

CMBI Credit Commentary

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

- *MIZUHO/SUMIBK FRNs tightened 3-5bps this morning. In TW lifer space, SHIKON/NSINTWs widened 5bps, and FUBON 35 widened 2bps. RAKUTN 6 ¼ Perp and YUEXIU 3.8 01/20/31 were 0.4pt higher, while GWFOOD 30 was down by 0.8pt.*
- ***MPEL:** Initiate buy on the new MPEL 6 ½ 09/24/33. MPELs were unchanged this morning. See below.*
- ***XIAOMI:** Xiaomi to recall 117,000 SU7 EVs to fix potential safety flaw in driver-assist system. XIAOMI 30-51 were 1-2bps wider this morning.*

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❖ Trading desk comments 交易平台市场观点

Asia IG was 1-3bps tighter last Friday. China TMT names tightened 1-3bps. We saw better buying on MEITUA curve. TW lifers SHIKON/NSINTWs/FUBON/CATLIFs tightened 1-2bps. There were two-way flows on NSINTW/FUBON. In Macau gaming, SJMHOL 26-28s were 0.1pt higher, SANLTD 27-31s/WYNMAC 27-34s were 0.1pt lower to 0.2pt higher, and MPEL 26-32s were unchanged to 0.1pt lower. See our comment on MPEL below. EHICAR 26-27s rose 1.4-2.1pts. NWDEVL Perps were up by 0.5-2pts, and NWDEVL 27-31s were 0.1-0.7pt higher. MTRC Perps retraced by 0.1pt. In Chinese properties, LNGFOR 27-32s were 0.2-0.4pt higher. FUTLAN 28/FTLNHD 26 were up by 0.1pt. VNKRL 27-29s were unchanged to 0.2pt lower. In Korea space, the recent new HYNMTR 28-30s were 1-2bps tighter amid active flows. The rest of Korea IG space was unchanged to 2bps tighter. In Japan space, PBs were buying on bank names MUFG/SUMIBK/MIZUHO, which tightened 1-2bps. NTT curve was 2-3bps tighter, while the other Japanese FRNs were unchanged. In Southeast Asia, PCORPM 5.95/7.35 Perps increased by 0.1pt. See our comment on Petron on [19 Sep'25](#). GLPSP Perps rose 1.2-1.6pts. Media reported that GLP plans to list China business in 2026. VLLPM 9 3/8 07/29/29 declined by 1.7pts. In the Middle East, the recent new BSFR 5.761 09/03/35 was 0.1pt higher amid two-way flows. There was small selling on FABUH 34s by PBs.

In LGFV space, liquidity remained thin as flows continued to skew towards better selling across higher-yielding names. However, liquidity was better on AAA-guaranteed CNH issues. Meanwhile, there were some selling interests on SDEXPR amid Shangdong Hi-Speed Holdings Group's stock slump on last Friday.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
EHICAR 7 09/21/26	76.9	2.1	HMELIN 5.45 10/22/26	100.0	-3.7
NWDEVL 5 1/4 PERP	43.8	2.0	CHGDNU 4.8 09/11/48	89.9	-2.3
HCELEC 4.65 12/29/26	65.5	2.0	VLLPM 9 3/8 07/29/29	60.6	-1.7
GLPSP 4.6 PERP	67.6	1.6	CFAMCI 4.95 11/07/47	90.1	-1.0
GLPSP 4 1/2 PERP	70.4	1.2	HAOHUA 5 1/2 03/14/48	100.7	-0.6

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.49%), Dow (+0.37%) and Nasdaq (+0.72%) were higher last Friday. UST yield was higher last Friday. 2/5/10/30 yield was at 3.57%/3.68%/4.14%/4.75%.

❖ Desk Analyst Comments 分析员市场观点

➤ MPEL: Initiate buy on the new MPEL 6 ½ 09/24/33

Our top picks within Macau gaming sector remain MPELs and STCITYs in view of the improving market shares and growing adj. EBITDA of Melco Resorts (MPEL) and Studio City, as well as the more appealing risk-return profiles of MPELs/STCITYs. We initiate buy on the new MPEL 33s, which was issued to refinance MPEL 26s via a conditional tender offer and potential full redemption of remaining bonds after the tender offer settlement, in view of better carry and trading liquidity along MPEL curve. At 100.8, MPEL 33s is trading at 6.3% YTM. We view MPEL 33s priced in the gaming license risk, which we believe to be remote over the medium term. MPEL 33s is the second Macau gaming USD bond with maturity beyond the new concession period expiring on 31 Dec'32, after Wynn Macau's USD1bn WYNMAC 34s issued in Aug'25.

