30 Oct 2025

CMBI Credit Commentary

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

- *Asia IG space was 3-5bps tighter this morning. The new USD MEITUA 31-32s were 3bps tighter, the new USD MEITUA 35s were 15bps tighter, while the new CNH MEITUAs rose 0.2-0.3pt. We saw light flow on the new PEAKRN Perp amid some PB selling. JP insurers retracted 0.2-0.5pt. LASUDE 26 rose 0.6pt.*
- ***HYUELE:** Turned net cash in Sep'25 driven by rapid HBM expansion. HYUELEs were 3-5bps tighter this morning. See below.*
- ***MGMCHI:** 19.6% yoy increase in adj. EBITDA in 3Q25. MGMCHIs were unchanged this morning. See below.*

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❖ Trading desk comments 交易台市场观点

On Tuesday, spread were largely unchanged in Asia IG space. We saw better selling in MEITUA curve amid new issues and MEITUAs were 1-3bps wider. See our new issues comment on 28 Oct'25. In KR space, The new KOEWPW 30s were unchanged at RO at close. We saw two way flow on HYUELE/HYNMTR/DAESEC curve. In financials, we continued to see PB buying flow on JP/Middle East banks FRNs. JP insurance hybrids and AT1s were 0.2-0.4pt firmer led by MUFG/NOMURA/SUMILF, on back of RM loading up 10yr risk. The new LLOYDS 6.625 Perp edged 0.3pt higher, thanks to Asian AM and retail topping up. On the other hand, BNP felt heavier from London. BNP Paribas said it suffered a hit from souring debts in the 3Q25 with loan-loss provisions rising to EUR905mn. Yankee AT1s were generally firmer against the firm risk backdrop. In HK, FAEACO 12.814 Perp was 1.8pts higher. LASUDE 26 rose 2.1pts. MTRC Perps were 0.2-0.4pt higher. NWDEVL Perps moved -0.4pt to +0.8pt, while NWDEVL 29-30 increased 0.2-0.6pt. In Chinese properties, VNKRLE 27-29 were 0.7-0.9pt lower. In SEA, ACPM Perps down 0.1-0.5pt. PTTGC perps were 0.2-0.3pt higher.

In LGFV space, we saw more demand from RM and AM on IG and onshore AAA-guaranteed issues as loose bonds were gradually digested, whilst high-yielding papers down the credit curve continued to stabilize at 10%-high 11%. KAFEDI 28 decreased 1.7pts.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LASUDE 5 07/28/26	**69.6**	**2.1**	KAFEDI 6 1/2 06/04/28	**95.8**	**-1.7**
FAEACO 12.814 PERP	**74.9**	**1.8**	VNKRLE 3 1/2 11/12/29	**64.8**	**-0.9**
TSINGH 4 3/4 01/31/21	**85.3**	**1.0**	VNKRLE 3.975 11/09/27	**72.2**	**-0.7**
TSINGH 5 3/8 01/31/23	**85.3**	**1.0**	CIFIHG 11.581 PERP	**10.4**	**-0.5**
NWDEVL 4.8 PERP	**41.0**	**0.8**	ACPM 4.85 PERP	**81.2**	**-0.5**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.00%), Dow (-0.16%) and Nasdaq (+0.55%) were mixed on Wednesday. US Fed lowered the benchmark interest rate by 25bps to a target range of 3.75-4.0%; will end the reduction of its securities holdings beginning on 1 Dec'25. UST yield was higher on Wednesday. 2/5/10/30 yield was at 3.59%/3.70%/4.08%/4.61%.

❖ Desk Analyst Comments 分析员市场观点

➢ HYUELE: Turned net cash in Sep'25 driven by rapid HBM expansion

We maintain buy on HYUELEs in view of SK Hynix's resilience against trade war given its strong market position globally and solid operating cash flow, as well as HYUELEs' more balance risk-return profile. Within the HYUELE complex, we prefer HYUELE 1 ½ 01/19/26 and HYUELE 2 ⅜ 01/19/31 most for lower cash prices. At 99.4 and 90.7, HYUELE 1 ½ 01/19/26 and HYUELE 2 ⅜ 01/19/31 are both trading at 4.4% YTM.

