

## CMBI Credit Commentary

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

- *The new HSBC Float 31 tightened 4bps from RO (SOFR+157) this morning. Asia IGs such as HAOHUA/BABA 27-35s were another 1-4bps tighter in spreads. HLINSU 32s tightened 1bp following Fitch upgraded Hanwha Life's ratings one notch to A with outlook stable. MEDCIJ 26-30s were largely unchanged.*
- **MGMCHI:** *GGR market share increased to 15.7% in 1Q25 despite revenue decrease. MGMCHI 27-31s were 0.1-0.2pts higher post results announcement. See below.*
- **CNMDHL:** *China Modern Dairy repurchased USD51.7mn of CNDMHL 2.125 07/14/26, USD448.3mn remains outstanding. CNDMHL 2.125 07/14/26 was unchanged this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the recent new PKX 30s/35s were 5bps tighter on some short covering. HANFGI 28s tightened 2bps, while DAESEC/DFHOLD 26-28s were 1-2bps wider. LGENSO 32-35s tightened 3-5bps. Chinese IGs such as BABA/BIDU/TENCNT/HAOHUA 27-35s were 1-4bps tighter amid mixed flows. The long end of CNOOC/SINOCH 35-46s were 0.6-1.2pts lower (unchanged to 5bps wider). In financials, BBLTB 34s/40s closed unchanged to 2bps tighter on RM/PB buying. AU T2s such as ANZ/WSTP 30-36s were also under better buying and closed 3-9bps tighter. JP insurance hybrids were under better buying from PBs. MYLIFE/NIPLIF 51-55s and DAIL/ASAMLI Perps were up 0.1-0.3pt. In EU AT1s, the short dated to call papers such as BNP 9.625/LLOYDS 8/HSBC 8 Perps were up 0.2pt. In HK, MTRC 35s/55s were under better buying from PBs and closed 1bp tighter. In Chinese properties, VNKRLE 27-29s/LNGFOR 27-32s declined 0.3-0.5pt. Meanwhile, GLPSP Perps/GLPSP 25s/GLPCHI 28s rose 0.4-0.9pt following GLP priced GLPSP 9.75 28 of USD300mn at par to partially refinance its GLPSP 25s of USD1bn o/s size. GLP also held FY24 earnings call last evening. Meanwhile, Medco priced 5NC2 MEDCIJ 30s at 99.008 to yield 8.875% (IPT at 9.125%). MEDCIJ 26-28s were unchanged to 0.1pt higher. See our comments on 6 May '25. INDYIJ 29s rose 0.9pt. The long end of INDON 42-47s were 0.5-0.9pt higher (4-8bps tighter).

In LGFVs, there were two-way flows on USD LGFVs such as DFINVH 25s/HBTUID 26s/ZBTECH 27s. The front end of USD LGFVs were skewed to better selling as AM investors attempted to recycle cash. The quality CNH papers remained under better buying against the broader backdrop of weaker USD. In SOE perps, CHPWCN/CMHI Perps were down 0.1pt.

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

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

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPCHI 2.95 03/29/26	<b>94.3</b>	<b>0.9</b>	SINOCH 6.3 11/12/40	<b>107.7</b>	<b>-1.1</b>
INDYIJ 8 3/4 05/07/29	<b>94.9</b>	<b>0.9</b>	RILIN 6 1/4 10/19/40	<b>104.9</b>	<b>-1.1</b>
INDON 5.95 01/08/46	<b>102.2</b>	<b>0.8</b>	MUFG 4.7 03/10/44	<b>87.1</b>	<b>-1.1</b>
INDON 5 1/4 01/08/47	<b>94.2</b>	<b>0.8</b>	CJRAIL 4 1/4 11/24/45	<b>81.4</b>	<b>-1.1</b>
GLPSP 3 7/8 06/04/25	<b>100.0</b>	<b>0.7</b>	CNOOC 5 7/8 03/10/35	<b>108.6</b>	<b>-1.0</b>

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.58%), Dow (+0.62%) and Nasdaq (+1.07%) were higher on Thursday. US latest initial jobless claims was +228k, lower than the market expectation of +231k. UST yield was higher on Thursday, 2/5/10/30 yield at 3.90%/4.00%/4.37%/4.83%.

## ❖ Desk Analyst Comments 分析员市场观点

➤ **MGMCHI: GGR market share increased to 15.7% in 1Q25 despite revenue decrease**

MGM China (MGMCHI)'s operating revenue down 3% yoy in 1Q25 to HKD8.0bn, 10% yoy decrease in operating revenue from MGM Macau was partly mitigated by 2% yoy increase in MGM Cotai. By property, the decrease in revenue in MGM Macau was mainly due to lower main floor table win rate, partly offset by higher VIP table games win rate. The hotel room occupancy rate of MGM Macau was higher in 1Q25 compared to 1Q24, yet the revenue per available room (REVPAR) dropped by 23% yoy. Revenue from MGM Cotai was higher yoy in 1Q25, attributable to higher main floor table win rate as well as higher VIP table games win rate. However, the hotel room occupancy rate and REVPAR in MGM Cotai was lower in 1Q25 compared to 1Q24. The adjusted EBITDA dropped by 5% yoy in 1Q25, primarily due to lower revenue and higher payroll related expenses. See Table 1.

MGMCHI has 15.7% GGR market share in 1Q25, compared to Wynn Macau's 12.3% and SJM's 13.5%. MGMCHI's 1Q25 yoy performance was better than Wynn Macau as discussed in our daily [yesterday](#). Please also read our comment on SJM's 1Q25 results discussed in our daily on [30 Apr '25](#).

