CMBI Credit Commentary

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

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- *Asia IG space was quiet this morning amid the US holiday, with spreads broadly unchanged. EU AT1 dropped 0.25-0.5pt. SOFTBKs were unchanged to 0.1pt lower post weaker 1HFY27 results. We saw buying interests in LGFV from onshore clients.*

- ***WYNMAC:** GGR market share fell to 12.5% in 3Q26 and 12.9% in 9M26, from 13.0% in 1H26. Maintain buy on WYNMAC 5 1/8 12/15/29 as yield pick-up play over the bond of its US parent. WYNMAC '29s were unchanged this morning. See below.*

- ***China Economy:** AI fuels the boom, prices magnify the surge. CMBI expects the AI investment cycle and China's manufacturing capabilities to sustain near-term export resilience, but growth should moderate in as base effects become less favorable and price gains potentially normalize; maintains year-end USD/CNY forecast of around 6.7. See comments from CMBI economic research below.*

❖ Trading desk comments 交易台市场观点

Yesterday, Asian IG space was firm. The 10-year benchmarks continued to squeeze tighter, led by Chinese TMT and Taiwan lifer T2s. TENCNT/ BABA/KUAISH tightened by 3-5bps and Taiwan lifers outperformed by 5-10bps. HK bank T2s were traded two-way, HFs and AMs chased BNKEA '32, while DAHSIN '37 widened by 3bps. In Korea space, the market tone remained firm, particularly across financials and utilities, with selective names such as KORSFC/TYANLI/KOSOPW/KOEWPW and KOROIL grinding 2-3bps tighter. Meanwhile, the FRN space was in solid banking-book demand capping offers on CCBFIN/MAYMK and DBSSP '28/29. The AT1 sector enjoyed strong momentum as PM and AM drove the recent new HSBC 7.625 Perp and INTNED 7.75 Perp, which rose another 0.5pt higher, while front-end AT1s attracted notable prop desk buying across HSBC /BNP/UBS/SOCGEN.

In the higher-yielding space, CNH ZHHFGR further dropped 1.0-2.5pts post Fitch's two notches downgrade to BB+ from BBB. CPDEV/BCDHGR rose c0.25pt. Chinese developer GRNCH/LNGFOR rose 0.1-0.2pt. HY industrials WESCHI '29 rose 3.0pts, FOSUNI/BTSDF increased 0.1-0.2pt. Elsewhere, SOFTBKs rebounded 0.2-1.9pts. GLPSP/GLPCHI were 0.1-1.8pts higher. On the other hand, PTTGC '51-52 down 1.1-1.2pts. LGFV space was relatively quiet and CNH LGFV were under better selling.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
WESCHI 10 1/2 11/11/29	**87.2**	**3.0**
SOFTBK 8 1/2 04/22/36	**95.6**	**1.9**
GLPSP 9 3/4 05/20/28	**84.9**	**1.8**
SOFTBK 7 1/2 07/10/35	**90.0**	**1.3**
NWDEVL 6 1/4 PERP	**54.5**	**1.2**

Top Underperformers	Price	Change
CITLTD 4 3/4 02/04/36	**92.7**	**-3.1**
PTTGC 5.2 03/30/52	**85.0**	**-1.2**
PTTGC 4.3 03/18/51	**74.2**	**-1.1**
BEIENT 6 3/8 05/12/41	**104.0**	**-1.1**
GLENLN 6.141 04/01/55	**96.3**	**-1.1**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.38%), Dow (-0.30%) and Nasdaq (-0.74%) were lower on Tuesday. US Oct'26 CPI/ Core CPI was +0.4% mom/+0.3% mom, respectively, higher than the market expectation of +0.3% mom/+0.2% mom. UST yield was higher yesterday. 2/5/10/30 year UST yield was at 4.73%/4.81%/4.98%/5.35%.

❖ Desk Analyst Comments 分析员市场观点

➢ WYNMAC: GGR market share fell to 12.5% in 3Q26 and 12.9% in 9M26, from 13.0% in 1H26

Wynn Macau (WYNMAC) reported softer 3Q26 results, with revenue down 8.2% yoy to USD919.2mn and adj. property EBITDAR down 17.2% to USD255.3mn, reflecting weaker market conditions across both properties. Strong 1H26 performance cushioned the decline, leaving 9M26 revenue up 5.9% yoy at USD2.9bn and adj. property EBITDAR up 2.2% to USD831.7mn. We estimate GGR market share fell to 12.5% in 3Q26 from 13.0% in 1H26, bringing the 9M26 share to 12.9%.

