

CMBI Credit Commentary**Fixed Income Daily Market Update 固定收益部市场日报**

- *This morning, KOB COP 4.625 30 tightened 12bps from RO while STESP 4.25 30 widened 2bps from RO. The new PKX 30s/35s widened another 5-7bps from last close. KBANKs/BBLTBs were 4-8 bps wider post Moody's revised Thailand's outlook to negative from stable. BABA 31-35s widened 3-5bps. MYLIFE/NIPLIF 55s were unchanged to 0.1pt higher.*
- **NWDEVL:** *New loan in addition to refinancing is an upside surprise. NWDEVL Perps were unchanged to 0.4pt higher this morning. See below.*
- **SJM HOL:** *Grand Lisboa Palace continued to fuel SJM's growth in 1Q25. SJM HOLs were unchanged this morning. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, market focus was on new issues from Korea. KOB COP priced a 5yr bond at +92.5 (IPT at +130). CITNAT 4.375 28/CITNAT 4.625 30 tightened 9bps and 13bps from ROs. However, PKX 5.125 30/PKX 5.75 35 widened 2-4bps from ROs. TYANLI 6.25 35s widened 5bps. In Chinese IGs, BABA/TENCNT 31-35s widened 1-2bps. The long end of CNOOC/SINOPE 42-50s were 0.5-1.0pts higher (2-7bps tighter). In financials, BNKEA announced to call its USD600mn BNKEA 4 05/29/30 on 29 May, the first call date, as expected. BNKEA 30-34s were unchanged to 2bps tighter. In EU AT1s, HSBC 6.875/BACR 4.375 Perps were 0.2-0.3pt lower. In JP, MYLIFE 55s were down 0.2pt. RAKUTN 8.125 Perp was 0.1pt lower. In HK, HCAA 30-35s widened 1-3bps. NWDEVL 27-31s/Perps were unchanged to 0.6pt lower, but still closed unchanged to 2.1pts higher WTD. See comments below. In Chinese properties, FTLNHD/FUTLAN 25-26s were up 0.3-0.8pt. CHIOLI 26-42s were up 0.2-0.7pt. On the other hand, VNKRL 27-29s were down 0.2-0.4pt. After close, Seazen Holdings/China Vanke released its 1Q25 results. Vanke also announced that it has borrowed RMB3.3bn 36-month loan from Shenzhen Metro Group to repay bonds at a floating interest of 1yr LPR-76bps (2.34%). Outside properties, EHICAR 26s decreased 0.7pt. FOSUNI/BTSD 28s declined 0.3-0.5pt on selling from institutional investors. In India, UPLLINs were up 0.1-0.3pt. ADANEMs/ADSEZs were down 0.2-0.3pt. GRNKEN/RPVIN 27-28s were 0.4-0.5pt lower.

LGFVs were traded in mixed two-way flows. There were selling from HFs' squaring off positions, and buying from RMs' solid demands. The new ZYAMCL 5.7 28s dropped 0.7pts from RO at par on the back of primary indigestion before finding support from AMs at around 6%. There were two way interests on CNH names such as BNHAST 6.9 28s/QHCTJS 7 28s/GRHZIT 7.9 28s. In SOE perps, CHSCOI/CHPWCN Perps were down 0.1-0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CNOOC 3.3 09/30/49	75.4	1.0	EHICAR 7 09/21/26	70.0	-0.7
FTLNHD 4 5/8 10/15/25	96.4	0.8	LIFUNG 5 1/4 PERP	48.8	-0.6
CNOOC 5 05/02/42	98.7	0.7	NWDEVL 5 7/8 06/16/27	78.6	-0.6
JAPTOB 2 1/4 09/14/31	85.6	0.7	NWDEVL 6 1/4 PERP	30.8	-0.6
CHIOLI 5.35 11/15/42	91.4	0.7	GRNKEN 4.3 12/13/28	92.0	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.58%), Dow (+0.75%) and Nasdaq (+0.55%) were higher on Tuesday. US Apr'25 CB Consumer Confidence was 86.0, lower than the market expectation of 87.7. US Mar'25 JOLTS job openings was 7.192mn, lower than the market expectation of 7.49mn. UST yields retreated on Tuesday, 2/5/10/30 yield at 3.65%/3.77%/4.16%/4.64%.

❖ Desk Analyst Comments 分析员市场观点

➤ NWDEVL: New loan in addition to refinancing is an upside surprise

Media reported that NWD had secured commitments from BOC and HSBC, the lead banks, for a 3-year refinancing facilities of HKD63.4bn. Other major participating banks such as Hang Seng Bank had received internal approval while DBS was still in the process of securing internal approval. As we discussed in [our daily on 25 Apr'25](#), last Friday was reportedly the deadline of early-bird fee on refinancing commitments. Meanwhile, media reported that DB would underwrite 3-year loan of HKD15.6bn for ongoing project development and refinance outstanding bonds. The new loans, if successfully secured as reported, will substantially relieve NWD's refinancing pressure and considerably enhance its financial flexibility for redemptions of its USD bonds and perps. The successful completion of the loan arrangements also reinforces our belief that NWD has been able to access to funding channels at reasonable costs.

