

2025 Issue 30 From August 4 to August 8

New Issuance of Chinese Offshore Bonds Increased; Return on Chinese USD Bonds Increased

Headline: US Factory Orders Declined 4.8% in June; China's July CPI Unchanged Year-on-Year

On August 4, the US announced its June factory orders fell 4.8% YoY, versus a previous increase of 8.3%. On August 9, China released its CPI data for July, which remained flat YoY but rose 0.4% MoM.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of August 8, the RMB/USD middle rate closed at 7.1382, down 114.0bp from last Friday. The USD Index closed at 98.18, down 0.96% from last Friday.

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

Last week, China Government Bond yields decreased. With the probability of a Federal Reserve rate cut in September rising sharply, US Treasury yields increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From August 4 to August 8, Chinese enterprises issued 29 new bonds in the offshore market, totaling about USD4.796 billion, an increase of 59.91% from last week. Among them, Chengtong were the main issuers, issuing a total of USD2.006 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of August 8, the return rate of Chinese USD bonds increased by 4.0bp to 4.72% compared to last Friday, among which the return rate of investment-grade bonds decreased by 2.0bp to 6.30%, while the return rate of high-yield bonds increased by 37.0bp to 6.98%.

Rating Actions: CCXAP Assigned Credit Rating to One Entity

On August 6, CCXAP assigned first-time long-term credit rating of BBB_g+ to Wuhan Changjiang New Area Group Co., Ltd., with stable outlook.



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Headline: US factory orders declined 4.8% in June; China's July CPI unchanged year-on-year

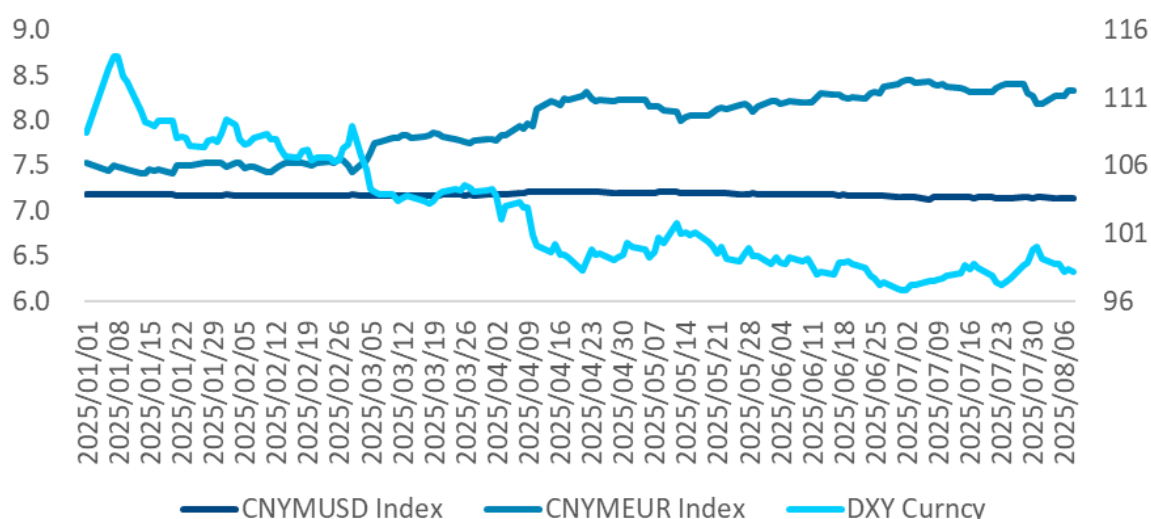
On August 4, the US announced its June factory orders fell by 4.8% YoY, versus a previous increase of 8.3%. This data represents orders for non-durable goods placed within a month, reflecting manufacturing activity. By definition, orders refer to transactions for goods intended for purchase with immediate or future delivery. As the statistics include defense and transportation equipment, both high-value sectors whose fluctuations significantly impact the overall reading, market participants particularly focus on the data excluding these two categories. Generally, an increase in this indicator signals improving manufacturing conditions and is bullish for the currency, while a decline suggests manufacturing contraction and is bearish for the currency. The US durable goods orders index remains the most widely tracked component by markets.