At Wynn Palace, revenue fell 8.1% yoy to USD583.8mn in 3Q26 and ad. property EBITDAR declined 17.2% to USD165.8mn. VIP hold fell to 3.82% (3Q25: 4.68%, vs expected range of 3.1-3.4%), partly offset by higher mass table hold of 25.8% (3Q25: 22.6%). At Wynn Macau, revenue fell 8.2% to USD335.4mn in 3Q26 and adj. property EBITDAR declined 17.1% to USD89.5mn, as lower mass table hold of 17.1% (3Q25: 18.7%), outweighed higher VIP hold of 4.88% (3Q25: 2.93%). Hotel revenue also softened at both properties. RevPAR declined to USD211 (3Q25: USD217) at Wynn Palace and USD202 (3Q25: USD205) at Wynn Macau, despite occupancy rates both slightly improved to c99%.

In 3Q26, capex rose 9.9% yoy to USD50mn, mainly for room renovations and expanded entertainment and event space at Wynn Palace. In Jul'26, WYNMAC accepted the Macau government's concession contract for the Enclave, a non-gaming expansion comprising a 432-key, all-suite hotel tower, theatre and event center. Construction began in 3Q26, with opening targeted for 2029 and budgeted capex of USD900-950mn. Including other projects, WYNMAC expects project capex of USD350-400mn in 2026 and USD750-800mn in 2027, alongside USD70-80mn of maintenance capex in 2026. The capex pipeline will likely require external financing, but we remain comfortable with WYNMAC's financial flexibility and diversified funding access. The Enclave and other projects should also support medium term non-gaming revenue growth, in our view. As of Sep'26, cash and short-term investments fell 11.7% qoq to USD1.3bn, while undrawn revolver capacity stood at USD1.4bn. With total debt broadly stable at USD5.8bn, net leverage increased to 4.9x from 4.5x, mainly reflecting lower cash balances.

We like Macau gaming bonds as lower-beta and good carry plays with Macau gaming operator's smooth funding channels. Among Macau gaming operators, we like MPELs, STCITYs and SJMHOL '31 for their more appealing risk-return profiles than its peers. We also consider WYNMAC '29 as yield pick-up play, trading at

premium of c120bps over bond of its US parent. We maintain 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	94.8	7.3%	2.7
MPEL 7 5/8 04/17/32	USG5975LAK29	750	99.8	7.7%	4.4
MPEL 6 1/2 09/24/33	USG5975LAL02	500	92.8	7.9%	5.3
SJMHOL 6 ½ 01/15/31	XS3267117995	540	86.1	10.7%	3.4
STCITY 6 1/2 01/15/28	USG85381AF13	335	99.3	7.1%	1.1
STCITY 5 01/15/29	USG85381AG95	1,100	93.4	8.4%	2.0
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	95.1	6.9%	2.7

Source: Bloomberg.

Table 2: 3Q26 and 9M26 financial highlights

USD mn	3Q25	3Q26	Change	9M25	9M26	Change
Revenue	1,001.0	919.2	-8.2%	2,750.3	2,912.9	5.9%
Wynn Palace	635.5	583.8	-8.1%	1,711.0	1,896.5	10.8%
Wynn Macau	365.5	335.4	-8.2%	1,039.3	1,016.4	-2.2%
Adj. property EBITDAR	308.0	255.0	-17.2%	814.1	831.7	2.2%
Wynn Palace	200.3	165.8	-17.2%	519.4	571.1	10.0%
Wynn Macau	108.0	89.5	-17.1%	294.7	260.6	-11.6%
Capex	45.5	50.0	9.9%	181.2	194.9	7.6%

USD mn	Jun'26	Sep'26	Change
Cash and bank balances and ST investment	1,472.1	1,300.6	-11.7%
Revolver borrowing capacity	1,346.5	1,345.9	0.0%
Net leverage	4.5x	4.9x	

Source: Company filling, CMBI FICC Research.

- **China Economy: AI fuels the boom, prices magnify the surge**

China's exports remained buoyant in October, rising 35.2% while imports accelerated to 41.6%. Technology products remained the strongest driver, with integrated circuits and computing equipment together accounting for approximately 40% of the exports growth in Oct. However, higher unit values, currency translation and favourable base effects are amplifying the headline figures. The import surge similarly reflects expensive unit price of technology products and energy, while volumes across several major categories continued to decline, indicating still weak recovery in domestic spending. We expect the AI investment cycle and China's manufacturing capabilities to sustain near-term export resilience, but growth should moderate in as base effects become less favourable and price gains potentially normalize. Slower export growth in 2027 could shift the focus of policy easing towards stimulating domestic demand, consistent with recent Qiushi commentary highlighting China's imbalance between strong supply and weak demand. The still-large trade surplus should continue support the renminbi while PBOC steps up efforts to curb one-sided appreciation. We retain our year-end USD/CNY forecast of around 6.7.

