

## CMBI Credit Commentary

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

- *This morning, TENCNTs were unchanged to 3bps tighter amid two-way flows. KR IG credits tightened 1-2bps. We saw two-way flows on 3-5yr JP financial papers, which traded 1-3bps tighter. GENTMK 8.3 Perp edged 0.7pt higher. EHICAR 26 retraced 0.5pt. VNKRL 27/FTLNHD 27 lost 0.3pt.*
- **CATLIF:** *Strong May'26 earnings momentum and strengthened capital buffer. TW lifers were largely unchanged amid small better selling on NSINTW. See below.*
- **BABA:** *Media reported Alibaba Group offers USD1.5bn to acquire Pupu, which is one of the few online grocery companies in China that has not been acquired by a larger competitor. Chinese TMTs tightened 1-2bps this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, VNKRL 27' and 29' lost 0.2-1.5pts. Vanke said its bondholders agreed to extend the full payment of two onshore bonds totaled RMB4bn (cUSD590.1mm) by one year. WESCHI 28-29 were 0.9-1.0pt weaker. See our comments on WESCHI [yesterday](#). On the other hand, EHICAR 26-29s traded 0.2-0.5pt higher. In Chinese IG space, the recent new issue TENCNT 36s tightened 2bps amid Chinese RM buying. As for the other TMT names, KUAISH widened 2bps while the MEITUA curve tightened 1-2bps. TW lifers were 2bps tighter to 2bps wider, on the back of better buying in SHIKON/FUBON offset by better selling in NSINTW. See our comments on CATLIF below. In HK, BNKEA 32-34s held flat despite better buying from Chinese RMs. The NWDEVL/VDNWDL complexes were 0.2pt lower to 0.1pt higher. HYSANs closed 0.1pt lower to 0.6pt higher. In JP, RESLIF 6.875 Perp was 0.1pt weaker. SOFTBKs lost up to 0.3pt. In SE Asian space, 10yr BBLTB/EXIMBK traded 1-3bps wider. VEDLN 28-33s closed unchanged to 0.1pt higher. Vedanta Ltd's four demerged subsidiaries will be listed on 15 Jun'26. See our comments on Vedanta on [10 Jun'26](#). GLPSPs were unchanged to 0.3pt lower. BBNIIJ 7.15 Perp lost 0.4pt, and BBNIIJ 4.3 Perp was 0.1pt lower. In LGFV space, lower-yielding IG papers remained better offered whilst higher-yielding bonds were bought by RMs.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
HAOHUA 5 1/2 03/14/48	100.4	1.3	VNKRLE 3 1/2 11/12/29	43.1	-1.5
TACHEM 5.8 07/05/64	98.2	1.3	WESCHI 10 1/2 11/11/29	89.4	-1.0
TACHEM 5.65 07/05/54	97.6	1.2	WESCHI 9.9 12/04/28	90.6	-0.9
BHP 5 1/2 09/08/53	98.8	1.1	GRNLGR 6 3/4 03/03/30	15.9	-0.6
HAOHUA 3.7 09/22/50	76.2	1.1	BBNIJ 7.15 PERP	99.4	-0.4

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+1.75%), Dow (+1.86%) and Nasdaq (+2.54%) were higher on Thursday. US latest initial jobless claims were 229k, higher than the market expectation of 220k. US May'26 PPI was +1.1% mom, higher than the market expectation of +0.7%. UST yield were lower on Thursday. 2/5/10/30 year yield was at 4.05%/4.18%/4.45%/4.95%.