On August 9, China released its CPI data for July, showing no change compared to the same period last year. Urban CPI remained flat, while rural CPI declined by 0.3%. Food prices dropped by 1.6%, whereas non-food prices rose by 0.3%. Prices of consumer goods fell by 0.4%, while service prices increased by 0.5%. For the period from January to July, the average national CPI decreased by 0.1% YoY. On a month-on-month basis, July CPI rose by 0.4%, with urban CPI up 0.4% and rural CPI up 0.3%. Food prices edged down 0.2%, while non-food prices climbed 0.5%. Consumer goods prices rose 0.2%, and service prices increased by 0.6%. Among the seven major categories, six recorded month-on-month price increases and one saw a decline. Prices for transportation and communication, education, culture and entertainment, miscellaneous goods and services, household goods and services, healthcare, and housing rose by 1.5%, 1.3%, 0.9%, 0.8%, 0.2%, and 0.1%, respectively, while clothing prices fell by 0.3%.

Exchange Rate: RMB appreciated, USD Index decreased

In the past week, the RMB has appreciated. As of August 8, the RMB/USD middle rate closed at 7.1382, down 114.0bp from last Friday. The RMB/EUR middle rate closed at 8.3381, up 1496.0bp from last Friday. The USD Index closed at 98.18, down 0.96% from last Friday.

Figure 1: RMB exchange rate

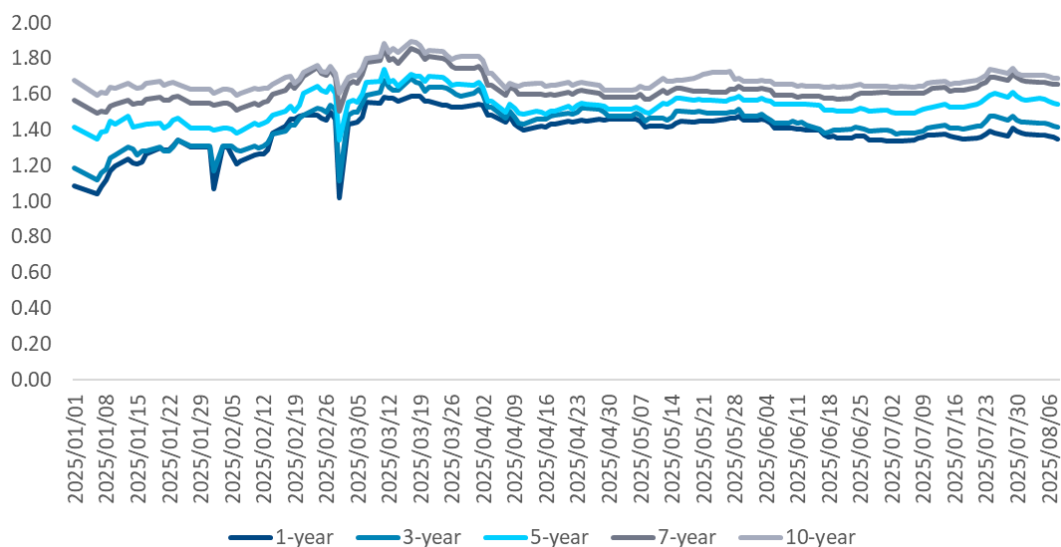


Sources: CCXAP research

Interest Rate: Chinese Government Bond yields decreased; US Treasury yields increased

In the past week, China Government Bond yields generally decreased. As of August 8, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.3506%, 1.4159%, 1.5454%, 1.6576%, and 1.6891%, respectively, down by 2.28bp, 2.92bp, 2.32bp, 1.48bp and 1.68bp from last Friday.

