

CMBI Credit Commentary

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

- *The new CCUDIH 4.9 03/06/29 edged 0.3pt higher this morning from RO at par. The new SYSTIO 3.9 03/05/29 was 0.3pt weaker from RO at par. Asian IG space recovered and tightened 3-5bps amid thin liquidity. We saw better buying on LGFV names. LIFUNG 5.25 Perp was 0.5pt higher, while ACPM 4.85 Perp lost 0.8pt.*
- **Macau gaming:** 13.8% yoy GGR growth in 2M26. See below.
- **ARAMCO:** Saudi Aramco halted operations at Saudi Arabia's largest oil refinery at Ras Tanura on the Persian Gulf coast, with a capacity of 550k barrels per day, yesterday as a precaution after a drone strike. ARAMCOs were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, Asian IG space opened 5-10bps wider on selling flows amid escalating US-Iran tensions, but spreads recovered 1-3bps as sentiment stabilized. See our quick thoughts [yesterday](#) on US-Israel's bombing against Iran. Long-end KSA/QATAR/ARAMCO leaked 1.0-1.9pts and the recent new issues ADGB/QIBKQD were a touch softer amid heavy selling flows after London opened. In KR space, 5-10yr corporate bonds of HYNMTR/POHANG/LGENSO/HYUELE were marked 3-8bps wider amid light flows. Front-end financial and quasi-sovereign FRNs WOORIB/KHFC/EIBKOR were 1-2bps wider. The rest of Asian FRN space was resilient. We saw block two-way trading on SUMITR 31s FRN and Chinese accounts buying CCAMCL FRNs. In HK, NWDEVLs dropped 0.3-3.5pts, and VDNWDLs were 0.5-0.9pt lower. See our comments [yesterday](#) on NWD's weaker 1HFY26 results. FAEACO 12.814 Perp/LIFUNGS were 0.5-1.5pts weaker. The Macau gaming complex were 0.1-0.5pt lower. See comments below on Macau gaming GGR. In Chinese properties, VNKRL 27' and 29' were down by 1.6pts. LNGFOR 27-32 leaked 0.7-1.9pts. In SE Asian space, GLPSPs were down by 0.7-1.5pts. VEDLN 28-33s were 0.2-1.1pts lower. INDYIJ 29/MEDCIJ 26-30 and the ReNew Energy complex lost 0.1-0.6pt. Yankee AT1s were down another 0.8-1.0pts in the long end, and lost 0.4-0.8pt in the front end and belly at London open. We saw better-selling flows from Asian morning session into London session, before dip buyers emerged to buy the front end of the curve and some short covering interests appeared for the long end, bringing the space back 0.1-0.3pt from intraday lows. Meanwhile, insurance subs were 0.4-0.8pt weaker. Elsewhere, the LGFV space remained largely stable, despite flows skewing towards better selling.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CNOOC 5 3/4 01/26/41	111.8	1.5	NWDEVL 10.131 PERP	82.8	-3.5
KNMIDI 8 1/2 08/20/26	100.4	0.8	NWDEVL 5 1/4 PERP	81.1	-2.7
LOGPH 6 1/2 07/16/23	10.8	0.6	HMELIN 5 1/4 04/28/27	100.1	-2.2
LOGPH 5 1/4 02/23/23	10.8	0.5	ARAMCO 6 3/8 06/02/55	103.7	-1.9
GRNLGR 6 3/4 09/26/29	15.8	0.5	CHGDNU 4.8 09/11/48	93.8	-1.9

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.04%), Dow (-0.15%) and Nasdaq (+0.36%) were mixed on Monday. S&P Global Manufacturing PMI Feb'26 was 51.6, higher than the market expectation of 51.2. ISM Manufacturing PMI/Prices Feb'26 was 52.4/70.5, higher than the market expectation of 51.7/60.6, respectively. UST yield was higher on Monday. 2/5/10/30 year yield was at 3.47%/3.62%/4.05%/4.70%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: 13.8% yoy GGR growth in 2M26

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	43,260	13.8%	86.0%
Mar	19,503	19,659	-	-	-	-
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 Feb'26, Macau's gross gaming revenue (GGR) increased 4.5% yoy to MOP20.6bn, the highest Feb figure since 2019. The sustained recovery reflects the continuous recovery of tourist visitation after COVID. There were 1.6mn visitors during the CNY holiday this year, increased from 1.3mn in 2025. Cumulatively, the GGR in 2M26 increased 13.8% yoy to MOP43.3bn, represented 86.0% of pre-COVID level in 2019.

Macau government set GGR target of MOP236bn in 2026. The target appears to be conservative based on the growth momentum in 2025 and 2M26. GGR in 2025 increased 9.1% to MOP247.4bn, 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. The 2026 forecast translates into a 4.5% GGR decline in 2026 from the actual level in 2025.

As discussed before, we consider Macau gaming bonds lower-beta and good carry plays with improving credit stories despite we should see more new supply to come in view of the scheduled maturities and undemanding funding costs. Our top picks within the segment remain **MPELs and STCITYs** given the growing adj. EBITDA of Melco Resorts and Studio City, as well as the more appealing risk-return profiles of MPELs/STCITYs. We also consider **WYNMAC'27 and '29** yield pick-up plays, trading at premium of c40-60bps over bonds of its US parent. We are neutral on MGMCHIs and SANLTDs 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	98.9	5.7%	3.4
MPEL 7 5/8 04/17/32	USG5975LAK29	750	105.0	6.6%	4.8
MPEL 6 1/2 09/24/33	USG5975LAL02	500	99.7	6.6%	5.8
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.2	6.4%	1.8
STCITY 5 01/15/29	USG85381AG95	1,100	96.9	6.2%	2.6
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	100.0	5.5%	1.5
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	99.4	5.3%	3.4

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Chang Development International	200	3yr	4.9%	4.9%	Baa2/-/-
Government of Mongolia	500	6yr	5.95%	5.95%	B1/BB-/-
Shaoxing Shangyu State-owned Capital Investment	200	3yr	3.9%	3.9%	-/-/BBB-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Guotai Junan International Holdings	USD	-	3.5yr	SOFR+105	-/BBB+/-
The Norinchukin Bank	USD	-	5yr/ 10yr	T+125-130/ T+145-150	A1/A/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 81 credit bonds issued yesterday with an amount of RMB58bn.
- **[MONGOL]** Mongolia received tender instructions totaled USD703.5mn of MONGOL 26-29
- **[QBEAU]** QBE Insurance Group will acquire the remaining 51% of Indian JV Raheja QBE for INR3.2bn (cUSD36mn)
- **[RIOLN]** Rio Tinto withdrew offer of a premium of USD250 per ton for second-quarter aluminum supply for Japanese client amid Iran war

- **[SOFTBK]** SoftBank-owned PayPay plans to raise up to USD1.1bn in US IPO
- **[VEDLN]** Vedanta Ltd has been declared the preferred bidder for the Karnapodikonda bauxite block in the eastern Indian state of Odisha
- **[VNRLE]** China Vanke subsidiaries extended RMB322.8mn (cUSD47mn) loan from UOB for a year

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