

CMBI Credit Commentary

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

- *This morning, KOB COP 4.625 30 tightened 12bps from RO while STESP 4.25 30 widened 2bps from RO. The new PKX 30s/35s widened another 5-7bps from last close. KBANKs/BBLTBs were 4-8 bps wider post Moody's revised Thailand's outlook to negative from stable. BABA 31-35s widened 3-5bps. MYLIFE/NIPLIF 55s were unchanged to 0.1pt higher.*
- **NWDEVL:** *New loan in addition to refinancing is an upside surprise. NWDEVL Perps were unchanged to 0.4pt higher this morning. See below.*
- **SJMHOL:** *Grand Lisboa Palace continued to fuel SJM's growth in 1Q25. SJMHOLs were unchanged this morning. See below.*

❖ Trading desk comments 交易台市场观点

Yesterday, market focus was on new issues from Korea. KOB COP priced a 5yr bond at +92.5 (IPT at +130). CITNAT 4.375 28/CITNAT 4.625 30 tightened 9bps and 13bps from ROs. However, PKX 5.125 30/PKX 5.75 35 widened 2-4bps from ROs. TYANLI 6.25 35s widened 5bps. In Chinese IGs, BABA/TENCNT 31-35s widened 1-2bps. The long end of CNOOC/SINOPE 42-50s were 0.5-1.0pts higher (2-7bps tighter). In financials, BNKEA announced to call its USD600mn BNKEA 4 05/29/30 on 29 May, the first call date, as expected. BNKEA 30-34s were unchanged to 2bps tighter. In EU AT1s, HSBC 6.875/BACR 4.375 Perps were 0.2-0.3pt lower. In JP, MYLIFE 55s were down 0.2pt. RAKUTN 8.125 Perp was 0.1pt lower. In HK, HKAA 30-35s widened 1-3bps. NWDEVL 27-31s/Perps were unchanged to 0.6pt lower, but still closed unchanged to 2.1pts higher WTD. See comments below. In Chinese properties, FTLNHD/FUTLAN 25-26s were up 0.3-0.8pt. CHIOLI 26-42s were up 0.2-0.7pt. On the other hand, VNKRL 27-29s were down 0.2-0.4pt. After close, Seazen Holdings/China Vanke released its 1Q25 results. Vanke also announced that it has borrowed RMB3.3bn 36-month loan from Shenzhen Metro Group to repay bonds at a floating interest of 1yr LPR-76bps (2.34%). Outside properties, EHICAR 26s decreased 0.7pt. FOSUNI/BTSD 28s declined 0.3-0.5pt on selling from institutional investors. In India, UPLINs were up 0.1-0.3pt. ADANEMs/ADSEZs were down 0.2-0.3pt. GRNKEN/RPVIN 27-28s were 0.4-0.5pt lower.

LGFVs were traded in mixed two-way flows. There were selling from HFs' squaring off positions, and buying from RMs' solid demands. The new ZYAMCL 5.7 28s dropped 0.7pts from RO at par on the back of primary indigestion before finding support from AMs at around 6%. There were two way interests on CNH names such as BNHAST 6.9 28s/QHCTJS 7 28s/GRHZIT 7.9 28s. In SOE perps, CHSCOI/CHPWCN Perps were down 0.1-0.2pt.

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

Cyrena Ng, CPA 吳倩瑩
(852) 3900 0801
cyrenang@cmbi.com.hk

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

❖ Last Trading Day's Top Movers

Top Performers	Price	Change
CNOOC 3.3 09/30/49	75.4	1.0
FTLNHD 4 5/8 10/15/25	96.4	0.8
CNOOC 5 05/02/42	98.7	0.7
JAPTOB 2 1/4 09/14/31	85.6	0.7
CHIOLI 5.35 11/15/42	91.4	0.7