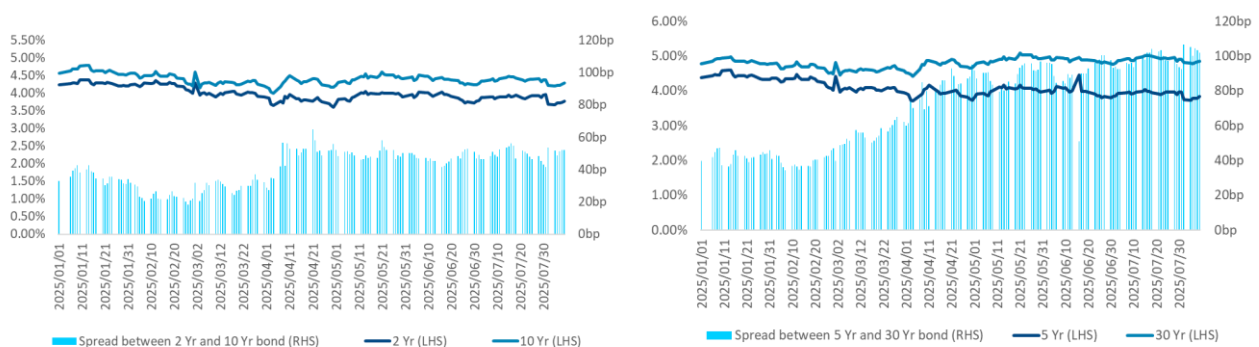
Figure 2: China Government Bond yields



Sources: CCXAP research

With the probability of a Federal Reserve rate cut in September rising sharply, US Treasury yields increased. As of August 8, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.7624%, 3.8312%, 4.2829%, and 4.8494%, respectively. Up 8.07bp, 7.41bp, 6.70bp and 2.73bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 1.37bp to 52.05bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 4.68bp to 101.82bp compared to last Friday.

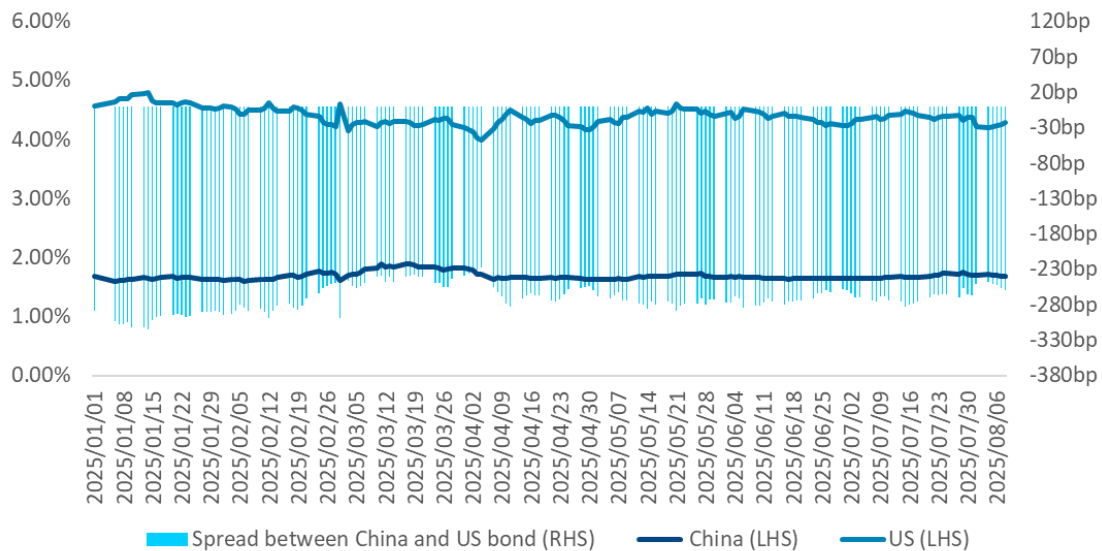
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of August 8, the 10-year Treasury bond interest rate gap between China and the United States was -259.4bp, narrowing by 8.4bp from last Friday and widening by 30.0bp from the beginning of the year.

