

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- *There were small buying flows on ZHOSHK 28 and Middle Eastern FRNs this morning. We saw demand for recent STANLN 7 Perp and CNH AAA-guaranteed LGFV issues. KAFEDI 28 rose 1.5pts, while EHICAR 26/CRNAU 29 were 0.4pt lower.*
- **FOSUNI:** *New 5NC2 EUR bond issue and concurrent tender offer for FOSUNI 3.95 10/02/26. FOSUNI 28 down 0.3pt yesterday and was unchanged this morning. See below.*
- **WYNMAC:** *Rebound in 3Q25 despite 9M25 results remain weaker yoy. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, the Asia IG space opened 1-2bps tighter amid mixed two-way flows. We saw better selling on the recent issues CCAMCL/KORELE/QBEAU. MEITUAs closed 1-2bps tighter amid two-way flows from Global RMs. TW lifers closed a touch tighter, even with selling from Chinese AMs. The NWDEVL complex overall rose 0.5-1.8pts. See [our comments titled: NWDEVL: A LME focusing on perps](#). In Macau gaming, SJMHOL 26-28s were 0.1pt higher, while the rest of the space was unchanged to 0.2pt lower. See comments below on WYNMAC 3Q25 results, and MPEL/STCITY 3Q25 results [yesterday](#). FOSUNI 26-29 were unchanged to 0.3pt lower. Fosun International proposes to issue EUR400mn five-year senior unsecured bond and a concurrent tender offer for its outstanding EUR issue FOSUNI 3.95 10/02/26. See comments below. In Chinese properties, GRNLGR 31 dropped by 2.7pts. VNKRL 27-29/LNGFOR 27-32 were 0.2pt lower to 0.5pt higher. FUTLAN 28/FTLNHD 26-27s were 0.1-0.5pt lower. Bonds in the Middle Eastern space moved 0.3pt lower amid rate volatility. We saw better selling on QATAR 35/49s. STANLN/NOMURA T2s were 1-2bps tighter. AT1s were up by 0.3-0.5pt upon London open led by recent issues STANLN 7/LLOYDS 6.625 Perps and driven by solid buying from Asian PBs. On the other hand, Japanese AT1s and insurance hybrids merely edged a touch higher as the Yen weakened. In SEA space, SMCGL Perps were 0.2pt lower to 0.1pt higher. GARUDA 31s were down by 0.8pt.

In LGFV space, there were two-way flows among onshore Chinese accounts, whereas we saw tactical demand from HFs on names down the credit curve. CDECST 6 1/2 11/18/27 was 0.9pt lower.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|-----------------------|-------------|------------|-----------------------|-------------|-------------|
| NWDEVL 6 1/4 PERP | 44.5 | 1.8 | GRNLGR 7 1/4 01/22/31 | 9.3 | -2.7 |
| NWDEVL 4 1/8 07/18/29 | 70.5 | 1.7 | CDECST 6 1/2 11/18/27 | 97.7 | -0.9 |
| NWDEVL 4 3/4 01/23/27 | 87.2 | 1.7 | TOPTB 4 7/8 01/23/43 | 88.3 | -0.9 |
| NWDEVL 8 5/8 02/08/28 | 85.3 | 1.6 | GARUDA 6 1/2 12/28/31 | 89.6 | -0.8 |
| NWDEVL 4.8 PERP | 44.3 | 1.5 | TOPTB 4 7/8 01/23/43 | 88.0 | -0.8 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.54%), Dow (+0.81%) and Nasdaq (+2.27%) were higher on Monday. UST yield was higher on Monday. 2/5/10/30 year yield was at 3.58%/3.72%/4.13%/4.71%.

❖ Desk Analyst Comments 分析员市场观点

➤ FOSUNI: New 5NC2 EUR bond issue and concurrent tender offer for FOSUNI 3.95 10/02/26

Fosun International (Fosun) plans to issue a EUR400mn 5NC2 senior bond (S&P: BB-) to refinance offshore debt through a concurrent tender, and for working capital and general corporate purposes. Fosun proposes to purchase FOSUNI 3.95 10/02/26 at par up to the size of the new EUR new issue, offer will expire on 18 Nov 2025 4pm GMT. The outstanding amount of FOSUNI 3.95 10/02/26 is EUR500mn, a EUR400mn new issue would reduce the EUR bond to cEUR100mn, easing the near-term refinancing risk while extending its maturity profile, in our view, complementing its improving credit profile driven by continuous asset disposals and active liability management.

