

## CMBI Credit Commentary

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

- *This morning, flows were light across all spaces as Japan and mainland China are out for holiday. FAEACO 12.814 Perp gained 0.9pt. SOFTBK 31-65s were 0.3-0.5pt higher, while SOFTBK 28 lost 0.3pt. GLPSP 28 was 0.2pt lower.*
- **GENTMK:** *Prefer SMCGL/PCORPM Perps over GENTMK Perps. SMCGL/GENTMK Perps were unchanged to 0.1pt higher this morning, while PCORPM Perps were unchanged. See below.*
- **MPEL/STCITY:** *1Q26 operating revenue grew 11.4% yoy to USD1.4bn on improved mass market performance. MPELs/STCITYs were unchanged this morning. See below.*

#### ❖ Trading desk comments 交易台市场观点

Last Thursday, WESCHI 28-29 lost 0.6-1.4pts. EHICAR 26 gained 1.1pts, while EHICAR 27-29 were unchanged to 0.3pt lower. We saw better-buying in 10yr benchmark names MEITUA/KUAISH/LINREI/Taiwan lifers, which traded up to 5bps tighter. The Macau gaming complex SJMHOL/MGMCHI/MPEL/SANLTD/STCITY/WYNMAC were unchanged to 0.3pt lower. See comments below on Macau gaming 4M26 GGR and MPEL/STCITY 1Q26 results. In HK, the NWDEVL/VDNWDL complex were up to 0.8pt lower. FAEACO 12.814 Perp lost 0.1pt. In Chinese properties, VNKRL 27 was 0.1pt higher, while VNKRL 29 lost 0.3pt. Vanke 1Q26 revenue fell 23.9% yoy to RMB28.93bn (cUSD4.23bn). FUTLAN 28/FTLNHD 26-29/LNGFOR 27-32 were 0.1pt lower to 0.2pt higher. In SE Asian space, GENTMKs were unchanged to 0.1pt lower. See comments below. VEDLN 28-33s were unchanged to 0.2pt lower. IHFLIN 27-30/MEDCIJ 26-30 closed unchanged to 0.1pt lower. TOPTB/PTTGC Perps traded 0.1-0.3pt lower. In KR, recent new issues SKONKR and CITNAT were 2bps wider to 2bps tighter. LGENSO spreads marked 2-4bps wider across the curve amid mixed two-way flows. In the FRN space, we saw selling pressure in 5yr JP/EU bank names MUFG/SUMIBK/HSBC/STANLN, resulting in spreads widening by 1-2bps. RESLIF 6.875 Perp/NOMURA 7 Perp leaked 0.1pt.

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

**Cyrena Ng, CPA** 吴倩莹  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Yujing Zhang** 张钰婧  
(852) 3900 0830  
zhangyujing@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CFAMCI 4.95 11/07/47	91.9	1.6	WESCHI 9.9 12/04/28	93.4	-1.4
EHICAR 7 09/21/26	70.0	1.1	NWDEVL 4.8 PERP	58.2	-0.8
REGH 6 1/2 PERP	35.1	1.0	WESCHI 10 1/2 11/11/29	92.7	-0.6
CNOOC 3.3 09/30/49	75.8	0.9	PLNIJ 4 7/8 07/17/49	81.1	-0.6
SINOCH 6.3 11/12/40	111.8	0.8	PLNIJ 6.15 05/21/48	96.6	-0.6

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.29%), Dow (-0.31%) and Nasdaq (+0.89%) were mixed on last Friday. S&P Global Manufacturing PMI Apr'26 was 54.5, higher than the market expectation of 54.0. ISM Manufacturing PMI Apr'26 was 52.7, lower than the market expectation of 53.1. ISM Manufacturing Prices Apr'26 was 84.6, higher than the market expectation of 80.0. 10/30 year UST yield was lower on last Friday. 2/5/10/30 year yield was at 3.88%/4.02%/4.39%/4.97%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ GENTMK: Prefer SMCGL/PCORPM Perps over GENTMK Perps

Subsequent to the issuances of GENTMK 7 5/8 PERP and GENTMK 8.3 PERP, Genting announced to accept the tender offer of GENTMK 4.254 01/24/27 of USD882.5mn vs a maximum purchase amount of USD1.25bn, equivalent to the combined issue size of the 2 perps. The outstanding amount of GENTMK 4.254 01/24/27 will therefore reduce to USD617.5mn. We expect that Genting will continue to explore opportunities to early redeem GENTMK 4.254 01/24/27 with the remaining proceeds from the new perp issuances.