Meanwhile, we maintain buy on MPEL 29-32s and STCITY 28-29. We also consider WYNMAC'27 and '29 yield pick-up plays, trading at 51-57bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOLs on valuation. We continue to expect new supply from Macau gaming operators to refinance their due-26-27s amid more affordable funding costs after the solid bond performance since the end of COVID lockdown.

MPEL will purchase all USD142.06mn of its MPEL 26s that are validly tendered in the offer, funded by the concurrent USD500mn issuance MPEL 33s. After the settlement of tender offer, MPEL plans to redeem the remaining USD357.94mn of MPEL 26s, which is callable any time after 26 Apr'24 at par.

On the other hand, MPEL will close its satellite operations at Casino Grand Dragon in Taipa at 23:59 on 22 Sep25, all the gaming tables will be reallocated to the casinos at City of Dreams in Cotai. Besides, a slot parlour operation under MPEL's Mocha chain of outlets, Mocha Kuong Fat, will cease operations at 23:59 on 24 Sep25, while the cessation date for the operation of Mocha Grand Dragon Hotel and Mocha Royal Hotel will be announced later. The electronic gaming machines at the three Mocha Clubs will be reallocated to the group's casinos at Altira Macau in Taipa, and City of Dreams and Studio City in Cotai. The closing of satellite and slot parlour will have immaterial impact to MPEL's operating performance.

Table 1: Bond profile of MPEL

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTM	Mod dur	Payment rank	Issue rating (M/S/F)
MPEL 5 ¼ 04/26/26	US58547DAB55	500	100.0	4.6%	0.1	Sr Unsecured	Ba3/BB-/
MPEL 5 % 07/17/27	US58547DAC39	600	100.1	4.6%	0.1	Sr Unsecured	Ba3/BB-/

MPEL 5 ¾ 07/21/28	US58547DAE94	850	100.0	5.2%	0.1	Sr Unsecured	Ba3/BB-/-
MPEL 5 ¾ 12/04/29	US58547DAD12	1,150	98.3	5.8%	3.6	Sr Unsecured	Ba3/BB-/-
MPEL 7 ¾ 04/17/32	US58547DAH26	750	105.7	5.8%	3.0	Sr Unsecured	Ba3/BB-/-
MPEL 6 ½ 09/24/33	USG5975LAL02	500	100.8	6.3%	4.2	Sr Unsecured	Ba3/BB-/-

Source: Bloomberg.

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

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

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
China Minsheng Bank	USD	-	3yr	SOFR+110	Baa3/-/-
Commonwealth Bank of Australia, New York Branch	USD	-	5yr/ 5yr	T+75/ SOFR Equiv	Aa2/AA-/AA-
Korea National Oil Corporation	USD	-	3yr/ 5yr	T+75/ SOFR Equiv/ T+80	Aa2/AA/-
Mineral Resources	USD	700	5.5NC2.5	Mid-to-high 7%	Ba3/-/BB-

➤ **News and market color**

- Regarding onshore primary issuances, there were 136 credit bonds issued last Friday with an amount of RMB107bn. As for month-to-date, 1,500 credit bonds were issued with a total amount of RMB1,365bn raised, representing a 47.4% yoy increase
- [BHP]** BHP Group is under pressure from China after it urged its steel mills to temporarily halt purchases of iron ore fines from the Australian miner starting next week
- [DFHOLD]** Korea Investment Holdings weighs potential acquisition of Lotte Non-Life Insurance
- [JD]** JD.com set to launch shopping site in Europe, ramping up global push
- [KBANK]** Kasikornbank to redeem USD 500mn KBANK 5.275 Perp on the first call date on 14 Oct'25
- [UPLIN]** UPL considered likely buyer for Nufarm's Seed Technologies unit
- [VEDLN]** The Singapore Police is reviewing a complaint against Vedanta Limited over allegations of 'improper' funding of its 2024 dividend
- [YESIN]** India CBI charges Anil Ambani group companies and Yes Bank entities in fraud conspiracy case

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