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



Sources: CCXAP research

Primary Market: new issuance of Chinese offshore bonds increased

From August 4 to August 8, Chinese enterprises issued 29 new bonds in the offshore market, totaling about USD4.796 billion, an increase of 59.91% from last week. Among them, Chengtou were the main issuers, issuing a total of USD2.006 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20250804-20250808)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2025/8/4	Guotai Junan International Holdings Ltd	USD	100	4.65	2026/2/24	197D	Financials	Baa2/BBB+/-	-/-/-
2025/8/5	Agricultural Bank Of China Ltd/Singapore	USD	300	SOFR +32	2026/8/4	350D	Banks	A1/-/-	-/-/-
2025/8/5	Binzhou Smart City Operation Co Ltd	USD	50	6.8	2028/8/8	3	Chengtou	-/-/-	-/-/-
2025/8/5	Dongtai Huimin Urbanization Construction Group Co Ltd	JPY	10,460	1.65	2028/8/8	3	Chengtou	-/-/-	-/-/-
2025/8/5	Jinan Licheng Holding Group Co Ltd	USD	110	4.95	2028/8/11	3	Chengtou	-/-/-	-/-/-
2025/8/5	Peixian Urban Construction Investment Development Group Co Ltd	CNY	2,000	3.7	2028/8/12	3	Chengtou	-/-/-	-/-/-
2025/8/5	Zhongmou Xinglv Culture Investment Development Group Co Ltd	CNY	238	7	2026/8/5	364D	Chengtou	-/-/-	-/-/-
2025/8/6	Chengdu Sino French Ecological Park Investment Development Co Ltd	USD	100	6.5	2028/8/11	3	Chengtou	-/-/-	-/-/-
2025/8/6	China Securities International Finance Holding Co Ltd	USD	2	4.42	2025/11/13	94D	Financials	-/-/-	-/-/-

2025/8/6	GF Holdings Hong Kong Corp Ltd	USD	15	4.6	2025/11/17	96D	Financ ials	-/-/-	-/-/-
2025/8/6	GF Holdings Hong Kong Corp Ltd	USD	25	SOFR +34	2026/8/14	364D	Financ ials	-/-/-	-/-/-
2025/8/6	GF Holdings Hong Kong Corp Ltd	USD	10	4.55	2025/11/11	92D	Financ ials	-/-/-	-/-/-
2025/8/6	GF Holdings Hong Kong Corp Ltd	USD	4	4.58	2025/11/11	95D	Financ ials	-/-/-	-/-/-
2025/8/6	GF Holdings Hong Kong Corp Ltd	USD	30	4.66	2025/11/20	92D	Financ ials	-/-/-	-/-/-
2025/8/6	ICBCIL Finance Co Ltd	USD	48	4	2028/8/11	3	Financ ials	-/-/-	-/-/-
2025/8/6	Industrial & Commercial Bank of China Ltd/Singapore	SGD	350	1.95	2027/8/13	2	Banks	A1/-/-	-/-/-
2025/8/6	Industrial & Commercial Bank of China Ltd/Singapore	CNY	3,500	1.82	2028/8/13	3	Banks	A1/-/-	-/-/-
2025/8/6	Weifang Ocean Investment Group Co Ltd	CNY	750	6.9	2028/8/11	3	Cheng tou	-/-/-	-/-/-
2025/8/7	CITIC Securities International Co Ltd	USD	0.5	0	2026/8/12	365D	Financ ials	-/BBB+/-	-/BBB+/-
2025/8/7	CITIC Securities International Co Ltd	USD	0.5	0	2026/8/12	365D	Financ ials	-/BBB+/-	-/BBB+/-
2025/8/7	Qingdao Bullet Train Town Investment Group Co Ltd	CNY	400	6.2	2028/8/12	3	Cheng tou	-/-/-	-/-/-
2025/8/7	State Grid Corp of China	CNY	4,000	1.9	2030/8/14	5	Utilitie s	A1/A+/A	--/A+/-
2025/8/7	State Grid Corp of China	CNY	2,000	2.4	2045/8/14	20	Utilitie s	A1/A+/A	--/A+/-
2025/8/7	State Grid Corp of China	CNY	4,000	2.2	2035/8/14	10	Utilitie s	A1/A+/A	--/A+/-
2025/8/7	Tianfeng Securities Co Ltd	USD	8	5	2026/2/11	184D	Financ ials	-/-/BBB-	-/-/-
2025/8/7	Xinyang Dingxin Industrial Investment Group Co Ltd	CNY	1,500	5.3	2028/8/14	3	Cheng tou	-/-/-	-/-/-
2025/8/7	Zhengzhou Urban Development Group Co Ltd	CNY	1,000	2.55	2028/8/14	3	Cheng tou	-/-/BBB+	-/-/BBB+
2025/8/7	Zhengzhou Urban Development Group Co Ltd	USD	210	4.6	2028/8/14	3	Cheng tou	-/-/BBB+	-/-/BBB+
2025/8/8	CITIC Securities International Co Ltd	USD	8	0	2026/2/12	181D	Financ ials	-/BBB+/-	-/BBB+/-

