Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

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From October 26 to October 30

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

Headline: China's Industrial Profits Rose 15.5% YoY in the First Three Quarters; US Federal Reserve Kept Interest Rates Unchanged

On October 27, China reported that total profits of industrial enterprises above designated size increased by 15.5% YoY in the first three quarters of 2026, with a 14.4% YoY increase in September. On October 29, the US Federal Reserve announced that it would maintain the target range for the federal funds rate at 3.75%-4.00%.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of October 30, the RMB/USD middle rate closed at 6.7138, down 42.0bp from last Friday. The USD Index closed at 101.879, up 0.07% from last Friday.

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

Last week, China Government Bond yields generally increased. Driven by risk-averse sentiment, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From October 26 to October 30, Chinese enterprises issued 23 new bonds in the offshore market, totaling about USD2.765 billion, an increase of 217.84% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.229 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of October 30, the return of Chinese USD bonds increased by 1.0bp to 0.88% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 0.77%, while the return rate of high-yield bonds decreased by 193.0bp to 0.85%.

Rating Actions: Rating Agencies Took Rating Actions on 8 Chinese Issuers

From October 26 to October 30, rating agencies took positive rating actions on 7 Chinese issuers and took negative rating action on 1 Chinese issuer.



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Headline: China's Industrial Profits Rose 15.5% YoY in the First Three Quarters; US Federal Reserve Kept Interest Rates Unchanged

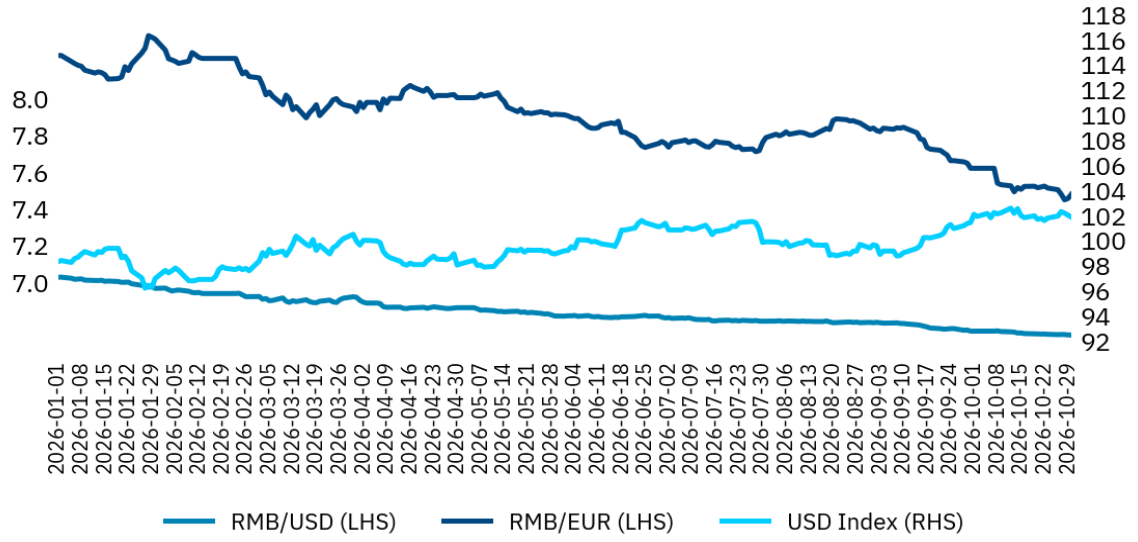
On October 27, China reported that total profits of industrial enterprises above designated size reached RMB 6,033.74 billion in the first nine months of 2026, representing a YoY increase of 15.5%, with profits rising 14.4% YoY in September. In the first three quarters, operating revenue and operating costs increased by 6.6% and 6.1% YoY, respectively, while the operating profit margin rose by 0.44 percentage points to 5.68%, reflecting the support of revenue growth and cost control for overall profitability. By industry, profits in the mining and manufacturing sectors increased by 38.2% and 17.0%, respectively, while profits in computer, communication and other electronic equipment manufacturing surged by 103.8%. However, profits in automobile manufacturing, non-metallic mineral products manufacturing, and ferrous metal smelting and rolling processing declined by 22.8%, 46.9% and 73.3%, respectively, indicating an uneven recovery in profitability across industries. Meanwhile, at the end of September, accounts receivable and finished goods inventories increased by 10.0% and 11.6% YoY, respectively. The average collection period for accounts receivable lengthened by 1.3 days YoY, while inventory turnover days increased by 0.6 days, suggesting that the improvement in profits has yet to fully translate into stronger cash flows. Corporate receivables collection and inventory reduction warrant continued attention.