Fosun launched tender offers for FOSUNI 5.95 10/19/25 in Jan'25 and Jun'25, repurchased totaled USD224.1mn and early redeemed the remaining USD178.9mn in full at 101 in Jul'25. In Sep'25, Fosun launched tender offer for FOSUNI 5 05/18/26 and repurchased USD294.4mn, leaving USD205.6mn outstanding. We understand that Fosun has settled all the maturing debts in 2025, the major debt maturities in 2026 are USD205.6mn FOSUNI 5 05/18/26 due in May'26, EUR500mn (subject to tender take-up) FOSUNI 3.95 10/02/26 in Oct'25, as well as USD520mn syndicated loan in Mar'26 where Fosun has started the refinancing talks with banks for a new syndicated loan. We take comfort on Fosun's recent successful refinancing effort YTD, i.e. raised USD400mn FOSUNI 6.8 09/09/29 in Sep'25, RMB1bn 3-year Yulan bond in Sep'25, USD675mn 3-year syndicated loan in Mar'25 and subsequently upsized to USD990mn, as well as totaled RMB9.3bn onshore MTNs and corporate bonds YTD.

Fosun remains focus on four core subsidiaries, Fosun Pharma, Yuyuan, Fosun Tourism Group, and Fidelidade, while accelerating divestments of minority investments, non-core subsidiary assets, and real estate at reasonable valuations. BFC S1 is retained as its headquarters. At the holdco level, Fosun's portfolio valued RMB207bn as of Jun'25 of which 32% were listed assets, compared to total debts of RMB89.2bn that implying an LTV of 43%, or 35% on a net basis with RMB16bn cash on hand. Fosun targets to lower the total debts to RMB60bn in coming three to five years, helped by continuous assets disposal. In 1H25, Fosun realized RMB5.0bn from asset sales and RMB3.2bn in dividend income, including the sale of shares in Hong Kong-listed Laopu Gold and a floor of Shanghai's Bund Finance Center. Fosun guides RMB15-20bn of combined asset-sale proceeds and dividends at the holdco level for FY25, implying cRMB7-12bn of receipts in 2H25 which should support ongoing deleveraging, in our view.

Furthermore, Fosun targets an investment-grade rating from its current BB- rating, and we expect Fosun to accelerate asset disposals and deleveraging effort. As of Jun'25, Fosun meets only one of S&P's three upgrade

triggers, a LTV ratio well below 45% (43% on a gross-debt basis; 35% on a net-debt basis as of Jun'25), but it still needs to extend its weighted-average debt maturity sustainably above two years (vs 1.9 years as of Jun'25) and maintain cash sources over uses comfortably above 1.2x under S&P's methodology.

Table 1: Fosun's USD bonds

| Security name | ISIN | Amt o/s (USD mn) | Ask Px | YTM | Mod dur | Issue rating (M/S/F) |
|-----------------------|--------------|---------------------|--------|------|---------|-------------------------|
| FOSUNI 5 05/18/26 | XS2343337122 | 205.57 | 99.9 | 5.2% | 0.5 | -/BB-/- |
| FOSUNI 5.05 01/27/27 | XS2281321799 | 500 | 98.7 | 6.2% | 1.1 | -/BB-/- |
| FOSUNI 8 1/2 05/19/28 | XS2922957746 | 500 | 104.1 | 6.7% | 2.2 | -/BB-/- |
| FOSUNI 6.8 09/09/29 | XS3175828113 | 400 | 100.2 | 6.8% | 3.3 | -/BB-/- |

Source: Bloomberg.

➤ **WYNMAC: Rebound in 3Q25 despite 9M25 results remain weaker yoy**

Wynn Macau (WYNMAC) posted 14.8% yoy increase in 3Q25 operating revenue to USD1,001mn, and 17.3% yoy increase in adj. property EBITDAR to USD308mn, primarily due to increases in VIP table games win and mass table drop, as well as tourists coming into Macau during the October Golden Week and the weekend afterwards (as revealed in the investors' call). In 3Q25, operating revenue from Wynn Palace and Wynn Macau increased by 22.3% yoy and 3.9% yoy, respectively. We estimate WYNMAC GGR market share was 13.0% in 3Q25 and 12.4% in 9M25, increased from 12.1% in 1H25. The 9M25 operating revenue was flat and was 0.2% lower yoy to USD2.75bn, due to lower VIP and mass market table games win at Wynn Macau, partially offset by higher VIP and mass market table games win at Wynn Palace during 9M25. The adj. property EBITDAR of Wynn Palace was down by 5.4% to USD519mn as a result of lower ADR and a decrease in room revenue. The adj. property EBITDAR of Wynn Macau decreased by 11.7% yoy to USD295mn, because of decline in casino revenue, partially offset by lower casino expenses and gaming taxes. At current valuations, we consider the risk-return profiles of WYNMACs not as attractive as those of MPELs/STCITYs. That said, WYNMAC '27 and '29 could be yield pick-up plays, trading at premium of 30-50bps over bonds of its US parent.

