APAC Credit Roundup

China Economy, UOB, Meituan

- China Economy – Mixed activity data in August
- UOB – Subordinated bonds redemption announced
- Meituan – Disciplined industry competition positive to earnings recovery; stay OW

China Economy – Mixed activity data in August

China reported a mixed set of activity data in August following July's broad-based softness. Industrial production was solid with 5.2% yoy growth, supported by resilient external demand and export strength, but domestic demand remained weak with soft retail sales (+0.4% yoy) and deep fixed investment contraction (-10.6% yoy). The J.P. Morgan China Economics research team believes that China's economy is becoming increasingly K-shaped: (1) production is holding up on the back of solid external demand but domestic demand is weak; (2) high-tech production/investment is materially outperforming the traditional sectors; and (3) services consumption continues to outperform goods. One positive development recently is that fiscal execution is finally catching up, after a slow pace in 2Q/early 3Q. Central government bond issuance has accelerated sharply in early September and the deployment of the Rmb800bn policy bank tool was also kicked off recently. These efforts should support a gradual recovery in investment, and the team has maintained its 3Q GDP growth forecast at 3.6% q/q saar, followed by an acceleration to 5.3% in 4Q. Please see the team's report for more details.

On the property side, the pace of m/m decline in home prices was largely steady in August. J.P. Morgan's China Property equity research team (report) believes that as China phases out the pre-sales system, major developers' contracted sales drop may widen to 20-30% yoy in 2027. While this is negative for developers, it could be positive for the industry, as reduced housing supply may support a broader home price stabilization beyond Shanghai from 2027. The China housing market continues to shift towards the secondary market as well. For the first time ever, the NBS has published the national secondary sales volume, which increased 11% yoy in 8M26 and accounted for 52% of national sales volume (primary + secondary). In the China Property space, we prefer developers with extensive IP exposure, as it helps to mitigate the potentially heavier DP pressure going forward. We are comfortable with Longfor's debt servicing ability on the back of its solid balance sheet and positive free cash flows, and we remain OW on the curve for a 9-10% yield. *(Alvin)*

UOB – Subordinated bonds redemption announced

United Overseas Bank (bond ticker: UOBSP) announced that it will redeem its US $750mn 2% subordinated bonds in full on the first call date, 14 October 2026 (see here). The bank's capital position remained stable. We note that UOB's Common Equity Tier 1 (CET1) ratio improved for the third consecutive quarter to 15.4% as of end-June, while the total capital adequacy ratio remained largely stable at 17.8%. We reiterate our Neutral recommendation on the UOBSP 3.863% 2032 bond with a first call date in October 2027, which is offered at $98.6 (z+79bp, SOT2+55bp, 5.2% YTC). We are dropping coverage of the 2% subordinated bonds on the back of the redemption announcement. *(Matt / Emma)*

See page 4 for analyst certification and important disclosures.

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For key risks and catalysts not already described in this report, please refer to the most recent Emerging Markets Corporate Coverage Report.

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Meituan – Disciplined industry competition positive to earnings recovery; stay OW

China's State Administration for Market Regulation, together with the Ministry of Culture and Tourism, convened an administrative guidance meeting with online hotel booking platforms yesterday (link). Major industry players such as Meituan, JD and Trip.com etc attended the meeting, where regulators urged the industry to reduce competition, by curbing low-price competition and strengthening compliance management.

We believe more disciplined industry competition would be positive for Meituan. The company's earnings turned around in 2Q26 as the food delivery business returns to positive profits after three quarters of losses. We believe the worst has passed for Meituan, as industry competition normalizes across food delivery and potentially the hotel booking business, driven by government guidance, and we expect earnings to remain positive in 2H26 and 2027. The Meituan curve is trading at the widest end of China's BBB space, and we are OW on the curve, as we see room for compression driven by the company's improving fundamentals and attractive valuations. Please see our recent Meituan report for more details. *(Alvin)*



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Table 1: J.P. Morgan Asia Credit Index Performance

