

CMBI Credit Commentary

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

- *Light flows this morning. New JNUCGC'27 and WUECDE'27 were under better selling. HY LGFVs were actively two-way traded. Developers were weak, DALWANs down 0.1pt and VNKRLs down 0.2pt.*
- **MGMCHI:** Solid growth in 9M24. See below for comments.
- **FUTLAN/FTLNHD:** Seazen Holdings 9M24 revenue down 27.7% yoy to RMB51.6bn and net profits down 41.3% yoy to RMB1.5bn. FUTLAN/FTLNHD were unchanged this morning.

❖ Trading desk comments 交易台市场观点

Yesterday, KRKPSC '27/29 tightened 3bps. HAOHUA '28/TENCNT '30 were 2bps tighter. ZHOSHK 26/28 also tightened 3-6bps. The long-end of BABAs/TENCNTs, however, closed 1-3bps wider under better selling. In financials, NANYAN announced to call its USD700mn NANYAN '29 T2 at par on 20 Nov '24. BNKEA/NANYAN/ANZNZ/SHCMBK T2s tightened 2-3bps. BCLMHK/INDKOR/ICBCIL Float 24-30s were unchanged to 2bps tighter. In AT1s, LLYODS 6.75/INTNED 7.25 Perps were down 0.2-0.5pt. BNP 8/ACAF 6.7 Perp were 0.3-0.4pt lower. Moody's revised the rating outlook on seven French banks (including BNP Paribas/Credit Agricole S.A. etc) to negative from stable following the revision on France's rating outlook. In insurance hybrids, MYLIFE '54/NIPLIF '53 were unchanged to 0.1pt lower. In HK, FAEACO Perp was unchanged after privately placed a small CNH bond of RMB37.5mn. See our comments on [30 Oct '24](#). HYSAN/NANFUND FFL Perps were down 0.2-0.5pt. In Chinese properties, LNGFOR 28-32s were 0.6-0.9pt higher. DALWAN 25-26s, however, were down another 0.4pt. Outside properties, EHICAR 26/27 dropped 0.6-1.4pts. HILOHO '24 declined 1.1pts, closed 6.7pts lower WTD. In Macau gaming, SANLTD 27-30s were down another 0.2-0.4pt. MGMCHI 25-27s were unchanged. See comments below on MGM China's 3Q24 results. Away from China, GLPSP Perps were 0.6pt higher. GLPCHI '26/GLPSP '25 were unchanged. In Indonesia, ABMMIJ announced to redeem its o/s USD160mn ABMMIJ '26 at 103 via call option on 29 Nov '24. ABMMIJ '26 was unchanged yesterday, and rose 1.5pts this morning.

In LGFVs, WUECDE priced a USD450mn 3-yr bond at par to yield 5.4%. JNUCGC priced a USD506mn 3-yr bond at par to yield 5%. The old WUECDE '24/JNUCGC '26 were up 0.1pt. On secondary, the flows were skewed to better buying from RMs. BCDHGR '26 were 0.3pt higher. QZSOAT/QDJZWD 25s were up 0.1pt. SOE perps were better bid by some top-up demands from local RMs. The new SPICPD 4.95 Perp hovered around RO at par despite selling pressure from primary. SPICPF 3.38 Perp was unchanged to 0.1pt higher. CHPWCN 4.25 Perp/CCBINT 3.329 Perp were 0.1pt lower.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
INDON 5.1 02/10/54	96.9	0.9	EHICAR 7 09/21/26	70.1	-1.4
LNGFOR 4 1/2 01/16/28	84.8	0.9	HILOHO 9 3/4 11/18/24	49.2	-1.1
INDON 3.2 09/23/61	65.9	0.8	MUFG 4.153 03/07/39	90.8	-0.7
PLNIJ 4 7/8 07/17/49	84.3	0.8	EHICAR 12 09/26/27	67.8	-0.6
LNGFOR 3.85 01/13/32	71.6	0.6	HYSAN 4.85 PERP	74.5	-0.5

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.33%), Dow (-0.22%) and Nasdaq (-0.56%) were retreated on Wednesday. US Oct'24 ADP employment was +233k, higher than the expectation of +110k. US 3Q24 GDP rose 2.8% qoq, lower than the expectation of +3.0% qoq. China Oct'24 official manufacturing/non-manufacturing PMI was 50.1/50.2, compared with the expectation of 50.0/50.4. UST yield edged higher yesterday, 2/5/10/30 yield reached 4.15%/4.14%/4.29%/4.49%.

