

CMBI Credit Commentary

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

The Asset G3 Bond Benchmark Review 2026

We hope you found our commentaries and ideas helpful. We seek to elevate our efforts and value-add further in the coming year. We highly appreciate your support to us in Sell-Side Analysts of the polls of "The Asset G3 Bond Benchmark Review 2026". Thank you for your support!

- *This morning, the new HKTGHD 5.125 06/10/36 widened 1bp from RO at T+73. HYUELEs widened 1-2ps amid better selling. Chinese AMC names like ORIEAS traded 1-2bps tighter amid better buying. AT1s were marked down 0.3pt. VNKRL 27/EHICAR 29 lost 0.2-0.3pt. We saw two-way flows in LGFV USD IG issues.*
- **Macau gaming:** 10.9% yoy GGR growth in 5M26. See below.
- **GLPSP:** GLP expects holdco to receive USD500mn second instalment of ADIA investment by end-3Q26. GLPSP 4.6 Perp rose 0.7pt this morning while GLPSP 7.865 Perp/GLPCHI 29 down 0.2-0.4pt.

❖ Trading desk comments 交易台市场观点

Yesterday, HKT priced USD650mn 10yr senior bond at T+73, tightened from IPT at T+110. See our comment on the FV estimate [yesterday](#). The new HKTGHD 5.125 06/10/36 widened 1bp from RO at T+73 this morning. GLPSP 28/GLPSP Perps/GLPCHI 29 rose another 0.5-1.2pts. GLP expects its immediate holding company to receive the USD500mn second instalment of investment from Abu Dhabi Investment Authority by the end of 3Q26. For the rest of the SE Asian space, PETMKs widened 5-7bps amid Chinese RM selling. SMCGL 5.45 Perp edged 0.1pt higher while the rest of SMCGL Perps were unchanged. San Miguel Global Power launched exchange and tender offer for any and all of the USD683.548mn SMCGL 5.45 Perp at par, and concurrent issue of NC5 USD perp with a minimum initial distribution rate of 8.75% p.a. ACPM 4.85 Perp/ACENPM 4 Perp were 0.7-1.2pts weaker. TOPTB/PTTGC Perps were unchanged to 0.1pt lower. VEDLN 28-33s leaked 0.1-0.3pt. In China IG space, ZHOSHK lost 0.5pt. Jardine Matheson sold 118mn shares of Zhongsheng Group on 27 May'26, reduced its stake to 14.31% from 19.25%. KUAISH 36 widened 4bps. FRESHKs widened 1-3bps. The Macau gaming complexes were unchanged to 0.2pt lower. See comments below on 5M26 Macau gaming GGR. WESCHI 28-29 edged 0.2-0.3pt higher. In Chinese properties, VNKRL 27' and 29' gained 0.3-0.5pt. FUTLAN 28/FTLNHD 27-29 were unchanged to 0.3pt higher. In KR space, we saw AMs and PBs selling front-end HYUELEs and HYNMTRs, but their spreads closed largely unchanged. European AT1s were another 0.3pt weaker across the board, driven by HFs, AMs and London accounts selling the recent new issues UBS 6.875 Perp and STANLN 7 Perp.

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On the other hand, Japanese insurance subs held on rather well and closed unchanged amid moderate buying demand from RMs in selected long-end issues. In the rest of JP space, SOFTBKs traded unchanged to 0.3pt higher. The USD LGFV issues encountered better-selling while CNH issues of LGFV and non-LGFV remained sought after.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4.6 PERP	55.7	1.2	ACPM 4.85 PERP	77.1	-1.2
GLPSP 9 3/4 05/20/28	88.9	0.6	PETMK 4.8 04/21/60	89.0	-0.9
GLPCHI 7 3/4 04/30/29	88.9	0.6	ACENPM 4 PERP	61.3	-0.7
GLPSP 7.865 PERP	62.1	0.5	PETMK 4.55 04/21/50	87.5	-0.7
VNKRL 3.975 11/09/27	45.8	0.5	ZHOSHK 5.98 01/30/28	96.7	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.74%), Dow (-1.21%) and Nasdaq (-0.89%) were lower on Wednesday. US May'26 ADP Nonfarm Employment Change was +122k, higher than the market expectation of +118k. US Crude Oil Inventories decreased by 7.974mn during the week ending 29 May'26, more than the market expectation of -2.900mn. UST yield were higher on Wednesday. 2/5/10/30 year yield was at 4.08%/4.21%/4.49%/4.99%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: 10.9% yoy GGR growth in 5M26