On October 29, the US Federal Reserve announced that it would maintain the target range for the federal funds rate at 3.75%-4.00% and stated that it would gather additional information to assess the appropriate policy stance for bringing inflation back to its 2% target in a timely manner. The Fed noted that US economic activity continued to expand at a solid pace, supported by resilient domestic spending and strong capital investment. Employment growth remained broadly in line with labor force growth, and the unemployment rate was little changed, while inflation remained elevated. The decision was approved by a vote of 10-2, with two dissenting members favoring a 25-basis-point rate hike, highlighting differences within the Committee over inflationary pressures and the appropriate policy response. Overall, resilient economic growth and persistent inflationary pressures suggest continued uncertainty surrounding future policy adjustments, which may also limit the scope for a decline in US dollar funding costs. Inflation and employment data remain key factors to monitor for their implications for interest rate expectations and the valuations of Chinese offshore USD bonds.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of October 30, the RMB/USD middle rate closed at 6.7138, down 42.0bp from last Friday. The RMB/EUR middle rate closed at 7.4792, down 348.0bp from last Friday. The USD Index closed at 101.879, up 0.07% from last Friday.

Figure 1: RMB exchange rate

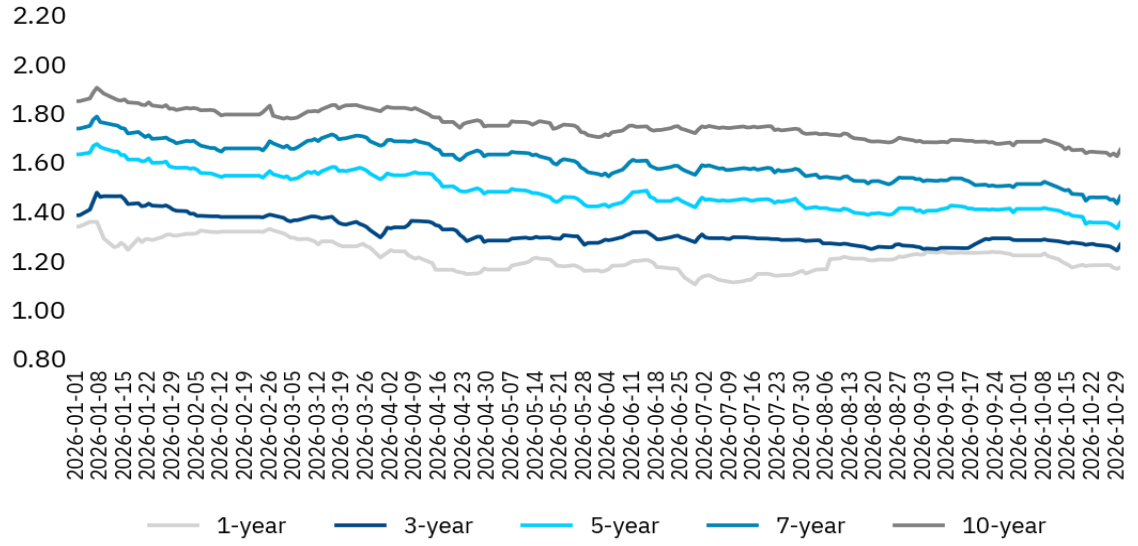


Sources: CCXAP research

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

Last week, China Government Bond yields generally increased. As of October 30, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1714%, 1.2640%, 1.3532%, 1.4597%, and 1.6500%, respectively. Compared to last Friday, the 1-year yield decreased by 0.83bp, the 3-year yield increased by 0.16bp, the 5-year yield remained unchanged, the 7-year yield increased by 0.43bp, and the 10-year yield increased by 1.00bp.