As reported, the 3-year refinancing facilities of HKD63.2bn is comprised of 7 tranches with different maturities. The funding costs are HIBOR+105-130bps and upfront fees are 75-135bps. These facilities will be sufficient to refinance NWD's unsecured bank loans of HKD58.2bn maturing in 2025 and 2026. NWD offered to pledge its K11 Musea as second-lien security and CTF Enterprises would provide a letter of support. Meanwhile, the funding cost, including upfront fee, of 3-year DB loan is HIBOR+130bps. The loan will be secured by first-lien package of Victoria Dockside assets including K11 Musea, Rosewood Hotel and K11 Atelier.

To us, the completion of refinancing of loans maturing in 2025 and 2026 at reasonable funding costs has always been our base case. If NWD can secure additional loans of HKD15.6bn (cUSD2bn) for ongoing project developments and refinancing of outstanding bonds as reported, we consider this an upside surprise. The additional loans of cUSD2bn will notably enhance its financial flexibility of coupon payments and early redemptions of NWD's bonds and perps. Nonetheless, how NWD will utilize the new loan will still be subject to a few of moving parts. For example, will NWD call NWDEVL 6.15 PERP in full or in part? Will the loan be used to buy back or tender offer NWDEVL 6.15 PERP or other NWDEVLs?

Hence, we continue to value NWDEVLs on a cash yield basis on the assumption that NWD will continue to pay coupons of its bonds and perps. We prefer NWDEVL 5 1/4 PERP, NWDEVL 8 5/8 02/08/28 and NWDEVL 4 1/8 PERP given the higher cash yields, lower cash prices and more symmetric risk-return profiles.

Table 1: Bond profiles of NWDEVL

Security name	ISIN	Maturity/ Next call date	Amt Out (USD mn)	Ask Px	Ask YTM/ YTNC (%)	Cpn	Cash yield	Cash yield after step-up
NWDEVL 6 1/4 PERP	XS1960476387	First Call on 7 Mar'24	1,300.0	31.5	626.9%	6.25%	19.8%	NA
NWDEVL 4.8 PERP	XS2268392599	First Call on 9 Sep'23	700.0	29.2	2937.2%	4.8%	16.4%	NA
NWDEVL 6.15 PERP	XS2435611327	First Call on Mar'25	345.3	78.7	345.8%	6.15%	7.8%	12.5%
NWDEVL 5 1/4 PERP	XS2132986741	3/22/2026	999.0	50.3	103.3%	5.25%	10.4%	23.2%
NWDEVL 4 3/4 01/23/27	XS1549621586	1/23/2027	458.4	81.1	17.9%	4.75%	5.9%	NA
NWDEVL 5 7/8 06/16/27	XS2488074662	6/16/2027	172.0	79.3	18.0%	5.875%	7.4%	NA
NWDEVL 8 5/8 02/08/28	XS2873948702	2/8/2028	400.0	76.1	20.3%	8.625%	11.3%	NA
NWDEVL 4 1/8 PERP	XS2348062899	3/10/2028	1,144.4	37.9	44.7%	4.125%	10.9%	25.4%
NWDEVL 4 1/8 07/18/29	XS2028401086	7/18/2029	717.8	60.5	17.8%	4.125%	6.8%	NA
NWDEVL 4 1/2 05/19/30	XS2175969125	5/19/2030	442.6	58.7	17.0%	4.5%	7.7%	NA
NWDEVL 3 3/4 01/14/31	XS2282055081	1/14/2031	76.1	55.8	15.8%	3.75%	6.7%	NA

Source: Bloomberg.

➤ **SJMHOL: Grand Lisboa Palace continued to fuel SJM's growth in 1Q25**

Table 1: Financial highlights of SJM

HKDmn	1Q24	1Q25	Change
Revenue	6,920	7,480	8.1%
-Gaming revenues	6,464	6,949	7.5%
-Other revenues	456	531	16.4%
Adjusted EBITDA	864	958	10.9%
Adjusted EBITDA Margin	12.5%	12.8%	0.3 pct pt
Profit/ (loss) attributable to owners of the company	(74)	31	-
	Dec'24	Mar'25	Change
Cash, short-term deposit and pledged bank deposits	3,217	3,232	0.5%
Total Debt	26,458	26,739	1.1%

Source: Company filing.

SJM's revenue growth momentum continued in 1Q25 with 8.1% yoy increase in revenue, attributable to the continued recovery in inbound tourism to Macau and the ramping up of GLP. The property visitation in GLP reached a record high in 1Q25 to 30k per day, represented a 8% qoq increase from 4Q24. The market share of SJM stood at 13.5% in 1Q25 and FY24, while market share of GLP increased slightly to 2.8% from 2.7% over the same period. SJM expects its GGR market share to increase through continuous ramping up of GLP, as well as enhanced products and services offerings such the refurbishment of GL. As per SJM, it recorded double digit GGR growth yoy in Apr'25.

