

CMBI Credit Commentary

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

- *Chinese IG space tightened 2-5bps this morning, while the rest of Asian IG space traded 5-10bps tighter. Yankee and JP AT1s and insurance subs were up 1.0pt this morning compared to last Thursday close, and 0.3-0.4pt higher compared to yesterday NY close. TOPTB 6.1 Perp/PTTGC 6.5 Perp rose 1.1-1.5pts.*
- **Macau gaming:** 14.3% yoy GGR growth in 3M26. The Macau gaming bonds were overall 0.1-0.8pt higher this morning, except that WYNMAC 29 lost 0.4pt. See below.
- **VNKRLE:** Media reported that Vanke is considering a 40% upfront, one-year extension for onshore bond due 23 Apr'26. The remaining principal of the bond is RMB2bn (cUSD290.6mn). VNKRLE 27' and 29' edged 0.5-0.8pt higher this morning.

❖ Trading desk comments 交易平台市场观点

Last Thursday, the new EIBKOR 31s, SHNHAN 31s and SHNHAN Float 29s closed 2-5bps inside ROs amid RM buying. In HK, FAEACO 12.814 Perp dropped 16.8pts. Far East Consortium defers April distribution on USD360mn FAEACO 12.814 Perp issued by its subsidiary FEC Finance. Media reported that FEC is exploring option to exchange the perp for a bullet bond, targeting a coupon of 7%–8%. The NWDEVL/VDNWDL complex closed 0.1-0.4pt lower. Media reported that NWD has shelved plans to acquire the remaining stakes in three commercial sites in Causeway Bay due to high costs and patchy demand. The Macau gaming complex SJMHOL/MGMCHI/MPEL/SANLTD/STCITY/WYNMAC were unchanged to 0.4pt lower. See comments below on Macau gaming's 3M26 GGR. AVIILC 27-28s/AVIILC Float 30 dropped 1.2-3.2pts, and 6.125 Perp was down 0.7pt. We saw two-way interests among HFs on AVIILC. AVIC Industry Finance, AVIILC's indirect parent, announced to redeem early all of its outstanding onshore bonds, totaled RMB15.7bn (cUSD2.28bn), at par. ZHOSHK 28 leaked 0.1pt. In Chinese properties, FUTLAN 28/FTLNHD 26-29/GRNCH 28 were unchanged to 0.1pt lower. See comments on Greentown's FY25 results on [2 Apr'26](#), and Seazen on [1 Apr'26](#). LNGFOR 27-32s edged 0.1-0.3pt higher. In SE Asian space, GLPSPs/GLPCHI lost 0.1-0.5pt. VEDLN 28-33s were overall unchanged to 0.1pt higher. Fitch upgraded Vedanta Resources to BB- from B+; outlook stable. MEDCIJ 26-30 were 0.2pt lower to 0.1pt higher. Yankee and Japanese AT1s and insurance subs leaked 0.3-0.7pt. We saw PBs/AMs buying on dip, especially in the front end of the yield curve. LGFVs had a muted session with only occasional interests in short-dated issues.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
BHP 5 1/2 09/08/53	97.8	0.7	FAEACO 12.814 PERP	65.2	-16.8
LUSOIB 7 1/2 05/29/34	101.3	0.6	AVIILC Float 03/28/30	95.0	-3.2
SUMIBK 5.57 01/15/47	97.7	0.6	AVIILC 5.15 03/18/27	97.8	-2.2
NDPAPE 14 PERP	104.7	0.5	AVIILC 4 5/8 03/28/28	97.1	-1.8
HAOHUA 3.7 09/22/50	75.9	0.5	AVIILC 4 5/8 08/27/27	98.1	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.08%), Dow (-0.18%) and Nasdaq (+0.10%) were mixed on Tuesday. Global benchmark Brent slid as much as 16%, and West Texas Intermediate declined as much as 19% after US and Iran agreed to ceasefire, a move that will help resume oil flows through the Strait of Hormuz. The US ISM Non-Manufacturing Prices was 70.7 in Mar'26, higher than the market expectation of 67.0. The US ISM Non-Manufacturing PMI was 54.0 in Mar'26, lower than the market forecast of 54.8. The US Durable Goods Orders decreased by 1.4% mom in Feb'26, lower than the market expectation of a 1.1% mom decrease. 2/5/10yr UST yield was lower on Tuesday. 2/5/10/30 year yield was at 3.81%/3.95%/4.33%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: 14.3% yoy GGR growth in 3M26

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	-	-	-	-
May	20,188	21,193	-	-	-	-
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 Mar'26, Macau's gross gaming revenue (GGR) increased 15.0% yoy to MOP22.6bn, the highest March figure since 2019. The sustained recovery reflects the continuous recovery of tourist visitation after COVID. Cumulatively, the GGR in 3M26 increased 14.3% yoy to MOP65.9bn, represented 86.5% 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 1Q26. GGR in Macau increased 9.1% to MOP247.4bn in 2025, thanks to the 15% increase in tourist arrival to the record high of 40.1mn. The GGR in 2025 is equivalent to 84.6% of

pre-COVID level in 2019, and exceeded its revised forecast of MOP228bn. We expect the Macau government to revise the 2026 GGR forecast upward.

