

CMBI Credit Commentary

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

- *Asian IG credits were 1-3bps tighter this morning, driven by flows on issues with 5yr duration and FRNs with spread higher than 90. PMBROV 30/NUFAU 30/EHICAR 26 were 0.7-0.9pt lower. LNGFOR 28 27-28 were 0.6-0.8pt higher.*
- **SJMHOL:** *FV of the new SJMHOL to be low-mid 6% vs IPT at 6.875%. SJMHOLs were unchanged this morning, and the other Macau gaming bonds were unchanged to 0.1pt lower. See below.*
- **TOPTB:** *FV of the new PerpNC5.25 to be low 6% vs IPT at 6.625%. TOPTBs/PTTGCs were unchanged to 0.1pt higher this morning. See below.*

❖ Trading desk comments 交易平台市场观点

Yesterday, the new CASHLD 6.25 Perp rose 0.9pt from RO at 99.965. See our buy recommendation [yesterday](#). The new FRESHK 29 tightened 10bps from RO at T+178. The existing FRESHK 26-28s were 5bps tighter. EIBKOR 29-36s opened 1-2bps tighter from ROs but retraced in the afternoon, and closed flat to 1bp wider. RESONA 31, SWIPRO 31, MITHCC 31s, CLFCAP 31 and BAYFIM 29 tightened 3-6bps from ROs, while the new NAB 29-31s and STANLN 30-37s traded 1-2bps inside ROs. In the Middle East, EBIUH 31 outperformed and rose 0.4pt from RO at par, driven by active PB, AM and hedge fund topping. On the other hand, EBIUH 29 closed around RO at par. There was profit-taking selling on KSA 56s, while PBs were buying KSA 36s, which closed 0.1pt higher. Overall, the market absorbed the new supplies effectively, with good appetite focused on bonds with 5yr duration. However, lower-yielding front-end papers experienced selling pressure.

In the secondary space, we continued to see demand for higher-spread FRNs across EU/Chinese/Japanese bank names, such as CCAMCL FRNs and several 3yr FRNs of NACF and UOBSP. Japanese/Yankee insurance subs and AT1s, along with HYSAN Perps edged 0.3pt higher, amid growing demand for issues yielding 6% or higher across the spaces. The NWDEVL/VDNWDL complex were 0.2pt lower to 0.7pt higher. EHICARs were down by 0.2-0.6pt. The Macau gaming complex was 0.1pt lower to 0.2pt higher amid new supply. See comments on SJMHOL below. In Chinese properties, VNKRLE 27-29 dropped 2.6-2.8pts. Media reported that Vanke has reached an agreement with domestic banks to defer loan interest payments until September. Vanke will hold noteholders' meetings on 21 Jan'26 for 22WankeMTN005 (o/s RMB3.7bn, i.e. cUSD530mn) and 22WankeMTN004 (o/s RMB2bn, i.e. cUSD285mn). The noteholders will review and vote on proposals related to note maturity extension. FUTLN 28/FTLNHD 26-27 were unchanged to 0.1pt lower. In SE Asia, VLLPM 27-29 led the space and rose 1.3-1.9pts. INDYIJ 29s were 0.3pt higher, while MEDCIJ 26-30s were unchanged to 0.2pt lower.

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❖ Last Trading Day's Top Movers

| Top Performers | Price | Change | Top Underperformers | Price | Change |
|-----------------------|-------|--------|-----------------------|-------|--------|
| CFAMCI 4.95 11/07/47 | 91.9 | 2.4 | VNKRLE 3.975 11/09/27 | 17.9 | -2.8 |
| VLLPM 7 1/4 07/20/27 | 70.7 | 1.9 | VNKRLE 3 1/2 11/12/29 | 17.2 | -2.6 |
| VLLPM 9 3/8 07/29/29 | 60.3 | 1.3 | FZSZJJ 7 12/27/27 | 99.1 | -1.3 |
| CHGDNU 4.8 09/11/48 | 92.5 | 1.1 | EHICAR 12 09/26/27 | 64.9 | -0.6 |
| NWDEVL 5 7/8 06/16/27 | 90.5 | 0.7 | GWFOOD 3.258 10/29/30 | 89.2 | -0.5 |

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.34%), Dow (-0.94%) and Nasdaq (+0.16%) were mixed on Wednesday. The US Dec'25 ADP Nonfarm Employment change was +41k, lower than the market expectation of +49k. The US Dec'25 ISM Non-Manufacturing PMI was 54.5, higher than the forecast of 52.2. The US Crude Oil Inventories was -3.932mn, lower than the market expectation of -1.2mn. UST yield was lower on Wednesday. 2/5/10/30 year yield was at 3.47%/3.70%/4.15%/4.82%.