As at 15 September 2026

	Return, %				SOT to Worst, bp					YTW, bp & %					Dur.	Mkt Cap (US$bn)	% of Index
Index	1D	1W	1M	YTD	1D	1W	1M	YTD	Cur	1D	1W	1M	YTD	Cur	Cur		
JACI	**-0.2%**	**-0.9%**	**-1.1%**	**-0.2%**	**3**	**0**	**-2**	**2**	**87**	**5**	**22**	**38**	**90**	**5.9%**	**4.2**	**863**	**100%**
JACI IG	-0.2%	-0.9%	-1.2%	-0.9%	3	0	1	8	70	5	22	40	96	5.7%	4.3	755	87%
JACI HY	-0.3%	-0.7%	-0.7%	4.5%	7	-3	-21	-85	257	10	24	20	11	7.4%	3.1	108	13%
JACI APAC	**-0.2%**	**-0.8%**	**-1.1%**	**-0.2%**	**3**	**0**	**-20**	**-23**	**90**	**5**	**23**	**41**	**92**	**5.9%**	**4.1**	**1,434**	**100%**
JACI APAC IG	-0.2%	-0.9%	-1.2%	-0.7%	3	0	-12	-11	74	5	23	42	98	5.7%	4.2	1,285	90%
JACI APAC HY	-0.2%	-0.6%	-0.6%	3.8%	5	-5	-32	-65	262	8	22	25	31	7.4%	3.4	149	10%
Segmental																	
Sovereign	-0.3%	-1.4%	-1.7%	-2.1%	4	3	0	9	78	6	23	34	89	5.9%	6.2	164	19%
Quasi-sov	-0.2%	-0.8%	-1.0%	-0.7%	3	-1	-2	5	60	4	21	36	91	5.7%	4.2	191	22%
Financial	-0.1%	-0.6%	-0.7%	1.0%	3	0	10	1	96	6	25	60	108	5.8%	2.5	243	28%
IG Corp (exfin)	-0.2%	-0.9%	-1.4%	-1.0%	3	-1	-1	3	71	5	21	38	90	5.7%	4.8	201	23%
HY Corp (exfin)	-0.3%	-0.6%	-0.6%	4.7%	7	-8	-28	-88	316	9	19	9	4	8.0%	3.0	64	7%
EM comparables																	
CEMBI Broad	**-0.1%**	**-0.8%**	**-0.9%**	**1.1%**	**2**	**-1**	1	**-12**	**151**	**3**	**22**	**37**	**79**	**6.5%**	**4.1**	**1,180**	**100%**
IG	-0.1%	-0.9%	-1.1%	-0.6%	1	1	4	-2	97	3	22	39	87	6.0%	4.4	782	66%
HY	-0.1%	-0.5%	-0.4%	4.4%	2	-8	-12	-54	290	4	17	28	44	7.8%	3.4	398	34%
Asia	**-0.1%**	**-0.7%**	**-0.9%**	**0.9%**	**2**	**-1**	0	**-9**	**104**	**4**	**22**	**38**	**85**	**6.0%**	**3.5**	**498**	**42%**
Asia IG	-0.1%	-0.7%	-0.9%	0.1%	2	0	6	-2	74	4	22	44	92	5.7%	3.6	409	35%
Asia HY	-0.2%	-0.6%	-0.5%	4.3%	6	-4	-24	-64	284	8	21	10	32	7.7%	2.9	89	8%
LATAM	**-0.1%**	**-0.7%**	**-0.7%**	**2.2%**	**1**	**-6**	-8	**-45**	**188**	**3**	**16**	**26**	**43**	**6.9%**	**5.0**	**317**	**27%**
LATAM IG	-0.2%	-0.9%	-1.1%	-2.0%	1	-4	-5	-24	114	3	16	24	56	6.2%	6.4	134	11%
LATAM HY	-0.1%	-0.5%	-0.5%	5.5%	1	-10	-12	-87	276	3	14	27	11	7.7%	4.0	182	15%
CEEMEA	**-0.1%**	**-1.0%**	**-1.0%**	**0.4%**	**1**	**5**	7	**11**	**164**	**3**	**28**	**43**	**101**	**6.6%**	**4.1**	**366**	**31%**
CEEMEA IG	-0.1%	-1.2%	-1.4%	-1.0%	1	7	9	13	115	3	28	43	101	6.2%	4.7	239	20%
CEEMEA HY	-0.1%	-0.5%	-0.4%	3.0%	2	-6	-1	16	322	4	21	43	112	8.0%	2.8	127	11%
EMBIG	**-0.2%**	**-1.3%**	**-1.5%**	**0.7%**	**2**	**4**	-17	**-13**	**166**	**4**	**23**	**12**	**65**	**6.8%**	**6.2**	**1,311**	**100%**
EMBIG IG	-0.2%	-1.3%	-1.6%	-1.8%	1	2	4	11	104	3	21	31	87	6.2%	6.7	731	56%
EMBIG HY	-0.3%	-1.4%	-1.3%	4.2%	3	7	-48	-61	266	5	27	-17	21	7.7%	5.5	580	44%
Market breakdown																	
China	-0.2%	-0.6%	-0.9%	0.4%	3	-2	5	2	69	5	20	47	97	5.7%	3.2	220	25%
Hong Kong	-0.2%	-0.9%	-1.3%	0.3%	3	-2	-17	-21	80	5	21	21	68	5.8%	4.5	138	16%
Korea	-0.1%	-0.6%	-0.8%	0.5%	3	-1	1	-7	46	5	26	52	101	5.3%	2.5	137	16%
India	-0.2%	-0.8%	-0.9%	1.0%	4	1	-9	-18	122	7	26	34	81	6.1%	3.6	60	7%
Indonesia	-0.3%	-1.3%	-1.5%	-2.9%	4	2	-2	22	106	6	22	29	98	6.2%	6.5	115	13%
Macao	-0.2%	-0.6%	-0.7%	1.5%	5	-3	-10	-5	166	7	25	43	111	6.4%	2.8	21	2%
Philippines	-0.4%	-1.4%	-1.7%	-2.6%	4	4	-1	19	103	6	25	34	101	6.1%	6.2	56	6%
Thailand	-0.2%	-0.8%	-1.0%	0.2%	3	-1	-5	-8	105	5	21	34	75	6.1%	4.3	19	2%
Taiwan	-0.3%	-1.1%	-1.9%	-2.0%	3	0	5	16	69	6	22	43	103	5.7%	5.5	16	2%
Malaysia	-0.3%	-1.2%	-1.7%	-2.0%	3	0	2	13	73	4	19	33	88	5.9%	6.7	27	3%
Singapore	-0.1%	-0.7%	-0.9%	-0.3%	2	-1	-2	0	39	4	23	42	95	5.4%	3.5	33	4%
Pakistan	-0.3%	-0.9%	-0.9%	4.7%	5	3	-6	-69	309	7	26	36	25	8.1%	3.8	7	1%
Sri Lanka	-0.6%	-1.5%	-2.1%	10.5%	7	5	4	-186	102	10	29	46	-94	6.0%	5.6	8	1%

Source: J.P. Morgan.