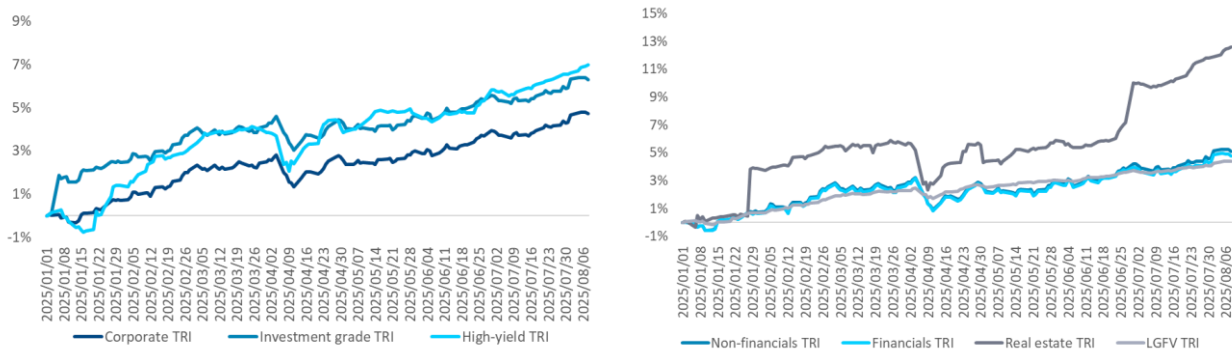
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds increased

As of August 8, the year-to-date return¹ of Chinese USD bonds increased by 4.0bp to 4.72% compared to last Friday, among which the return rate of investment-grade bonds decreased by 2.0bp to 6.30%, while the return rate of high-yield bonds increased by 37.0bp to 6.98%. By industry, the return rate of non-financial bonds was 5.10%, down 6.0bp from last Friday. The return rate of financial bonds was 4.77%, down 9.0bp. The return rate of real estate was 12.62%, up 71.0bp. The return rate of Chengtou was 4.39%, up 12.0bp.

¹ Year-to-date return measures the return since January 2, 2025

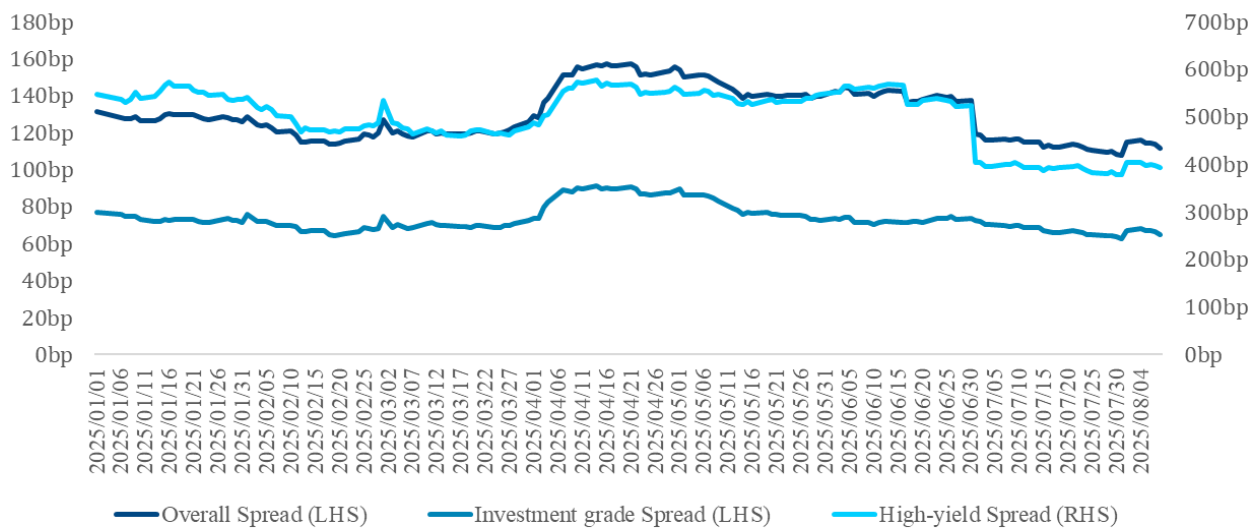
Figure 5: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of August 8, the spread of Chinese USD bonds narrowed by 3.4bp to 111.66bp from last Friday, among which the spread of investment-grade bonds narrowed by 2.1bp to 64.93bp, and the spread of high-yield bonds narrowed by 12.1bp to 392.49bp.

