

CMBI Credit Commentary

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

- *The new STANLN Float 31/STANLN 5.244 31 widened 1-2bps from last close this morning. HANFGI 28s tightened 2bps. MYLIFE/NIPLIF 55s were up 0.1pt. GLPSP 25s/Perps were unchanged to 0.4pt higher following GLP priced GLPSP 9.75 28 of USD300mn at par.*
- **WYNMAC:** *Adjusted property EBITDAR down 25.8% yoy to USD252mn in 1Q25. WYNMACs were 0.1pts higher post results announcement. See below.*
- **China Policy:** *Further monetary easing to defy tariff shock. CMBI expects Chinese policymakers might launch additional fiscal stimulus in 2H25 to boost household consumption; China's GDP growth might slow from 5.4% in 1Q25 to 4.5% in 2Q25 before mildly rebounding to 4.7% in 2H25. See below for comments from CMBI economic research.*

❖ Trading desk comments 交易台市场观点

Yesterday, the new STANLN 5.244 31 tightened 3bps from RO (T+135), STANLN Float 31 tightened 14bps from RO (SOFR+168). The new SHNHAN 4.625 30s tightened 5bps from RO (T+72) despite profit taking. The recent new CITNAT 28s/30s were 1-3bps tighter. Chinese IGs such as BABA/HAOHUA/MEITUA 27-35s were 2-5bps tighter post RRR cut by 0.5pct pt and policy rate cut by 0.1%. In KR, HANFGI 28s tightened another 2bps amid mixed flows while DAESEC 26s/27s closed 1-2bps wider. In financials, WSTP 33-36s were 2-5ps tighter while ANZ 34-35s were 1-3bps wider. BBLTB 34-40s were 3-8bps tighter. In JP insurance hybrids, MYLIFE/NIPLIF 51-55s were up 0.1-0.3pt. EU AT1s were skewed to better buying. BACR/BNP Perps were 0.1-0.4pt higher. Meanwhile PETMK 35-55s tightened 2-4bps. In HK, CKHH/HPHTSP 29-34s were 2-5bps tighter. MTRC 55s tightened 3bps. LIHHK 26 rose 0.9pt. In Chinese properties, VNKRL 27-29s were up 0.9-1.3pts. CHIOLI 29-43s were up 0.3-0.5pt. Indian papers opened wider amid the conflict with Pakistan but closed unchanged to 3bps tighter. EXIMBK 30-35s tightened 1-2bps on PB buying. VEDLN 28-33s were unchanged to 0.2pt higher. See our comments on [7 May '25](#). The long end of PLNIIJ/PERTIJ 43-51s were 0.7-1.0pts higher (5-10bps tighter).

In LGFVs, there were stronger demands in CNH papers such as GDSTAI 6.8 27s/ZCHLIM 7.5 26s from non-Chinese RM against the backdrop of weaker USD. The LGFVs such as GXCMIN 2.95 25s were under better buying, while the higher-yielding LGFVs were under better selling from FMs. In high beta names, GRPCIN 26s closed 0.1pt higher amid two-way flows among RMs following Fitch change its outlook to stable from negative.

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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	68.3	1.3	DBJJP 3.665 12/18/43	78.9	-0.9
PLNIJ 6 1/4 01/25/49	96.6	1.0	CITLTD 4 7/8 02/04/41	91.0	-0.7
PLNIJ 5 1/4 05/15/47	84.9	0.9	SDECDI 2.4 06/03/26	96.2	-0.5
LIHHK 4.8 06/18/26	87.2	0.9	CHJMAO 6 PERP	98.5	-0.5
PLNIJ 4 7/8 07/17/49	79.5	0.9	CCAMCL 5.2 12/05/29	100.6	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.43%), Dow (+0.70%) and Nasdaq (+0.27%) were higher on Wednesday. FOMC kept the interest rates unchanged, same as the market expectation. UST yields retreated on Wednesday, 2/5/10/30 yield at 3.78%/3.87%/4.26%/4.77%.

❖ Desk Analyst Comments 分析员市场观点

➤ WYNNMAC: Adjusted property EBITDAR down 25.8% yoy to USD252mn in 1Q25

Wynn Macau (WYNNMAC) reported 13.3% yoy decrease in operating revenue in 1Q25 to USD865.9mn, out of which operating revenue from Wynn Palace and Wynn Macau dropped by 8.7% and 19.9% yoy, respectively. By segment, casino revenue dropped by 12.2% yoy due to lower VIP win rate (2.6% vs typical win rate of 3.1-3.4%) and lower mass market table games win. Room revenue also fell in 1Q25 with lower occupancy rate along with lower average daily rate in both Wynn Palace and Wynn Macau, reflecting the new hotel supply and amenities from competitors. Adjusted property EBITDAR decreased by 25.8% to USD252.1mn in 1Q25. Moreover, WYNNMAC's lower 1Q25 revenue is in contrast to SJM's 1Q25 revenue growth as discussed in 30 Apr '25.