By segment, the VIP win rates in Wynn Palace and Wynn Macau were 4.68% and 2.93% (vs. the expected range of 3.1%-3.4%) in 3Q25; the former increased by 1.6 pct. pts. and the latter decreased by 0.7 pct. pt. from the levels of 3Q24, respectively. The mass table win rates in Wynn Palace and Wynn Macau were 22.6% and 18.7%; the former declined by 1.3 pct. pts whereas the latter increased by 0.2 pct. pt. yoy, respectively.

As per WYNMAC, the company has launched the Chairmans Club expansion project at Wynn Palace, which is expected to be completed before Chinese New Year in 1Q26. WYNMAC has also finished refreshing the initial floors of the Wynn Tower rooms, and is in the process of renovating the rest. These two projects will help support revenue growth and market share gain.

Taking cues of LTM adj. EBITDAR of cUSD1.1bn and budgeted capex of USD200-250mn in 2025 and USD450-500mn in 2026, we expect room for further deleveraging. We are also comfortable with its financial flexibility, supported by its cash on hand of USD1.5bn as of Sep'25 and available undrawn facilities of USD1.2bn and USD1.4bn under the WRF Revolver and the WM Cayman II Revolver, respectively. Its maturity has also been lengthened after the issuance of USD1bn WYNMAC 6.75 02/15/34 in Aug'25, which was the first USD bond in Macau gaming sector with maturity beyond the new concession period expiring on 31 Dec'32. The proceeds were used to early redeem USD1bn WYNMAC 5.5 01/15/26 in full in Sep'25.

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

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|-------------------------|---------------|-------|--------|--------|----------------------|
| The Government of HKSAR | 300 | 3yr | 3.625% | T+3 | Aa3/AA+/AA- |

➤ **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 80 credit bonds issued yesterday with an amount of RMB63bn. As for month-to-date, 526 credit bonds were issued with a total amount of RMB571bn raised, representing a 43.7% yoy increase
- **[ADEIN]** Adani Enterprises aims to publicly list its major subsidiaries, including airport, metals, and data center businesses, between 2027 and 2031
- **[AVAPLN]** S&P upgraded Aviation Plc by one notch to B from B- on refinancing, removed from CreditWatch with stable outlook. Aviation to consider repurchase recently issued AVAPLN 8.5 05/15/31 of USD300mn
- **[GARUDA]** Garuda Indonesia revised down the planned capital injection by sovereign fund Danantara to USD1.4bn from USD1.8bn for working capital, operations, and aircraft maintenance
- **[NWDEVL]** NWD clarified that any principal received by BondC and PerpCo under an intercompany loan that backs the bond and perp shall be used to redeem the debt at the two issuers, and not to make any new loan or distribution to any NWD entity; puts restrictions on the company from increasing first-ranking, Victoria Dockside-backed debt beyond HKD15.6bn (cUSD2bn), including the intercompany loans and an up to HKD5.9bn Deutsche Bank-led loan, and a breach of the restriction will constitute an event of default
- **[ORIX]** Orix Corp is teaming up with the Qatar Investment Authority to launch a private equity platform of JPY-equivalent USD2.5bn targeting Japanese companies
- **[PERTIJ]** Pertamina's renewables arm and Toyota Motor will invest IDR2.5tn (cUSD150mn) in a bioethanol plant
- **[PTTGC]** PTT Global Chemical 9M25 adjusted EBITDA falls 43% yoy to THB16.6bn (cUSD511.6mn)
- **[SOFTBK]** SoftBank Group will redeem SOFTBK 3 02/04/56 of JPY177bn (cUSD1.2bn) in full on the first call date on 4 Feb'26
- **[TAISEM]** TSMC Oct'25 revenue climbs 17% yoy to TWD367.5bn (cUSD11.9bn), its slowest pace in 18 months

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