

2026 Issue 39 From October 19 to October 23

New Issuance of Chinese Offshore Bonds Decreased; Secondary Market Yields Increased

Headline: China's Q3 GDP Growth Rebounds to 4.5%; US Manufacturing PMI Rises to a 53-Month High

On October 19, China reported that GDP grew by 4.5% YoY in the third quarter of 2026, up 0.2 percentage points from the second quarter and above market expectations. On October 23, the preliminary reading of the US S&P Global Manufacturing PMI rose to 56.0 in October, reaching a 53-month high and exceeding the previous reading of 55.9.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of October 23, the RMB/USD middle rate closed at 6.7180, down 40.0bp from last Friday. The USD Index closed at 101.81, down 0.03% from last Friday.

Interest Rate: Chinese Government Bond Yields Generally Decreased; US Treasury Yields Decreased

Last week, China Government Bond yields generally decreased. Driven by reduced market expectations for Fed rate hikes, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From October 19 to October 23, Chinese enterprises issued 14 new bonds in the offshore market, totaling about USD1.557 billion, a decrease of 85.06% from last week. Among them, financial institutions were the main issuers, issuing a total of USD870.3 million in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of October 23, the return of Chinese USD bonds increased by 16.0bp to 0.88% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 0.59%, while the return rate of high-yield bonds decreased by 7.0bp to 2.78%.

Rating Actions: Rating Agencies Took Rating Actions on 2 Chinese Issuers

From October 19 to October 23, rating agencies took positive rating actions on 2 Chinese issuers.



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Headline: China's Q3 GDP Growth Rebounds to 4.5%; US Manufacturing PMI Rises to a 53-Month High

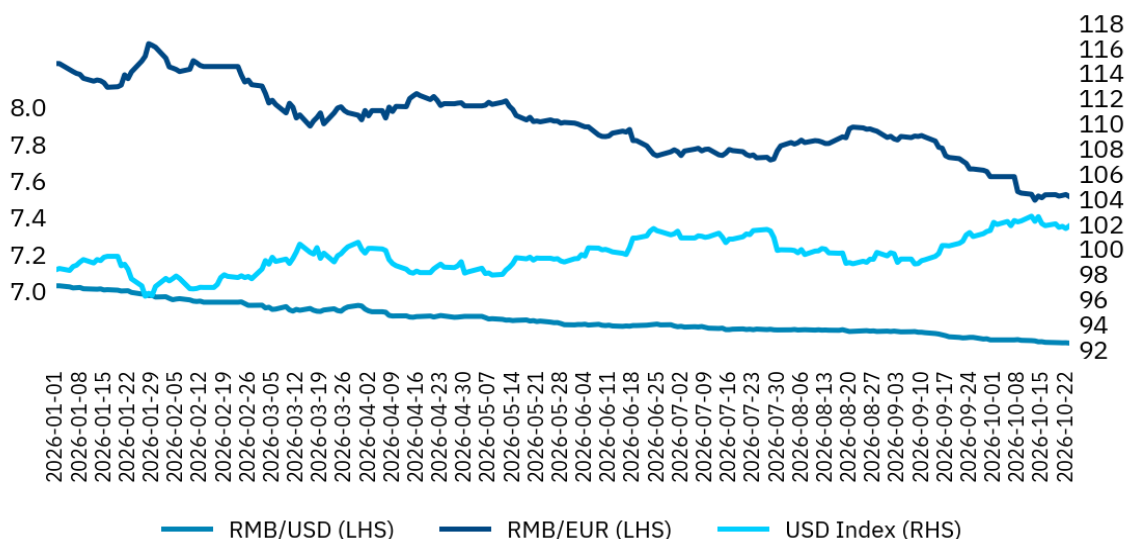
On October 19, China reported that GDP grew by 4.5% YoY in the third quarter of 2026, up 0.2 percentage points from the second quarter and above market expectations. Resilient exports and industrial production provided important support for the economy. However, the recovery in consumer demand remained modest, the property market continued to adjust, and fixed asset investment remained weak, suggesting that domestic demand had yet to achieve a broad-based recovery. Economic growth continued to rely to some extent on external demand and industrial activity, while insufficient domestic demand and structural imbalances between supply and demand remained key challenges. Meanwhile, uncertainties surrounding the external trade environment could weigh on export growth. Unless household consumption and corporate investment confidence improve further, the sustainability of economic growth may remain constrained.