As per WYNNMAC, there is increase in direct VIP turnover in Apr'25 and yoy increase in mass table in May'25 due to Golden Week with full hotel occupancy. We also acknowledged that there is 41% yoy jump in visitors in Macau during Golden Week holiday. During the Golden Week holiday, the average number of daily visitors was 170k, higher than the government expectation of 158k. The Macao government expects GGR to increase c6% to MOP240bn (cUSD30bn) in 2025. The long holidays in May and Oct will be the keys to assess if the growth target is achievable.

During 1Q25, WYNNMAC incurred capex of USD65.6mn for properties enhancements and maintenance, represented 40.1% yoy increase from 1Q24. WYNNMAC budgets USD250-300mn capex in FY25 and USD450-500mn in FY26, mainly for the Wynn Palace Event and Entertainment Center project as well as Wynn Palace Theater and Resident Show, subject to government approvals. The maintenance capex in FY25 is budgeted at USD70-80mn. The EBITDA of WYNNMAC was HKD4.8bn, cUSD620mn. We expect WYNNMAC to fund capex with operating cash inflow.

As at Mar'25, WYNNMAC had cash and cash equivalent and revolver borrowing capacity totaled USD1.8bn, compared to total debt of USD5.9bn. The net leverage increased to 4.7x at Mar'25 from 4.4x at Dec'24, owing to lower 1Q25 LTM EBITDA. The weighted average interest rate of WYNNMAC in 1Q25 was 5.5%, down slightly from 5.6% in FY24. WYNNMAC expects the weighted average interest rate to stay at 5.6% in FY25. WYNNMAC will have next USD bond maturity in Jan'26, WYNNMAC 5 ½ 01/15/26 with an o/s amount of USD1bn. We believe that its refinancing risk is low in view of its operating inflow and cash on hand, as well as its access to funding channels.

As we discussed before, our top picks within the Macao gaming sector, are MPELs and STCITYs/STDCTY. We also consider SJMHOLs good carry play. Meanwhile, we consider MGMCHIs and WYNNMAC'27 yield pick-up plays, trading at 66-114bps and 96bps pick-up over bonds of their US parents, respectively. We are neutral on SANLTDs on valuation.

Table 1: 1Q25 financial and operational highlights

USDmn	1Q24	1Q25	Change
Operating revenue	998.6	865.9	-13.3%
-Casino	820.1	720.1	-12.2%
-Rooms	82.6	59.9	-27.4%
-Food and beverage	53.1	50.5	-4.8%
-Entertainment, retail and other	42.9	35.4	-17.4%
Adjusted property EBITDAR	339.6	252.1	-25.8%
Adjusted property EBITDAR margin	34.0%	29.1%	-4.9 pct pt
LTM adjusted property EBITDAR	1,138.0	1,088.0	-4.4%
LTM adjusted property EBITDAR margin	32.5%	30.7%	-1.8 pct pt
Capex	46.8	65.6	40.1%
Occupancy rate of room			
-Wynn Palace	98.8%	98.3%	-0.5 pct pt
-Wynn Macau	99.4%	99.1%	-0.3 pct pt
Average daily rate of room			
-Wynn Palace	337	222	-34.1%
-Wynn Macau	284	234	-17.6%
	Dec'24	Mar'25	Change
Cash and cash equivalent	1,459.9	1,490.6	2.1%
Revolver borrowing capacity	353.8	353.3	-0.1%
Total debts	5,852.0	5,850.0	-

Source: Company filling.

Table 2: Macau gaming USD bond profile

	Ask YTM (%)	Mod Duration	Ask price
MGMCHI	6.0-6.9	0.1-3.5	97.8-100.9
MPEL	5.3-8.5	0.1-5.2	90.5-100.0
SANLTD	4.9-6.2	0.1-5.4	85.1-100.1
SJMHOL	6.4-7.2	0.7-2.5	94.3-98.7
STCITY/STDCTY	6.0-8.8	0.2-3.2	88.4-100.0
WYNNMAC	4.7-7.2	0.7-3.9	92.2-99.3

Source: Bloomberg.

➤ China Policy: Further monetary easing to defy tariff shock

China has launched additional monetary stimulus with a stronger commitment to boosting stock and property markets to defy the tariff shock. The stimulus policies would mildly ease liquidity and credit conditions, and encourage risk-taking in stock and property markets. But these policies cannot fully offset the negative impacts of the tariff shock on China's economy, as we expect China's GDP and CPI growth rates to be lowered by 1ppt and 0.2ppts in 2025. After reviewing the tariff's damage on China's economy and the progress of the Sino-US

trade talks, Chinese policymakers might launch additional fiscal stimulus in 2H25 to boost household consumption. China's GDP growth might slow from 5.4% in 1Q25 to 4.5% in 2Q25 before mildly rebounding to 4.7% in 2H25, in our view.

