

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市場日報

- *Chinese IG KUAISH/MEITUA recovered and tightened 1-3bps this morning. We saw RMs buying perps, but PBs were switching out of short dated to call EU AT1s. ACPM 4.85 Perp/FAEACO 12.814 Perp were 0.7-0.9pt lower. NWDEVL 27-28 recovered 0.5-0.6pt.*
- **Macau gaming:** Solid 24% yoy GGR growth in Jan'26. See below.
- **UPLLIN:** UPL Limited 9MFY26 EBITDA rose 22% yoy to INR59.1bn (cUSD648mn). UPLLIN 28-30 were unchanged this morning.

❖ Trading desk comments 交易台市場观点

Yesterday, we saw balanced two-way flows in FRN space across AU/JP financial names and MAYMK, as well as 2-3yr Korean quasi-sovereign issues and HYNMTR, which closed 1-2bps tighter. The market opened with all-in sellers took profits on front-end to belly Chinese AMC papers (ORIEAS/CCAMCL), POE/TMTs (KUAISH/TENCNT), and belly financial papers (DAESEC/OCBCSP/BBLTB), driving spreads 1-3bps wider. However, selling flows gradually vanished and credit spreads closed largely unchanged. TW lifers widened 3-5bps. The Macau gaming complex were 0.2pt lower to 0.1pt higher. See comments below. In Chinese/HK higher-yielding space, WESCHI 26 led the space, rose 1.4pts, and WESCHI 28 edged 0.2pt higher. WESCHI priced the new USD300mn WESCHI 29 at 10.5% to fund the concurrent tender offer for the remaining outstanding (i.e. USD200mn) of WESCHI 26. See our comments [yesterday](#). EHICAR 26-27 dropped 0.7-2.3pts. FAEACO 12.814 Perp lost 1.4pts. The NWDEVL/VDNWDL complex were down by 0.5-2.3pts. MTRC Perps were 0.1pt lower. In Chinese properties, VNKRLE 27-29 were 0.9-1.7pts lower. FUTLAN 28/FTLNHD 26/LNGFOR 27-32 were unchanged to 0.6pt lower. In SE Asian space, VLLPM 27-29 dived 7.6-9.6pts. Media reported that the Philippines' Securities and Exchange Commission charged Villar Land Holdings, a company controlled by the Villar family of Vista Land & Lifescapes, with market manipulation. GLPSPs closed 0.1-0.9pt weaker. VEDLN 28-33s leaked 0.1-0.7pt. JP insurance subs were 0.1-0.4pt weaker as selling pressure persisted. Yankee AT1s opened 0.3pt lower in London but bounced back to only 0.1pt weaker on short covering. In the Middle East, long-end KSAs were 0.2pt lower to 0.2pt higher. LGFVs remained solid, supported by Chinese RMs.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
WESCHI 4.95 07/08/26	101.1	1.4	VLLPM 9 3/8 07/29/29	49.3	-9.6
TSIVMG 1.6 12/17/39	48.0	1.0	VLLPM 7 1/4 07/20/27	62.0	-7.6
DBKAZ 2.95 05/06/31	90.9	0.7	EHICAR 7 09/21/26	71.4	-2.3
SSW 5 1/2 08/01/29	95.5	0.5	NWDEVL 5 1/4 PERP	75.3	-2.3
ROADKG 7 PERP	19.4	0.4	NWDEVL 10.131 PERP	77.8	-2.0

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.54%), Dow (+1.05%) and Nasdaq (+0.56%) were higher on Monday. S&P Global Manufacturing Jan'26 PMI was 52.4, higher than the market expectation of 51.9. ISM Manufacturing Jan'26 Prices was 59.0, lower than the market expectation of 59.3. ISM Manufacturing Jan'26 PMI was 52.6, higher than the market expectation of 48.5. UST yield was higher on Monday. 2/5/10/30 year yield was at 3.57%/3.83%/4.29%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: Solid 24% yoy GGR growth in Jan'26