While we consider GENTMK 7 5/8 PERP and GENTMK 8.3 PERP good carry plays, in Asia corporate perp space, we prefer SMCGL Perps and PCORPM Perp given our preference for perps with high coupon step-up and issuers with good track records of calling their perps on the first call dates. We also prefer corporate perps with shorter tenor in view of the expected UST rate volatility.

Table 1: GENTMKs/PCORPM/SMCGLs

Security name	ISIN	Ask px	YTM/YT next reset	Amt o/s (USDmn)	First call date	Coupon reset date	Coupon reset (incl. step-up)	Step-up (bps)	Issue rating (M/S/F)
GENTMK 7 5/8 Perp	XS3357500472	99.6	7.7%	750	29 Oct'31	29 Oct'31	5yrUST+3.71%	25	Ba2/-/BB+
GENTMK 8.3 Perp	XS3357513533	99.5	8.4%	500	29 Apr'36	29 Apr'36	10yrUST+4.261%	25	Ba2/-/BB+
<b>PCORPM 7.35 Perp</b>	<b>XS3178401793</b>	<b>102.5</b>	<b>6.2%</b>	<b>475</b>	<b>22 Aug'28</b>	<b>22 Sep'28</b>	<b>3yrUST+6.375%</b>	<b>250</b>	<b>Unrated</b>
SMCGL 5.45 Perp	XS2346954873	100.4	4.8%	683.548	9 Dec'26	9 Dec'26	5yUST+7.155%	250	Unrated
SMCGL 8.75 Perp	XS2883979705	102.0	8.0%	900	12 Jun'29	12 Sep'29	5yUST+7.732%	250	Unrated
<b>SMCGL 8.125 Perp</b>	<b>XS2943809900</b>	<b>100.2</b>	<b>8.0%</b>	<b>600</b>	<b>2 Dec'29</b>	<b>2 Mar'30</b>	<b>5yUST+6.404%</b>	<b>250</b>	<b>Unrated</b>
<b>SMCGL 8.95 Perp</b>	<b>XS3121131125</b>	<b>102.7</b>	<b>8.1%</b>	<b>515</b>	<b>24 Apr'30</b>	<b>24 Jul'30</b>	<b>5yUST+7.445%</b>	<b>250</b>	<b>Unrated</b>
SMCGL 8.375 Perp	XS3242497538	100.1	8.3%	300	20 Oct'30	20 Jan'31	5yUST+7.123%	250	Unrated

Source: Bloomberg.

- **MPEL/STCITY: 1Q26 operating revenue grew 11.4% yoy to USD1.4bn on improved mass market performance**

**Table 2: 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	-	-	-	-
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.

**Table 3: 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	98.0	6.0%	3.1
MPEL 7 5/8 04/17/32	USG5975LAK29	750	103.2	7.0%	4.7
MPEL 6 1/2 09/24/33	USG5975LAL02	500	99.3	6.6%	5.7
SJM HOL 6 ½ 01/15/31	XS3267117995	540	97.7	7.1%	3.9
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.0	6.5%	1.6
STCITY 5 01/15/29	USG85381AG95	1,100	95.8	6.7%	2.4
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.9	5.6%	1.3
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	98.1	5.7%	3.2

Source: Bloomberg.

Despite our expectation of more 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 **SJM HOL 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 c50-60bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOL 28 on valuation.

In Apr'26, Macau's gross gaming revenue (GGR) increased 5.5% yoy to MOP19.9bn, reflects the continuous recovery of tourist visitation after COVID. Cumulatively, the GGR in 4M26 increased 12.1% yoy to MOP85.8bn, represented 86.0% 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 arrival to the record high of 40.1mn. We expect the Macau government to revise the 2026 GGR forecast upward.

