CMBI Credit Commentary

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

- *The new HSBC 7.625 Perp rose 0.3pt from RO at par with active two-way flows this morning. KR IG spread was broadly unchanged. TW lifer T2s were also firm. China TMT MEITUA/BABA widened 2-4bps. LGFV stabilized and we saw buying flows from RM.*
- ***MPEL/STCITY:** GGR market share fell to c13% in 3Q26 from c15% in 1H26. MPEL/STCITY were unchanged to 0.1pt lower this morning. See below.*
- ***SJMHOL:** SJM Holdings 9M26 total net revenue down 22% yoy to HKD15.3bn and adj.EBITDA down 4.8% yoy to HKD2.4bn. SJMHOLs were unchanged to 0.1pt lower this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asia credit opened 5-10bps tighter on strong momentum, but the rally partially faded as clients faded the strength across China TMT and TW lifers (BABA, TENCNT, KUAISH, MEITUA, TME, NSINTW, SHIKON), giving back 2-3bps from the tights. Korea maintained its tightening bias (-2/3bps) led by utilities (KOSOPW, KOMIPW, KORELE) and financial short-covering, though front-end names like HYNMTR saw yield-selling (+2/3bps). In financials, the new INTNED 7.75 Perp traded 1pt higher from RO with two-way flows around 101, while HSBC announced a new 8% non-call 5.5y perp, seeing RM selling in its existing 31/32 called perps which still closed 0.25-0.375pt higher. Japan AT1s and insurance subs finished 0.5-1pt higher, though the move triggered heavy profit-taking in DAIL, RESLIF, MYLIFE, and KAMPOS.

In higher-yielding space, Chinese developers continued to recover, CNH ZHHFGR rebounded 1.5-4pts. BCDHGR/CPDEV up 0.2-0.5pt. CHJMAO /GRNCH rose 0.2-1pt. LGFVs were weak, Guangdong names remained under better selling with limited buyer, KCGZIG'28 dropped 1.5pts and GZDZCD'28 further lost 4.4pts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
WESCHI 9.9 12/04/28	**89.0**	**2.9**
GENTMK 8.3 PERP	**85.2**	**2.7**
PALPM 7 3/4 07/16/31	**89.8**	**2.3**
SONYLF 7 1/8 09/24/56	**102.0**	**1.4**
VEDLN 7 3/4 07/13/37	**98.1**	**1.4**

Top Underperformers	Price	Change
WLISRC 7 7/8 06/23/36	**85.0**	**-4.4**
GZDZCD 4.39 03/13/28	**93.8**	**-4.4**
KCGZIG 5.4 03/11/28	**95.2**	**-1.5**
HKIQCL 5.4 04/09/28	**98.4**	**-1.2**
SOFTBK 9 3/4 04/01/34	**98.7**	**-1.0**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-4.35%), Dow (-5.52%) and Nasdaq (-3.44%) were weak on Thursday. The latest US initial jobless claim was +189k, lower than the expectation of +197k. UST yield retreated yesterday, 2/5/10/30 year UST yield was at 4.46%/4.59%/4.84%/5.25%.

❖ Desk Analyst Comments 分析员市场观点

➢ MPEL/STCITY: GGR market share fell to c13% in 3Q26 from c15% in 1H26

In 3Q26, Melco Resorts' (MPEL) operating revenue decreased 10.4% yoy to USD1,174mn, driven by weaker rolling chip and mass market table games performance, as well as softer non-gaming operations. Gaming revenue dropped 11.5% yoy to USD939mn in 3Q26, steeper than Macau GGR's yoy decline of 3.8% yoy. Adj. EBITDA declined 24.8% yoy to USD265mn, with the adj. EBITDA margin compressed to 22.6% from 26.9% in 3Q25, reflecting weaker gaming revenue and higher operating costs. We estimated market share of MPEL fell to c13% in 3Q26 from c15% in 1H26.

By property, MPEL's three properties in Macau, City of Dreams, Studio City and Altira Macau, recorded GGR yoy change of -14%, -7% and +40%, respectively. City of Dreams' adj. EBITDA was down 37% yoy to USD130mn, driven by weaker rolling chip and mass market table games performance. Rolling chip volume down 17% yoy, while the win rate fell to 2.49% from 3.68% in 3Q25, below the expected range of 2.85%-3.15%. Studio City's adj. EBITDA decreased 13.5% yoy to USD91mn, mainly dragged by softer mass market performance. The improvement in hold percentage to 34.3% in 3Q26 from 33.1% in 3Q25 was more than offset by a 10.0% yoy decline in mass table drop. Altira Macau's adj. EBITDA loss narrowed to USD0.3mn from USD0.7mn in 3Q25, supported by improved mass market and slot performance. Outside Macau, combined adj. EBITDA of Manila and Cyprus decreased 7.8% yoy to USD59mn, as weaker performance at City of Dreams Manila more than offset growth in Cyprus.

As of Sep'26, MPEL had cash (excl. restricted cash) of USD762mn and available credit facilities of cUSD1.1bn, decreased from USD913mn and cUSD1.8bn in Jun'26, respectively. During 3Q26, MPEL redeemed USD600mn MPEL 5.625'27 and partial redemption of STCITY 6.5'28 for USD165mn, funded principally through bank facility drawdowns. MPEL's net debts were broadly unchanged at cUSD6.3bn. We view its near-term refinancing risk as limited, given no debt maturities in 2027, while MPEL 5.75'28 and STCITY 6.5'28 represent s a combined maturities of USD1,185mn in 2028. While we view the weaker EBITDA constrains its deleveraging, the smooth access to funding channels remain supportive to its credit profile. A recovery in gaming volumes could help building the liquidity headroom and improvement to its credit metrics.

Among Macau gaming operators, we still like MPELs, STCITYs and SJMHOL'31 for their more appealing risk-return profiles than its peers. We also consider WYNMAC'27 and '29 as yield pick-up play. WYNMAC'29 is

trading at premium of c130bps over bonds of its US parent. We remained neutral on MGMCHIs, SANLTDs, and SJMHOL 28 on valuation.

Table 1: Our Macau gaming USD bond picks

Security name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Mod dur
MPEL 5 3/8 12/04/29	USG5975LAE68	1,150	95.0	7.2	2.7
MPEL 7 5/8 04/17/32	USG5975LAK29	750	99.8	7.7	4.4
MPEL 6 1/2 09/24/33	USG5975LAL02	500	92.7	7.9	5.3
SJMHOL 6 ½ 01/15/31	XS3267117995	540	88.5	9.9	3.4
STCITY 6 1/2 01/15/28	USG85381AF13	335	99.5	6.9	1.1
STCITY 5 01/15/29	USG85381AG95	1,100	93.7	8.2	2.0
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.6	6.0	0.9
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	95.0	6.9	2.7

Source: Bloomberg.

- **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

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

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

- **News and market color**

  - Regarding onshore primary issuances, there were 52 credit bonds issued yesterday with an amount of RMB36bn. As for Month-to-date, 244 credit bonds were issued with a total amount of RMB236bn raised, representing a 13.9% yoy decrease

  - **[ADSEZ]** Adani Ports and Special Economic Zone to acquire Evos at USD2.88bn valuation

  - **[MEDCIJ]** Moody's assigned Ba3 rating to Medco Energi's proposed senior unsecured notes

  - **[NWDEVL]** Media reported that NWD's talks to sell its HK Hyatt Regency hotel to UOL have fallen through

  - **[WYNMAC]** Wynn Macau 3Q26 operating revenue down 8.2% yoy to USD919mn and adj. property EBITDAR down 17.2% yoy to USD255mn

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