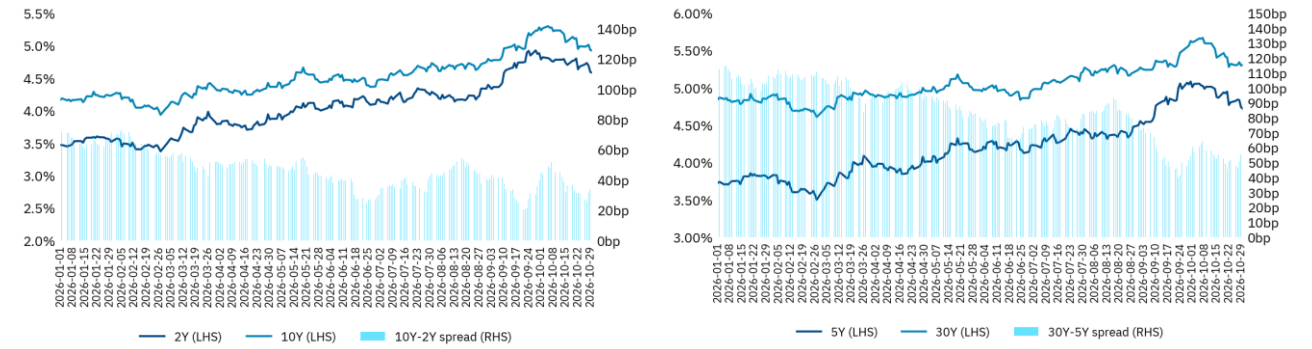
Figure 2: China Government Bond yields



Sources: CCXAP research

As of October 30, the 2-year, 5-year, 10-year, and 30-year US Treasury yields were 4.5876%, 4.7198%, 4.9289%, and 5.3082%, respectively. Down 9.42bp, 8.69bp, 6.56bp, and 1.39bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 2.86bp to 34.13bp compared to last Friday and the spread between the 5-year and 30-year Treasury bonds widened by 7.30bp to 58.84bp compared to last Friday.

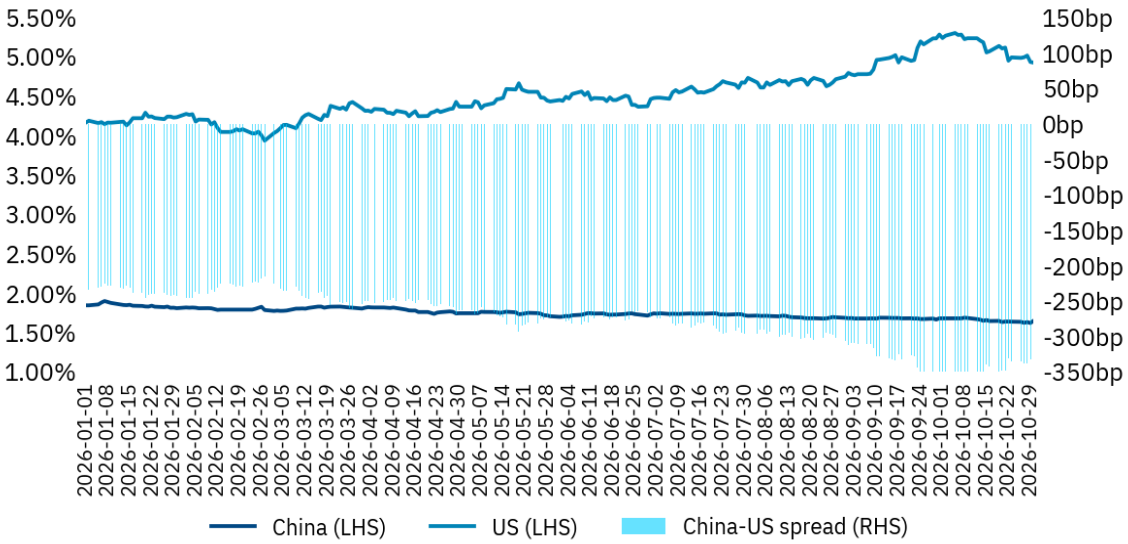
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of October 30, the 10-year Treasury bond interest rate gap between China and the US was -327.9bp, narrowing by 7.6bp from last Friday and widening by 95.9bp from the beginning of the year.

