招銀国际 CMB INTERNATIONAL

Fixed Income
Credit Commentary

2 Jul 2026

CMBI Credit Commentary

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

- *Asia IG space was 1-3bps tighter this morning. The recent new issues MIZUHO 30-47s and SUMIBK 32-47s traded 2-5bps tighter. Chinese TMT TENCNT/BABA/KUAISH 10yr papers also tightened 2-5bps. GLPCHI 29/NWDEVL 4.125 Perp gained 0.5pt. NDPAPE 14 Perp lost 0.5pt. We saw two-way skewed towards small better buying on LGFV names.*

- ***Macau gaming:*** *GGR growth slowed down to 6.8% yoy in 1H26. See below.*

- ***FOSUNI:*** *Fosun International began construction on a mixed-use redevelopment project in Hong Kong, which is expected to require an investment of more than HKD10bn (cUSD1.3bn). FOSUNI 27-29 were unchanged this morning.*

❖ **Trading desk comments 交易台市场观点**

On Tuesday, the new MIZUHO 30-47s and the new SUMIBK 32-47s widened 1-3bps from ROs. Japanese AT1s and insurance subs closed largely unchanged. On the other hand, INTNED 7.25 Perp and ACAFP 6.7 Perp closed 0.7-1.0pt higher, and the rest of the European AT1s and insurance subs edged 0.3-0.4pt firmer amid prop desks and dealers buying the long end, while AMs buying the front end and belly papers. In KR space, SKONKR/NHSECS/HANFGI/HYUELE/POINTL were unchanged in spreads amid rebalancing flows from global AMs. In Chinese IG space, BABA 35/MEITUA/XIAOMI/AACTEC and the recent new issues TENCNT 36/46 tightened 1bp amid better buying. HK T2s BNKEA/NANYAN/DAHSIN closed largely unchanged amid two-way flows.

As for higher-yielding papers, CWAHK 30 edged 0.2pt higher. See our comments on China Water Affairs FY26 results in our daily on Tuesday. FOSUNI 27-29 were unchanged to 0.1pt higher. Fosun International began construction on a mixed-use redevelopment project in Hong Kong, which is expected to require an investment of more than HKD10bn (cUSD1.3bn). VNKRLE 27-29 lost 0.3-0.6pt. LNGFOR 27-32 traded 0.4pt lower to 0.1pt higher. In LGFV, we saw balanced two-way flows across the space. In SE Asia, GLPSPs rose 0.2-0.6pt. The recent new issues VEDLN 32-37s were 0.2-0.6pt firmer, while the rest of VEDLNs were 0.1pt lower to 0.1pt higher. See our comments on VEDLN on 26 Jun'26. Vedanta Resources unit CopperTech Metals deferred US IPO amid market volatility. SMCGL Perps were unchanged to 0.2pt lower.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change
INTNED 7 1/4 PERP	**105.8**	**1.0**
VLLPM 7 1/4 07/20/27	**69.1**	**0.8**
ACAFP 6.7 PERP	**100.8**	**0.7**
VEDLN 7 3/4 07/13/37	**99.6**	**0.6**
NWDEVL 4 1/8 PERP	**82.2**	**0.6**

Top Underperformers	Price	Change
BABA 5 5/8 11/26/54	**99.2**	**-1.5**
MTRC 5 1/4 04/01/55	**98.7**	**-1.4**
PETMK 5.848 04/03/55	**103.4**	**-1.3**
SUMIBK 6.184 07/13/43	**105.9**	**-1.3**
TAISEM 4 1/2 04/22/52	**92.6**	**-1.3**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.22%), Dow (-0.03%) and Nasdaq (-0.66%) were lower on Wednesday. US Jun'26 S&P Global Manufacturing PMI was 53.9, lower than the market expectation of 55.7. US Jun'26 ISM Manufacturing PMI/Prices was 53.3/73.0, respectively, lower than the market expectation of 53.8/77.7. US latest Crude Oil Inventories decreased by 3.775mn, compared to the market expectation of a decrease of 2.900mn. UST yield were higher on Wednesday. 2/5/10/30 year yield was at 4.17%/4.24%/4.48%/4.97%.

❖ Desk Analyst Comments 分析员市场观点

➢ Macau gaming: GGR growth slowed down to 6.8% yoy in 1H26

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	-	-	-	-
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 Jun'26, Macau's gross gaming revenue (GGR) decreased 12.1% yoy to MOP18.5bn, reversing the yoy growth trend since the start of the year, with the weakness largely attributable to the FIFA World Cup diverting gambling budgets away from casino gaming and lower visitation and plays. The expanded tournament format and higher number of matches appear to have extended viewing hours and shifted some gaming activity toward sports betting channels, resulting in softer momentum casino gaming. We believe the impact from the World Cup to persist into Jul'26, with GGR likely remaining under pressure until the conclusion of the tournament on 19 Jul'26.