Top Underperformers	Price	Change
EHICAR 7 09/21/26	70.0	-0.7
LIFUNG 5 1/4 PERP	48.8	-0.6
NWDEVL 5 7/8 06/16/27	78.6	-0.6
NWDEVL 6 1/4 PERP	30.8	-0.6
GRNKEN 4.3 12/13/28	92.0	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.58%), Dow (+0.75%) and Nasdaq (+0.55%) were higher on Tuesday. US Apr'25 CB Consumer Confidence was 86.0, lower than the market expectation of 87.7. US Mar'25 JOLTS job openings was 7.192mn, lower than the market expectation of 7.49mn. UST yields retreated on Tuesday, 2/5/10/30 yield at 3.65%/3.77%/4.16%/4.64%.

❖ Desk Analyst Comments 分析员市场观点

➤ NWDEVL: New loan in addition to refinancing is an upside surprise

Media reported that NWD had secured commitments from BOC and HSBC, the lead banks, for a 3-year refinancing facilities of HKD63.4bn. Other major participating banks such as Hang Seng Bank had received internal approval while DBS was still in the process of securing internal approval. As we discussed in [our daily on 25 Apr'25](#), last Friday was reportedly the deadline of early-bird fee on refinancing commitments. Meanwhile, media reported that DB would underwrite 3-year loan of HKD15.6bn for ongoing project development and refinance outstanding bonds. The new loans, if successfully secured as reported, will substantially relieve NWD's refinancing pressure and considerably enhance its financial flexibility for redemptions of its USD bonds and perps. The successful completion of the loan arrangements also reinforces our belief that NWD has been able to access to funding channels at reasonable costs.

As reported, the 3-year refinancing facilities of HKD63.2bn is comprised of 7 tranches with different maturities. The funding costs are HIBOR+105-130bps and upfront fees are 75-135bps. These facilities will be sufficient to refinance NWD's unsecured bank loans of HKD58.2bn maturing in 2025 and 2026. NWD offered to pledge its K11 Musea as second-lien security and CTF Enterprises would provide a letter of support. Meanwhile, the funding cost, including upfront fee, of 3-year DB loan is HIBOR+130bps. The loan will be secured by first-lien package of Victoria Dockside assets including K11 Musea, Rosewood Hotel and K11 Atelier.

To us, the completion of refinancing of loans maturing in 2025 and 2026 at reasonable funding costs has always been our base case. If NWD can secure additional loans of HKD15.6bn (cUSD2bn) for ongoing project developments and refinancing of outstanding bonds as reported, we consider this an upside surprise. The additional loans of cUSD2bn will notably enhance its financial flexibility of coupon payments and early redemptions of NWD's bonds and perps. Nonetheless, how NWD will utilize the new loan will still be subject to a few of moving parts. For example, will NWD call NWDEVL 6.15 PERP in full or in part? Will the loan be used to buy back or tender offer NWDEVL 6.15 PERP or other NWDEVLs?

Hence, we continue to value NWDEVLs on a cash yield basis on the assumption that NWD will continue to pay coupons of its bonds and perps. We prefer NWDEVL 5 1/4 PERP, NWDEVL 8 5/8 02/08/28 and NWDEVL 4 1/8 PERP given the higher cash yields, lower cash prices and more symmetric risk-return profiles.