## ❖ Desk Analyst Comments 分析员市场观点

➤ **CATLIF: Strong May'26 earnings momentum and strengthened capital buffer**

Cathay Life reported after-tax net profit of TWD8.9bn in May'26, significantly higher than TWD0.4bn in May'25. The robust earnings were driven by a rebound in asset valuations amid record-high equity markets supported by AI-related themes, and steady CSM release. For 5M26, after-tax net profit reached TWD34.9bn, more than doubled from TWD16.1bn in 5M25. Adjusting for FVOCI equity disposal gains and losses, adjusted net profit was TWD40bn in May'26 and TWD100bn for 5M26, reflecting strong earnings momentum. Moreover, Cathay Life continues to strengthen buffers against currency swings with FX volatility reserves of TWD128bn as of May'26. The equity-to-asset ratio increased to 11% as of May'26 from 9.4% as of Dec'25, and comfortably above the regulatory minimum requirement of 3%.

We continue to view Cathay Life's credit profile as supported by stable earnings capacity and a strengthening capital position, a growing CSM balance also underpins medium-term profit visibility. The build-up of FX volatility reserves would help mitigate FX-driven earnings volatility, despite it remains exposed to currency exposure given its sizable overseas investment portfolio.

Out of the 4 Taiwan lifers, we pair up CATLIF and FUBON for fair and relative value assessments, in view of their credit profiles and scale of operations. We continue to prefer FUBON 5.45 12/10/35 with a yield pick-up of 20-30bps against CATLIFs. We also pair up Nan Shan Life with Shin Kong Life. Among NSINTWs and SHIKON, we prefer NSINTW 5 7/8 03/17/41 most at current valuation in view of its more balanced risk-return profile, as well as lower cash price and better trading liquidity.

**Table 1: Bond profile of selected TW lifers**

Security name	ISIN	Amt o/s (USD mn)	Ask px	T- spread (bps)	Z- spread (bps)	YTW	Mod dur	First call date	Payment rank	Issue rating (M/S/F)
CATLIF 5.95 07/05/34	XS2852920342	600	104.5	79	124	5.3%	6.2	N/A	Subordinated	-/BBB+/BBB+
CATLIF 5.3 09/05/39	XS2885079702	320	99.7	88	132	5.4%	6.5	09/05/2034	Subordinated	-/BBB+/BBB+
FUBON 5.45 12/10/35	XS3151416727	650	98.6	117	157	5.6%	7.3	09/10/2035	Subordinated	-/BBB+/BBB+

NSINTW 5.45 09/11/34	XS2888260564	700	97.5	136	181	5.8%	6.4	N/A	Subordinated	-/BBB+/BBB
NSINTW 5 7/8 03/17/41	XS3046322593	653	98.1	167	208	6.1%	7.1	12/17/2035	Subordinated	-/BBB+/BBB
SHIKON 6.95 06/26/35	XS3096123883	400	104.8	177	220	6.2%	6.5	N/A	Subordinated	-/BBB/-

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
PT Danantara Investment Management	750/ 750	5yr/ 10yr	5.35%/ 5.95%	5.35%/ 5.95%	Baa2/BBB/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 159 credit bonds issued yesterday with an amount of RMB199bn. As for month-to-date, 906 credit bonds were issued with a total amount of RMB1,029bn raised, representing a 60.7% yoy increase
- **[BABA/JD]** Beijing's market regulator summons five e-commerce platforms, including Alibaba, JD.com and PDD, over false advertising
- **[CWAHK]** China Water Affairs' 29.03%-owned Kangda is looking to issue up to USD200mn bonds for refinancing
- **[HYUELE]** SK Hynix will consider building additional chip production facilities abroad, including in Japan, after completing the planned domestic plants in South Korea
- **[MEITUA]** China told Trip.com, Meituan to correct misleading train ticket sales practices
- **[NBQZUC]** Moody's upgraded Ningbo Yincheng by one notch to Baa2 from Baa3, reflects proven improvements in Yinzhou district government's propensity to support Ningbo Yincheng; outlook stable
- **[ROADKG]** HSBC took over sales of ex-Road King Chair William Zen's luxury project in HK
- **[SKM]** SK Telecom to set up USD500mn AI fund with Japanese, Taiwanese telecom operators
- **[VEDLN]** Vedanta's four demerged subsidiaries to be listed on 15 Jun'26

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