CMB INTERNATIONAL 招銀国际

Fixed Income
Credit Commentary

5 Aug 2026

CMBI Credit Commentary

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

- *Asia IG space was largely unchanged this morning. TW lifers were 1-2bps tighter. We saw better buying in 5yr papers such as DAESEC while better selling in 30yr such as TENCNT. In HY space, we saw RMs/AM topping long-end exposures. EU AT1 were well bid, 7-10yr non-call AT1 were 0.5-0.6pt higher. VNKRLE 27-29 rose 1.3pts. GLPSP/GLPCHI rose 0.5-1.1pts. LASUDE 29 down 1.0pt.*

- ***Macau gaming:*** *Jul'26 GGR softened as the World Cup continued to divert gaming spend. See below.*

- ***CHALUM:*** *Fitch Ratings upgraded Aluminum Corporation of China by one notch to A- from BBB+ to equalize its ratings with those of Chinalco due to strong operational and strategic linkages; outlook stable. CHALUMs were unchanged this morning.*

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❖ **Trading desk comments 交易台市场观点**

Yesterday, Asia IG space was quiet amid both rates and credit spreads remained within a tight range. In KR space, the new KOREAN 29 tightened 5bps at the open and then stabilized with minor flipping flows. The rest of KR industrial corporate and bank names were 2-3bps tighter. We saw mixed two-way flows in bank T2 papers with better buying on BNKEA/NANYAN versus better selling on BBLTB. Bank FRNs were broadly better bid by PBs on SUMIBK/MIZUHO/MUFG/HSBC and closed 1-2bps tighter. TW names were unchanged to 1bp tighter, with strong buying across FUBON/FUBHKL.

In higher-yielding space, we saw long/short positioning technical remained a key performance driver. CN/HK names WESCHI 28-29 rose 3.0-3.2pts. VNKRLE 27-29 closed 1.2pts higher. On the other hand, EHICAR 26 down 0.5pt, EHICAR 27 up 0.2pt. WLISRC 36 was 0.4pt lower. Elsewhere, GLPSP Perps up 0.5-1.3pts. JP and European AT1s and insurance subs closed 0.2pt lower despite some PB buying, as sellers emerged in the long end to take profit off tactical longs during the London session. INTNED 6.5 Perp down 0.6pt. SOFTBK were 0.5pt lower to 0.2pt higher. LGFVs had a stable session as RM demand for high-yielding names remained afloat across USD and CNH issues. Non-LGFV CNH papers also remained upbeat thanks to continuous cross-border RM demand in tech names.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
WESCHI 10 1/2 11/11/29	**85.0**	**3.2**
WESCHI 9.9 12/04/28	**88.3**	**3.0**
GLPSP 4.6 PERP	**57.6**	**1.3**
VNKRLE 3.975 11/09/27	**52.8**	**1.2**
ACENPM 4 PERP	**57.6**	**1.2**

Top Underperformers	Price	Change
CCAMCL 4 3/4 12/04/37	**90.1**	**-0.9**
INTNED 6 1/2 PERP	**97.4**	**-0.6**
EHICAR 7 09/21/26	**64.3**	**-0.5**
SOFTBK 7 1/2 07/10/35	**98.0**	**-0.5**
WLISRC 7 7/8 06/23/36	**94.6**	**-0.4**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.79%), Dow (+1.71%) and Nasdaq (+2.59%) were higher on Tuesday. US Jun'26 JOLTS Job Openings were 7.359mn, lower than the market expectation of 7.440mn. UST yield was lower on Tuesday. 2/5/10/30 year yield was at 4.20%/4.33%/4.63%/5.18%.