❖ Desk Analyst Comments 分析员市场观点

➤ SJMHOL: FV of the new SJMHOL to be low-mid 6% vs IPT at 6.875%

SJM proposed to issue a new 5NC2 senior unsecured USD bond (Ba/-/BB-). We view the FV of the new SJMHOL 31 to be low-mid 6% vs IPT of 6.875%. The net proceeds from the notes will mainly be used to fund a concurrent tender offer for the USD500mn SJMHOL 4.5 01/27/26 at par and general corporate purposes. The new SJMHOL 31 is puttable at par in the case of termination, rescission, revocation or modification of gaming license, and carries a Change of Control put at 101%. The tender offer price of SJMHOL 26 is 100. Holders of SJMHOL 26 who subscribe to the new USD bond may receive priority acceptance in the tender offer as well as preferential allocation in the new issue. The tender offer will expire on 12 Jan'26 at 4pm London Time. The tender offer and concurrent tender offer will notably lengthen SJM's debt maturity profile.

As of Sep'25, SJM had cash on hand and short-term bank deposits of HKD3.4bn and undrawn facilities of HKD2.7bn. Its LTM adj. property EBITDA was HKD3.7bn compared with the budgeted capex of HKD2bn in 2025, HKD1.5-1.8bn in 2026 and below HKD1bn in 2027. The budgeted capex should cover the satellite acquisition costs which we expect to be small. SJM's cash on hand, undrawn facilities and operating cash inflow should support a stable financial profile. In Sep'25, Moody's/Fitch changed the outlook of SJM to negative from stable and affirmed Ba3/BB- rating, respectively. Eight of the nine satellite casinos of SJM have ceased operation by 2025, and SJM has acquired 100% stake in the L'Arc Hotel for HKD1.75bn (cUSD224mn) in Dec'25. Please also read our comments on Macau gaming GGR on [5 Jan'26](#). We are neutral on SJMHOLs on valuation. Our picks in Macau gaming are MPELs/STCITYs.

Table 1: 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 | 99.4 | 5.6 | 3.5 |
| MPEL 7 5/8 04/17/32 | USG5975LAK29 | 750 | 105.6 | 6.5 | 2.8 |
| MPEL 6 1/2 09/24/33 | USG5975LAL02 | 500 | 100.7 | 6.4 | 3.9 |
| STCITY 6 1/2 01/15/28 | USG85381AF13 | 500 | 100.2 | 6.4 | 1.8 |
| STCITY 5 01/15/29 | USG85381AG95 | 1,100 | 96.9 | 6.1 | 2.7 |
| WYNMAC 5 1/2 10/01/27 | USG98149AD29 | 750 | 100.0 | 5.5 | 1.6 |
| WYNMAC 5 1/8 12/15/29 | USG98149AE02 | 1,000 | 99.6 | 5.2 | 3.5 |

Source: Bloomberg.

➤ **TOPTB: FV of the new PerpNC5.25 to be low 6% vs IPT at 6.625%**

Thai Oil proposes to issue USD600mn PerpNC5.25 (Ba2/BB-/-), which will be issued by its wholly-owned subsidiary Thai Oil Treasury Center Company Limited, and will be unconditionally and irrevocably guaranteed by Thai Oil. We view the FV of the new TOPTB Perp to be low 6% vs IPT at 6.625%, in view of the valuation of TOPTBs and PTTGCs. See Table 2. The coupon of the new PerpNC5.25 will be reset in Apr'31, and will reset and step up by 25 bps in Apr'36, and another 75bps in Apr'51. The coupon payment is cumulative, and can be deferred at Thai Oil's discretion. If Thai Oil decides to defer the payment, it is restricted from making shareholder distributions and undertaking any buyback or capital return.

The proceeds from the new issue will be used to fund the concurrent tender offer for 5 of its USD bonds up to USD550mn. See Table 3. Early tender premium of 5pts will be provided for holders who tender on or before 20 Jan'26 5pm EST.