Table 1: Macau monthly GGR

MOP mn	2024	2025	2026	Cumulative GGR 2026	Cumulative GGR 2026 growth rate	% of 2019 GGR
Jan	19,337	18,254	22,633	22,633	24.0%	90.7%
Feb	18,486	19,744	-	-	-	-
Mar	19,503	19,659	-	-	-	-
Apr	18,545	18,858	-	-	-	-
May	20,188	21,193	-	-	-	-
Jun	17,694	21,064	-	-	-	-
Jul	18,595	22,125	-	-	-	-
Aug	19,754	22,156	-	-	-	-
Sep	17,253	18,289	-	-	-	-
Oct	20,787	24,086	-	-	-	-
Nov	18,438	21,088	-	-	-	-
Dec	18,202	20,888	-	-	-	-

Source: Macau DSEC.

In Jan'26, Macau's gross gaming revenue (GGR) increased 24.0% yoy to MOP22.6bn, a solid start to 2026. The Jan'26 GGR represented 90.7% of GGR in Jan'19 and GGR in Jan'26 is the highest Jan figure since 2019. We believe that yoy increase in GGR in Jan'26 reflected the sustain recovery of GGR after COVID and also partly reflected the pre-holiday slowdown in Jan'25 when only part of the CNY holiday fell within Jan'25, compared to the CNY holiday falls into February this year. The aggregate GGR for Jan and Feb of 2026 should offer a better gauge on GGR trend.

Macau government set GGR target of MOP236bn in 2026. The target appears to be conservative based on the growth momentum in 2025. GGR in 2025 increased 9.1% to MOP247.4bn, equivalent to 84.6% of pre-COVID

level in 2019, and exceeded its revised forecast of MOP228bn. The 2026 forecast of MOP236bn represents 3.5% yoy growth from 2025 revised GGR forecast of MOP228bn. In 2025, the tourist arrival of Macau was 40.1mn, increased 15% yoy and exceeded the all-time high record of 39.4mn in 2019.

As discussed before, we consider Macau gaming bonds lower-beta and good carry plays with improving credit stories despite we should see more new supply to come in view of the scheduled maturities and undemanding funding costs. Our top picks within the segment remain **MPELs and STCITYs** given the growing adj. EBITDA of Melco Resorts and Studio City, as well as the more appealing risk-return profiles of MPELs/STCITYs. We also consider **WYNMAC'27 and '29** yield pick-up plays, trading at premium of c30-80bps 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	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Mod dur
MPEL 5 3/8 12/04/29	USG5975LAE68	1,150	99.0	5.7%	3.4
MPEL 7 5/8 04/17/32	USG5975LAK29	750	104.9	6.7%	4.8
MPEL 6 1/2 09/24/33	USG5975LAL02	500	99.8	6.5%	5.8
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.1	6.4%	1.8
STCITY 5 01/15/29	USG85381AG95	1,100	96.7	6.2%	2.7
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	100.0	5.5%	1.5
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	99.5	5.3%	3.4

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
CMBC International Funding (HK)	300	3yr	SOFR+60	SOFR+60	-/-/BBB-

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

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

➤ **News and market color**

- Regarding onshore primary issuances, there were 89 credit bonds issued yesterday with an amount of RMB88bn. No credit bonds were issued on 2 Feb'25 due to Chinese new year holiday
- Trump said he would roll back punitive tariffs of 25% and cut a levy on Indian goods to 18% from 25% in return for an agreement that India would stop buying Russian oil
- China local government debt up 15% in 2025, remains manageable
- Indonesia recorded a 19.7% decline in coal exports last year to USD24.5bn due to declining global prices
- [HTSC]** Huatai Securities raised USD698.6mn by selling HKD and RMB-denominated guaranteed bonds due 2028

- **[UPLLIN]** UPL Limited 9MFY26 EBITDA rose 22% yoy to INR59.1bn (cUSD648mn)

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