

## CMBI Credit Commentary

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

- *Asia IG spreads were unchanged to 10bps tighter this morning. MTRC/HKAA 30-35s tightened 4-10bps. RAKUTN Perps/27-29s rebounded 0.3-1.3pts. LGFVs were skewed to better buying from PBs.*
- **Macau gaming:** *Moderating GGR growth in Mar'25. See below.*
- **CPDEV:** *Beijing Capital Group accepted USD7.598mn of CPDEV 3.85 07/14/25 and USD311.762mn of CPDEV 4.65 01/19/26 for purchase under tender offers. USD55.558mn of CPDEV 3.85 07/14/25 and USD188.238mn of CPDEV 4.65 01/19/26 will remain outstanding. CPDEV 26 down 0.1pts while CPDEV 28 up 0.3pts this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, Asia IGs were 15-40bps wider and we saw 95% flows were checking for bids. HYUELE/LGENSO 26-33s widened 24-40bps. In Chinese IGs, BABA/TENCNT 27-35s widened 17-28bps. In JP, the high beta papers such as SOFTBK Perps and RAKUTN Perps/27-29s dropped 3.9-8.5pts. In insurance hybrids, MYLIFE 55s/NIPLIF 54s/ASAMLI Perps were down 1.7-2.6pts and we saw selling flows from AMs/HFs hitting liquidity bids for cash raising. In AT1s, MUFG/BACR/HSBC Perps were 1.9-4.1pts lower. In Chinese properties, LNGFOR 27-32s/VNKRLE 27-29s dropped 2.9-5.4pts. CHJMAOs/CHIOLIs closed unchanged to 2.5pts lower. Outside properties, WESCHI 26s dropped 7.7pts. MGMCHI 27s/MPLEL 28s/WYNMAC 28s dropped 2.3-6.1pts. In India and Indonesia, ADGREG 42s/ARENRJ 39s plunged 7.0-10.8pts. ADANEM/ADSEZ/ADTIN 27-36s lowered 2.2-7.8pts. MEDCIJ 26-29s dropped 4.9-10.8pts.

LGFVs remained robust but the flows were very light. AHTRHK/SHGUOH/BJCONS 25-26s were up 0.1-0.3pt. CPDEV closed unchanged to 0.2pt lower. Last night, CPDEV announced tender offer results and reduced o/s size of CPDEV 3.85 25 and CPDEV 4.65 26 to USD55.558mn and USD188.238mn, respectively. In SOE perps, CCBINT/CHPWCN Perps were up 0.1pt.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GUOTJU 2 03/03/26	97.7	0.3	ADGREG 6.7 03/12/42	76.3	-10.8
AHTRHK 1.618 08/26/26	95.8	0.3	MEDCIJ 8.96 04/27/29	92.5	-10.8
SWIPRO 3 5/8 01/13/26	99.3	0.3	SOFTBK 6 7/8 PERP	88.3	-8.3
CKINF 4.2 PERP	70.2	0.3	ADSEZ 3.1 02/02/31	72.6	-7.8
MIZUHO 3.477 04/12/26	99.1	0.2	WESCHI 4.95 07/08/26	69.8	-7.7

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.23%), Dow (-0.91%) and Nasdaq (+0.10%) were mixed on Monday. Trump will add another 50% tariff on Chinese imports on 9 Apr'25 unless China withdraws its 34% tariff on US goods. UST yield was higher on Monday, 2/5/10/30 yield at 3.73%/3.82%/4.15%/4.58%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ Macau gaming: Moderating GGR growth in Mar'25

Table 1: Macau monthly GGR

MOP mn	2023	2024	2025	Cumulative GGR 2025	Cumulative GGR 2025 growth rate	% of 2019 GGR
Jan	11,580	19,337	18,254	18,254	-5.6%	73.2%
Feb	10,324	18,486	19,744	37,998	0.5%	75.5%
Mar	12,738	19,503	19,659	57,657	0.6%	75.7%
Apr	14,722	18,545	-	-	-	-
May	15,565	20,188	-	-	-	-
Jun	15,207	17,694	-	-	-	-
Jul	16,662	18,595	-	-	-	-
Aug	17,213	19,754	-	-	-	-
Sep	14,937	17,253	-	-	-	-
Oct	19,501	20,787	-	-	-	-
Nov	16,043	18,438	-	-	-	-
Dec	18,564	18,202	-	-	-	-

Source: Macau DSEC.

In Mar'25, the gross gaming revenue (GGR) in Macau rose 0.8% yoy to MOP19.7bn, slowed down from the 6.8% yoy growth in GGR in Feb'25. The higher growth in cumulative GGR in Feb'25 reflected the CNY holiday span across Jan and Feb'25. The 3M25 cumulative GGR increased by 0.6% yoy to MOP57.7bn, represented c76% of pre-pandemic level in 2019. The Macao government expects 2025 GGR to increase c6% to MOP240bn (cUSD30bn). We still believe the 2025 target is highly achievable given the sustained recovery in tourist arrivals (up c24% in 2024) and incremental supportive policies in mainland China. The Chinese government resumed the application of multiple-entry visa to Macau for Zhuhai residents in Dec'24.

Despite the lower conviction levels, we expect that the performance of Macau gaming bonds will continue to be supported by their improving credit stories, benefitting from the resilient GGR recovery and normalization of funding access. We also expect Macau gaming operators to be candidates for early redemption of their bonds given their improved financial conditions and resumed access to capital markets.

Within the Macau gaming sector, our top picks are MPELs and STCITYs/STDCTY. We also consider SJMHOLS good carry play. Please also read our comment on the FY24 results on Melco and SJM, both reported a strong recovery compared to FY23. Meanwhile, we consider WYNMAC'27 yield pick-up play which is trading at 26bps pick-up over bonds of its US parent. 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	0.2-3.5	97.3-101.4
<b>MPEL</b>	<b>6.3-7.9</b>	<b>0.2-5.2</b>	<b>90.7-99.8</b>
SANLTD	4.3-5.9	0.2-5.5	86.4-100.3
<b>SJMHOL</b>	<b>6.6-6.8</b>	<b>0.8-2.5</b>	<b>95.0-98.4</b>
<b>STCITY/STDCTY</b>	<b>5.9-8.6</b>	<b>0.8-3.3</b>	<b>88.7-100.3</b>
WYNMAC	4.1-7.5	0.7-4.0	90.9-101.5

Source: Bloomberg.

## ➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issue Priced Today					

## ➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Wuxing Industry Investment/ Huzhou Wuxing Talent Industry Investment	USD	-	3yr	6.5%	Unrated

## ➤ News and market color

- Regarding onshore primary issuances, there were 39 credit bonds issued yesterday with an amount of RMB22bn. As for month-to-date, 187 credit bonds were issued with a total amount of RMB184bn raised, representing a 10.9% yoy decrease
- [HYUELE]** SK Hynix expects HBM chips to exceed 50% of DRAM sales on AI industry demand, it will start mass production of the 6<sup>th</sup> generation HBM4 chips this year and begin work on the 7<sup>th</sup> generation HBM4E chips
- [NIO]** NIO raised HKD4.0bn (cUSD518mn) through a private share placement. Separately, NIO in talks to sell controlling stake in Nio Power to Contemporary Amperex Technology (CATL)
- [VEDLN]** Vedanta Resources asks lenders to release Twin Star guarantee on private credit facility

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