❖ Desk Analyst Comments 分析员市场观点

➢ Macau gaming: Jul'26 GGR softened as the World Cup continued to divert gaming spend

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	18,522	126,900	6.8%	84.9%
Jul	18,595	22,125	20,260	147,160	4.4%	84.6%
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 Jul'26, Macau's gross gaming revenue (GGR) fell 8.4% yoy to MOP20.3bn, marking the second consecutive month of yoy decrease. The weakness was primarily attributable to the FIFA World Cup, which diverted gambling budgets away from casino gaming and lower visitation and plays. The expanded tournament format and higher number of matches likely extended viewing hours and shifted some gaming activity toward sports betting channels, resulting in softer momentum casino gaming. The Jul'26 results was broadly in line with our view that GGR would remain under pressure until the conclusion of the tournament on 19 Jul'26. We also believe travel disruptions from typhoons in Southern China, despite limited direct impact on Macau, likely weighed on visitation in Jul'26.

Cumulatively, GGR rose 4.4% yoy to MOP147.2bn in 7M26, moderating from the 6.8% yoy growth recorded in 1H26, as the World Cup effect diluted the earlier pace of recovery. 7M26 GGR was 84.6% of pre-COVID level in 2019, and accounted for c62% of the Macau government's 2026 full-year GGR forecast of MOP236bn, broadly consistent with the 2025 run-rate. We continue to view the 2026 target as achievable, in view of the continued recovery in tourist arrivals from Mainland China and the broader region, and further ramp-up of non-gaming attractions under the new concession framework. That said, the growth is likely depend on sustained mass market demand than an acceleration in VIP activity.

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 c50bps 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	97.4	6.2%	3.0
MPEL 7 5/8 04/17/32	USG5975LAK29	750	102.4	7.1%	2.4
MPEL 6 1/2 09/24/33	USG5975LAL02	500	97.1	7.0%	5.5
SJMHOL 6 ½ 01/15/31	XS3267117995	540	94.8	7.9%	3.7
STCITY 6 1/2 01/15/28	USG85381AF13	335	100.0	6.5%	0.1
STCITY 5 01/15/29	USG85381AG95	1,100	95.8	6.9%	2.2
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.8	5.7%	1.1
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	97.2	6.1%	3.0

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Yieldking Investment Limited/ Sichuan Development International	450	3yr	4.55%	4.55%	-/-/A

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)
HSBC	USD	-	6NC5	T+115	A3/A-/A+
	USD	-	6NC5	SOFR Equiv	
	USD	-	11NC10	T+135	

News and market color

- Regarding onshore primary issuances, there were 103 credit bonds issued yesterday with an amount of RMB108bn. As for Month-to-date, 163 credit bonds were issued with a total amount of RMB195bn raised, representing a 30.8% yoy increase

- Indonesia's government announced a new policy prioritizing Work Plan and Budget (RKAB) approvals for miners that contribute high royalty to the state

- **[ARAMCO]** Saudi Aramco 1H26 adjusted EBIT rose 20.5% yoy to SAR443.2bn (cUSD116.5bn); reclassified PRefChem as held for sale

- **[CHALUM]** Fitch Ratings upgraded Aluminum Corporation of China by one notch to A- from BBB+ to equalise its ratings with those of Chinalco due to strong operational and strategic linkages; outlook stable

- **[HSBC]** HSBC Holdings 2Q26 pre-tax profit at USD10.1bn

- **[IDASAL]** MIND ID repurchased USD19.918mn IDASAL 6.757 11/15/48 and USD49.73mn IDASAL 5.8 05/15/50, USD291.86mn and USD400.398mn remains outstanding, respectively

- **[MARUB]** Marubeni will raise its investment by JPY250bn (cUSD1.6bn) to JPY1.4tn (cUSD8.6bn) under its three-year business strategy

- **[NWDEVL]** New World Development sold c80% of price-listed units at 83 Wing Hong Street, Hong Kong

- **[PCORPM]** Petron 1H26 revenue rose 57% yoy to PHP605.9bn (cUSD9.9bn)

- **[SHUION]** Shui On Land secured 95.44% bondholder consent under consent solicitation for USD450mn SHUION 9.75 01/26/29

- **[WYNMAC]** Wynn Macau 1H26 adjusted property EBITDAR rose 14% yoy to USD576.4mn

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