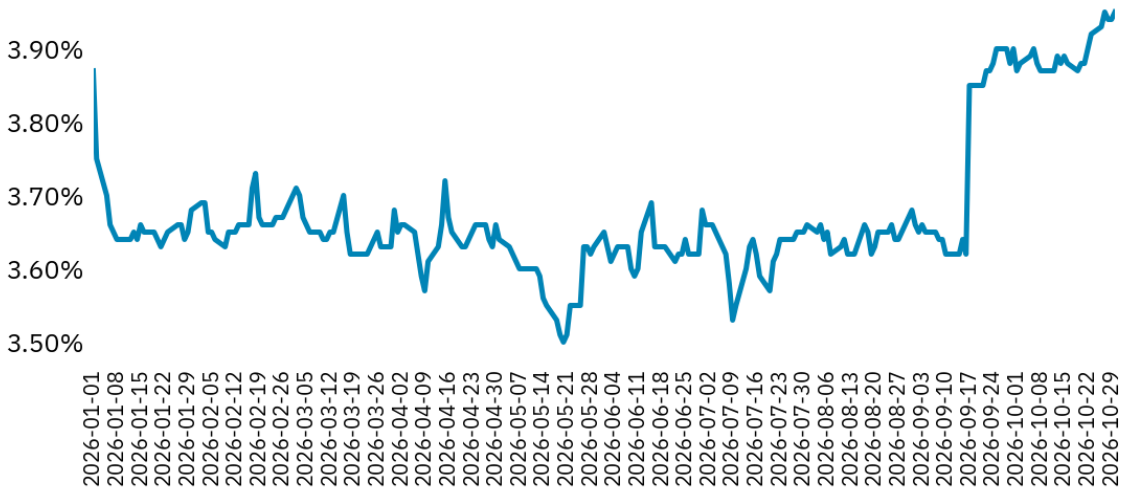
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of October 30, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.95%, up 3.0bp from last Friday and up 8.0bp from the beginning of the year.

Figure 5: US Benchmark Rate SOFR



Sources: CCXAP research

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From October 26 to October 30, Chinese enterprises issued 23 new bonds in the offshore market, totaling about USD2.765 billion, an increase of 217.84% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.229 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20261026-20261030)

Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/26	Fujian Zhangzhou City Investment Group Co Ltd	CNY	1120	2.35	2031/11/3	5	Chengtou	-/-/-	-/-/-
2026/10/26	Shanghai Pudong Development Bank Co Ltd/Singapore	CNY	1000	1.65	2029/11/2	3	Banks	Baa2/-/-	-/BBB+/-
2026/10/26	TF International Securities Group Ltd	USD	10	4.76	2027/4/29	178D	Financials	-/-/BBB-	-/-/-
2026/10/26	Guotai Junan International Holdings Ltd	CNY	333.5	0	2028/10/25	1.98	Financials	Baa1/BBB+/-	-/-/-
2026/10/26	Shenwan Hongyuan HK Ltd	USD	16	4.66	2027/4/26	175D	Financials	-/BBB/-	-/-/-
2026/10/26	CITIC Securities International Co Ltd	CNY	1.5	8.97	2027/2/17	100D	Financials	-/BBB+/A-	-/-/-
2026/10/27	Meituan	CNY	4500	2.5	2031/11/3	5	Communications	Baa1/BB B+/BBB+	Baa1/BB B+/BBB+
2026/10/27	Meituan	CNY	3500	3.1	2036/11/3	10	Communications	Baa1/BB B+/BBB+	Baa1/BB B+/BBB+
2026/10/27	Qihe Urban Investment Construction Group Co Ltd	CNY	500	3.95	2029/7/29	2.75	Chengtou	-/-/-	-/-/-

Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/27	GF Holdings Hong Kong Corp Ltd	USD	6	4.665	2027/4/27	180D	Financials	-/BBB+/BBB	-/-/-
2026/10/27	GF Holdings Hong Kong Corp Ltd	USD	60	4.67	2027/5/4	180D	Financials	-/BBB+/BBB	-/-/-
2026/10/27	GF Holdings Hong Kong Corp Ltd	USD	20	4.7	2027/4/28	180D	Financials	-/BBB+/BBB	-/-/-
2026/10/27	CITIC Securities International Co Ltd	CNY	300	0	2027/2/25	118D	Financials	-/BBB+/A-	-/-/-
2026/10/27	CITIC Securities International Co Ltd	CNY	300	0	2027/2/25	118D	Financials	-/BBB+/A-	-/-/-
2026/10/27	CITIC Securities International Co Ltd	CNY	300	0	2027/2/25	118D	Financials	-/BBB+/A-	-/-/-
2026/10/28	Industrial Bank Co Ltd/Hong Kong	CNY	1500	1.59	2027/11/4	1	Banks	Baa2/-/-	-/-/-
2026/10/28	CITIC Securities International Co Ltd	CNY	2000	1.8	2029/11/4	3	Financials	-/BBB+/A-	-/-/-
2026/10/28	Hefei Xingtai Finance Holding Group Co Ltd	CNY	600	1.88	2029/11/4	3	Real Estate	-/-/-	-/-/-
2026/10/28	Industrial Bank Co Ltd/Hong Kong	CNY	1500	1.59	2027/11/3	1	Banks	Baa2/-/-	-/-/-
2026/10/28	GF Holdings Hong Kong Corp Ltd	CNY	50	1.86	2027/4/27	174D	Financials	-/BBB+/BBB	-/-/-
2026/10/29	CITIC Securities International Co Ltd	USD	5	0	2027/2/5	92D	Financials	-/BBB+/A-	-/-/-
2026/10/29	CITIC Securities International Co Ltd	HKD	61	0	2026/12/5	30D	Financials	-/BBB+/A-	-/-/-
2026/10/30	GF Holdings Hong Kong Corp Ltd	USD	10	4.7	2027/4/29	176D	Financials	-/BBB+/BBB	-/-/-