Separately, in 1Q26, Melco Resorts (MPEL) reported a 11.4% yoy increase in operating revenue to USD1.4bn, with 11.7% yoy increase in adj. EBITDA to USD381mn, driven by improved performance in mass market operations. MPEL's GGR market shares increased modestly to c15.4% in 1Q26 from c15.2% in FY25, based on our estimates.

By property, City of Dreams (COD) Macau's adj. EBITDA rose 9.4% yoy to USD214.4mn, driven by improved mass market performance and non-gaming operations. The rolling chip win-rate of 3.5% in 1Q26, while below the 3.74% in 1Q25, remained above the typical win rate of 2.85-3.15%. Mass table hold percentage was higher at 31.6% (1Q25: 30.2%), more than offset the softer gaming machine handle win rate of 2.9% (1Q25: 3.2%). Hotel performance was also better, with 1 pct pt increase in occupancy rate to 99% and RevPAR increased to USD226 (1Q25: USD213). Studio City's adj. EBITDA rose 14.8% yoy to USD111.7mn in 1Q26 on better mass market performance. Mass table hold increased to 36.9% in 1Q26 (1Q25: 32.8%), while gaming machine handle win rate was marginally lower at 3.7% (1Q25: 3.8%). RevPAR increased to USD176 (1Q25: USD166), through occupancy rate down 1 pct pt to 98% in 1Q26.

MPEL spent USD73.6mn in capex in 1Q26, primarily for enhancement projects at COD Macau. We understand that c83% of FY26 capex will be deployed to Macau (incl. USD100mn for Countdown Hotel conversion to luxury suites, targeted to open in 3Q26), with the remainder to Manila and Cyprus. Management lowered the FY26 capex budget to USD425mn from USD450mn after the trademarks purchase, implying USD350mn to be spent in 2Q-4Q26. MPEL acquired trademarks from Melco International for USD375mn on an at arm's-length basis. The purchase price is equivalent to 7x of the annualized licensee fee of USD13.5mn in 1Q26. We maintain our view that MPEL can fund capex through operating cash inflows and cash on hand of USD1.1bn as of Mar'26, with the trademark purchase to be financed through a combination of borrowings and internal resources. Management indicated that incremental debts to be immaterial to the leverage ratios, and expect the debt/EBITDA ratio to revert back to the level as of Mar'26 (i.e. 5.3x) by end-2026. We take comfort from MPEL's limited near-term refinancing risk with no major maturities in 2026 following the early redemption of MPEL 5.25 04/26/26 in 2025. Total debts stood at USD6.8bn as of Mar'26, slightly down from USD6.9bn as of Dec'25.

➤ **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)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 52 credit bonds issued last Thursday with an amount of RMB28bn. As for Apr'26, 2,455 credit bonds were issued with a total amount of RMB2,336bn raised, representing a 5.2% yoy increase
- Media reported Guangzhou will subsidize residents who sell an existing home and buy a new one to help stabilize the real estate market

- Macau gaming revenue for Apr'26 rose 5.5% yoy to MOP 19.9bn (cUSD2.5bn)
- **[ADSEZ]** Adani Ports & Special Economic Zone EBITDA rose 20% yoy to INR228.5bn (cUSD2.4bn) in FY26
- **[HYUELE]** Fitch upgraded SK Hynix to by one notch BBB+ from BBB, outlook stable
- **[KYUSEL]** Kyushu Electric Power FY26 net sales fell 4.7% to JPY2.3tn (cUSD14.1bn)
- **[MINAU]** MinRes 9MFY26 iron ore shipment surged 49% yoy to 21.134mn wmt; expects bond redemptions to lower annual finance costs by AUD150mn (cUSD107mn)
- **[MPEL]** Melco Resorts 1Q26 adjusted property EBITDA up 12% yoy to USD381mn; self-arranged USD450m-equivalent incremental RCF expected to close soon
- **[PKX]** POSCO 1Q26 sales down 0.3% yoy to KRW8.9tn (cUSD6.0bn)
- **[SOFTBK]** SoftBank plans to establish and list AI robotics business in US at USD100bn valuation

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

#### **Author Certification**

**CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months**

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

#### **Important Disclosures**

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

**Disclaimer:**

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.