

CMBI Credit Commentary

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

- *We saw sellers on BABA this morning but the curve recovered to unchanged. JP AT1s like NOMURA recovered 0.3pt. We saw buyers for higher-yielding LGFV USD issues. CRNAU 29/CQSXGU 28 rose 0.9-1.0pt, while VLLPM 29/IDASAL 48 were down by 0.5-0.6pt.*
- **SJMHOL:** 3Q25 underperformed amid the closure of satellites. See below.
- **China Economy:** Broad-based slowdown signals intensifying headwinds. CMBI expects PBOC to further cut LPR by 10bps and RRR by 50bps before the end of 1Q26. GDP growth may slow down to 4.5% in 4Q25 with full-year GDP growth down from 5% in 2025 to 4.7% in 2026. See below for comments from CMBI economic research.

❖ Trading desk comments 交易台市场观点

Last Friday, we saw better buying on the recent CCAMCL 28 and two-way flows on CCAMCL Float 30 from Chinese AMs. In secondary China IG space, MEITUA/LENOVO curve was 1-3bps wider. TW lifer traded 2-5bps wider amid the headline that CATLIF might launch a new issuance. In Macau gaming, SJMHOL/MGMCHI/STCITY were unchanged to 0.1pt higher, and MPEL/SANLTD/WYNMAC were 0.1pt lower to 0.2pt higher. See comments on SJMHOL below. In Chinese properties, FUTLAN 28/FTLNHD 27 were up by 0.3-0.5pt. VNKRLE 27-29 were unchanged to 0.5pt lower. In KR IG space widened 1-3bps amid balanced two-way flows on HYNMTR/HYUELE curve. In JP space, we saw better buying on Bank 31s FRNs MIZUHO/SUMIBK/MUFG. There were sellers on front-end NTTs while buyers on NTT 35s. SOFTBK 32/61/65 were 1.2-3.3pts lower. In AU space, we saw small buying on front-end bank FRNs and better selling on WSTP T2s. In Middle Eastern space, BSFR 35s traded two way. Fast money was buying QATAR 35, Chinese AMs picked up NTBK 36s, and there were better-selling flows on ARAMCO belly. In SEA space, BBLTB/OCBCSP curves were 1-3bps wider. Yankee AT1s STANLN 7/LLOYDS 6.625/NWG/HSBC/BACR and NOMURA AT1s were up to 0.5pt lower in a flurry of selling from London as well as from Asian AMs and prop desks. Insurance hybrids were down by 0.1-0.3pt led by recent issues RESLIF 6.875/ALVGR 6.55. In LGFV space, RMs bought onshore AAA-guaranteed CNH issues while HF bought higher-yielding USD issues.

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

Cyrena Ng, CPA 吳蒨瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

Yujing Zhang 张钰婧
(852) 3900 0830
zhangyujing@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHGNDU 4.8 09/11/48	92.8	0.6	CFAMCI 4.95 11/07/47	89.7	-3.2
GWFOOD 3.258 10/29/30	89.4	0.6	SOFTBK 8 1/4 10/29/65	95.7	-2.2
FUTLAN 11.88 06/26/28	96.6	0.5	CCAMCL 4 3/4 12/04/37	93.4	-1.4
FTLNHD 11.88 09/30/27	95.9	0.3	SOFTBK 7 5/8 04/29/61	95.9	-1.2
YUZHOU 4 06/30/28	2.8	0.3	SOFTBK 7 1/4 07/10/32	101.9	-1.2

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.05%), Dow (-0.65%) and Nasdaq (+0.13%) were mixed on last Friday. UST yield was higher on last Friday. 2/5/10/30 year yield was at 3.62%/3.74%/4.14%/4.74%.

