056 03/25/40 is trading at YTC of 6.1%. Meanwhile, we also maintain buy on BBLTB 5 Perp (AT1, callable 23 Sep'25, YTC of 5.8%) and BBLTB 3.466 09/23/36 (T2, callable 23 Sep'31, YTC of 5.7%) for yield pick-up over its senior bond with similar "tenor".

Bangkok Bank is the largest bank in Thailand by total assets and customer deposits as of Dec'24. Bangkok Bank has more geographically diversified operations than its peers. Its international loan book represented 25% of total loans, higher than those of Kasikornbank (6%) and Krung Thai Bank (2%). The profitability of Bangkok Bank, in terms of NIM/ROA/ROE, has been improving since FY20-21. The lower-than-peer profitability of Bangkok Bank, in our view, reflects that majority of its exposure is to larger corporates with lower credit risk. On the other hand, Bangkok Bank's asset quality was stable in FY24 compared to FY23 despite the end of loan forbearance in 2024. NPL ratio stood at 2.7% as at Dec'24 and Dec'23 and NPL coverage ratio increased to 334%. The CET1 ratio increased to 17.8% as at Dec'24, well above the regulatory minimum requirement of 8%. We view the chance of non-viability for Bangkok Bank to be low in the medium term.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Asian Development Bank	2000	10yr	4.375%	SOFR MS+57	Aaa/AAA/AAA
Bangkok Bank	1000	15NC10	6.056%	T+178	Baa3/-/-

Henan Airport Investment Group	200	3yr	5.2%	5.2%	Baa1/-/-
JSC Kaspi.kz	650	5yr	6.25%	6.25%	Baa3/-/BBB-
Qingdao Military-Civilian Integration Development Group	100	3yr	6.4%	6.4%	Unrated
The Arab Energy Fund (TAEF)	300	5yr	SOFR+80	SOFR+80	-/-/AA+

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Bank of China Luxemburg Branch	USD	-	3yr	SOFR+105	A1/-/A
Chang Development International/ Changchun Urban Development & Investment Holdings	USD	Up to 250	3yr	6.75%	-/-/BBB
Foshan Gaoming Construction Investment Group	USD	-	3yr	5.7%	Unrated
Muthoot Finance	USD	-	4yr	6.812%	-/BB+/BB

➤ **News and market color**

- Regarding onshore primary issuances, there were 143 credit bonds issued yesterday with an amount of RMB93bn. As for month-to-date, 1,154 credit bonds were issued with a total amount of RMB896bn raised, representing a 28.1% yoy decrease
- Mongolia to open tender for new railway to double coal exports to China
- **[CHNAAR]** China Aircraft Leasing FY24 EBITDA rises 15.1% yoy to HKD5.0bn (cUSD648mn)
- **[CIFIHG]** CIFI Holdings agrees in principle with AHG on certain amendments to RSA; convening hearing in respect of scheme scheduled for 23 Apr'25
- **[INDYIJ]** Indika Energy plans to tap Nanshan Aluminium IPO to reduce reliance on coal
- **[MGFLIN]** Manappuram Finance board meeting on 20 Mar'25 to consider fundraising proposal
- **[NWSZF]** CTF Services to buy investment platform for USD132m to diversify finance offerings

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

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

Author Certification

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.