Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

2025 Issue 40
From October 20 to October 24

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

Headline: China's GDP increased by 4.8% in the third quarter; the US CPI increased by 3% in September, lower than expected

On October 20, China's National Bureau of Statistics announced that China's GDP in the third quarter of 2025 was 35.45 trillion yuan, an increase of 4.8%; on October 24, the United States announced its September CPI, which increased by 3%, lower than the expected 3.1% but higher than the previous value of 2.9%.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of October 24, the RMB/USD middle rate closed at 7.0928, down 21.0bp from last Friday. The USD Index closed at 98.952, up 0.52% from last Friday.

Interest Rate: Chinese Government Bond Yields Increased; US Treasury Yields Did not change

Last week, China Government Bond yields increased. As the Federal Reserve is unpredictable on whether cut interest rates, US Treasury yields did not change.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From October 20 to October 24, Chinese enterprises issued 22 new bonds in the offshore market, totaling about USD3.113 billion, an increase of 35.46% from last week. Among them, financial institutions were the main issuer, issuing a total of USD1.325 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of October 24, the return rate of Chinese USD bonds increased by 18.0bp to 6.94% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 8.64%, while the return rate of high-yield bonds increased by 26.0bp to 8.71%.

Rating Actions: CCXAP assigns long-term credit ratings to 1 entity

On October 24, CCXAP assigns first time long-term credit rating of BBB_g to Fengyang County Xiaogang Industrial Development Investment Co., Ltd., with stable outlook.

Analyst Contacts

Saul Zuo
852-2810 7142
saul_zuo@ccxap.com

Natalie Xu
852-2810 7142
natalie_xu@ccxap.com

Other Contacts

Peter Chong
852-2860 7124
peter_chong@ccxap.com

Headline: China's GDP increased by 4.8% in the third quarter; the US CPI increased by 3% in September, lower than expected

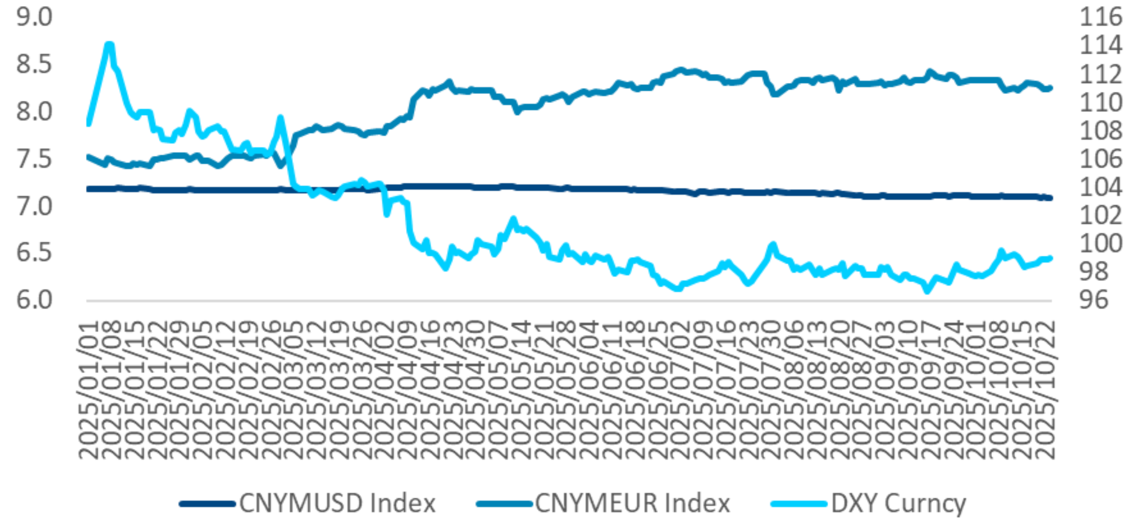
On October 20, China's National Bureau of Statistics announced that China's GDP in the third quarter of 2025 was RMB35.45 trillion, a year-on-year (“YoY”) increase of 4.8%. The total GDP for the first three quarters was 101.5036 trillion yuan, a YoY increase of 5.2%, with a quarter-on-quarter growth of 1.1% in the third quarter. The National Bureau of Statistics stated that preliminary calculations show that the third-quarter GDP grew by 4.8% YoY, a decrease of 0.4 percentage points compared to the second quarter. This was mainly due to the combined effects of a complex and severe external environment and significant domestic structural adjustment pressures. Internationally, since the third quarter, some countries have abused tariffs, impacting the global trade order. Unilateralism and protectionism have become rampant, increasing the instability and uncertainty of international trade growth and making the external environment for development more complex. Domestically, my country is in a critical period of economic restructuring, facing growing pains in the transition from old to new growth drivers. Some long-standing structural problems need to be resolved, and the slowdown in growth in some industries has objectively contributed to the decline in economic growth.