❖ Desk Analyst Comments 分析员市场观点

➤ SJMHOL: 3Q25 underperformed amid the closure of satellites

Table 1: SJM 3Q25 and 9M25 financial highlights

HKD	3Q24	2Q25	3Q25	qoq change	yo ^y change	9M24	9M25	yo ^y change
Revenue								
GLP	1,777	1,695	1,909	12.6%	7.4%	4,733	5,537	17.0%
Grand Lisboa	2,017	1,873	2,002	6.9%	-0.7%	5,817	5,762	-0.9%
Other self-promoted	1,459	1,381	1,378	-0.2%	-5.6%	4,114	4,178	1.6%
Satellite	2,749	2,802	2,349	-16.2%	-14.6%	8,034	7,996	-0.5%
Total	8,002	7,751	7,638	-1.5%	-4.5%	22,698	23,473	3.4%
Adj. property EBITDA								
GLP	165	-66	111	-268.2%	-32.7%	357	194	-45.7%
Grand Lisboa	545	422	471	11.6%	-13.6%	1,555	1,334	-14.2%
Other self-promoted	343	309	300	-2.9%	-12.5%	992	952	-4.0%
Satellite	35	75	53	-29.3%	51.4%	6	206	3333.3%
Total	1,088	740	935	26.4%	-14.1%	2,910	2,686	-7.7%

Source: Company filling.

SJM posted weaker yoy 3Q25 and 9M25 results with market share declined to 11.8% in 3Q25 from 12.3% and 13.9% in 2Q25 and 3Q24, respectively. The weaker results were partially attributable to lower rolling hold and partly due to the closure of satellites.

In 3Q25, the market share of SJM's satellites dropped from 5.1% to 3.9%. SJM closed Casino Grandview on 31 Jul'25, Casino Emperor Place on 30 Oct'25 and Casino Legend Palace on 12 Nov'25. Subsequent to the closure of Casino Casa Real on 21 Nov'25, SJM will have 5 remaining satellites. SJM plans to take the operations of Ponte 16 and L'Arc Macau and will close the other 3 (Casino Fortuna, Casino Kam Pek Paradise and Casino Landmark) by the end of 2025 as per the agreement with Macau government. The excess staff cost had been fully absorbed and gaming tables of satellites will be transferred to other properties of SJM. That said, its EBITDA and market share could be adversely affected over the next few months as gaming tables are in the course of transfer. The potential capex on acquisitions of the 2 satellites should be relatively small as the total adj. property EBITDA of 9 satellites in 3Q25 was only HKD53mn, equivalent to c6% of SJM's total adj. property EBITDA.

On a brighter side, we see qoq improvement in SJM's operating performance as adj. property EBITDA of GLP swung back to HKD111mn in 3Q25 from -HKD66mn in 2Q25. The swing can be partly attributable to the higher rolling hold in 3Q25, increased to 3.8% from 1.9%. Additionally, SJM pays junket commissions based on chip sales. The lower chip sales in 3Q25 compared with those in 2Q25 mean lower commission expenses and higher EBITDA in 3Q25. The timing of chip sales, to some extent, contributes to the volatility of adj. property EBITDA

As of Sep'25, SJM had cash on hand of HKD3.4bn. Its LTM adj. property EBITDA was HKD3.7bn compared with the budgeted capex of HKD2bn in 2025, HKD1.5-1.8bn in 2026 and below HKD1bn in 2027. The budgeted capex should cover the satellite acquisition costs which we expect to be small. SJM's cash on hand, undrawn facilities and operating cash inflow should support a stable financial profile. We are neutral on SJM on valuation. Our picks in Macau gaming are MPELs/STCITYs.

Table 2: 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	98.4	5.8%	3.5
MPEL 7 5/8 04/17/32	USG5975LAK29	750	105.2	6.6%	3.0
MPEL 6 1/2 09/24/33	USG5975LAL02	500	100.3	6.5%	4.1
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.0	6.5%	2.0
STCITY 5 01/15/29	USG85381AG95	1,100	95.8	6.5%	2.8
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	100.0	5.5%	1.8
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	98.4	5.6%	3.6

Source: Bloomberg.