Table 1: Bond profiles of NWDEVL

Security name	ISIN	Maturity/ Next call date	Amt Out (USD mn)	Ask Px	Ask YTM/ YTNC (%)	Cpn	Cash yield	Cash yield after step-up
NWDEVL 6 1/4 PERP	XS1960476387	First Call on 7 Mar'24	1,300.0	31.5	626.9%	6.25%	19.8%	NA
NWDEVL 4.8 PERP	XS2268392599	First Call on 9 Sep'23	700.0	29.2	2937.2%	4.8%	16.4%	NA
NWDEVL 6.15 PERP	XS2435611327	First Call on Mar'25	345.3	78.7	345.8%	6.15%	7.8%	12.5%
NWDEVL 5 1/4 PERP	XS2132986741	3/22/2026	999.0	50.3	103.3%	5.25%	10.4%	23.2%
NWDEVL 4 3/4 01/23/27	XS1549621586	1/23/2027	458.4	81.1	17.9%	4.75%	5.9%	NA
NWDEVL 5 7/8 06/16/27	XS2488074662	6/16/2027	172.0	79.3	18.0%	5.875%	7.4%	NA
NWDEVL 8 5/8 02/08/28	XS2873948702	2/8/2028	400.0	76.1	20.3%	8.625%	11.3%	NA
NWDEVL 4 1/8 PERP	XS2348062899	3/10/2028	1,144.4	37.9	44.7%	4.125%	10.9%	25.4%
NWDEVL 4 1/8 07/18/29	XS2028401086	7/18/2029	717.8	60.5	17.8%	4.125%	6.8%	NA
NWDEVL 4 1/2 05/19/30	XS2175969125	5/19/2030	442.6	58.7	17.0%	4.5%	7.7%	NA
NWDEVL 3 3/4 01/14/31	XS2282055081	1/14/2031	76.1	55.8	15.8%	3.75%	6.7%	NA

Source: Bloomberg.

➤ **SJMHOL: Grand Lisboa Palace continued to fuel SJM's growth in 1Q25****Table 1: Financial highlights of SJM**

HKDmn	1Q24	1Q25	Change
Revenue	6,920	7,480	8.1%
-Gaming revenues	6,464	6,949	7.5%
-Other revenues	456	531	16.4%
Adjusted EBITDA	864	958	10.9%
Adjusted EBITDA Margin	12.5%	12.8%	0.3 pct pt
Profit/ (loss) attributable to owners of the company	(74)	31	-
	Dec'24	Mar'25	Change
Cash, short-term deposit and pledged bank deposits	3,217	3,232	0.5%
Total Debt	26,458	26,739	1.1%

Source: Company filling.

SJM's revenue growth momentum continued in 1Q25 with 8.1% yoy increase in revenue, attributable to the continued recovery in inbound tourism to Macau and the ramping up of GLP. The property visitation in GLP reached a record high in 1Q25 to 30k per day, represented a 8% qoq increase from 4Q24. The market share of SJM stood at 13.5% in 1Q25 and FY24, while market share of GLP increased slightly to 2.8% from 2.7% over the same period. SJM expects its GGR market share to increase through continuous ramping up of GLP, as well as enhanced products and services offerings such the refurbishment of GL. As per SJM, it recorded double digit GGR growth yoy in Apr'25.

The higher hotel occupancy rates also helped the revenue growth in 1Q25. The hotel occupancy rate of Grand Lisboa Palace Resort and Grand Lisboa Hotel were 98.7% and 98.8%, respectively in 1Q25, increased from 92.6% and 98.3% in 1Q24. In 1Q25, SJM's adjusted EBITDA increased by 10.9% yoy while adjusted EBITDA margin increased to 12.8%.

We expect that the operating performance of SJM will continue to improve in 2025 supported by the sustained recovery in tourism and moderating GGR growth. In 1Q25, smart gaming tables were installed in GL and Casino Lisboa, while SJM targets to install smart tables in GLP and Oceanus at Jai Alai by end-2025. These will increase the speed of the games and help SJM to increase GGR in 2025.

Moreover, majority of the 10 causal dinning outlets (7 at GLP, 3 at GL) upgrades are ready and will be officially launched in phases this year. For the two new event spaces at GLP, work for Grand Hall is largely completed

and work for Garden House is approaching the final stage. We expect these would add visitations and events to GLP and GL in 2H25. The continuous effort in cost control should also improve its profitability.