On October 23, the preliminary reading of the US S&P Global Manufacturing PMI rose to 56.0 in October, reaching a 53-month high and exceeding the previous reading of 55.9 and indicating a further improvement in manufacturing activity. Business output and new order demand remained resilient, reflecting relatively optimistic corporate expectations for near-term demand. Although services sector expansion moderated, overall economic activity remained in expansionary territory, suggesting that the US economy retained growth momentum at the beginning of the fourth quarter. However, resilient demand could also intensify supply-demand pressures. Meanwhile, rising input costs and selling prices remained a concern, as higher energy costs and supply chain disruptions could further increase production costs and gradually feed through to consumer prices, complicating the outlook for inflation and monetary policy.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of October 23, the RMB/USD middle rate closed at 6.7180, down 40.0bp from last Friday. The RMB/EUR middle rate closed at 7.5140, down 88.0bp from last Friday. The USD Index closed at 101.81, down 0.03% from last Friday.

Figure 1: RMB exchange rate

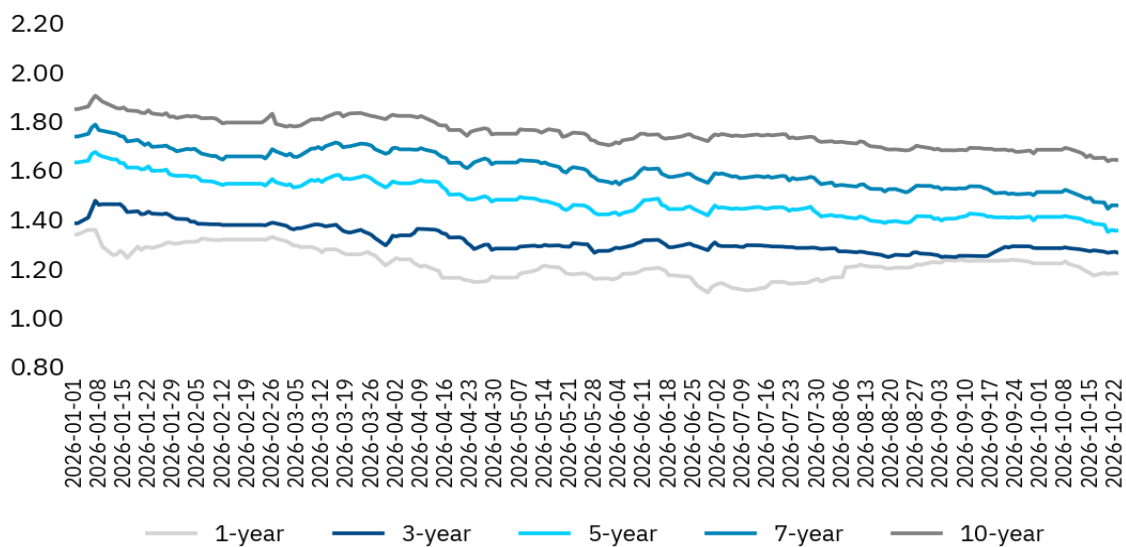


Sources: CCXAP research

Interest Rate: Chinese Government Bond Yields Generally Decreased; US Treasury Yields Decreased

Last week, China Government Bond yields generally decreased. As of October 23, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1797%, 1.2624%, 1.3532%, 1.4554%, and 1.6400%, respectively. Compared to last Friday, the 1-year yield increased by 0.94bp, the 3-year yield decreased by 1.05bp, the 5-year yield decreased by 2.83bp, the 7-year yield decreased by 1.46bp, and the 10-year yield decreased by 0.80bp.

