招銀国际
CMB INTERNATIONAL

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CMBI Credit Commentary

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

- *Asia IG traded mixed this morning. We saw better buying in front-end papers, while 5yr bonds were better offered. 10yr paper tightened 1-2bps. Chinese property names were active. GRNCH 28-29 down 0.5-0.8pt. We also saw selling in CHJMAO/CPDEV/ZHHFGR, they remained resilient and were unchanged to 0.2pt lower.*

- ***SJMHOL:*** *1H26 adj. EBITDA margin improved; GLP's performance and leverage remain key concerns. Maintain buy on SJMHOL 31, which was unchanged this morning. See below.*

- ***FOSUNI:*** *Fosun International applied to spin off and listed its ClubMed tourism business in HK. FOSUNIs were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

Asian IG space was cautious with light flows on last Friday. Recent issued HPHTSP'31/KOBCOP'31 widened 1bp. SUMITR'29/31 were unchanged to 2bps tighter. China TMTs were mixed. TENCNT'28/BABA'31 tightened 2-3bps while MEITUA'29/30 widened 1-2bps despite improved 1H26 results. In financials, bank T2s remained heavy, BNKEA'32/NANYAN'34 were unchanged to 2bps wider. In KR space, HYUELEs widened 2-4bps and financials such as HYUSEC'29/NHSECS'29 were 1-2bps wider. In SEA, ICICI'31 and HDFCB'31 widened another 1bp.

In higher-yielding space, SOFTBKs were unchanged to 0.4pt lower. European AT1 slightly down 0.1-0.2pt. In China/HK space, NWDVELs recovered 0.1-0.4pt, BTSDF/HONGQI/FOSUNI were unchanged to 0.1pt higher. Chinese developers GRNCH/LNGFOR/CHJMAO rebounded 0.1-0.4pt post new supportive measures. LGFV space remained firm, high-quality USD names were under better buying flows from RMs. In CNH space, MEITUA/TENCNT/BABA dropped 0.1-0.5pt. Active CNH LGFV LCTIGP'29/JXWHAG'29 were unchanged.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
VLLPM 7 1/4 07/20/27	**79.3**	**1.3**
ACPM 3.9 PERP	**57.3**	**0.5**
NSANY 5 1/4 07/17/29	**102.4**	**0.5**
REGH 6 1/2 PERP	**37.9**	**0.5**
GLPSP 7.865 PERP	**60.8**	**0.5**

Top Underperformers	Price	Change
BABA 2.7 02/09/41	**70.2**	**-0.6**
PLBIIJ 5 3/8 05/05/45	**89.1**	**-0.6**
TEMASE 5 3/8 11/23/39	**103.1**	**-0.6**
JD 4 1/8 01/14/50	**78.3**	**-0.6**
LENOVO 6.536 07/27/32	**106.0**	**-0.5**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.25%), Dow (-0.02%) and Nasdaq (-0.52%) retreated last Friday. US Aug'26 Chicago PMI was 47.1, lower than the market expectation of 57.9. UST yield rallied higher last Friday. 2/5/10/30 year yield was at 4.34%/4.48%/4.73%/5.22%.

❖ Desk Analyst Comments 分析员市场观点

➢ SJMHOL: 1H26 adj. EBITDA margin improved; GLP's performance and leverage remain key concerns

Table 1: 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	97.4	6.3%	2.9
MPEL 7 5/8 04/17/32	USG5975LAK29	750	102.6	7.1%	2.3
MPEL 6 1/2 09/24/33	USG5975LAL02	500	97.4	7.0%	5.4
SJMHOL 6 ½ 01/15/31	XS3267117995	540	95.6	7.7%	3.7
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.1	6.4%	0.1
STCITY 5 01/15/29	USG85381AG95	1,100	96.3	6.7%	2.2
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.9	5.6%	1.0
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	97.7	5.9%	2.9

Source: Bloomberg.

We maintain buy on SJMHOL 6 ½ 01/15/31 in view of the bond's more attractive risk and return profile within the Macau gaming sector. At 95.6, SJMHOL 6 ½ 01/15/31 is trading at YTM of 7.7%. Meanwhile, we maintain hold on SJMHOL 4.85 01/27/28 at YTM of 6.9%. For similar tenor, we prefer STCITY 6 ½ 01/15/28 and STCITY 5 01/15/29.