SJM budgeted HKD1.5-2bn capex for FY25 and spent HKD492mn in 1Q25, implying HKD1-1.5bn to be spent in 2Q-4Q25. We believe SJM continues to fund its capex with its operating cash inflow and cash on hand. As of Mar'25 and Dec'24, SJM's cash, short-term deposits and pledged deposits stood at HKD3.2bn. SJM has undrawn banking facilities of HKD3.8bn. As per SJM, the net debt/adjusted EBITDA fell to 5.9x as at Mar'25 from 6.3x as of Dec'24, with a target of below 5.0x in coming 1.5-2 years. Meanwhile, SJM's next USD bond maturity is SJMHOL 4.5 01/27/26 of USD500mn. SJM is in the progress to refinance the bonds via bank loans in view of lower funding cost. We take additional comfort that Macao gaming operators have resumed their access to capital markets after the sharp recovery of GGR and operating performance.

Within the Macau gaming sector, our top picks are MPELs and STCITYs/STDCTY. We also consider SJMHOLs good carry play. Meanwhile, we consider MGMCHIs and WYNMAC'27 yield pick-up plays, trading at 38-82bps and 95bps pick-up over bonds of their US parents, respectively. We are neutral on SANLTDs on valuation.

Table 2: Macau gaming USD bond profile

	Ask YTM (%)	Mod Duration	Ask px
MGMCHI	5.7-6.8	0.1-3.5	98.1-101.5.
MPEL	6.4-8.4	0.1-5.3	91.4-99.8
SANLTD	4.9-6.0	0.1-5.5	85.9-100.1
SJMHOL	6.7-7.4	0.5-2.5	93.7-98.4
STCITY/STDCTY	6.0-8.4	0.2-3.2	89.2-100.1
WYNMAC	5.1-7.0	0.7-3.9	92.8-99.6

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Korea Ocean Business Corporation	300	5yr	4.625%	T+92.5	Aa2/-/AA-
ST Engineering EHQ/ Singapore Technologies Engineering	750	5yr	4.25%	T+50	AAA/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Sihai International Investment/ Wuxi Hengting Industrial	USD	-	3yr	5.3%	Unrated

➤ **News and market color**

- Regarding onshore primary issuances, there were 127 credit bonds issued yesterday with an amount of RMB61bn. As for month-to-date, 2,332 credit bonds were issued with a total amount of RMB2,178bn raised, representing a 9.9% yoy increase
- Indonesia is considering halting pipeline natural gas exports to Singapore by 2028 to address a growing domestic shortage on the country's two most populous islands

- **[ADGREG]** Adani Green says independent review on US indictment found no irregularities or noncompliance
- **[BNKEA]** Bank of East Asia to call BNKEA 4 05/29/30 (T2) of USD600mn on the first call date on 29 May'25
- **[CIFIHG]** CIFI to hold creditors meeting to vote on offshore debt revamp plan on 3 Jun'25
- **[FUTLAN/FTLNHD]** Seazen Holdings 1Q25 operating revenue down 32.2% yoy to RMB9.7bn (cUSD1.3bn)
- **[LASUDE]** Lai Sun Development seeking USD490mn (cHKD3.8bn) loan to refinance USD 513m-equivalent HKD/RMB/USD-denominated secured loan due in Mar'26
- **[LMRTSP]** LMIRT 1Q25 gross revenue rises 1.4% yoy to SGD49.9mn (cUSD38mn)
- **[MEITUA]** Meituan early redeemed USD1.46bn of MEITUA 0 04/27/27, USD20.6mn remains outstanding
- **[POHANG/PKX]** POSCO Holdings and several other South Korean companies pledged USD1.7bn in new investment in Indonesia after meeting Indonesian President
- **[VNRKLE]** Vanke 1Q25 revenue drops 38% yoy to RMB38bn (cUSD5.2bn); Vanke has borrowed RMB3.3bn 36-month loan from Shenzhen Metro Group to repay bonds at a floating interest rate of 1yrLPR-76bps (2.34%); Vanke plans to sell its 73mn A-share treasury stock

Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

fis@cmbi.com.hk

Author Certification

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.