Sources: CCXAP research

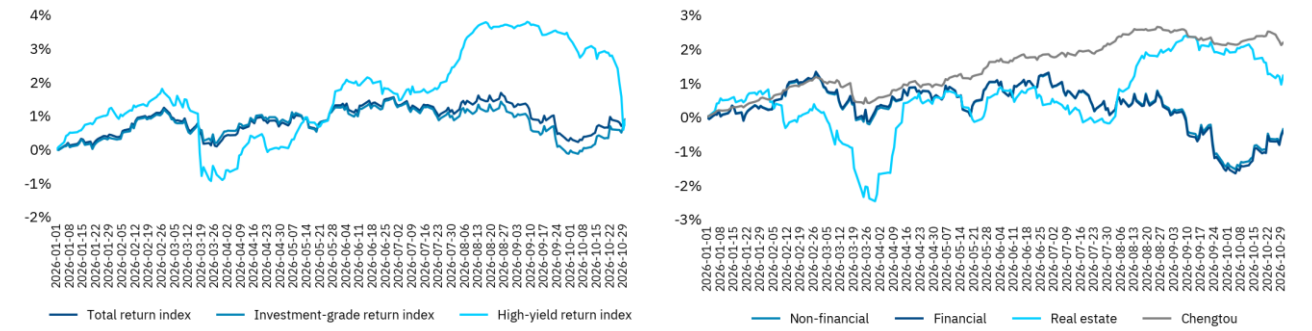
Secondary Market: Return on Chinese USD Bonds Increased

As of October 30, the return[1] of Chinese USD bonds increased by 1.0bp to 0.88% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 0.77%, while the return rate of high-yield bonds decreased by 193.0bp to 0.85%. By industry, the return rate of non-financial bonds was -0.36%, up 28.0bp from last Friday. The return rate of financial bonds was

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

-0.42%, up 29.0bp from last Friday. The return rate of real estate was 1.21%, down 5.0bp from last Friday. The return rate of Chengtou was 2.18%, down 32.0bp from last Friday.

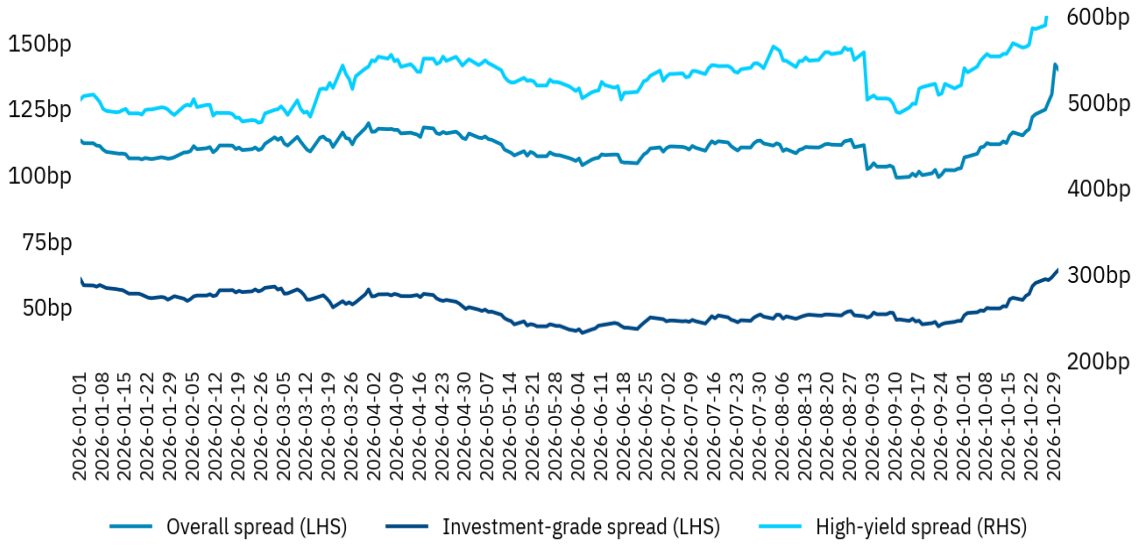
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of October 30, the spread of Chinese USD bonds widened by 17.0bp to 139.66bp from last Friday, among which the spread of investment-grade bonds widened by 4.9bp to 63.80bp, and the spread of high-yield bonds widened by 115.2bp to 699.54bp.