The higher hotel occupancy rates also helped the revenue growth in 1Q25. The hotel occupancy rate of Grand Lisboa Palace Resort and Grand Lisboa Hotel were 98.7% and 98.8%, respectively in 1Q25, increased from 92.6% and 98.3% in 1Q24. In 1Q25, SJM's adjusted EBITDA increased by 10.9% yoy while adjusted EBITDA margin increased to 12.8%.

We expect that the operating performance of SJM will continue to improve in 2025 supported by the sustained recovery in tourism and moderating GGR growth. In 1Q25, smart gaming tables were installed in GL and Casino Lisboa, while SJM targets to install smart tables in GLP and Oceanus at Jai Alai by end-2025. These will increase the speed of the games and help SJM to increase GGR in 2025.

Moreover, majority of the 10 casual dining outlets (7 at GLP, 3 at GL) upgrades are ready and will be officially launched in phases this year. For the two new event spaces at GLP, work for Grand Hall is largely completed

and work for Garden House is approaching the final stage. We expect these would add visitations and events to GLP and GL in 2H25. The continuous effort in cost control should also improve its profitability.

SJM budgeted HKD1.5-2bn capex for FY25 and spent HKD492mn in 1Q25, implying HKD1-1.5bn to be spent in 2Q-4Q25. We believe SJM continues to fund its capex with its operating cash inflow and cash on hand. As of Mar'25 and Dec'24, SJM's cash, short-term deposits and pledged deposits stood at HKD3.2bn. SJM has undrawn banking facilities of HKD3.8bn. As per SJM, the net debt/adjusted EBITDA fell to 5.9x as at Mar'25 from 6.3x as of Dec'24, with a target of below 5.0x in coming 1.5-2 years. Meanwhile, SJM's next USD bond maturity is SJMHOL 4.5 01/27/26 of USD500mn. SJM is in the progress to refinance the bonds via bank loans in view of lower funding cost. We take additional comfort that Macao gaming operators have resumed their access to capital markets after the sharp recovery of GGR and operating performance.

Within the Macao gaming sector, our top picks are MPELs and STCITYs/STDCTY. We also consider SJMHOLs good carry play. Meanwhile, we consider MGMCHIs and WYNMAC'27 yield pick-up plays, trading at 38-82bps and 95bps 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 px
MGMCHI	5.7-6.8	0.1-3.5	98.1-101.5.
MPEL	6.4-8.4	0.1-5.3	91.4-99.8
SANLTD	4.9-6.0	0.1-5.5	85.9-100.1
SJMHOL	6.7-7.4	0.5-2.5	93.7-98.4
STCITY/STDCTY	6.0-8.4	0.2-3.2	89.2-100.1
WYNMAC	5.1-7.0	0.7-3.9	92.8-99.6

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Korea Ocean Business Corporation	300	5yr	4.625%	T+92.5	Aa2/-/AA-
ST Engineering EHQ/ Singapore Technologies Engineering	750	5yr	4.25%	T+50	AAA/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Sihai International Investment/ Wuxi Hengting Industrial	USD	-	3yr	5.3%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 127 credit bonds issued yesterday with an amount of RMB61bn. As for month-to-date, 2,332 credit bonds were issued with a total amount of RMB2,178bn raised, representing a 9.9% yoy increase
- Indonesia is considering halting pipeline natural gas exports to Singapore by 2028 to address a growing domestic shortage on the country's two most populous islands

- **[ADGREG]** Adani Green says independent review on US indictment found no irregularities or noncompliance
- **[BNKEA]** Bank of East Asia to call BNKEA 4 05/29/30 (T2) of USD600mn on the first call date on 29 May'25
- **[CIFIHG]** CIFI to hold creditors meeting to vote on offshore debt revamp plan on 3 Jun'25
- **[FUTLAN/FTLNHD]** Seazen Holdings 1Q25 operating revenue down 32.2% yoy to RMB9.7bn (cUSD1.3bn)
- **[LASUDE]** Lai Sun Development seeking USD490mn (cHKD3.8bn) loan to refinance USD 513m-equivalent HKD/RMB/USD-denominated secured loan due in Mar'26
- **[LMRTSP]** LMIRT 1Q25 gross revenue rises 1.4% yoy to SGD49.9mn (cUSD38mn)
- **[MEITUA]** Meituan early redeemed USD1.46bn of MEITUA 0 04/27/27, USD20.6mn remains outstanding
- **[POHANG/PKX]** POSCO Holdings and several other South Korean companies pledged USD1.7bn in new investment in Indonesia after meeting Indonesian President
- **[VNKRLLE]** Vanke 1Q25 revenue drops 38% yoy to RMB38bn (cUSD5.2bn); Vanke has borrowed RMB3.3bn 36-month loan from Shenzhen Metro Group to repay bonds at a floating interest rate of 1yrLPR-76bps (2.34%); Vanke plans to sell its 73mn A-share treasury stock

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