➤ China Economy: Broad-based slowdown signals intensifying headwinds

China's economy showed broad-based slowdown in Oct, despite no real pressure in meeting the full-year growth target. The property market saw an accelerated price decline, while sharp sales contraction on last year's high base raised the risk of renewed credit stress. Retail sales fell to one-year low and fixed asset investment experienced the second biggest contraction since Feb 2020, as softening fiscal expansion and the anti-involution measures weighed on infrastructure and manufacturing investment. GDP growth only needs to reach 4.5% in 4Q to meet the full-year target, but the sharp contraction in property and consumption indicates that demand remains weak and the recovery is uneven. The sluggish nominal GDP growth also points to persistent deflationary pressure, underscoring the need for continued and consistent support to consumers to sustain the price rebound. We expect the PBOC may further cut LPR by 10 bps and RRR by 50 bps before the end of 1Q26. The MoF might expand fiscal support to households and property sector. GDP growth may slow down to 4.5% in 4Q25 with full-year GDP growth down from 5% in 2025 to 4.7% in 2026.

Property sector remained in deep contraction due to higher base and diminishing stimulus effect. The contraction of gross floor area (GFA) sold for commercial building deepened to 6.8% in 10M25 from 5.5% in 9M25 according to NBS. Contraction of residential housing start expanded to 19.8% in 10M25 at 359 million m², short of the housing sales at 603 million m² and back to the level in 2003-04, which should support a supply-demand rebalancing in 2027-28. For new housing sales in Nov according to market data, the recovery rate of 30 major cities compared to 2018-2019 remained at bottom at 37.2% in early Nov, close to the level of Sep 25 at 37.1%. Its YoY sales posted a much steeper slump due to the larger base last year, dropping 35% with tier-1, 2 & 3 cities declining 41%, 30% and 36% respectively. Second-hand housing sales of 11 selective cities rebounded in recovery rate from 110% in Oct to 117% in early Nov, while its YoY growth dipped 25.2% due to higher base. New and second-hand housing prices saw faster decline at -0.5% and -0.7% in recent months, as effects from policy support faded and demand softened. Months of supply showed that new property inventories have accumulated rapidly across city tiers in recent months, with months to sell climbed to records

high of 20.5 months in Oct. The weakening property market may further weigh on durable consumption and developers' cash flow, prompting major policy easing in 4Q25 and 1Q26. Due to the absence of unconventional measures such as a central government-led housing purchase program or substantial mortgage interest subsidies, the contraction in the property market and the decline in housing prices could persist in 1H26.

Retail sales edged down as trade-in boost faded. Retail sales growth hit one-year low at 2.9% in Oct from 3% in Sep, above market consensus of 2.7%. Impacts of trade-in subsidies and tax credit has largely run its course, as home appliances, construction & decoration materials, and auto saw negative growth at -14.6%, -8.3% and -6.6% in Oct. Furniture moderated to 9.6% in Oct from 16.2%; while office products and telecom equipment rebounded to 13.5% and 23.2% in Oct thanks to the "double 11" online promotion. Gold, silver & jewellery notably surged to 37.6% in Oct as gold price hit its record high. Catering service jumped from 0.9% to 3.8% in Oct, thanks to the golden week holiday and the loosening of the dining restrictions on government officials. Retail sales may further slow down in the remaining of the year due to higher base and the drag from demand pull-forward. Looking forward, retail sales may moderate to 3.1% in 4Q25 from 4.5% in the first three quarters, bringing full-year growth to around 4.2%.

FAI growth notably contracted. Total FAI growth dropped to -1.7% in 10M25 from -0.5% in 9M25, notably missing market expectations at -0.7%. The YoY growth further contracted to -11.2% in Oct from -6.8% in Sep with broad-based softening. Infrastructure investment notably dipped 12.1% in Oct from -8%, marking the deepest contraction since February 2020 when COVID first emerged. Government's anti-involution competition campaign has weighed on manufacturing investment, dropping 6.7% in Oct. Property investment further contracted by -23.1% in Oct from -21.2% in Sep, as the oversupplied housing market continued to rebalance. Looking forward, FAI growth may remain subdued in 4Q25 with full-year growth at -2.5% in 2025 compared to 3.2% in 2024. Manufacturing and infrastructure investment growth is likely to fall from 9.2% and 9.2% in 2024 to 2% and 1% in 2025.