New package of policies to ease liquidity & credit condition and boost stock & property markets. The package of policies includes: 1) RRR cut by 50bps (incremental liquidity supply by RMB1trn); 2) temporary RRR cut from 5% to zero for auto financial companies and financial leasing firms; 3) LPR cut by 10bps; 4) structural relending and PSL rate cut by 25bps; 5) housing provident fund loan rate cut by 25bps; 6) more quotas for various relending loans targeting to support technology, service consumption, elderly care, agriculture and SMEs; 7) combination of the two stock market support tools with a total quota of RMB800bn; 8) creation of a debt risk-sharing toll to provide low-cost relending funds to encourage purchases of bonds of technology firms; 9) stronger funding support to Central Huijin as the stock market stabilisation fund; 10) deregulation on insurers' investment in stocks to support the stock market; and 11) introduction of financing policies to help stabilize the property market. These policies will ease liquidity & credit conditions and boost sentiment in stock & property markets. We expect money market rates and loan rates might moderately decline with a mild increase of risk-taking in stock and property markets.

Stock, FX and property market performance as a key driver for policy dynamics. Chinese policymakers believe that the stock market performance reflects investors' expectations on China's economic prospects, which could in turn affect consumer and business behaviour in the economy. RMB exchange rates are also considered as an indicator for the strength of the economy and financial system. Therefore, weakening of RMB may restrain the room of PBOC's rate cuts to stimulate the economy. The recent sharp slide of US dollar has provided an opportunity for the PBOC to further cut the interest rates. The property market performance is key for economic growth, consumer confidence, local government revenue and financial system stability. Boosting the stock and property markets before the Sino-US trade dialogue might have special significance as it could show China's economic strength and resilience in the process of playing against the US.

Additional fiscal stimulus might come in 2H25. We believe the additional monetary stimulus cannot fully offset the negative impacts of the tariff shock on China's economy. The tariff shock might respectively lower China's GDP and CPI growth rates by 1ppt and 0.2ppts by reducing exports, undermining confidence, disrupting supply chains and intensifying deflation pressure. Monetary policy is used to expand liquidity and credit supply to encourage risk-taking with leverage. With high uncertainty and low confidence, however, both businesses and consumers are reluctant to increase debt to take risks. Therefore, fiscal policy is needed to directly expand aggregate demand and boost economic activities. Fiscal policy can also do a better job than monetary policy in targeted support to special groups of people or sectors to improve economic resilience. We expect China may expand its fiscal stimulus in 2H25 with more trade-in subsidies for durables, child-birth subsidies for couples, social endowment subsidies for the rural elderly and unemployment insurance subsidies for the unemployed.

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

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Al Rajhi Sukuk/ Al Rajhi Banking and Investment Corporation	500	5yr	4.865%	T+95	Aa3/-/A-
GLP Pte Ltd	300	3yr	9.75%	9.75%	-/-/BB

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Medco Cypress Tree Pte	USD	-	5NC2	9.125%	B1/BB-/BB-

➤ **News and market color**

- Regarding onshore primary issuances, there were 99 credit bonds issued yesterday with an amount of RMB73bn. As for month-to-date, 165 credit bonds were issued with a total amount of RMB125bn raised, representing a 50.3% yoy increase
- The People's Bank of China unveiled a series of monetary measures to stabilize markets and expectations, including a 0.5 percentage point reduction in the reserve requirement ratio and a 0.1 ppt cut in the seven-day reverse repurchase rate
- **[ACENPM]** ACEN signs preliminary deal for early coal plant retirement to shift to clean energy
- **[ADSEZ]** Adani Ports to refinance USD 1.07bn debt in FY26, sees capex of up to USD 1.42bn
- **[BABA]** Alibaba teams up with Chinese social media app Rednote to bolster sales, allowing merchants on Taobao and Tmall to embed product links directly in Rednote posts
- **[DAESEC]** Mirae Asset Securities 1Q25 operating revenue declines 1.2% yoy to KRW539.3bn (cUSD387mn)
- **[GEELY]** Geely Automobile makes offer to take full control of Zeekr
- **[GLPSP]** GLP FY24 revenue declines 11% yoy to USD2.2bn
- **[HYUELE]** Former SK Hynix worker indicted on charges of leaking trade secrets to China
- **[INCLEN]** ReNew subsidiary RenServ issued USD 162m-equivalent INR bonds of 9.904%, three-year senior secured NCDs
- **[MEDCIJ]** Medco Energi looks to price up to USD400m bonds below 9%; Medco is also seeking an IDR-denominated 7% 10-year amortising loan from local banks which will have a 5% financing cost after a currency swap
- **[POHANG]** POSCO teams up with LG Chem on project to cut steel industry carbon emissions
- **[TTMTIN]** Tata Motors gets shareholder approval to split business into two entities
- **[WESCHI]** West China Cement to buy additional 7.75% of Cimenterie de Lukala (CILU) in Republic of Congo for USD6mn. Upon the completion, CILU is expected to become a non-wholly-owned subsidiary of West China Cement

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