13 Aug 2026

CMBI Credit Commentary

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

- *Asia IG spreads were unchanged to 2bps tighter this morning following an in-line US CPI print. We continued to see buying interest in FRNs, alongside selling in short-dated fixed-rate papers. We saw some selling in the recent new BNP 7.125 Perp, which was well absorbed and traded unchanged. EHICAR 26 gained 1.8pts, while GLPSP 4.6 Perp rose 0.4pt. In CNH space, we saw two-way flows and was broadly unchanged.*

- ***MGMCHI:** GGR market share increased to 15.9% in 1H26. Maintain neutral on MGMCHIs, which were unchanged this morning. See below.*

- ***TENCNT:** Tencent Holdings 2Q26 adjusted EBITDA rose 7.3% yoy to RMB91.4n (cUSD13.5bn). TENCNTs were unchanged this morning.*

Cyrena Ng, CPA 吴倩莹
(852) 3900 0801
cyrenang@cmbi.com.hk

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

❖ Trading desk comments 交易台市场观点

Yesterday, the new SBIIN 31s were traded active on two-way around RO at T+88. In Asia IG space, we saw duration-switching activity. The Chinese TMTs BABA 35s/TENCNT 36s tightened 1-2bps, while we saw profit-taking in front-end MEITUA 28-29s/TME 30/FRESHK 27/NANYAN 34. Taiwan lifers were unchanged to 2bps tighter, with profit-taking in CATLIF 41. Flows in Korea remained balanced, with two-way flows in HYNMTR/LGENSO and selective light buying in quasi-sovereigns KOMIPW/KOBCOP, which closed unchanged to 1bp tighter. Japanese bank FRNs were unchanged to 1bp wider. We saw better buying in 2-5yr fixed-rate financials, while light selling in the 20yr long end.

Higher-yielding space was largely stable, before the news of a 60-day extension to the US-Iran ceasefire emerged ahead of the Asia close. This prompted short covering in the new BNP 7.125 Perp which gained 0.1pt. In the rest of the space, activity and liquidity remained light outside PB/retail buying flows. China/HK names WESCHI 28-29 gained 0.6-0.9pt. LNGFOR 27-32 were 0.2-1.0pt higher. On the other hand, EHICAR 27/LASUDE 29 down 0.6pt. EHICAR 26/29 were unchanged to 0.3pt higher. Media reported eHi plans liability-management exercise soon for EHICAR 26 holdout bonds. NWDEVL Perps down 0.1-0.5pt, while NWDEVL 27-31 were unchanged to 0.2pt higher. In LGFVs, we continued to see high-yielding papers (>=mid-6% CNH or >7% USD) being chased, while c5% or below yielding USD names remained better offered by AMs. We also saw gradually more buying in selected short-dated HY/high-beta names like HONGQI (post-corp action)/CPDEV/GRNCH. Elsewhere, non-LGFV CNH space remained firm, led by offshore Chinese AM buying in 30yr papers and cross boarder RM buying 3-5yr Chinese names.

CMBI Fixed Income
fis@cmbi.com.hk

❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
LNGFOR 3.85 01/13/32	**76.7**	**1.0**	CRNAU 9 1/4 10/01/29	**87.4**	**-0.7**
WESCHI 9.9 12/04/28	**90.6**	**0.9**	LASUDE 5 07/28/29	**77.9**	**-0.6**
WESCHI 10 1/2 11/11/29	**86.7**	**0.6**	EHICAR 12 09/26/27	**40.9**	**-0.6**
PMBROV 11 1/2 02/18/30	**88.5**	**0.5**	NWDEVL 4.8 PERP	**59.3**	**-0.5**
LNGFOR 3.95 09/16/29	**86.3**	**0.5**	ACNRGY 5.1 PERP	**76.8**	**-0.5**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.26%), Dow (-0.04%) and Nasdaq (+0.54%) were mixed on Wednesday. US Jul'26 CPI was +3.4% yoy/+0.1% mom, in line with the market expectation. US Jul'26 Core CPI was +2.5% yoy/+0.2% mom, in line with the market expectation. US latest Crude Oil Inventories were +17.423mn barrels to 424.4mn barrels, compared to the market expectation of a decline of 1.7mn barrels. 2/5/10 year UST yield was lower on Wednesday. 2/5/10/30 year yield was at 4.20%/4.38%/4.68%/5.24%.