Industrial output rebounded. VAOI growth moderated to 4.9% in Oct from 6.5%, missing market consensus of 5.5%. Mining edged down to 4.5% in Oct from 6.4%; while public utility rebounded to 5.4% from 0.6%. VAOI of manufacturing slowed down to 4.9% in Oct from 7.3% with broad-based moderation as delivery value for exports dropped to -2.1% from 3.8%. Food, textile, rubber & plastic products, non-ferrous metal and special purpose equipment saw notable moderation while medicines and non-metal mineral products saw negative growth. Growth of service output index edged down to 4.6% in Oct from 5.6% with robust growth of IT and software services. Looking forward, industrial output may decelerate due to the headwinds from exports, demand overdraft from trade-in subsidy and pressure from the anti-involution policy.

No real pressure in meeting the full-year growth target, but both the property sector and consumption are crying out for policy support. GDP growth only needs to reach 4.5% in 4Q to meet the full-year target, but the sharp contraction in property and consumption indicates that demand remains weak and the recovery is uneven. The sluggish nominal GDP growth also points to persistent deflationary pressure, underscoring the need for continued and consistent support to consumers to sustain the price rebound. We still expect further policy easing in December or 1Q26 as the PBOC may further cut LPR by 10 bps and RRR by 50 bps, and the MoF may expand fiscal support to households and property sector.

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

➤ **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)
No Offshore Asia New Issues Pipeline Today					

➤ News and market color

- Regarding onshore primary issuances, there were 102 credit bonds issued last Friday with an amount of RMB74bn. As for month-to-date, 928 credit bonds were issued with a total amount of RMB998bn raised, representing a 27.9% yoy increase
- China property investment drops 14.7% yoy to RMB7.4tn (cUSD1.0tn) in 10M25
- **[ADGREG]** Adani Green Energy plans to invest INR150bn (cUSD1.7bn) to develop two pumped storage plants (PSPs) with combined capacity of 2.7GW
- **[BABA]** Alibaba accused by US of helping China target the US
- **[BHP]** BHP enters private mediation with Altair over Oak Dam prospecting in South Australia; Brazilian miner Vale said the English High Court found BHP liable under Brazilian law for the 2015 collapse of the Fundao dam, operated by the joint venture Samarco Mineracao
- **[EMPINT]** Emperor International to sell commercial building located at No. 60 Gloucester Road, Wanchai in Hong Kong to OCBC for HKD1.2bn (cUSD149mn)
- **[INCLEN/INGPHL/RNW/RPVIN]** ReNew to boost investment in Andhra Pradesh state to over USD9bn from USD2.5bn
- **[JFCPM]** Jollibee Foods 9M25 EBITDA rises 12.4% yoy to PHP31.9bn (cUSD540.7mn)
- **[LGCHEM/LGENSO]** Moody's downgraded LG Chem and LG Energy Solution by one notch to Baa2 from Baa1 on expected elevated leverage; outlook changed to stable from negative
- **[LMRTSP]** Lippo Malls Indonesia Retail Trust receives approval in-principle for rights issue
- **[MUTHIN]** Muthoot Finance board approves fundraising up to INR350bn via NCDs
- **[NOMURA]** Nomura to invest USD150mn in new US private credit fund led by Park Square
- **[NSANY]** S&P downgraded Nissan Motor by one notch to BB- from BB on continuing pressure on profitability; outlook negative. Nissan Motor is in talks with French carmaker Renault to reset their 26-year partnership after recent management changes at both companies
- **[RIOLN]** Rio Tinto signed a 15-year renewable energy deal with US-based TerraGen to help power its operations at Kennecott copper mine in Utah
- **[SMCPM]** San Miguel 9M25 revenue down 7.5% yoy PHP1.1tn (cUSD18.5bn)

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.

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.