Thai Oil is one of the leading integrated refining and petrochemical companies in Thailand. As of Sep'25, Thai Oil had a refining nameplate capacity of approximately 275k barrels per day of crude oil and other feedstock, representing c22% of the total refining capacity in Thailand. Thai Oil is the principal refiner for PTT Public Company group. PTT and PTT Oil and Retail Business Plc are its principal offtake customers and PTT is its principal feedstock supplier. Thai Oil also sells its products to other customers internationally.

Table 2: TOPTB and PTTGCs

| Security name | ISIN | Amt o/s (USD mn) | Ask Px | YTC/YTM (%) | First call date | Coupon reset date |
|---------------------|--------------|------------------|--------|-------------|-----------------|-------------------|
| TOPTB 2.5 06/18/30 | US88323AAG76 | 400 | 91.6 | 4.6 | N/A | - |
| PTTGC 2.98 03/18/31 | US36830BAB18 | 630 | 91.5 | 4.9 | 12/18/2030 | - |
| PTTGC 6.5 PERP | US36830AAB35 | 600 | 101.8 | 6.0 | 09/10/2030 | 12/10/2030 |
| PTTGC 7 1/8 PERP | USY3004DAE41 | 500 | 103.5 | 6.6 | 03/10/2035 | 09/10/2035 |

Source: Bloomberg.

Table 3: Summary of the tender offer

| Security name | ISIN | Amt o/s (USD mn) | Tender cap (USD mn) | Early tender px | Tender px |
|----------------------|--------------|------------------|---------------------|-----------------|-----------|
| TOPTB 2.5 06/18/30 | US88323AAG76 | 400 | 62 | 91.9 | 86.9 |
| TOPTB 4.875 01/23/43 | US88323AAB89 | 188.479 | 66 | 92.3 | 87.3 |
| TOPTB 5.375 11/20/48 | US88323AAD46 | 390.003 | 137 | 98.4 | 93.4 |
| TOPTB 3.5 10/17/49 | US88323AAE29 | 452 | 135 | 74.5 | 69.5 |
| TOPTB 3.75 06/18/50 | US88323AAH59 | 430 | 150 | 77.3 | 72.3 |

Source: Bloomberg.

Table 4: Indicative timetable

| Event | Date |
|-----------------------|-------------------|
| Early tender deadline | 20 Jan'26 5pm EST |
| Early settlement date | 23 Jan'26 |
| Expiration deadline | 4 Feb'26 5pm EST |
| Final settlement date | 9 Feb'26 |

Source: Company's filing.

➤ Offshore Asia New Issues (Priced)

| Issuer/Guarantor | Size (USD mn) | Tenor | Coupon | Priced | Issue Rating (M/S/F) |
|------------------|---------------|-------|--------|--------|----------------------|
| Riyad Bank | 1000 | 10NC5 | 5.805% | T+210 | -/BBB-/BBB |

➤ Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor | Currency | Size (USD mn) | Tenor | Pricing | Issue Rating (M/S/F) |
|-------------------------------------|----------|---------------|-------------|--------------------|----------------------|
| Korea Housing Finance Corporation | USD | - | 3yr/ 5yr | SOFR+77/ CT5+63 | Aa2/AA/- |
| SJM International Limited | USD | - | 5NC2 | 6.875% | B1/-/BB- |
| Thaioil Treasury Center Company Ltd | USD | - | PerpNC5.25 | 6.625% | Ba2/BB-/- |

➤ News and market color

- Regarding onshore primary issuances, there were 79 credit bonds issued yesterday with an amount of RMB64bn. As for month-to-date, 258 credit bonds were issued with a total amount of RMB205bn raised, representing a 23.9% yoy decrease
- **[DALWAN]** Dalian Wanda Commercial sold Changde Wanda Property
- **[EMPINT]** Emperor International shareholders approved HKD1.16bn sale of Hong Kong commercial building to OCBC at SGM
- **[MINMET]** Minmetals Land will accept for repurchase USD251.174mn of MINMET 4.95 07/22/26 in the tender offer
- **[NWDEVL/VDNWDL]** New World Development expects to redeem bonds maturing in 2026-2027 with internal cash; NWD has reaped around HKD1.16bn (cUSD149mn) from the sale of the new residential project Pavilia Forest
- **[VNKRLE]** China Vanke will hold a noteholders' meeting on 21 Jan'25 for its RMB3.7bn (cUSD530mn) 22WankeMTN005 notes. The noteholders will review and vote on proposals related to note maturity extension

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