SJM's GGR market share improved to c10.0% in 2Q26 from 9.6% in 1Q26. However, its 1H26 market share declined to 9.8% from 11.9% in FY25, mainly due to the closure of eight satellite casinos in 2H25. In 1H26, revenue fell 20.8% yoy to HKD11.6bn, primarily due to lower VIP revenue, partly offset by higher mass market and electronic gaming revenue. Adj. EBITDA increased 3.3% yoy to HKD1.7bn, while margin expanded to 14.7% from 11.2% in 1H25, reflected the exit from lower-margin satellite casinos and improved profitability at self-operated properties. However, loss attributable to shareholders widened 61.7% yoy to HKD294.7mn.

By property, the weaker performance at Grand Lisboa Palace (GLP) was partly offset by improved earnings at Casino Lisboa, L'Arc and Jai Alai, which benefited from customer migration from satellite casinos and table redeployment on the Macau Peninsula. GLP's adj. property EBITDA declined 73.2% yoy to HKD22mn, weighed by higher operating costs and ongoing enhancement works.

As of Jun'26, SJM had cash and bank balances (incl. ST deposits) of HKD2.3bn, up 13% from Dec'25. Total debt increased to HKD28.2bn from HKD27.2bn over the same period. Despite the higher EBITDA, leverage remained elevated due to the increase in debt. Total debt/LTM adj. EBITDA and net debt/LTM adj. EBITDA increased to 8.7x and 8.0x, respectively, from 8.5x and 7.9x. We believe SJM's deleveraging path hinges on a more meaningful EBITDA growth, particularly a recovery at GLP, as well as its overall capex discipline. SJM maintained its FY26 capex guidance of HKD2.0bn for capacity upgrades and property enhancements, which require continuous cash outlays and could constrain near-term deleveraging. That said, we view SJM's near-term liquidity as manageable following the issuance of USD540mn SJMHOL 6 ½ 01/15/31 in Jan'26 which funded the tender offer and the full redemption of USD500mn SJMHOL 4.5 01/27/26.

Table 2: SJM's 1H26 financial highlights

HKD mn	1H25	1H26	Change
Revenue	14,639.3	11,589.8	-20.8%
Adj. EBITDA	1,646.0	1,701.0	3.3%
Adj. EBITDA margin	11.2%	14.7%	3.4 ppts
Loss attributable to owners	182.2	294.7	61.7%
Adj. property EBITDA by property			
-Grand Lisboa Palace (GLP)	82.0	22.0	-73.2%
-Grand Lisboa	863.0	860.0	-0.3%
-Other self-promoted	651.0	939.0	44.2%
HKD mn	**Dec'25**	**Jun'26**	**Change**
Cash and bank balances	2,001.0	2,331.2	16.5%
ST debt	8,943.3	4,726.6	-47.1%
Total debt	27,245.3	28,210.6	3.5%
Net debt	25,244.3	25,879.4	2.5%
Total debt/LTM adj. EBITDA	8.5x	8.7x	-
Net debt/LTM adj. EBITDA	7.9x	8.0x	-
Cash/ST debt	0.2x	0.5x	-
Available banking facilities	3,600.0	2,350.0	-34.7%

Source: Company filing, CMBI FICC Research.

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

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

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	IPT/IPG	Issue Rating (M/S/F)

Bangkok Bank	USD	-	5/10yr	-	Baa1/BBB+/BBB
Lotte Rental	USD	-	3yr	-	Baa3/-/BBB-

News and market color

- Regarding onshore primary issuances, there were 72 credit bonds issued yesterday with an amount of RMB47bn. As for month-to-date, 2,074 credit bonds were issued with a total amount of RMB2,014bn raised, representing a 11.7% yoy increase

- **[CHIOIL]** China Oil and Gas 1H26 revenue down 0.5% yoy to HKD7.9bn and operating profit up 1.3% yoy to HKD774mn

- **[NWDEVL]** New World Development announced to defer distribution of NWDEVL 6.25 Perp

- **[SDEXPR]** Shandong Hi-Speed Holdings 1H26 revenue increased 5.4% yoy to RMB2.6bn and recorded loss of RMB206mn

- **[SOFTBK]** Media reported that SoftBank Group is seeking a USD 10bn, two-year loan with margin of SOFR+275bps to refinance OpenAI-related obligations

- **[XINAOG]** ENN Energy 1H26 revenue rose 2.4% yoy to RMB57bn and pretax profit up 7.7% yoy to RMB4.1bn

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