Table 1: Bond profiles of HYUELEs

Security Name	ISIN	Amt o/s (USDmn)	Coupon	Px	Z-Spread (bps)	YTM	Mod Dur
HYUELE Float 11/17/25	HK0000905163	300	5.885%	100.1	-	4.9%	0.1
HYUELE 6 ¼ 01/17/26	USY8085FBJ85	750	6.250%	100.4	38	4.3%	0.2
HYUELE 1 ½ 01/19/26	**USY8085FBA76**	**1000**	**1.500%**	**99.4**	**48**	**4.4%**	**0.2**
HYUELE 5 ½ 01/16/27	USY8085FBT67	500	5.500%	101.5	70	4.2%	1.2
HYUELE 6 ⅜ 01/17/28	USY8085FBK58	1000	6.375%	104.5	83	4.2%	2.0
HYUELE 4 ¼ 09/11/28	USY8085FBY52	600	4.250%	100.1	86	4.2%	2.7
HYUELE 5 ½ 01/16/29	USY8085FBU31	1000	5.500%	103.6	95	4.3%	2.9
HYUELE 4 ⅜ 09/11/30	USY8085FBZ28	600	4.375%	100.0	98	4.4%	4.3
HYUELE 2 ⅜ 01/19/31	**USY8085FBD16**	**1000**	**2.375%**	**90.7**	**99**	**4.4%**	**4.8**
HYUELE 6 ½ 01/17/33	USY8085FBL32	750	6.500%	111.0	120	4.7%	5.7

Source: Bloomberg.

SK Hynix delivered another record-high quarterly revenue of KRW24.4tn in 3Q25, representing 39% yoy increase driven by strong industry demand. This growth was primarily attributable to surging AI investments by big tech companies, strengthened DRAM and NAND pricing, and increased DRAM shipments.

DRAM bit shipments exceeded management guidance, increased by high-single digits qoq in 3Q25 as driven by growing sales of HBM3E 12-high products and server DDR5 to support accelerating AI demand, coupled with seasonal demand recovery for LPDDR5 products. DRAM ASP rose by mid-single digits qoq, with particularly strong ASP growth for conventional DRAM products. NAND bit shipments declined by mid-single digits qoq due to a high base effect from 2Q25. However, enterprise SSD shipments grew by double digits qoq to meet rising demand from AI server deployments. NAND ASP increased by low-teens % qoq, supported by continued price recovery and a higher mix of enterprise SSDs with pricing premium.

For 4Q25, SK Hynix expects both DRAM and NAND bit shipments to grow by low-single digits. SK Hynix completed HBM4 mass production preparation in Sep’25 and will commence HBM4 shipments in 4Q25, with further expansion planned for 2026. We expect SK Hynix's revenue and profit growth momentum to continue into 2026, as it has already secured HBM contract pricing for 2026 at levels that can maintain current profitability, and underpinned by strong demand for memory used in AI services, particularly higher-margin HBM products.

As of Sep’25, SK Hynix's cash balance increased by 64% qoq to KRW27.9 trillion, driven by 56% qoq increase in operating cash flow and USD bond issuance totaled USD1.2bn during 3Q25. These were partially offset by a 16% qoq increase in capex. SK Hynix opened its M15X facility during 3Q25, ahead of the original 4Q25 schedule, and has begun equipment installation to accelerate new capacity expansion. We expect SK Hynix's capex to increase in a disciplined manner in 2026, which will continue to be funded by cash on hand and strong operating cash inflows.

