招銀国际 CMB INTERNATIONAL

Fixed Income
Credit Commentary

9 Jul 2026

CMBI Credit Commentary

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

- *This morning, recent KR new issues DAESEC/KOREAT tightened 2-5bps amid better buying. TW lifers traded 3-5bps tighter. KUAISH/BABA widened 1bp, while the rest of Chinese TMTs were unchanged. ZHOSHK 28 edged 0.5pt higher. LASUDE 26 rose 0.9pt. GLPSPs/GLPCHI were 0.3-0.6pt lower. European AT1s were down 0.5pt.*

- ***PTTGC:*** *GCP mothballing as credit supportive albeit near-term earnings headwinds. Maintain buy on PTTGC Perps, which were unchanged this morning. See below.*

- ***CKHH:*** *CK Hutchison entered into discussions over the potential sale of its Europe-based beauty retailer Marionnaud. CKHHs were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Yesterday, the new FUBHKL 36 tightened 6bps from RO at T+123. See our comments on 7 Jul'26. ZHOSHK 28 stabilized and rebounded 0.4pt from the previous 1.5pts drop, amid global real money accounts buying the dip. In KR space, PKX/POHANG traded 2-3bps tighter, while POINTL widened 2bps. On the other hand, we saw better selling across lower-spread quasi-sovereign and corporate KORAIL/KORELE/KOROIL/ SKBTAM/SKONKR/ HWQCUS, which closed 2-4bps wider. The rest of Asia IG space widened 1-4bps following Trump's comments that the ceasefire with Iran was over.

In higher-yielding space, VEDLN 32s lost 2.8pts, and the rest of VEDLNs were 0.3-0.4pt lower. MEDCIJ 28-30/INDYIJ 29 and PTTGC/TOPTB Perps traded 0.1-0.3pt lower. See comments on PTTGC below. GENTMK Perps were down 0.4-0.6pt. In contrast, ACNRGY 5.1 Perp rose 0.7pt. Ayala Corporation sold 40% stake in AC Logistics to A.P. Moller Capital, aiming to expand AC Logistics into a leading integrated logistics provider in the Philippines by combining the two stakeholders' expertise. In Greater China space, CWAHK 30 lost 0.1pt. Media reported China Water Affairs expected government funding to replace the water utilities firm's capex on underground pipeline upgrades over the next five years. BTSDF 28 edged 0.1pt higher. See our comments on 6 Jul'26. In Chinese properties, VNKRLE 27-29 were down 0.5-0.7pt, while LNGFOR 32 edged 0.5pt higher. As for AT1s and insurance subs, RESLIF 6.875 Perp/NOMURA 7 Perp were 0.1pt lower. HSBC Perps leaked 0.2-0.3pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
TSIVMG 1.6 12/17/39	**48.3**	**0.8**
ACNRGY 5.1 PERP	**80.6**	**0.7**
LNGFOR 3.85 01/13/32	**74.6**	**0.5**
ZHOSHK 5.98 01/30/28	**93.0**	**0.4**
CRNAU 9 1/4 10/01/29	**91.7**	**0.4**

Top Underperformers	Price	Change
VEDLN 9 1/8 10/15/32	**100.6**	**-2.8**
CCAMCL 4 3/4 12/04/37	**90.5**	**-1.1**
ARAMCO 4 3/8 04/16/49	**78.3**	**-0.8**
TAQAUH 4 10/03/49	**76.8**	**-0.8**
PAKWNP 7 1/2 06/04/31	**97.5**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.28%), Dow (-1.09%) and Nasdaq (+0.20%) were mixed on Wednesday. The US latest Crude Oil Inventories increased by 2.998mn barrels to 411.3mn barrels, compared to the market expectation of a decrease of 1.900mn barrels. UST yield were higher on Wednesday. 2/5/10/30 year yield was at 4.21%/4.31%/4.56%/5.06%.

