

CMBI Credit Commentary

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

- *This morning, the new HYUELE 28-30s were unchanged to 3bps tighter. The new FUBON 5.45 12/10/35 tightened 2bps, and the other TW lifers NSINTW/CATLIFs/SHIKON were 3-4bps tighter. The new JP new issues were unchanged to 2bps tighter. The new SUMILIF 5.875 55 rose 0.3pt.*
- **Macau gaming:** *GGR continues to recover and funding access normalized. Our top picks are MPELs and STCITYs, we also consider WYNMAC'27 and '29 yield pick-up plays. See below.*
- **RNW:** *Renew Energy is exploring refinance plans for its USD400mn RNW 7.95 07/28/26; considering a split between onshore and offshore debts, with the offshore portion potentially in the form of a USD bond. RPVIN 28s was 0.1pt higher this morning, while the rest of bonds of RNW complex were unchanged.*

❖ Trading desk comments 交易台市场观点

Yesterday, we continued to see the digestion of new issues in our space. The new NDAFH 6.75 PERP rose 0.5pt, while the new SUMILF 5.875 55 and the recent MUFG 6.35 PERP/FUKOKU 5.75 55 only edged a tad higher. The UST bull-flattening emboldened profit-taking on the front-end and 10yr IG bonds, adding pressure on credit spreads. In Japan space, the new KYUSEL/MITSCO curves and MUFG 31-36s/SUMITR 4.35 30/NOMURA 35 widened 2-4bps before gradually getting support. FRNs longer than 6 years in tenor such as the new MUFG Float 09/12/31 were heavy. The new TW FUBON 5.45 12/10/35 steadily leaked 4-5bps from RO at T+120bps, and NSINTW 5.45 09/11/34 was also 2-3bps wider. See our comment on FUBON [yesterday](#). In China IG space, MEITUAs led the retracement by widening 3-4bps, while the other benchmark names SINOPE/BABA/TENCNT/HAOHUA were mixed. In Chinese properties, GRNLGR 29-31s were down by 0.5pt. LNGFOR 28-32s were unchanged to 0.3pt higher. FUTLAN 26-28s were unchanged to 0.1pt higher. In Macau gaming, SJMHOL 26-28s/MGMCHI 27-31s/MPEL 26-32s/SANLTD 26-31s/STCITY 28-29s/WYNMAC 26-34s were unchanged to 0.4pt higher. See comments below. NWDEVL 27-31s and NWDEVL PERPs were 0.1-1pt higher. FAEACO fell by 2.2pts. The Greater China high-beta space also welcomed the return of buyers in high-yielding papers FOSUNI/HONGQI/BTSDF. MTRC PERPs, Yankee AT1s and insurance hybrids recovered by 0.1-0.3pt, in light of buying from AMs and PBs out of Asia. In SEA, BBLTB curve widened 5-7bps on the longer, T2 papers. PTTGC 51-52s were 5-7bps wider. SMCGL PERPs were unchanged to 0.1pt higher. San Miguel is in talks to raise a syndicated loan of about USD1.5bn. In LGFV space, we saw overall balanced two-way flows across CNH and USD papers in a largely stable session.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SINOPE 4 09/13/47	86.8	1.1	FAEACO 12.814 PERP	41.3	-2.2
TACHEM 5.8 07/05/64	98.7	1.1	TSINGH 6 1/2 01/31/28	85.5	-0.8
CCAMCL 5 02/08/48	88.1	1.0	GRNLGR 7 1/4 01/22/31	19.3	-0.5
NWDEVL 10.131 PERP	41.4	1.0	GRNLGR 6.9 02/12/29	19.3	-0.5
BHP 5 1/2 09/08/53	99.7	1.0	TSINGH 4 3/4 01/31/21	85.7	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.83%), Dow (+0.77%) and Nasdaq (+0.98%) were higher on Thursday. US Aug'25 ADP nonfarm employment change was +54k, lower than the market expectation of +73k. US latest initial jobless claims was +237k, higher than the market expectation of +230k. Trump signs order nearly halving tariffs on Japanese car imports to 15%. UST yield was lower on Thursday. 2/5/10/30 yield was at 3.59%/3.65%/4.17%/4.86%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: GGR continues to recover and funding access normalized

Our top picks are MPELs and STCITYs

As discussed, the conviction level of Macau gaming bonds are notably lower, nonetheless, we consider Macau gaming bonds lower-beta and good carry plays with improving credit stories. We expect more new issues to come in view of the maturity profile and much more affordable funding costs after the solid bond performance since the end of COVID lockdown. Our top picks are MPELs and STCITYs in view of the improving market shares and growing adj. EBITDA of Melco and Studio City, as well as the more appealing risk-return profiles of MPELs/STCITYs. Meanwhile, we consider WYNMAC'27 and '29 yield pick-up plays, trading at 30-82bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOLs on valuation.

Table 1: Our Macau gaming USD bond picks

Security name	Amt o/s (USD mn)	Ask Px	YTM	Mod dur
MPEL 5.375 12/04/29	1,150	97.0	6.2%	3.7
MPEL 7.625 04/17/32	750	104.1	6.8%	3.1
STCITY 6.5 01/15/28	500	99.9	6.5%	2.1
STCITY 5 01/15/29	1,100	95.0	6.7%	3.0
WYNMAC 5.5 10/01/27	750	100.0	5.5%	1.9
WYNMAC 5.125 12/15/29	1,000	96.8	6.0%	3.7

Source: Bloomberg.

Click [here](#) for the full report.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size	Tenor	Coupon	Priced	Issue Rating
SK Hynix	600/ 600	3yr/ 5yr	4.25%/ 4.375%	T+73/ T+80	Baa2/BBB/BBB

➤ 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 87 credit bonds issued yesterday with an amount of RMB80bn. As for Month-to-date, 198 credit bonds were issued with a total amount of RMB153bn raised, representing a 21.5% yoy decrease
- [BABA]** Alibaba launches exchange offers for BABA 4.875 05/26/30, BABA 5.25 05/26/35, and BABA 5.625 11/26/54, the new bonds will be identical in all material respects to the outstanding bonds except the new bonds have been registered under the Securities Act
- [FOSUNI]** Fosun International-owned Portuguese insurer will sell a 40% stake in healthcare group Luz Saude for EUR310mn (cUSD361.1mn) in cash
- [HYUELE]** SK Hynix and labor union reach deal to compensate workers, costs may hit KRW3.8tn (cUSD2.7bn)
- [JD]** JD.com seeks commitments for EUR loan to back Ceconomy takeover
- [LMRTSP]** Lippo Malls Indonesia Retail Trust convenes EGM on 22 September to approve rights issue
- [PERTIJ]** Pertamina plans to raise USD2.5bn short-term loan
- [PKX/POHANG]** POSCO Group intends to acquire a controlling stake in South Korean ocean carrier HMM for KRW7tn (cUSD5bn)
- [SKM]** SK Telecom rejected a recommendation from a regulatory panel to extend waivers of penalty fees for clients who cancel services following a data breach revealed in Apr'25

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