

CMBI Credit Commentary

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

- *The new MGMCHI 33s rose 0.6pt from RO at par this morning. The new BNKEA 32 traded up to 15bps tighter from RO at T+140. See our comments on both MGMCHI and BNKEA [yesterday](#). The new WSTP 4.15 28 and WSTP 31s tightened 3-5bps from ROs, while WSTP Float 28s were largely unchanged. We saw better buying on AT1s from PBs while better selling from prop desks.*
- **STCITY/STDCTY:** *FV of the new 5NC2 to be low-mid 6%. STDCTY/STCITYs were unchanged this morning. See below.*
- **GLMTMO:** *Golomt Bank launched a tender offer for GLMTMO 11 05/20/27 for up to USD200mn at 104.3, funded by concurrent 3-year USD bonds issue with IPT at 8.5%. GLMTMO 27 was 0.1pt lower this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, GLPSPs led the space and rose 1.2-1.8pts ahead of releasing FY25 results on 8 May'26. As for the rest of SE Asian space, PTTGC/TOPTB Perps were 0.7-1.1pts firmer. PTT Global Chemical adjusted EBITDA increased by 176% yoy to THB14.9bn (cUSD455mn). BBLTB subordinated papers tightened 2-5bps. GENTMK Perps edged 0.5-0.7pt higher. VEDLN 28-33s were up by 0.1-1.2pts. In Chinese TMT space, MEITUA tightened 5-8bps and AACTEC/LENOVO/XIAOMI traded 2-3bps tighter. ZHOSHK 28 was 0.3pt firmer. TW lifers closed 5-7bps tighter, led by CATLIF and NSINTW. In HK, BNKEA T2s closed largely unchanged amid minor selling on BNKEA 34s, ahead of the BNKEA 6NC5 new issue. See our comments [yesterday](#). LINREI 36 tightened 2bps. The NWDEVL/VDNWDL complex were 0.1pt lower to 0.4pt higher. FAEACO 12.814 Perp was 0.2pt higher. The Macau gaming complex traded up to 0.5pt higher. See our comments on MGM China's new 7NC3 issue [yesterday](#). Studio City announced to issue new senior notes and launched concurrent cash tender offer and call for STDCTY 7 02/15/27. In Chinese properties, VNKRL 27' and 29' gained 0.3-0.8pt. LNGFOR 27-32 closed 0.1-0.3pt higher. The KR IG space traded 1-5bps tighter amid mixed flows. We saw better buying in LGENSO longer duration issues, while profit taking in front-end HYUELE 28/DAESEC 29/KOROIL 28. In JP, the recent new issues NIPLIF/MIZUHO tightened 2-4bps. SOFTBKs rose 0.1-0.7pts. RESLIF 6.875 Perp gained 0.3pt. Resolution Life FY25 net income jumped 47% yoy on robust growth in premium income. See our comments [yesterday](#). In AT1 space, NOMURA 7 Perp was 0.2pt higher. STANLN 7 Perp gained 0.5pt. In the Middle East, SECO 29-36/BSFRs/FABUH 34-35 closed 0.1-0.3pt higher. First Abu Dhabi Bank priced its new USD700mn issue at T+85. In LGFV space, QDJZWD 27-28s were unchanged to 0.2pt higher, while HUASST 27/GXCMIN 27 lost 0.4pt.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|-----------------------|-------|--------|---------------------|-------|--------|
| GLPSP 4.6 PERP | 45.4 | 1.8 | MDLNIJ 6 04/30/27 | 31.9 | -1.1 |
| RILIN 6 1/4 10/19/40 | 109.6 | 1.3 | EHICAR 10 10/14/29 | 50.4 | -0.4 |
| GLPSP 9 3/4 05/20/28 | 80.3 | 1.2 | EHICAR 7 09/21/26 | 69.2 | -0.4 |
| GLPSP 4 1/2 PERP | 47.8 | 1.2 | HUASST 7 10/24/27 | 100.0 | -0.4 |
| TAISEM 4 1/2 04/22/52 | 93.5 | 1.2 | GXCMIN 4.1 09/29/27 | 99.4 | -0.4 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+1.46%), Dow (+1.24%) and Nasdaq (+2.02%) were higher on Wednesday. US Apr'26 ADP Nonfarm Employment Change was 109k, lower than the market expectation of 118k. US crude oil inventories was -2.313mn, compared to the market expectation of -3.400mn. UST yield was lower on Wednesday. 2/5/10/30 year yield was at 3.87%/3.99%/4.36%/4.94%.

❖ Desk Analyst Comments 分析员市场观点

➤ STDCTY/STCITY: FV of the new 5NC2 to be low-mid 6%

Studio City plans to early redeem the senior secured STDCTY 7 02/15/27 in full, through a tender offer for any and all of the bonds at 100.125 plus accrued interests, and call the remaining outstanding amount on 5 Jun'26 at par plus accrued and unpaid interest. The tender offer and the call are conditional upon the receipt by Studio City of net proceeds from the successful completion of concurrent USD bond issue in an aggregate amount, together with cash on hand, being sufficient to fund the tender offer and the redemption of bonds which remain outstanding following the completion of the tender offer and related fees.

