

CMBI Credit Commentary

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

- *Front-end IGs were active this morning. CCAMCL/ ChemChina/TMTs were two-way traded. HRINTHs were under better selling. LGFVs were well bid. EHICARs were unchanged to 0.6pt this morning post 4.5pts rally on last Friday. NWDEVLs moved -0.8 to +0.4pt.*
- **Macau gaming:** *Solid GGR growth in Nov'24. We expect full-year GGR in 2024 to reach cMOP230bn vs Macao government's target of MOP216bn. See comments below.*
- **GLPSP:** *Media reported that GLP is mulling Hong Kong listing as soon as 2025. GLPSPs were unchanged to 0.4pt post the news.*

❖ Trading desk comments 交易台市场观点

Last Friday, UST yields tightened 6-7bps. NWD was under the spotlight amid the CEO change. NWDEVL Perps/27-31s closed 1.1-5.1pts lower. See our comments on [NWD's sale of New World Sport to CTF](#). In Chinese IGs, BABA 35s/54s widened 2-5bps. MEITUA/HAOHUA 30s were 1-2bps wider. In financials, Chinese AMCs were under better selling. HRINTH 25-27s and CCAMCL 27-31s were 1-5bps wider. BOCAVIs were 1-3bps wider. The front end of AVIILCs were unchanged to 2bps wider. CATLIFs were 1bp wider. On the other hand, NSINTWs tightened 2bps on RM buying, following S&P's one notch upgrade to A-. KBANK 31s tightened 3bps. BBLTB 33s/36s tightened 1-2bps. In EU AT1s, BNP 7.375/SOGEN 8.125 Perps were 0.1-0.2pt higher. HSBC 6.95/INTNED 7.25 Perps were up 0.3pt. In Chinese properties, state-owned YXREITs/CHJMAOs were unchanged to 0.4pt higher on buying from AMs. CHIOLIs were 0.4-1.2pts higher. FTLNHD/FUTLAN 25-26s were 0.7-1.8pts higher. SHUION 25s/VNKRLE 29s were up 0.7-0.8pt. DALWAN 24-25s/ROADKG Perps, on the other hand, declined 0.3-0.4pt. In industrials, EHICAR 26-27s increased 4.4-4.5pts following its much stronger 3Q24 results. In Macau gaming, MPEL/SANLTD 27-30s were 0.2-0.4pt higher. See comments below on Macau 26.8% increase in GGR in 11M24. In Indonesia, MDLNIJ 25-27s dropped 0.4-3.2pts. In India, ADSEZs/ADTINs/ADGREGs/ARENrJs were up 0.2-0.6pt but are still 4-10pts lower than the levels prior to the US bribery indictment. VEDLNs were also up 0.3-0.7pt.

The LGFVs were skewed to better selling with higher-yielding papers being repriced wider. Meanwhile, GSHIAV 25s/ZHANLO 26s/GZGETH 27s were up 0.1-0.3pt. In SOE perps, HUANEN/CHPWCN Perps were unchanged to 0.1pt lower.

Glenn Ko, CFA 高志和
(852) 3657 6235
glennko@cmbi.com.hk

Cyrena Ng, CPA 吳蓓瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Jerry Wang 王世超
(852) 3761 8919
jerrywang@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
EHICAR 12 09/26/27	65.9	4.5	NWDEVL 5 1/4 PERP	71.0	-5.1
EHICAR 7 09/21/26	68.0	4.4	MDLNIJ 5 04/30/27	26.0	-3.2
CHGRID 4 05/04/47	89.5	2.0	NWDEVL 4 1/8 PERP	52.4	-3.0
FTLNHD 4 5/8 10/15/25	89.3	1.8	NWDEVL 4 1/2 05/19/30	65.1	-2.5
CHGRID 4.85 05/07/44	101.0	1.7	NWDEVL 6 1/4 PERP	47.0	-1.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.56%), Dow (+0.42%) and Nasdaq (+0.83%) rallied higher on last Friday. China Nov'24 official manufacturing/service PMI was 50.3/50.0, compared to the expectation of 50.2/50.4, respectively. UST yields edged down on Friday, 2/5/10/30 yield reached 4.13%/4.05%/4.18%/4.36%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: Solid GGR growth in Nov'24