❖ Desk Analyst Comments 分析员市场观点

➤ MGMCHI: Solid growth in 9M24

MGM China reported solidly improved 9M24 results. In 9M24, MGM China's revenue rose 38.0% yoy to HKD23.5bn (cUSD3.0bn), mainly boosted by MGM Cotai of which the revenue improved 48.4% yoy to HKD13.7bn (cUSD1.7bn) due to higher win rate in both main floor table games and VIP table games. In 9M24, MGM China's adj.EBITDA increased 37.4% yoy to HKD6.9bn (cUSD883mn), already exceeded the pre-pandemic levels of 9M19. See table below. In 3Q24, MGM China's revenue and adj.EBITDA rose 14.0% and 5.3% yoy to HKD7.2bn and HKD2.0bn. We believe that the solid performance reflects the general market environment of the Macao gaming sector while the yoy adj. EBITDA decline of Sands China was mainly attributable to the disruption resulting from the renovation of Londoner. See our comments on [Sands China dated 24 Oct'24](#).

HKD mn	9M24	9M23	9M19	9M24 vs. 9M23	9M24 vs. 9M19
Revenue	23,467	17,007	17,073	38.0%	37.5%
Adj. EBITDA	6,932	5,045	4,625	37.4%	49.9%

Source: Company fillings.

MGM China has resumed the access to external funding channels given the improving operating performance and cash flow. Recalled that MGM China issued USD500mn 7NC3 MGMCHI 7.125'31 to refinance its revolving credit facilities in Jun'24. We continue to believe that Macau gaming operators are candidates for early redemptions with strong operating cash flow and resumed access to funding channels. YTD, Macau gaming operators have early redeemed USD100mn bonds via tender offer and USD212mn bonds via open market repurchases. Within the sector, SJMHOLs remain to be our top picks, followed by MPEL, STCITY/STDCTY for their better risk-return profiles. We also like MGMCHIs and long-dated WYNMACs which offer 40-100bps and c80bps yield pick-up over the bonds of their US parents. Meanwhile, we are neutral of SANLTDs on valuation.

	Ask YTM (%)	Mod Duration	Ask price
MGMCHI	6.1-6.7	0.6-3.8	97.1-102.2
MPEL	6.2-7.3	0.6-4.3	92.3-101.8
SANLTD	5.0-5.5	0.8-5.9	87.2-100.1
SJMHOL	6.0-6.8	1.2-2.9	94.4-98.3
STCITY/STDCTY	6.0-7.6	0.7-3.7	90.8-100.8
WYNMAC	3.6-6.7	1.2-4.3	93.6-103.6

Source: Bloomberg.

➤ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Jinan Urban Construction Grop	506	3yr	5.0%	5.0%	-/-/BBB+
Wuhan Financial Holdings	450	3yr	5.4%	5.4%	-/-/BBB-

➤ Offshore Asia New Issues (Pipeline)

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Chengdu Communications Investment Group Corporation Limited	USD	-	3.5/5yr	5.2%/5.35%	-/-/BBB+

➤ News and market color

- Regarding onshore primary issuances, there were 91 credit bonds issued yesterday with an amount of RMB61bn. As for month-to-date, 1,549 credit bonds were issued with a total amount of RMB1,404bn raised, representing a 2.2% yoy decrease
- [ABMMIJ]** ABM Investama to redeem early USD200mn ABMMIJ 9.5'26 via call option
- [ADROIJ]** Adaro Energy 9M24 revenue down 10.6% yoy to USD4.45bn and operating income down 6.1% yoy to USD1.52bn
- [DALWAN]** Media reported that Dalian Wanda Group's RMB1.98bn equity in Dalian Wanda Commercial Management Group frozen by court
- [FUTLAN/FTLNHD]** Seazen Holdings 9M24 revenue down 27.7% yoy to RMB51.6bn and net profits down 41.3% yoy to RMB1.5bn
- [GZRFPR]** Guangzhou R&F Properties subsidiary's winding-up petition hearing adjourned to 11 Dec'24 by HK court
- [NANYAN]** Nanyang Commercial Bank to redeem all outstanding USD700mn NANYAN 3.8'29 on 20 Nov'24
- [VNKRLE]** China Vanke 9M24 revenue down 24.3% yoy to RMB219.9bn and recorded pretax loss of RMB7.2bn
- [XJFINV]** Fitch affirmed Xinjiang Financial Investment (Group) Co., Ltd.'s BB+ rating with stable rating outlook

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