MGMCHI spent cUSD60mn on capex in 1Q25, increased from cUSD15mn in 1Q24, for the room remodels and IT. YTD, MGMCHI debut 10 new villas in MGM Macau and another 18 opening by end of 2025. MGMCHI is also in the process of adding 60 new suites at MGM Cotai with target opening in 1Q26. These are to serve the demand for premium gaming customers.

In Apr'25, MGMCHI obtained a HKD23.4bn 5-year senior unsecured revolving credit facility, and early repaid HKD9.75bn unsecured revolving credit facility maturing in May'26 in full with a weighted average interest rate of 5.47%. The new HKD23.4bn facility bear a floating rate at HIBOR+1.625-2.75%, determined by MGMCHI's leverage ratio. The new credit facility extends MGMCHI's loan maturity by four years to 2030. Besides, MGMCHI will have next USD bond maturity in Jun'25, MGMCHI 5.25 06/18/25 with an o/s amount of USD500mn. We believe that its refinancing risk is low in view of its operating cash inflow, cash on hand of cUSD815mn as of Mar'25, as well as its access to funding channels.

Our top picks within the Macao gaming sector, are MPELs and STCITYs/STDCTY. We also consider SJMHOLs good carry play. Meanwhile, we consider MGMCHIs and WYNNMAC'27 yield pick-up plays, trading at 66-111bps and 96bps pick-up over bonds of their US parents, respectively. We are neutral on SANLTDs on valuation.

**Table 1: 1Q25 financial and operational highlights**

HKDmn	1Q24	1Q25	Change
Operating revenue by property	8,258	7,994	-3%
-MGM Macau	3,495	3,152	-10%
-MGM Cotai	4,763	4,842	2%
Adjusted EBITDA	2,505	2,368	-5%
-MGM Macau	1,134	903	-20%
-MGM Cotai	1,371	1,465	7%
Adjusted EBITDA margin	30.3%	29.6%	-0.7 pct pt
-MGM Macau	32.4%	28.6%	-3.8 pct pt
-MGM Cotai	28.8%	30.3%	1.5 pct pt
Occupancy rate of room			
-MGM Macau	93.5%	93.8%	0.3 pct pt
-MGM Cotai	93.4%	93.0%	-0.4 pct pt
Revenue per room			
-MGM Macau	3,061	2,346	-23%
-MGM Cotai	2,631	2,066	-21%
Operating revenue by segment (USDmn)	1,056	1,027	-3%
-Casino	920	896	-3%
-Rooms	63	47	-26%
-Food and beverage	62	75	20%
-Entertainment, retail and other	10	10	-4%
Capex (USDmn)	15	60	288%

Source: Company filling.

**Table 2: Macau gaming USD bond profile**

	Ask YTM (%)	Mod Duration	Ask price
MGMCHI	6.0-6.9	0.1-3.5	97.8-100.9
<b>MPEL</b>	<b>5.3-8.5</b>	<b>0.1-5.2</b>	<b>90.5-100.0</b>
SANLTD	4.9-6.2	0.1-5.4	85.1-100.1
<b>SJMHOL</b>	<b>6.4-7.2</b>	<b>0.7-2.5</b>	<b>94.3-98.7</b>
<b>STCITY/STDCTY</b>	<b>6.0-8.8</b>	<b>0.2-3.2</b>	<b>88.4-100.0</b>
WYNMAC	4.7-7.2	0.7-3.9	92.2-99.3

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Medco Cypress Tree Pte	400	5NC2	8.625%	8.625%	B1/BB-/BB-
HSBC	2250/ 1250/	6NC5/ 6NC5/	5.24%/ SOFR+157/	T+125/ SOFR Equiv/	A3/A-/A+

2000 11NC10 5.79% T+140

➤ **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 57 credit bonds issued yesterday with an amount of RMB57bn. As for month-to-date, 217 credit bonds were issued with a total amount of RMB181bn raised, representing a 61.8% yoy increase
- China is mulling measures to restrict the use of pre-sales by developers as part of a drastic real estate policy overhaul
- **[ACENPM]** ACEN gets EUR50mn (cUSD56.4mn) facility to fund or refinance renewable energy investments
- **[CNMDHL]** China Modern Dairy repurchases USD51.67mn of CNMDHL 2.125 07/14/26, USD448.33mn remains outstanding
- **[COGARD]** Country Garden extends early deadline to back USD14.1bn restructuring to 23 May'25
- **[HLINSU]** Fitch upgrades Hanwha Life's rating to A+; outlook stable
- **[IIFOIN]** IIFL Finance's interest income declined 3.4% in FY25, and total revenue from operations slipped 0.4%
- **[INCLN]** Proposed JV between ReNew Energy and Fluence fails to take off
- **[MPEL]** Melco Resorts 1Q25 adjusted property EBITDA climbed 14% yoy to USD341mn, operating revenue grew 10.8% yoy, and Casino revenue increased by 12.2% yoy to 1bn
- **[NSANY]** Nissan ditches plan to build USD 1.1bn EV battery factory in Japan
- **[PCORPM]** Petron mulls liability management exercise in 2H25 for 2026 capital securities
- **[QBEAU]** QBE Insurance gross premiums rise 7% yoy in 1Q25 to USD8.3bn
- **[SKM]** SK Telecom could take a USD 5bn hit if early termination fee waived for users after data breach incidents

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

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

**Author Certification**

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.