

CMBI Credit Commentary

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

- *Asia IG space was unchanged to 2bps tighter this morning amid Chinese Golden Week Holiday. We saw buyers on Chinese HY HONGQI/FOSUNI and Chinese properties CHJMAO/YUEXIU, as well as Japanese long-end AT1 papers. HYSAN 4.85 Perp down 0.1pt. The new VEDLN 32s were 0.1pt higher.*
- **Macau gaming:** *Slower yoy GGR growth in Sep due mainly to typhoon shutdown. See below.*
- **IHFLIN:** *Media reported that IHC is set to acquire a 40-45% stake in Sammaan Capital for USD1bn and may end up with a controlling interest of more than 65%. IHFLIN 27-28s rose 1.7-3.4pts this morning.*

❖ Trading desk comments 交易台市场观点

We saw balanced two-way flows in Asia IG space into the quarter end on Tuesday. The new DAESEC 28s traded two-way between FM and PB, and closed unchanged. The rest of Korea IGs were largely unchanged. China IG benchmarks BABA/HAOHUA/MEITUA and China AMC perps were traded mixed two way. We saw more selling in high-beta FRESHK 26-28s. TW lifers CATLIF 34/NSINTW 34/SHIKON 35 were 2-4bps tighter. HSBC 30/31s FRNs also traded mixed two way and more buying flows on MIZUHO. In HK, NWDEVL 27-31s/Perps were 0.1-1.0pt higher. NWD released widened FY25 losses on non-cash write-down last Friday. That said, we view the near-term refinancing risk considerably relieved. See our comments on 29 Sep'25. LASUDE 26 was 1.3pts higher. Media reported Lai Sun closes to sign HKD3.5bn secured 5-year loan facility to refinance a HKD3.6bn loan due in Oct'25. VNKRL 27-29 were 0.4-0.8pt lower. Elsewhere, EHICAR 26-27 were 1.0-1.3pts lower. eHi's 1H25 loss before tax decreased 13.7% yoy to RMB351.5mn. In SEA, Vedanta priced the new USD500mn VEDLN 9.125 32s at par, the new VEDLN 32s were 0.1pt lower at close. The existing VEDLN 28-33s were 0.1-0.9pt higher. VLLPM 27-29 were 0.6-1.2pt lower. In the Middle East, there were profit taking on BSFR 35s from PBs and closed c0.2pt lower. In LGFV space, flows were overall light and mostly driven by cash and risk management needs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CHGDNU 4.8 09/11/48	92.4	2.4	EHICAR 12 09/26/27	69.0	-1.3
LASUDE 5 07/28/26	61.2	1.3	VLLPM 9 3/8 07/29/29	55.3	-1.2
NWDEVL 5 1/4 PERP	44.1	1.0	EHICAR 7 09/21/26	80.7	-1.0
VEDLN 9.85 04/24/33	101.8	0.9	VNKRLE 3.975 11/09/27	75.0	-0.8
NWDEVL 4 1/8 PERP	37.3	0.9	BHP 5 3/4 09/05/55	104.0	-0.7

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.34%), Dow (+0.09%) and Nasdaq (+0.42%) were higher on Wednesday. US government half on Wednesday as senators fail to agree funding plan. The US Sep'25 ISM Manufacturing PMI was 49.1, higher than the market expectation of 49.0. The US Sep'25 ISM Manufacturing prices was 61.9, lower than the market expectation of 62.7. UST yield was lower on Wednesday. 2/5/10/30 yield was at 3.55%/3.68%/4.12%/4.72%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: Slower yoy GGR growth in Sep due mainly to typhoon shutdown

Table 1: Macau monthly GGR

MOP mn	2023	2024	2025	Cumulative GGR 2025	Cumulative GGR 2025 growth rate	% of 2019 GGR
Jan	11,580	19,337	18,254	18,254	-5.6%	73.2%
Feb	10,324	18,486	19,744	37,998	0.5%	75.5%
Mar	12,738	19,503	19,659	57,657	0.6%	75.7%
Apr	14,722	18,545	18,858	76,515	0.8%	76.7%
May	15,565	20,188	21,193	97,708	1.7%	77.7%
Jun	15,207	17,694	21,064	118,772	4.4%	79.4%
Jul	16,662	18,595	22,125	140,897	6.5%	81.0%
Aug	17,213	19,754	22,156	163,053	7.2%	82.3%
Sep	14,937	17,253	18,289	181,342	7.1%	82.3%

Source: Macau DSEC.