❖ Desk Analyst Comments 分析员市场观点

➢ MGMCHI: GGR market share increased to 15.9% in 1H26

MGM China's GGR market share increased to 16.3% in 2Q26 and 15.9% in 1H26, from 15.4% in 1Q26 as per our calculation. Revenue increased 4.4% yoy to HKD17.4bn in 1H26, supported by higher main floor win and slot revenue, which more than offset lower VIP win. Operating performance at MGM Cotai remained stronger than that at MGM Macau. MGM Cotai generated 1H26 adj. EBITDA of HKD3.1bn, up 4.2% yoy, while MGM Macau's adj. EBITDA declined 11.8% yoy to HKD1.7bn. MGM Cotai's relative resilience was supported by stronger main floor table game drop and win %, as well as higher slot hold and win %, partly offset by weaker VIP turnover and win %.

In 1H26, adj. EBITDA declined 1.9% yoy to HKD4.8bn, with adj. EBITDA margin compressed to 27.5% from 29.3% in 1H25. The weaker operating performance was more apparent in 2Q26, where adj. EBITDA declined 7.4% yoy to HKD2.3bn, implying a more challenging cost and volume backdrop in the 2Q. On the adj. EBITDAR front, margin compressed to 23.9% in 1H26 from 27.5% in 1H25, which was mainly attributable to a higher brand fee of USD81mn in 1H26, compared with USD37mn in 1H25, following the new long-term branding agreement signed in Dec'25. Effective from 1 Jan'26, MGM China pays a monthly license fee of 3.5% of net monthly revenue, up from 1.75% of gross monthly revenue previously. The agreement runs through the current Macau gaming concession, which expires on 31 Dec'32. While the brand fee represents a revenue-linked operating cost and will constrain margin expansion and cash flow available for deleveraging, we will monitor whether operating efficiencies can mitigate the financial impact going forward. The incremental brand fee in 1H26, i.e. USD44mn, represented 2% of MGM China's revenue, as per our calculation.

As of Jun'26, MGM China had cash and cash equivalents of HKD4.0bn, down from HKD4.3bn as of Dec'25, net debt repayment and capex offset the operating cash flow of HKD3.7bn generated during the period. It also had HKD20.7bn of undrawn availability under its unsecured revolving credit facility, resulting in total liquidity of HKD24.7bn. MGM China spent HKD614mn in capex during 1H26, mainly on room remodelling and IT initiatives. Management expects to spend a further USD75-125mn (cHKD589-981mn) in 2H26, including concession-related capital projects. We expect MGM China to continue funding capex through internal cash generation and available liquidity.

Total debt decreased to HKD18.2bn as of Jun'26 from HKD19.2bn as of Dec'25, mainly due to net debt repayment. Total debt/LTM adj. EBITDA and net debt/LTM adj EBITDA improved to 1.8x and 1.4x, respectively, over the same period on lower total debt. During 1H26, MGM China redeemed USD750mn MGMCHI 5.875 05/15/26 at maturity, funded through the revolving credit facility. It issued USD750mn MGMCHI 6.25 05/15/33, with net proceeds used to repay part of the revolver. The next major maturity is the USD750mn MGMCHI 4.75 02/01/27 in Feb'27. We view refinancing risk as manageable, in view of its HKD24.7bn liquidity, continued operating cash flow generation and good access to funding channels.