❖ Desk Analyst Comments 分析员市场观点

➢ PTTGC: GCP mothballing as credit supportive albeit near-term earnings headwinds

Table 1: Bond profile of PTTGCs

Security name	ISIN	Amt o/s (USDmn)	Ask px	YTC	First call date	Coupon reset date	Coupon reset	Step-up (bps)	Issue rating
PTTGC 6.5 Perp	USY3004DAD67	600	99.3	6.7%	10 Sep'30	10 Dec'30	5yrUST+2.815%	-	Ba2/-/BB
PTTGC 7.125 Perp	USY3004DAE41	500	99.4	7.2%	10 Mar'35	10 Sep'35	5yrUST+3.162%	25	Ba2/-/BB

Source: Bloomberg.

We maintain buy on PTTGC 6.5 Perp and PTTGC 7.125 Perp for decent carry in PTTGC curve. PTTGC 6.5 Perp offers a yield pick-up of c130bps over its senior PTTGC 31 with 3 months shorter in "tenor", as well as c20bps over TOPTB 6.1 Perp (first coupon reset in Apr'31). PTTGC 7.125 Perp is trading as the highest yielding paper within the PTTGC curve. Despite the coupon of the perps will only be reset with minimal step-ups, we believe that PTT Global Chemical (PTTGC) remains incentivized to call and replace the perps to preserve the hybrid market access and equity credit recognition.

Yesterday, PTTGC approved a restructuring of GC Polyols Company (GCP), alongside increasing its equity stake to 100% from 82.1% via the acquisition of shares from Sanyo Chemical Industries (14.9%) and Toyota Tsusho (3.0%). Full ownership provides PTTGC with complete operational flexibility to execute its strategy to mothball the polyols plant, while maintaining the facility in a state of operational readiness for a potential market recovery.

We view the decision to mothball GCP as credit supportive, albeit with near-term earnings and cash flow headwinds. The move halts ongoing operating losses at GCP and prevents further cash drain. Due to persistent global oversupply and weak downstream demand for polyols, PTTGC has recognized assets impairment losses related to GCP totaled THB7.1bn in FY25 and 1Q26 at consolidated level, which should limit further downside from an asset valuation perspective. While the THB1.8bn restructuring provision booked in Jun'26 will weigh on near-term earnings and operating cash flow, the restructuring caps further losses and improves earnings visibility. Over the medium term, the removal of a negative EBITDA contributor, i.e. GCP, should support PTTGC's profitability and facilitate gradual improvement in its leverage metrics. That said, the step-up to 100%

ownership implies incremental cash outflow and full consolidation of GCP's liabilities, while PTTGC will also need to bear any future restart costs in full should market conditions improve.

Operationally, GCP produces polyols and polyurethane (PU) systems, sourcing its Propylene Oxide (PO) and Ethylene Oxide (EO) feedstock from PTTGC and supplying polyols to the automotive, electrical and electronics, household goods, packaging, footwear, and construction sectors. While the shutdown removes internal demand for PO and EO, we believe the shutting down of a loss-making operation should outweigh the integration drag. We also take comfort from Moody's recent affirmation of PTTGC's Baa3 rating, as well as the open-market repurchases of USD47.5mn PTTGC 51 which demonstrates management's focus on balance sheet optimization and gradual leverage improvement.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Commercial Bank of Dubai	550	PerpNC6	6.625%	6.625%	Unrated

➢ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore New Issues Pipeline Today					

➢ News and market color

- Regarding onshore primary issuances, there were 85 credit bonds issued yesterday with an amount of RMB100bn. As for month-to-date, 471 credit bonds were issued with a total amount of RMB473bn raised, representing a 6.5% yoy decrease

- Macau recorded an aggregate of 20.9mn visitor arrivals during 1H26, up c9% yoy from 19.2mn in 1H25

- **[CKHH]** CK Hutchison entered into discussions over the potential sale of its Europe-based beauty retailer Marionnaud

- **[KYUSEL]** Kyushu Electric said Japan government requests information on large data breach

- **[LENOVO]** Lenovo 2Q26 PC shipments down 2.1% yoy amid industry slump

- **[MARUB]** Marubeni sold stake in an offshore oil and gas field in the US as it shifts focus to natural gas

- **[NSANY]** Nissan to recall nearly 6,000 vehicles in the US to fix transmission issue

- **[TEMASE]** Temasek aims to more than double private-credit exposure by 2031

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