Exports remained strong, although favorable base effects amplified headline growth. Exports increased 35.2% YoY in October, slightly below September's 36.3% and beating market expectations at 33%, reaching US$412.3bn. The comparison benefited from a 1.3% contraction a year earlier, as our calculations show annualized growth over two years moderated to approximately 15.5% from 21.4% in September, suggesting broadly stable headline growth masks some underlying moderation. Geographical demand remained supportive but uneven. Exports to the US rose 32.9%, slowing from 39.6%, while shipments to ASEAN and the EU increased 46.3% and 24.3%. Exports to South Korea, Taiwan and Hong Kong rose 92.4%, 61.8% and 48.6%, respectively, consistent with an active regional technology supply chain. The monthly trade surplus narrowed to US$105.3bn from US$133.5bn, while the YTD surplus reached US$1.04tn.

Technology products drove the export expansion, with a substantial contribution from higher unit value. Integrated-circuit exports rose 137.1% YoY in Oct, while automatic data-processing equipment and parts increased 114.8%. These two categories contributed approximately 39% to October's overall export increase. By YTD, integrated-circuit export value rose 111.1%, compared with volume growth of 3.2%, implying a 104.6% increase in average unit value. Outside technology, auto exports rose 37.6%, down from 62.0% in September. Garments, toys, furniture and home appliances grew 19.5%, 27.5%, 13.2% and 20.9%, respectively, all slower than in September. Non-tech exports therefore provide a meaningful cushion, but their recent moderation offers limited evidence that the export prosperity is broadening further.

Imports accelerated as energy price surged. Imports rose 41.6% YoY in Oct from 31.0%, beating market expectations at 30%. General-trade imports lifted 32.9% and processing imports using purchased materials rose 74.6%. Crude-oil arrivals recovered 13.0% MoM to 41.9mn tonnes, but remained 13.3% below a year earlier. Its import value nevertheless rose 41.0%, implying a 62.6% increase in unit value. Coal imports showed a similar divergence, with volumes down 5.5% against value growth of 60.0%. Integrated-circuit import value surged 78.3% despite broadly unchanged volumes. Copper-ore import value increased 23.1% while volumes fell 11.6%, implying a 39.2% rise in unit value. Meanwhile, iron-ore and vehicle import volumes fell 5.1% and 43.1%. The simultaneous strength of technology exports and imports points to an active production cycle, but the import surge was largely driven by higher unit values for energy and technology products, while volumes across several major categories continued to decline, indicating still weak recovery in domestic spending.

The AI upcycle should sustain export resilience before moderating in 2027. We see global AI investment and China's manufacturing capabilities as the most durable support, while higher unit values and stronger renminbi amplify growth in dollar terms. The extension of selected US tariff exclusions should ease immediate disruption risks, while EU restrictions on hybrid-vehicle imports and potential further restricting measures could encourage near-term front-loading but weighing on exports in 2027. We expect trade to remain resilient through year-end before moderating in 2027 as base effects become less favorable and price gains potentially normalize. Assuming export and import growth average around 30% YoY in Nov & Dec, full-year growth would reach approximately 24% and 29%, respectively. Higher costs for imported raw materials and intermediate products could squeeze manufacturers' margins as it is hard to transfer costs to customers, limiting the trade boom's support for corporate profits. The still-large trade surplus should continue to provide net foreign-currency inflows and support the renminbi while PBOC steps up efforts to curb one-sided appreciation. We retain our year-end USD/CNY forecast of around 6.7.

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- **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 114 credit bonds issued yesterday with an amount of RMB155bn. As for month-to-date, 450 credit bonds were issued with a total amount of RMB489bn raised, representing a 13.7% yoy decrease

  - **[CTFSHK]** CTF Services disposes 100% equity interest in Billionble Investment Ltd for RMB542mn, 25% equity interest in Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Company Ltd for RMB747.4mn, and 25% equity interest in Zhaoqing Yuezhao Expressway Co. Ltd for RMB690mn

  - **[NWDEVL]** Chow Tai Fook said the media report on it is seeking a new HKD5bn loan from banks contains information that is inaccurate and/or based on assumptions

  - **[SOFTBK]** SoftBank Group 1HFY27 net sales rise 13.3% yoy to cUSD26.8bn and pretax loss was cUSD2.8bn

  - **[TAISEM]** TSMC to invest up to USD1bn in planned IPOs of Anthropic and OpenAI

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