Table 1: Macau monthly GGR

MOP mn	2024	2025	2026	Cumulative GGR 2026	Cumulative GGR 2026 growth rate	% of 2019 GGR
Jan	19,337	18,254	22,633	22,633	24.0%	90.7%
Feb	18,486	19,744	20,627	43,261	13.9%	86.0%
Mar	19,503	19,659	22,612	65,873	14.3%	86.5%
Apr	18,545	18,858	19,894	85,767	12.1%	86.0%
May	20,188	21,193	22,611	108,378	10.9%	86.2%
Jun	17,694	21,064	-	-	-	-
Jul	18,595	22,125	-	-	-	-
Aug	19,754	22,156	-	-	-	-
Sep	17,253	18,289	-	-	-	-
Oct	20,787	24,086	-	-	-	-
Nov	18,438	21,088	-	-	-	-
Dec	18,202	20,888	-	-	-	-

Source: Macau DSEC.

In May'26, Macau's gross gaming revenue (GGR) increased 6.7% yoy to MOP22.6bn, the highest May figure since 2019, partly driven by 2.8% yoy increase in tourist arrival to 87.3mn during Golden Week holiday. Cumulatively, the GGR in 5M26 increased 10.9% yoy to MOP108.4bn, represented 86.2% of pre-COVID level in 2019. We consider Macau government's GGR forecast of MOP236bn in 2026 to be conservative taking cues from the growth momentum in 2025 and YTD. In 2025, GGR in Macau increased 9.1% to MOP247.4bn, equivalent to 84.6% of pre-COVID level in 2019. The actual 2025 GGR exceeded Macau government's revised

forecast of MOP228bn, thanks to the 15% increase in tourist arrivals to the record high of 40.1mn. We expect the Macau government to revise the 2026 GGR forecast upward.

Despite our expectation of more USD bonds supply in view of the scheduled maturities and undemanding funding costs, we still like Macau gaming bonds as lower-beta and good carry plays with improving credit stories. Our top picks in the sector are **MPELs**, **STCITYs**, and **SJMHOL 31**, given the growing adj. EBITDA of Melco Resorts and Studio City, as well as the more appealing risk-return profiles of these bonds. We also consider **WYNMAC'27 and '29** yield pick-up plays, trading at premium of c30-50bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOL 28 on valuation.

Table 2: 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	97.7	6.1%	3.1
MPEL 7 5/8 04/17/32	USG5975LAK29	750	103.1	7.0%	4.7
MPEL 6 1/2 09/24/33	USG5975LAL02	500	98.9	6.7%	5.7
SJMHOL 6 ½ 01/15/31	XS3267117995	540	96.1	7.5%	3.8
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.1	6.4%	1.5
STCITY 5 01/15/29	USG85381AG95	1,100	96.1	6.7%	2.4
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	100.0	5.5%	1.3
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	98.0	5.7%	3.1

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Bank of New Zealand	500/	5yr/	4.757%/	T+55/	A1/AA-/-
	500	5yr	SOFR+79	SOFR+79	
HKT Capital Limited	650	10yr	5.125%	T+73	Baa2/BBB/-
IIFL Finance	500	3.25yr	7.6%	7.6%	-/B+/B+

➤ 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 105 credit bonds issued yesterday with an amount of RMB117bn. As for Month-to-date, 243 credit bonds were issued with a total amount of RMB251bn raised, representing a 529.8% yoy increase
- [CHALUM]** S&P revised the rating outlook on Aluminum Corp. of China to positive from stable because the rating will move in tandem with the improving credit profile of the group, SACP revised to bbb from bbb-; BBB rating affirmed

- **[JD/TENCNT]** JD.com, Tencent, and CATL in talks to invest in AI startup DeepSeek
- **[LIFUNG]** Fitch affirmed Li & Fung's rating at BB following proposed New Advent Global stake acquisition; outlook stable
- **[NIPLIF]** Nippon Life Insurance expects to allocate around JPY1.5tn (cUSD9.4bn) in new capital to Blackstone's private credit strategies over the next five years
- **[NSANY]** Nissan recalled 51,598 SUVs in US due to software defect impacting dashboard display; signed a preliminary agreement with Chery International to manufacture the Chinese automaker's models at its plant in Sunderland
- **[SMPPHM]** SM Prime delayed bond issuance for up to PHP18bn citing market conditions
- **[ZHOSHK]** Jardine Matheson's stake in Zhongsheng fell to 14.31% from 19.25%

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