Cumulatively, GGR in 1H26 increased 6.8% yoy to MOP126.9bn, moderating from the 10.9% yoy increase recorded in 5M26, as the World Cup effect diluted the earlier pace of recovery. The 1H26 GGR was 84.9% of pre-COVID level in 2019. It is also equivalent to c54% of the Macau government's 2026 full-year GGR forecast of MOP236bn, slightly ahead of the run-rate In 2025 when c52% of the full-year GGR of MOP228bn was generated in 1H25. We view the 2026 estimate as achievable, in view of the continued recovery in tourist arrivals from Mainland China and the broader region, and further ramp-up of non-gaming attractions under the new concession framework.

Despite our expectation of more USD bonds supply in view of the scheduled maturities and undemanding funding costs, we still like Macau gaming bonds as lower-beta and good carry plays with improving credit stories. Our top picks in the sector are **MPELs**, **STCITYs**, and **SJMHOL 31**, given the growing adj. EBITDA of Melco Resorts and Studio City, as well as the more appealing risk-return profiles of these bonds. We also consider **WYNMAC'27 and '29** yield pick-up plays, trading at premium of c50bps 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	97.6	6.1%	3.1
MPEL 7 5/8 04/17/32	USG5975LAK29	750	102.6	7.1%	2.4
MPEL 6 1/2 09/24/33	USG5975LAL02	500	98.3	6.8%	5.6
SJMHOL 6 ½ 01/15/31	XS3267117995	540	95.0	7.8%	3.7
STCITY 6 1/2 01/15/28	USG85381AF13	500	100.0	6.5%	0.1
STCITY 5 01/15/29	USG85381AG95	1,100	96.0	6.8%	2.3
WYNMAC 5 1/2 10/01/27	USG98149AD29	750	99.9	5.6%	1.2
WYNMAC 5 1/8 12/15/29	USG98149AE02	1,000	97.8	5.8%	3.1

Source: Bloomberg.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Lotte Rental	90	3yr	SOFR+110	SOFR+110	Baa3/BBB-/-
Panasonic Holdings	500	10yr	5.362%	T+95	Baa1/A-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
IIFL Finance	USD	300 (capped)	4yr	7.85%	Ba3/B+/B+

➢ **News and market color**

- Regarding onshore primary issuances, there were 63 credit bonds issued yesterday with an amount of RMB72bn. As for Month-to-date, 63 credit bonds were issued with a total amount of RMB72bn raised, representing a 2.1% yoy increase

- China tightens grip on high-cost offshore bonds

- Indonesia's government will reduce the price ceiling on liquefied natural gas (LNG) to help manufacturers maintain production levels

- **[ADSEZ]** Adani Ports will sell 49% stake in Vizhinjam port to MSC arm TiL for USD1.4bn
- **[BABA]** Alibaba Group and a related company will pay USD600mn to resolve allegations that they failed to prevent the sale of illegal products in the US
- **[BARC]** Barclays acquired Canary Wharf HQ Building for GBP750mn (cUSD993mn)
- **[CHIOIL]** China Overseas Land & Investment plans to start a program to issue up to USD4bn in guaranteed medium-term bonds
- **[EBIUH/HSBC]** Media reported Emirates NBD is in talks to buy HSBC Holdings Plc's Turkey operations
- **[FOSUNI]** Fosun International began construction on a mixed-use redevelopment project in Hong Kong, which is expected to require an investment of more than HKD10bn (cUSD1.28bn)
- **[FTLNHD/FUTLAN]** Seazen Holdings issued RMB2.1bn tap of private REIT
- **[JSWINI]** Moody's upgraded JSW Infrastructure by one notch to Baa3 from Ba1; outlook changed to stable from positive
- **[LASUDE]** Lai Sun Development secures 96% noteholder approval for amendments to USD493mn LASUDE 5 07/28/26; completed 50% stake sale of Central office property
- **[RAKUTN]** Media reported Japanese government will offer JPY150bn in subsidies to Rakuten's satellite business with the formal decision is expected to be announced by the Ministry of Internal Affairs and Communications soon
- **[SOFTBK]** SoftBank restarted talks for a USD10bn loan backed by OpenAI stock
- **[TDBM]** Trade and Development Bank of Mongolia to meet investors 2-7 Jul'26 to market USD 144A/Reg S 3yr bonds
- **[VEDLN]** Vedanta Resources unit CopperTech Metals deferred US IPO amid market volatility
- **[XIAOMI]** Xiaomi cut its smartphone shipment target for this year by 30%, due to rising costs and a shortage of components

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