In Sep'25, the gross gaming revenue (GGR) in Macau was MOP18.3bn, the yoy GGR growth of the month moderated to 6.0% from 12.2% in Aug'25. Cumulatively, the GGR in 9M25 increased 7.1% yoy to MOP181.3bn, moderating from 7.2% yoy increase in 8M25. Recalled that casinos in Macau were shut down for 33-hour casino shutdown when Super Typhoon Ragasa passed through on 24-25 Sep. 33-hour is equivalent to 4.6% of the operating hour in Sep'25. Adjusting for the operating hours lost, the yoy GGR growth in Sep'25 should be roughly the same as the yoy growth of 12.2% reported in Aug'25. We are not concerned of the temporary blip of GGR because of extreme weather condition. Indeed, we note the strong tourist arrivals so far in Oct'25. As per Macao Government Tourism Office, it expects 1.2mn tourist arrivals during the October Golden Week. The full year tourist arrivals in 2025 will increase 11.5% from 34.93mn to 38.95mn. In 8M25, the tourist arrivals in Macau were up 15.0% yoy.

The 9M25 GGR totaled MOP181.3bn is equivalent to 79.5% of Macau government's revised GGR estimate of MOP228bn (vs MOP226.8bn in 2024). The full year GGR estimate, in our view, is highly achievable given the sustainable growth in tourist arrivals (up 15% yoy in 8M25). The GGR growth in Macau gaming sector is accelerating starting from 2Q25. While Melco is revamping the Countdown Hotel in Macau and will reopen the

premise in 3Q26; MGM China is renovating Cotai casino resort and the renovation will be completed in 1Q26. SJM is expanding Casino Lisboa by acquiring part of the Hotel Lisboa. These initiatives will help sustain the growth of gaming and non-gaming revenue.

As per our Macau gaming sector piece on 5 Sep'25, the conviction level of Macau gaming bonds are notably lower. That said, we consider Macau gaming bonds lower-beta and good carry plays with improving credit stories. We expect more new issues in view of refinancing requirements with the scheduled maturities and much more affordable funding costs given the solid bond performance since the end of COVID lockdown. Our top picks are MPELs and STCITYs in view of the improving market shares and growing adj. EBITDA of Melco and Studio City, as well as the more appealing risk-return profiles of MPELs/STCITYs. Meanwhile, we consider WYNMAC'27 and '29 yield pick-up plays, trading at 30-60bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOLs on valuation.

Table 2: Our Macau gaming USD bond picks

Security name	Amt o/s (USD mn)	Ask Px	YTM	Mod dur
MPEL 5.375 12/04/29	1,150	98.3	5.8%	3.6
MPEL 7.625 04/17/32	750	105.2	6.6%	5.0
MPEL 6.5 09/24/33	500	100.8	6.4%	6.1
STCITY 6.5 01/15/28	500	100.1	6.4%	2.1
STCITY 5 01/15/29	1,100	96.7	6.1%	2.9
WYNMAC 5.5 10/01/27	750	100.0	5.4%	1.9
WYNMAC 5.125 12/15/29	1,000	98.1	5.6%	3.7

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Kuwait International Government Bond	3250/3000/5000	3yr/5yr/10/yr	4.016%/4.136%/4.652%	T+40/T+40/T+50	-/A+/AA-
Vedanta Resources	500	7NC2	9.125%	9.125%	B2/-/B+

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore New Issues Pipeline Today					

➤ **News and market color**

- Onshore primary issuances suspend during the National Day Holiday
- US seeks to nearly halve Taiwan advanced chip imports to boost domestic production.
- **[ADGREG]** TotalEnergies plans to sell its stake in Adani Green Energy and in other renewable JVs with Adani Group

- **[BHP]** BHP Group will invest AUD840mn (cUSD555mn) to increase copper output at the Olympic Dam mine in South Australia
- **[COGARD]** Country Garden gains more creditor support for RSA, CoCom representing 49% of syndicated loans signs amendment deal; over 62% of Class 1 debt holders now accede to the RSA
- **[HYUELE]** SK Hynix and Samsung Electronics will supply memory chips for a USD500bn Stargate project
- **[INCLEN]** ReNew Energy bid consortium to provide revised takeover offer by 10 Oct'25
- **[LGELEC]** LG Electronics said it plans to sell a 15% stake in its Indian subsidiary through an IPO on the Indian stock exchanges at a valuation of up to INR774bn (cUSD8.7bn)
- **[LIHHK]** Lifestyle International obtains unanimous consent from lenders to waive covenant breach on HKD6.98bn loan
- **[MEITUA]** Meituan is launching operations in the UAE, its fourth market in the Middle East
- **[MUFG/SHFLIN]** Shriram Finance denies 20% stake sale to MUFG for USD2.6bn
- **[NICAU]** Nickel Industries accepted USD354.519mn of NICAU 11.25 10/21/28 at 105.625 in the tender offer
- **[NSANY]** Nissan Motor is halting plans to make EVs in the US amid weak market prospects
- **[SINOPE]** Holdings may consider selling its 37% stake in Italian tiremaker Pirelli if it receives an appealing offer
- **[VEDLN]** Vedanta Ltd pushes back demerger deadline again by 6 months to Mar'26
- **[VNRKLE]** China Travel to acquire Vanke's snow, ski resort assets for RMB300mn (cUSD42.1mn)
- **[YLLGSP]** Yanlord Land further repurchases USD34.72mn YLLGSP 5.125 05/20/26, USD344.94mn remains outstanding

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