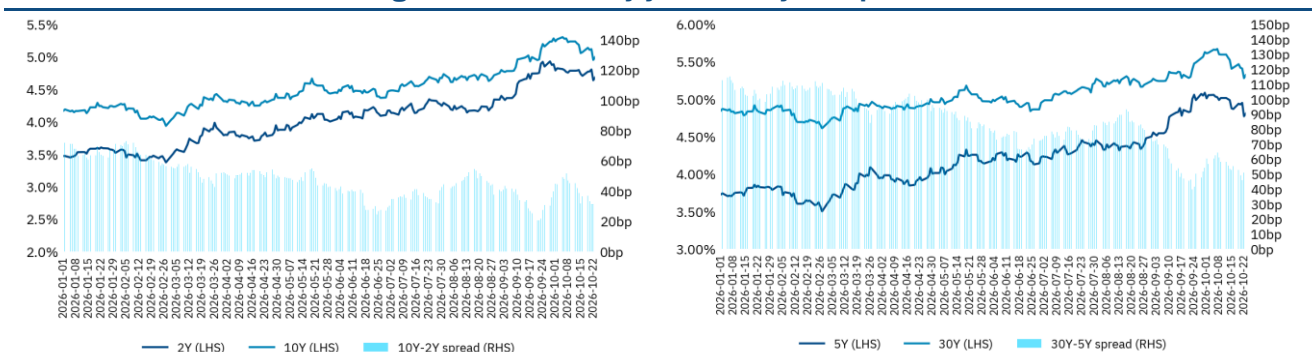
Figure 2: China Government Bond yields



Sources: CCXAP research

Driven by reduced market expectations for Fed rate hikes, US Treasury yields decreased. As of October 23, the 2-year, 5-year, 10-year, and 30-year US Treasury yields were 4.6818%, 4.8067%, 4.9945%, and 5.3221%, respectively. Down 2.65bp, 6.16bp, 7.83bp, and 9.88bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 5.18bp to 31.27bp compared to last Friday and the spread between the 5-year and 30-year Treasury bonds narrowed by 3.72bp to 51.54bp compared to last Friday.

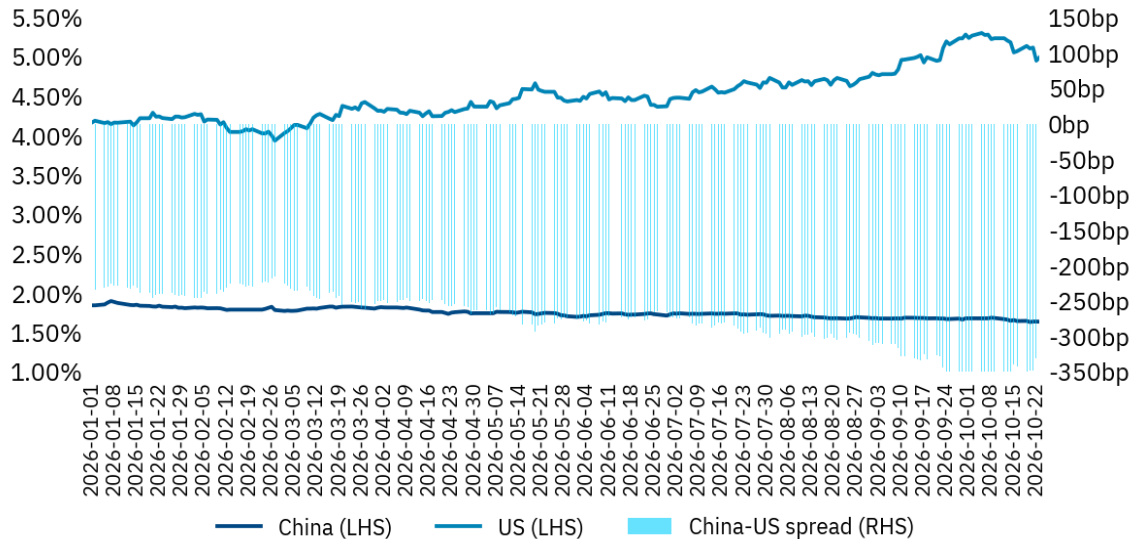
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of October 23, the 10-year Treasury bond interest rate gap between China and the US was -335.5bp, narrowing by 7.0bp from last Friday and widening by 103.5bp from the beginning of the year.