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



Sources: CCXAP research

From October 26 to October 30, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Cinda Asset Management Co Ltd changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20261026-20261030)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
CCAMCL 4.4 PERP	China Cinda Asset Management Co Ltd	100.016	PERP	-1.303	5.0423M
ZHHFGR 4 ½ 12/23/27	Zhuhai Huafa Group Co Ltd	62.75	1.142	51.993	4.0633M

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
ZHHFGR 3.05 10/17/28	Zhuhai Huafa Group Co Ltd	54.427	1.962	38.286	3.0531M
FUTLAN 11.88 06/26/28	Seazen Group Ltd	94.9	1.652	20.628	703.5
GRNCH 8.45 02/24/28	Greentown China Holdings Limited	93.088	1.315	14.416	570.7
AVIILC 6 ⅛ PERP	AVIC International Leasing Co Ltd	99.769	PERP	8.609	551.2
GRNCH 7 05/19/29	Greentown China Holdings Limited	86.805	2.548	13.282	402.3
CPDEV 7.15 03/21/28	Beijing Capital Group Co Ltd	94.569	1.386	11.502	382.2
LNGFOR 4 ½ 01/16/28	Longfor Group Holdings Ltd	90.275	1.208	13.534	361.9
BCDHGR 6.3 04/20/29	Beijing Capital Development Holdings (Group) Co Ltd	91.069	2.468	10.51	337

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 8 Chinese Issuers

From October 26 to October 30, rating agencies took positive rating actions on 7 Chinese issuers and negative rating action on 1 Chinese issuer.

Table 4: Rating actions of cross-border issuer (20261026-20261030)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating:										
Upgrade	Chengdu Economic Development Industrial Investment Group Co Ltd	Chengtou	Ag-	Stable	2026/10/27	BBBg+	Stable	2025/9/26	CCXAP	Improved debt structure and funding channels
Upgrade	China Longyuan Power Group Corporation Limited	Utilities	A2	Stable	2026/10/28	A3	Stable	2024/2/1	Moody's	Very high strategic importance to China's wind power sector
Upgrade	Chuzhou Economic and Technological Development General Corporation	Chengtou	BBBg+	Stable	2026/10/29	BBBg	Stable	2025/11/6	CCXAP	Reduced debt burden with continued debt resolution funds from the local government
Upgrade	Dongxing Securities Co Ltd	Financials	A-	Stable	2026/10/30	BBB-	Pos under review	2026/6/26	Fitch	High probability of support from CICC following the merger into CICC

	Dongxing Securities (Hong Kong) Financial Holdings Limited	Financials	A-	Stable	2026/10/30	BBB-	Pos under review	2026/6/26	Fitch	High probability of support from CICC following the parent's merger into CICC
	Mianyang Science Technology City Development Investment (Group) Co Ltd	Chengtou	A-	Stable	2026/10/30	BBB+	Stable	2026/3/24	Lianhe	Elevated strategic importance and high possibility of government support
	Sunny Optical Technology Group Co Ltd	Technology	Baa1	Pos	2026/10/30	Baa1	Stable	2024/12/10	Moody's	The company's business and customer diversification will continue to improve over the next 12-18 months
Downgrade	Zhuhai Huafa Group Co Ltd	Chengtou	BBB	Neg under review	2026/10/29	BBB	Stable	2026/5/22	Fitch	Increased refinancing risk

Source: CCXAP research

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