Despite our expectation of more USD bonds supply in view of the scheduled maturities and undemanding funding costs, we still like Macau gaming bonds as lower-beta and good carry plays with improving credit stories. Our top picks in the sector are **MPELs**, **STCITYs**, and **SJMHOL 31**, given the growing adj. EBITDA of Melco Resorts and Studio City, as well as the more appealing risk-return profiles of these bonds. We also consider **WYNMAC'27 and '29** yield pick-up plays, trading at premium of c40-50bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOL 28 on valuation.

Table 1: 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	97.4	6.2%	2.9
MPEL 7 5/8 04/17/32	USG5975LAK29	750	102.7	7.0%	2.3
MPEL 6 1/2 09/24/33	USG5975LAL02	500	97.5	6.9%	5.5
SJMHOL 6 ½ 01/15/31	XS3267117995	540	95.5	7.7%	3.7
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.0	6.5%	0.1
STCITY 5 01/15/29	USG85381AG95	1,100	95.9	6.9%	2.2
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.8	5.7%	1.1
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	97.5	5.9%	3.0

Source: Bloomberg.

Table 2: MGM China 2Q26 and 1H26 financial highlights

HKD mn	2Q25	2Q26	Change	1H25	1H26	Change
Operating Revenue						
MGM Macau	3,383.5	3,349.1	-1.0%	6,535.5	6,785.6	3.8%
MGM Cotai	5,283.8	5,276.0	-0.1%	10,125.5	10,606.2	4.7%
Total	8,667.3	8,625.0	-0.5%	16,661.0	17,391.8	4.4%
Adj. EBITDA						
MGM Macau	975.7	825.5	-15.4%	1,878.2	1,657.1	-11.8%
MGM Cotai	1,535.7	1,501.1	-2.3%	3,001.0	3,127.3	4.2%
Total	2,511.4	2,326.6	-7.4%	4,879.2	4,784.4	-1.9%
Adj. EBITDA margin						
MGM Macau	28.8%	24.6%	-4.2 ppts	28.7%	24.4%	-4.3 ppts
MGM Cotai	29.1%	28.5%	-0.6 ppts	29.6%	29.5%	-0.2 ppts
Total	29.0%	27.0%	-2.0 ppts	29.3%	27.5%	-1.8 ppts
Adj. EBITDAR margin	27.1%	23.3%	-3.8 ppts	27.5%	23.9%	-3.6 ppts

HKD mn	Dec'25	Jun'26	Change
Cash and cash equivalent	4,325.2	4,030.0	-6.8%
Total debt	19,168.7	18,184.3	-5.1%
Net debt	14,843.5	14,154.3	-4.6%
Total debt/LTM adj. EBITDA	1.9x	1.8x	
Net debt/LTM adj. EBITDA	1.5x	1.4x	

Source: Company filing, CMBI FICC research.

➢ 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	IPT/IPG	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➢ News and market color

- Regarding onshore primary issuances, there were 120 credit bonds issued yesterday with an amount of RMB91bn. As for month-to-date, 729 credit bonds were issued with a total amount of RMB673bn raised, representing a 13.2% yoy decrease
- **[EHICAR]** Media reported eHi plans liability-management exercise soon for EHICAR 7 09/21/26 holdout bonds
- **[GTJA]** Moody's placed Guotai Junan International's Baa2 ratings under review for upgrade
- **[HYUELE]** SK Hynix will restart construction of its second NAND flash production hub in Dalian, China, with plans to increase output by roughly 50%
- **[TOPTB]** Thai Oil 1H26 EBITDA jumped 423.9% yoy to THB40.6bn (cUSD1.2bn)
- **[YXREIT]** Yuexiu REIT 1H26 revenue declined 20.7% yoy to RMB766.5mn (cUSD113.6mn)

CMB International Global Markets Limited
Fixed Income Department
Tel: 852 3900 0801/ 852 3761 8919
fis@cmbi.com.hk

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