Figure 6: Yield Spreads of Bloomberg Barclays Chinese USD bond index



Sources: CCXAP research

From August 4 to August 8, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Shandong Guohui Investment Holding Group Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20250804-20250808)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
SHGUOH 3.15 08/27/25	Shandong Guohui Investment Holding Group Co., Ltd.	99.687	0.04	11.684	386.7
HENANG 2.8 09/18/25	Henan Water Conservancy Investment Group Co., Ltd.	99.88	0.10	28.507	146.5
YUNDHL 2.4 08/19/25	Yunda Holding Group Co., Ltd.	99.849	0.02	2.511	125.1
CHPWCN 3.45 PERP	PowerChina Group Co., Ltd.	99.849	永续	1.596	124.5

EHICAR 7 09/21/26	eHi Car Rental Co., Ltd.	73.172	1.11	1.777	86.9
XIANGY 5.7 09/23/25	Xiamen Xiangyu Group Co., Ltd.	100.133	0.12	4.369	68.4
JDZHSI 5.9 10/25/25	Jingdezhen Hesheng Industrial Investment Development Co., Ltd.	99.849	0.20	1.777	57
SDECDI 2.4 06/03/26	Shandong Financial Investment Group Co., Ltd.	97.882	0.81	5.122	53
KMRLGP 8 12/07/25	Kunming Rail Transit Group Co., Ltd.	99.849	0.32	1.777	51.2
GZUIHG 6 09/14/25	Ganzhou Urban Investment Holding Group Co., Ltd.	100.343	0.09	1.832	37.1

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

Sources: CCXAP research

Ratings Action: CCXAP assigned credit rating to one entity

On August 6, CCXAP assigned first-time long-term credit rating of BBB_g⁺ to Wuhan Changjiang New Area Group Co., Ltd. ("WCNG"), with stable outlook.

Table 3: CCXAP's rating actions of cross-border issuer (20250804-20250808)

Rating Date	Obligor	Entity Rating	Rating Rational
2025/8/6	WCNG	BBB _g ⁺	The rating reflects the Company's (1) essential role as the comprehensive development entity in Changjiang New Area and Hanzheng Street Central Service District ("HSCD"); (2) high sustainability of public policy projects; and (3) good track record of receiving government support. However, the rating is constrained by the Company's (1) medium exposure to commercial activities; (2) high debt leverage with manageable short-term debt pressure; and (3) weak asset quality.

Source: CCXAP research

From August 4 to August 8, rating agencies took positive rating actions on 7 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20250804-20250808)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating :										
Upgrade	Syngenta Group Co., Ltd.	Industrials	A	Stable	2025/08/04	A-	Stable	2025/04/10	Fitch	Increased support from the parent company
	China National Chemical Corporation	Industrials	A	Stable	2025/08/04	A-	Stable	2025/04/10	Fitch	Increased support from the parent company
	Sinochem International (Holdings) Co., Ltd.	Industrials	A-	Stable	2025/08/04	BBB+	Stable	2025/04/10	Fitch	Increased support from the parent company

	Guangxi Communications Investment Group Co., Ltd.	Chengt ou	Baa2	Stable	2025/08/05	Baa3	Stable	2025/05/27	Moody's	The Guangxi government's willingness to support the company has improved
	Hunan Xiangjiang New District Development Group Co., Ltd.	Chengt ou	Baa2	Stable	2025/08/05	Baa3	Stable	2025/05/27	Moody's	Increased support from the parent company
	Heshan Municipal Public Assets Management Co., Ltd.	Chengt ou	BBB	Stable	2025/08/07	BBB-	Stable	2024/07/30	Lianhe	Increased strategic importance of the company
	Jingdezhen Hesheng Industrial Investment Development Co., Ltd.	Chengt ou	BBB _g	Stable	2025/08/08	BBB _g -	Stable	2024/06/19	CCXAP	The company is an important local industrial investment platform

Source: CCXAP research

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