Table 1: Macau monthly GGR

MOP mn	2022	2023	2024	Cumulative GGR 2024	Cumulative GGR 2024 growth rate	% of 2019 GGR
Jan	6,344	11,580	19,337	19,337	67%	78%
Feb	7,759	10,324	18,486	37,823	73%	75%
Mar	3,672	12,738	19,503	57,326	65%	75%
Apr	2,677	14,722	18,545	75,871	54%	76%
May	3,341	15,565	20,188	96,059	48%	76%
Jun	2,477	15,207	17,694	113,753	42%	76%
Jul	398	16,662	18,595	132,348	37%	76%
Aug	2,189	17,213	19,754	152,102	33%	77%
Sep	2,962	14,937	17,253	169,355	31%	77%
Oct	3,899	19,501	20,787	190,142	28%	77%
Nov	2,999	16,043	18,438	208,580	27%	77%
Dec	3,482	18,564	-	-	-	-

Source: Macau DSEC.

In Nov'24, the gross gaming revenue (GGR) in Macau rose 14.9% yoy to MOP18.4bn, accelerating from the 6.6% yoy growth in Oct'24. The cumulative GGR in 11M24 rose 26.8% yoy to MOP208.6bn, reaching 77% of the pre-pandemic level in 11M19. We expect the 2024 GGR to reach cMOP230bn, compared with Macao government's target of MOP216bn. Besides, Macao government expects 2025 GGR to rise to MOP240bn (cUSD30bn). We believe the 2025 target is highly achievable given the sustained recovery in tourist arrivals and incremental supportive policies in mainland China. Last week, the Chinese government resumed the application of multiple-entry visa to Macau for Zhuhai residents.

As of Nov'24, six Macau gaming (including Studio City) with outstanding USD bonds had released improving [3Q24 results](#) except Sands China which was disrupted by renovation of Londoner Macau. We expect the operating performance of Macau gaming operators to remain solid in 2025. We also expect them to be candidates for early redemption of their bonds given their improved financial conditions and resumed access to capital markets. Within the sector, MPELs and STCITYs/STDCTY are our top picks after SJMHOLs' outperformance YTD. That said, we still consider SJMHOLs good carry play. We also like MGMCHIs and WYNMAC'29 yield pick-up plays.

They offer 40-110bps and c110bps yield pick-up over bonds of their US parents, respectively. We are neutral on SANLTDs on valuation.

Table 2: Macau gaming USD bond profile

	Ask YTM (%)	Mod Duration	Ask price
MGMCHI	5.8-6.8	0.5-3.7	97.0-101.7
MPEL	6.0-7.4	0.5-4.2	92.1-101.4
SANLTD	5.5-5.8	0.7-5.8	86.1-99.8
SJMHOL	6.3-6.9	1.1-2.8	94.2-98.1
STCITY/STDCTY	6.1-7.6	0.6-3.5	90.8-100.6
WYNMAC	4.2-6.9	1.1-4.2	92.7-101.0

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Huaiyuan County New Urbanization Construction	100	3yr	5.4%	5.4%	-/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Cixi State-owned Assets Investment	USD	-	3yr	5.2%	-/-/BBB
Rakuten Group	USD	500	PNC5	-	-/B/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 78 credit bonds issued on last Friday with an amount of RMB43bn. As for Nov'24 month-to-date, 2,096 credit bonds were issued with a total amount of RMB1,983bn raised, representing a 19.5% yoy increase
- Macau gaming revenue for November rose 14.9% yoy to MOP18.4bn, 11M24 revenue rose 26.8% yoy to MOP208.6bn
- **[ADANIG]** Media reported that Adani Green Energy plans private placement of USD500mn Reg D bonds
- **[CHNAAR]** China Aircraft Leasing Group BB+ rating withdrawn by Fitch
- **[DALWAN]** Media reported that Dalian Wanda Commercial Management plans to establish RMB50bn-90bn fund backed by malls to address tax liabilities and debt
- **[EVERRE]** China Evergrande winding-up petition to be heard on 27 Feb'25
- **[GLPSP]** Media reported that GLP is mulling Hong Kong listing as soon as 2025

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

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