Despite our expectation of more supply in view of the scheduled maturities and undemanding funding costs, we still like Macau gaming bonds lower-beta and good carry plays with improving credit stories. Our top picks in the sector are **MPELs**, **STCITYs**, and **SJMHOL 6 ½ 01/15/31**, 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 c60-80bps 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	97.0	6.3%	3.2
MPEL 7 5/8 04/17/32	USG5975LAK29	750	102.5	7.1%	4.6
MPEL 6 1/2 09/24/33	USG5975LAL02	500	99.6	6.9%	5.8
SJMHOL 6 ½ 01/15/31	XS3267117995	540	96.2	7.4%	3.9
STCITY 6 1/2 01/15/28	USG85381AF13	500	99.5	6.8%	1.6
STCITY 5 01/15/29	USG85381AG95	1,100	94.6	7.2%	2.5
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.4	5.9%	1.4
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	96.9	6.1%	3.2

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	Pricing	Issue Rating (M/S/F)
Mizuho Bank	USD	-	3yr/	T+95-100/	A1/A/-
			3yr/	SOFR Equiv/	
			5yr/	T+115/	
			5yr/	SOFR Equiv/	
			10yr/	T+125-130/	
			20yr	T+125-130	

➤ **News and market color**

- Regarding onshore primary issuances, there were 64 credit bonds issued yesterday with an amount of RMB63bn. As for month-to-date, 288 credit bonds were issued with a total amount of RMB266bn raised, representing a 44.6% yoy increase
- **[AACTEC]** Moody's upgraded AAC Technologies ratings by one notch to Baa2 from Baa3

- **[ADEIN/JSWIN]** Adani and JSW thermal plants run low on coal inventory ahead of peak demand period
- **[AVIILC]** AVIC Industry Finance announced a proposal to redeem early all of its outstanding onshore bonds, totaled RMB15.7bn (cUSD2.28bn). AVIC suspended trading in its bonds on 2 Apr'26, and trading is set to resume today, 8 Apr'26
- **[FAEACO]** Media reported that Far East Consortium is exploring option to exchange its USD360mn FAEACO 12.814 Perp for a bullet bond, targeting a coupon of 7%–8%
- **[GARUDA]** Garuda Indonesia is implementing a series of efficiency measures and operational mitigation strategies to counter increases in jet fuel prices
- **[HYUELE]** SK Hynix will supply Microsoft and Google with DRAM in deals worth tens of billions of USD
- **[IHFLIN]** Sammaan Capital offers to purchase up to USD45mn of IHFLIN 7.5 10/16/30, principal amount o/s is USD450mn
- **[LGELEC]** LG Electronics interim 1Q26 sales rose 4.4% yoy to KRW23.73tn (cUSD15.75bn); LG Electronics has launched a third tender offer to acquire the remaining stake in its US-based indirect subsidiary Alphonso, aiming to take full control of the firm and resolve ongoing shareholder disputes
- **[MEDCIJ]** Medco Energi EBITDA slipped 0.6% in 2025 to USD1.26bn; Medco Energi plans USD430mn capex this year, setting aside 97% for oil and gas outlay
- **[NIPLIF/SUMIBK]** SMFG and Nippon Life are discussing the creation of a private credit fund
- **[NWDEVL]** NWD gave up on HKD2.68bn compulsory auction for cluster of old buildings in HK; Media reported that NWD has shelved plans to acquire the remaining stakes in three commercial sites in Causeway Bay due to high costs and patchy demand.
- **[PETMK]** Petronas fertilizer arm halted production at key urea plant due to technical issues
- **[PKX]** POSCO will hire 7,000 employees working for subcontractors to avoid potential strike, increasing its fixed costs
- **[SINOPE]** Sinopec engineering arm won a USD1.1bn contract in Kazakhstan to provide engineering, procurement, and construction (EPC) services
- **[SOFTBK]** SoftBank executed first tranche of USD10bn additional investment in OpenAI
- **[TAISEM]** TSMC foundry revenue jumped 36% in 2025, driven by AI chip demand
- **[VEDLN]** Fitch upgraded Vedanta Resources to BB- from B+; outlook stable. The Supreme Court of India declined Vedanta Group's petition to stay Jaiprakash Associates' takeover by Adani Enterprises
- **[VNKRLE]** Media reported that China Vanke is considering a 40% upfront, one-year extension for onshore bond due 23 Apr'26. The remaining principal of the bond is RMB2bn (cUSD290.6mn)

- **[WESCHI]** West China Cement will buy 100% stake in South African cement maker for USD150mn

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