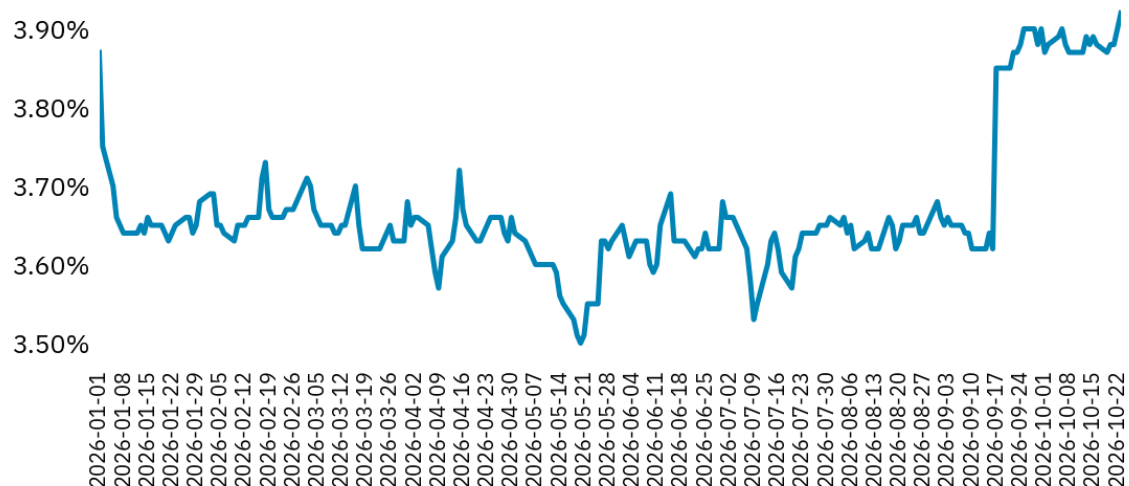
Figure 4: China-US 10-year government bond yield spread



Sources: CCXAP research

As of October 23, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.92%, up 4.0bp from last Friday and up 5.0bp from the beginning of the year.

Figure 5: US Benchmark Rate SOFR



Sources: CCXAP research

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From October 19 to October 23, Chinese enterprises issued 14 new bonds in the offshore market, totaling about USD1.557 billion, a decrease of 85.06% from last week. Among them, financial institutions were the main issuers, issuing a total of USD870.3 million in bonds.

Table 1: New issuance of Chinese offshore bonds (20261019-20261023)

Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/20	Bank of China Ltd/Johannesburg	CNY	2000	1.6	2028/10/27	2	Banks	A1/-/-	A1/-/A
2026/10/20	Bank of China Ltd/Johannesburg	USD	250	SOFR+38	2029/10/27	3	Banks	A1/-/-	A1/-/A
2026/10/20	Chongqing Wansheng Industrial Park Development And Construction Co Ltd	USD	82.15	5.3	2029/10/23	3	Chengtou	-/-/-	-/-/-
2026/10/20	Guotai Junan International Holdings Ltd	CNY	1000	0	2032/10/19	5.99	Financials	Baa1/BB B+/-	-/-/-
2026/10/20	Shandong Qihuan Investment Holding Group Co Ltd	CNY	267	3.9	2029/10/27	3	Chengtou	-/-/-	-/-/-
2026/10/20	Shenwan Hongyuan HK Ltd	CNY	110	1.7	2027/4/23	179D	Financials	-/BBB/-	-/-/-
2026/10/20	TF International Securities Group Ltd	USD	15	4.8	2027/4/20	180D	Financials	-/-/BBB-	-/-/-
2026/10/21	Bank of China Ltd/Hong Kong	USD	100	5.03	2029/10/26	3	Banks	A1/-/-	-/-/-
2026/10/21	Binzhou Caijin Investment Development Group Co Ltd	CNY	346.5	2.7	2029/10/27	3	Chengtou	-/-/-	-/-/-
2026/10/21	CITIC Securities International Co Ltd	CNY	37	0	2028/11/20	2.07	Financials	- /BBB+/A-	-/-/-
2026/10/21	GF Holdings Hong Kong Corp Ltd	USD	60	4.67	2027/4/19	175D	Financials	- /BBB+/B BB	-/-/-
2026/10/22	China Communications Construction Co Ltd	CNY	3350	1.9	-	PERP	Industrials	Baa1/- /BBB+	Baa2/-/-
2026/10/22	China Securities International Finance Holding Co Ltd	CNY	33.4	0	2031/9/4	4.85	Financials	- /BBB+/B BB+	-/-/-
2026/10/22	Chongqing Fengdu Industrial Development Group Co Ltd	USD	50	5.1	2029/10/29	3	Chengtou	-/-/-	-/-/-

Sources: CCXAP research

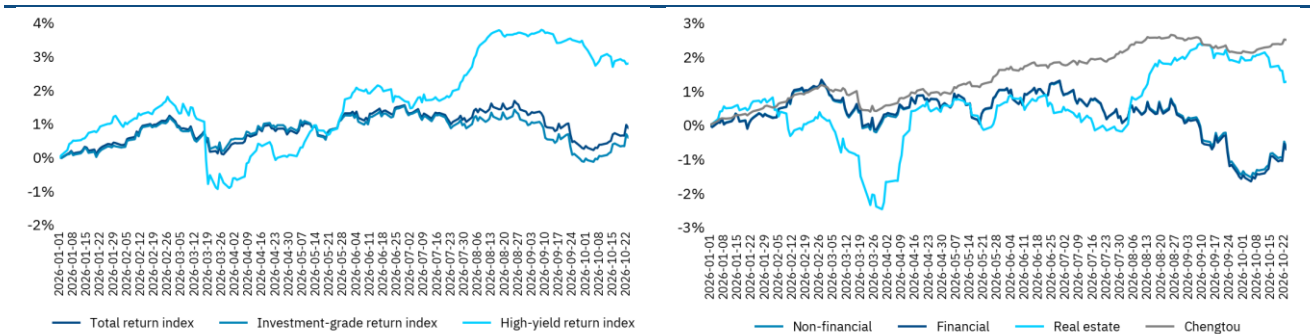
Secondary Market: Return on Chinese USD Bonds Increased

As of October 23, the return¹ of Chinese USD bonds increased by 16.0bp to 0.88% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 0.59%, while the return rate of high-yield bonds decreased by 7.0bp to 2.78%. By industry, the return rate of non-financial bonds was -0.64%, up 18.0bp from last Friday. The return rate of financial bonds was -

¹ Return measures the year-to-date return since January 1, 2026.

0.71%, up 20.0bp from last Friday. The return rate of real estate was 1.27%, down 44.0bp from last Friday. The return rate of Chengtou was 2.50%, up 13.0bp from last Friday.