We view the FV of the new senior secured 5NC2 to be low-mid 6% vs IPT at 6.5%, taking cues from the valuation of its senior secured STDCTY 27 trading at YTM of 5.6%, as well as senior unsecured STCITY 28-29 which are trading at YTM of 6.5-6.7% and adjusted for the difference in payment rank. That said, we are still wondering why holders will be willing to participate into the tender offer to get 100.125 instead of waiting for another 2-3 weeks until the call to get 102.13889.

In 1Q26, Studio City's adj. EBITDA rose 14.8% yoy to USD111.7mn on better mass market performance. Mass table hold increased to 36.9% in 1Q26 (1Q25: 32.8%), while gaming machine handle win rate was marginally lower at 3.7% (1Q25: 3.8%). RevPAR increased to USD176 (1Q25: USD166), through occupancy rate down 1 pct pt to 98% in 1Q26. Please read our daily on [4 May'26](#) for the 1Q26 results on Melco Resorts and Studio City.

Table 1: Summary of tender offer and new USD bond issue

| Issuer: | Studio City |
|--------------------------|-------------------------------------------------------------------|
| Tender offer | |
| Security name | STDCTY 7 02/15/27 |
| ISIN | USG8539EAC96 |
| Amount outstanding | USD350mn |
| Amount subject to tender | Any and all |
| Tender px | 100.125, plus accrued interest up to, but not including 15 May'26 |

| | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expiration date | 12 May'26 EST |
| Settlement date | 15 May'26 |
| Redemption notice | Studio City also issued a notice of conditional redemption with respect to all of the outstanding amount for redemption on 5 Jun'26 for the redemption price at par, plus accrued and unpaid interest to the date of the redemption and additional amounts, if any. Assuming the redemption date is 5 Jun'26, the accrued and unpaid interest is USD2.13889 |

Concurrent USD bond issue

| | |
|------------|----------------------------------------------------|
| Issue size | USD benchmark |
| Ranking | Senior secured |
| Rating | Ba3/B+/- (Moody's/S&P/Fitch) |
| Tenor | 5NC2 |
| UOP | Fund concurrent tender offer for STDCTY 7 02/15/27 |

Source: Company filing.

Table 2: STDCTY/STCITYs

| Security name | ISIN | Amt o/s (USD mn) | Px | YTM | Mod dur | Payment rank | Issue rating (M/S/F) |
|-----------------------|--------------|------------------|-------|------|---------|------------------|----------------------|
| STDCTY 7 02/15/27 | USG8539EAC96 | 350 | 100.1 | 5.6% | 0.1 | Senior secured | Ba3/B+/- |
| STCITY 6 1/2 01/15/28 | USG85381AF13 | 500 | 100.0 | 6.5% | 1.5 | Senior unsecured | B1/B+/- |
| STCITY 5 01/15/29 | USG85381AG95 | 1,100 | 95.8 | 6.7% | 2.4 | Senior unsecured | B1/B+/- |

Source: Bloomberg.

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

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|----------------------|---------------|-------|----------|----------|----------------------|
| Bank of East Asia | 800 | 6NC5 | 5.375% | T+140 | Baa2/BBB/- |
| First Abu Dhabi Bank | 700 | 5yr | 4.859% | T+85 | Aa3/-/AA- |
| MGM China | 750 | 7NC3 | 6.25% | 6.25% | B1/B+/BB- |
| Westpac Banking Corp | 1250/ | 2yr/ | 4.15%/ | T+32/ | Aa2/AA-/- |
| | 500/ | 2yr/ | SOFR+44/ | SOFR+44/ | |
| | 1000/ | 5yr/ | 4.45%/ | T+47/ | |
| | 1250 | 5yr | SOFR+71 | SOFR+71 | |

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

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|-----------------------------------------|----------|---------------|-------|---------|----------------------|
| Golomt Bank | USD | - | 3yr | 8.5% | -/B+/B+ |
| PT Sarana Multi Infrastruktur (Persero) | USD | 300 | 5yr | 5.45% | Baa2/-/BBB |
| Studio City | USD | - | 5NC2 | 6.5% | Ba2/B+/- |

➤ **News and market color**

- Regarding onshore primary issuances, there were 61 credit bonds issued yesterday with an amount of RMB37bn. As for Month-to-date, 61 credit bonds were issued with a total amount of RMB37bn raised, representing a 27.5% yoy decrease
- **[CKHH]** CK Hutchison Holdings is planning the sale of more telecommunications assets as it aims to exit the sector due to rising competition and increasing costs
- **[FTLNHD/FUTLAN]** Seazen Holdings plans to raise up to RMB2.4bn (cUSD347mn) via bonds in multiple tranches
- **[ORIEAS]** Orient Securities agreed on a price per share to acquire Shanghai Securities in a deal that would create a brokerage with RMB583bn (cUSD85bn) in assets
- **[SKM]** SK Telecom 1Q26 EBITDA fell 3.3% yoy to KRW1.4tn (cUSD976mn)
- **[SKONKR]** SK On is re-evaluating a plan to supply batteries worth USD10bn to Nissan Motor's Canton factory in Mississippi
- **[SYNNVX]** Sinochem Holdings-owned Syngenta Group is targeting a Hong Kong Stock Exchange listing in Sep or Oct'26

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