CMBI Credit Commentary

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

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- *Asian IG space was stable with light flows this morning. CNH MEITUA'30/'35 rose 0.25pt. FRESHKs down 0.5-1.0pt. CNH ZHHFGR were unchanged to 1.5pts higher. CPDEV/ FUTLAN/LNGFOR rose c0.5pt. LGFV space remained under better selling.*

- ***Macau gaming:** 10M26 GGR growth further moderates despite higher visitor arrivals during October Golden Week. See below.*

- ***PTTGC:** Moody's affirmed PTT Global Chemical's Baa3 ratings and revised the outlook to stable from negative. We maintain buy on PTTGC 6.5 Perp and PTTGC 7.125 Perp, which were unchanged to 0.1pt lower this morning.*

❖ **Trading desk comments 交易台市场观点**

On last Friday, Asian IG space was overall quiet. FRESHK curve further widened 20-25bps after drop in Thursday. TMT BABA/TENCNT/MEITUA was 1-3bps wider. New CNH MEITUA'31/36 down 0.2pt/0.5pt, respectively. CNH BABA/TENCNT dropped 0.1-0.4pt. Active Bank T2 BNKEA /NANYAN /DAHSIN were unchanged to 2bps wider. China AMCs were unchanged to 2bps wider. KR space was stable with two-way flows in financials and industrials. HYUELE/KOBCOP/HYNMTR were unchanged to 2bps tighter.

In Higher-yielding space, EU AT1s were weak and dropped 0.1-0.2pt. Chinese property developers rebounded, CNH ZHHFGR curve rose 3-8pts. BCDHGR/CPDEV up 0.5-1.2pts. GRNCH/LNGFOR/FUTLAN up 0.2-1pt. HY industrial HONGQI/FOSUNI were unchanged to 0.1pt lower. LGFV space was in cautious tone and under better selling with limited buyers. SOFTBKs were unchanged to 1.1pts lower. GLPSP/GLPCHI down 0.1pt. Macau gaming names rebounded 0.1-0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
CPDEV 6.8 04/07/29	**90.9**	**1.2**	SOFTBK 9 1/4 04/01/32	**99.5**	**-1.1**
CPDEV 7.15 03/21/28	**93.6**	**1.2**	SOFTBK 9 3/4 04/01/34	**99.6**	**-0.9**
DALWAN 12 1/2 04/29/29	**97.3**	**1.1**	AIA 5.4 09/30/54	**85.7**	**-0.9**
GRNCH 8.45 02/24/28	**92.4**	**1.0**	HAOHUA 3.7 09/22/50	**71.2**	**-0.8**
GRNCH 7 05/19/29	**86.5**	**0.9**	SOFTBK 8 1/4 10/29/65	**90.4**	**-0.8**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-1.82%), Dow (-1.09%) and Nasdaq (-2.86%) dropped on Friday. China Oct'26 manufacturing /service PMI was 49.3/49.7, compared to the expectation of 49.9/50.0. UST yield was lower, 2/5/10/30 year UST yield was at 4.56%/4.71%/4.94%/5.31%.

❖ Desk Analyst Comments 分析员市场观点

➢ Macau gaming: 10M26 GGR growth further moderates despite higher visitor arrivals during October Golden Week

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	20,627	43,261	13.9%	86.0%
Mar	19,503	19,659	22,612	65,873	14.3%	86.5%
Apr	18,545	18,858	19,894	85,767	12.1%	86.0%
May	20,188	21,193	22,611	108,378	10.9%	86.2%
Jun	17,694	21,064	18,522	126,900	6.8%	84.9%
Jul	18,595	22,125	20,260	147,160	4.4%	84.6%
Aug	19,754	22,156	21,891	169,053	3.7%	85.3%
Sep	17,253	18,289	18,063	187,116	3.2%	84.9%
Oct	20,787	24,086	21,680	208,796	1.6%	84.6%
Nov	18,438	21,088	-	-	-	-
Dec	18,202	20,888	-	-	-	-

Source: Macau DSEC.

In Oct'26, Macau's gross gaming revenue (GGR) dropped 10.0% yoy to MOP21.7bn, representing the fifth consecutive month of yoy decline. The monthly GGR decline deepened from 1.2% in Sep'26, despite a 15.5% yoy growth of daily average visitor arrivals during the October Golden Week holiday. We view this divergence implies that the higher visitation does not necessarily translate into a proportionate increase in gaming revenue. We believe the improvement of Macau GGR is more dependent on overnight visitation, gaming spend per visitor, and premium-mass activities.

Cumulatively, GGR rose 1.6% yoy to MOP208.8bn in 10M26, moderating from the 3.2% yoy growth in 9M26. Monthly yoy declines since Jun'26 have progressively eroded the gains recorded in Jan-May'26. 10M26 GGR was 84.6% of pre-COVID level in 10M19 and accounted for c88.5% of the Macau government's 2026 full year GGR forecast of MOP236bn, compared to c90.1% achieved in 10M25 against the government's revised forecast of MOP228bn for 2025. We continue to view the 2026 target as achievable, with the remaining MOP27.2bn implying average monthly GGR of MOP13.6bn in Nov'26 and Dec'26.

The Macau gaming bonds were traded weaker since Sep'26, partly reflected the rate hike expectation and softer sentiment in higher-yielding space. We expect the space may have more USD bonds supply given the gaming operator's scheduled maturities. That said, we like Macau gaming bonds as lower-beta and good carry plays with improving credit stories and take comfort from their smooth access to funding market. Our top picks in the sector remained MPELs, STCITYs, and SJMHOL'31 for their more appealing risk-return profiles. We also consider WYNMAC'27 and '29 as yield pick-up play. WYNMAC'29 is trading at premium of c100bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOL 28 on valuation.

The Macau gaming names performed poorly since Sep'26 due to the hike expectation and weak sentiment in higher-yielding space. The space may have more USD bonds supply given the gaming operator's scheduled maturities. That said, we like Macau gaming bonds as lower-beta and good carry plays with improving credit stories and take comfort from their smooth access to funding market. Our top picks in the sector remained MPELs, STCITYs, and SJMHOL'31 for their more appealing risk-return profiles. We also consider WYNMAC'27 and '29 as yield pick-up play. WYNMAC'29 is trading at premium of c100bps over bonds of its US parent. We are neutral on MGMCHIs, SANLTDs, and SJMHOL 28 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	94.9	7.2%	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	92.7	7.9%	5.3
SJMHOL 6 ½ 01/15/31	XS3267117995	540	89.3	9.6%	3.5
STCITY 6 1/2 01/15/28	USG85381AF13	335	99.5	6.9%	1.1
STCITY 5 01/15/29	USG85381AG95	1,100	93.7	8.2%	2.0
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.4	6.1%	0.9
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	95.0	6.9%	2.8

Source: Bloomberg.

- **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 56 credit bonds issued on last Friday with an amount of RMB25bn. As for month-to-date, 1,810 credit bonds were issued with a total amount of RMB1,807bn raised, representing a 9.3% yoy increase

- **[ADSEZ]** Media reported that Adani Ports submitted a USD3.3bn bid to acquire Dutch-based Evos Terminals
- **[BTSDF]** H&H plans to reduce debt by RMB500-700mn annually from 2027
- **[SUNOTG]** Moody's affirmed Sunny Optical's Baa1 rating and revised the outlook to positive from stable
- **[ZHHFGR]** Fitch placed Zhuhai Huafa Group's BBB Issuer Default Ratings on Rating Watch Negative

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