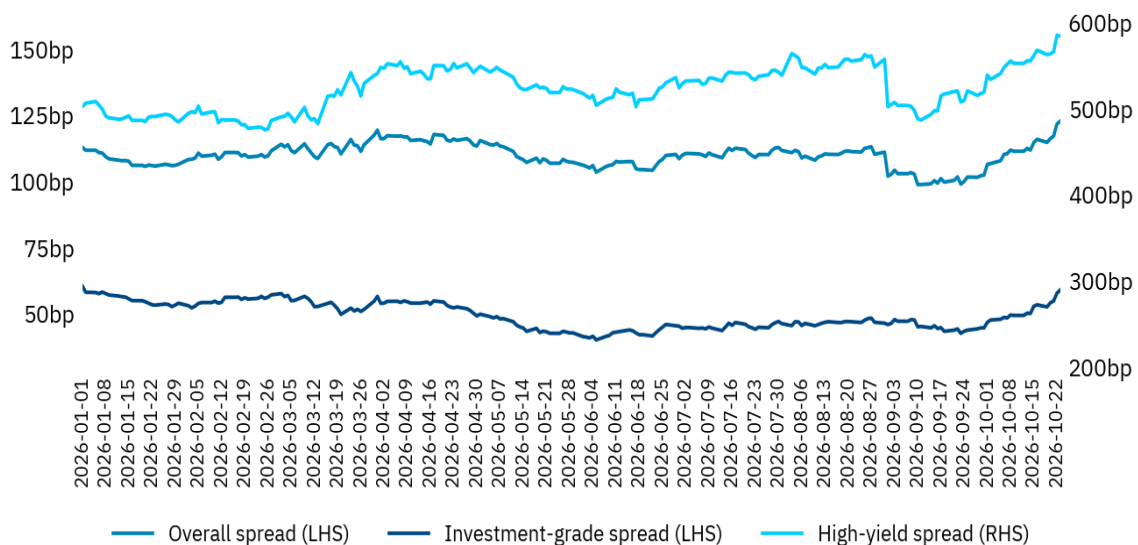
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of October 23, the spread of Chinese USD bonds widened by 6.8bp to 122.70bp from last Friday, among which the spread of investment-grade bonds widened by 5.6bp to 58.94bp, and the spread of high-yield bonds widened by 16.5bp to 584.30bp.

Figure 7: Yield Spreads of Bloomberg Barclays Chinese USD bond index



Sources: CCXAP research

From October 19 to October 23, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of eHi Car Services Limited changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20261019-20261023)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
EHICAR 12 09/26/27	eHi Car Services Limited	47.596	-3.822	121.618	221.3
CCAMCL 4.4 PERP	China Cinda Asset Management Co Ltd	100.017	0.921	3.043	142.9

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
WESCHI 9.9 12/04/28	West China Cement Ltd	86.758	PERP	17.702	109.4
YUEXIU 4 11/15/26	Yuexiu Property Company Limited	100.243	2.112	-0.907	100.4
ZHOSHK 5.98 01/30/28	Zhongsheng Group Holdings Ltd	90.587	0.058	14.419	98
WESCHI 10 ½ 11/11/29	West China Cement Ltd	83.772	1.266	17.553	95.2
LNGFOR 3 ¾ 04/13/27	Longfor Group Holdings Ltd	96.937	3.049	10.361	80.3
HUASST 6 ½ 08/12/27	Huangshi State-Owned Assets Management Co Ltd	102.972	0.466	2.648	76.3
ZOUCAO 6.98 01/14/27	Zoucheng Asset Operation Company	100.086	0.797	6.437	70.3
CHCOMU 3.65 PERP	China Communications Construction Company Limited	99.94	0.222	4.025	66.2

Note: M in the rate of return change represents 1000; all defaulting entities have been excluded

Sources: CCXAP research

Rating Actions: Rating agencies took rating actions on 2 Chinese issuers

From October 19 to October 23, rating agencies took positive rating actions on 2 Chinese issuers.

Table 3: Rating actions of cross-border issuers (20261019-20261023)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason For Rating / Outlook Change
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating:										
Upgrade	Zijin Mining Group Co Ltd	Material s	BBB+	Stable	2026/10/20	BBB	Pos	2026/5/26	S&P	The Company is expected to maintain strong operating cash flow and a debt-to-EBITDA ratio below 1.5x over the next two years
	China Mengniu Dairy Company Limited	Consum er Staples	Baa1	Pos	2026/10/22	Baa1	Stable	2025/11/20	Moody's	The Company's strengthening business profile

Source: CCXAP research

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