SK Hynix robust operating cash flow generation also provides solid support for its liquidity profile. SK Hynix turned into a net cash position as of Sep’25 with net cash of KRW3.8tn compared to net debt of KRW4.9tn in Jun’25. The total debt/LTM EBITDA fell to 0.5x, reflecting significant EBITDA growth. SK Hynix has near-term USD bond maturities totaling USD1.75bn, consisting of HYUELE Float 11/17/25 due in Nov’25 and two bonds due in Jan’26. These upcoming maturities will be addressed through the USD1.2bn bond issuance completed in Sep’25 and its internal resources.

Table 2: SK Hynix 3Q25 financial highlights

KRWbn	3Q25	3Q24	yoy change	2Q25	qoq change
Revenue	24,449	17,573	39%	22,232	10%
-DRAM	19,070	12,125	57%	17,119	11%
-NAND	4,890	4,920	-1%	4,669	5%
-Others	489	527	-7%	445	10%
Gross profit	14,029	9,171	53%	11,983	17%
Operating profit	11,383	7,030	62%	9,213	24%
EBITDA	14,949	10,100	48%	12,645	18%
Net profit	12,598	5,753	119%	6,996	80%
Operating cash flow	14,368	7,804	84%	9,208	56%
Capex	5,033	3,516	43%	4,332	16%
Gross profit margin	57%	52%	5 pct pt	54%	3 pct pt
Operating profit margin	47%	40%	7 pct pt	41%	5 pct pt
EBITDA margin	61%	57%	4 pct pt	57%	4 pct pt
Net profit margin	52%	33%	19 pct pt	31%	20 pct pt
	Sep’25	**Dec'24**	**Change**	**Jun'25**	**qoq change**
Cash and equivalent	27,854	14,156	97%	16,962	64%
Total debt	24,079	22,684	6%	21,841	10%
Net debt/(net cash)	(3,775)	8,528	-144%	4,879	NA
Total debt/LTM EBITDA	0.5x	0.6x	-	0.5x	-
Net debt/LTM EBITDA	-0.1x	0.2x	-	0.1x	-

Source: Company filling, CMBI Research

➢ MGMCHI: 19.6% yoy increase in adj. EBITDA in 3Q25

Table 3: MGM China 3Q25 financial highlights

HKDmn	9M24	9M25	Change	3Q24	3Q25	Change
Operating Revenue						
MGM Macau	9,796	9,930	1.4%	3,041	3,394	11.6%
MGM Cotai	13,671	15,241	11.5%	4,209	5,115	21.5%
Total	23,467	25,171	7.3%	7,249	8,510	17.4%
Adjusted EBITDA						
MGM Macau	2,919	2,793	-4.3%	802	914	14.1%
MGM Cotai	4,013	4,460	11.1%	1,183	1,459	23.3%
Total	6,932	7,252	4.6%	1,984	2,373	19.6%
Adj. EBITDA margin	29.5%	28.8%	-0.7 pct pt	27.4%	27.9%	+0.5 pct pt

Source: Company filling, CMBI FICC Research.

MGM China (MGMCHI) posted a stronger set of 3Q25 results. During the quarter, its revenue and adj. EBITDA increased 17.4% and 19.6% yoy to HKD8.5bn and HKD2.3bn, respectively, supported by growing visitation and the growth of high-end market. As per MGMCHI, the negative typhoon-related impact on its EBITDAR in Sep'25 was USD12mn (cHKD93mn). The adj. EBITDA margin was 27.9% in 3Q25, slightly higher than that of 27.4% in 3Q24. The market share of MGMCHI in 3Q25 was 15.5%, up from 14.8% a year ago. Overall in 9M25, its revenue and adj. EBITDA increased 7.3% and 4.6% yoy to HKD25.2bn and HKD7.3bn, respectively. Adj EBITDA margin was, however, lowered to 28.8% in 9M25 vs 29.5% in 9M24. As per MGMCHI, in Oct'25, its market share increased to 16.5% and EBITDAR to be over USD100mn (cHKD780mn).

We are neutral on MGMCHIs on valuation. Within the Macau gaming sector, our top picks are MPELs and STCITYs. Additionally, we consider WYNMAC'27, '28 and '29 yield pick-up plays, trading at 40-60bps over bonds of its US parent. We are also neutral on SJMHOLs on valuation. See our Macau gaming sector piece on 5 Sep'25 for more discussions.

Table 4: 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	98.2	5.9%	3.5
MPEL 7 5/8 04/17/32	USG5975LAK29	750	105.3	6.6%	3.0
MPEL 6 1/2 09/24/33	USG5975LAL02	500	100.5	6.4%	4.1
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.0	6.5%	0.1
STCITY 5 01/15/29	USG85381AG95	1,100	95.8	6.4%	2.9
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
WYNMAC 6 3/4 02/15/34	USG98149AM28	1,000	101.1	6.6%	4.0

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Meituan	600/600/800	5.5/7/10	4.5/4.75/5.125%	T+95/105/115	Baa1/A-/BBB+
Peak Reinsurance	350	PerpNC5.2	5.625%	5.625%	Baa3/-/-

- **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 109 credit bonds issued yesterday with an amount of RMB59bn. As for month-to-date, 1,742 credit bonds were issued with a total amount of RMB1,578bn raised, representing a 17.5% yoy increase

- More Chinese provinces and cities are scrapping EV trade-in subsidies as the industry shifts to a more market-oriented model

- **[ADGREG]** Adani Green Energy 1HFY26 total revenue rises 17.4% yoy to INR68.1bn (cUSD772mn)

- **[ADSEZ]** Adani Ports and Special Economic Zone will invest INR425bn (cUSD4.8bn) to expand Dighi port

- **[BHP]** BHP Group will slash its workforce at the Yandi iron mine, with some workers to be redeployed to other mines

- **[FOSUNI]** Fosun International plans to spin off and list its vaccine development business Fosun Adgenvax (Chengdu) Biopharmaceutical in Hong Kong

- **[HSBC]** HSBC 3Q25 pretax profit was USD7.3bn, down 14% yoy

- **[IHFLIN]** Sammaan Capital shareholders approve INR88.5bn preferential issue to Avenir Investment

- **[INCLEN/RNW]** ReNew Energy Global agrees in principle to USD8.15/share buyout offer

- **[MEITUA]** Meituan's 5yr RMB2.08bn/10yr RMB5.0bn dim sum bonds priced at 2.55%/3.10%, tightened from IPT at 3.1%/3.5%, respectively

- **[MINAU]** Mineral Resources iron ore shipments jump 70% yoy in 1QFY26 to 7.65mn wmt

- **[NICAU]** Nickel Industries 3Q25 nickel ore sales increase 2% qoq to 3.1mn wmt

- **[NOMURA]** Nomura Holdings 1HFY26 net revenue rises 10.8% yoy to JPY1.0tn (cUSD6.8bn)

- **[NSANY]** Nissan Motor is one of several automakers facing a semiconductor supply crunch that threatens to slow global production

- **[ORIX]** ORIX's REIT subsidiary will borrow a total of JPY15bn (cUSD98.6m) to finance its acquisition of a hotel in Osaka
- **[SINOPE]** Sinopec 9M25 revenue declines 10.7% yoy to RMB2.1tn (cUSD297bn)
- **[SKM]** SK Telekom 3Q25 EBITDA slumps 35% yoy to KRW946bn (cUSD662.2mn)
- **[SOFTBK]** SoftBank Group is among around 20 Japanese and US companies showing interest in projects included in Japan's USD550bn investment package
- **[TYANLI]** Tongyang Life Insurance 9M25 sales rise 9.5% yoy to KRW2.6tn (cUSD1.8bn)
- **[VEDLN]** SEBI has kept in abeyance the public listing proposal of Vedanta Group's Sterlite Electric

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