On October 24, the United States released its September CPI, which rose by 3% YoY, lower than the expected 3.1% but higher than the previous value of 2.9%. Although CPI inflation remains significantly above the Federal Reserve's 2% target, this modest data has solidified market expectations for a Fed rate cut next week and increased the probability of another rate cut in December. The effects of tariffs and immigration are beginning to emerge. Clothing prices rose 0.7% month-over-month, sporting goods costs jumped 1%, and gardening and lawn care services surged 13.9% YoY. Meanwhile, smartphone prices actually fell 2.2%, a YoY decrease of 14.9%. Housing costs, a key category accounting for one-third of the CPI, rose only 0.2% month-over-month, and owner-equivalent rent (OER) rose only 0.1% month-over-month, the smallest increase in nearly five years. Following the CPI release, the White House warned that due to the government shutdown disrupting data collection, the October CPI report was unlikely to be released on schedule, marking the first time in history that an official CPI report has been absent.

Exchange Rate: RMB appreciated; USD Index increased

In the past week, the RMB has appreciated. As of October 24, the RMB/USD middle rate closed at 7.0928, down 21.0bp from last Friday. The RMB/EUR middle rate closed at 8.2486, down 588.0bp from last Friday. The USD Index closed at 98.952, up 0.52% from last Friday.

Figure 1: RMB exchange rate

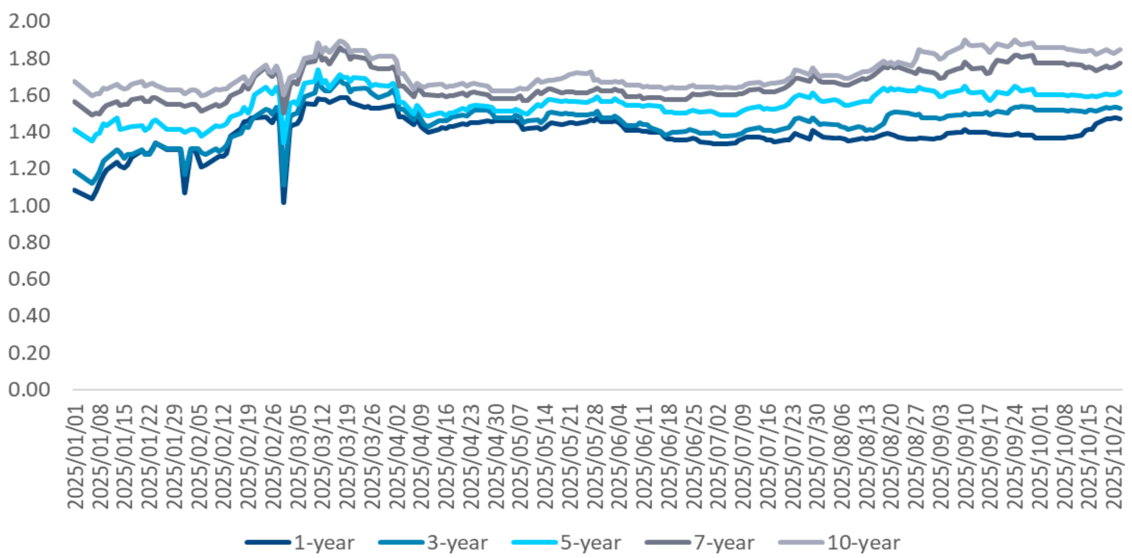


Sources: CCXAP research

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

In the past week, China Government Bond yields increased. As of October 17, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.4716%, 1.5294%, 1.6174%, 1.7731% and 1.8486%, respectively. Compared with last Friday, rose by 2.82bp, 1.54bp, 2.75bp, 3.72bp and 2.40bp.

Figure 2: China Government Bond yields

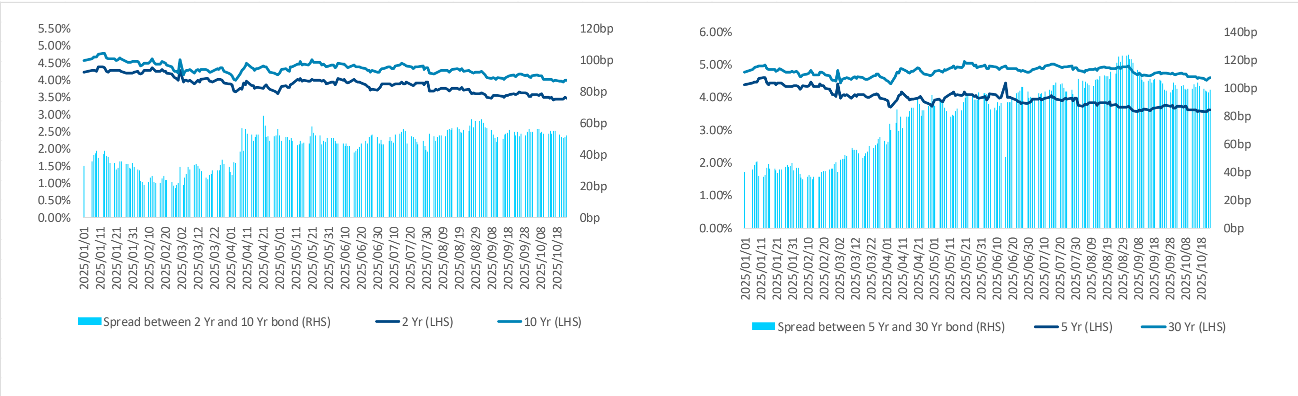


Sources: CCXAP research

As the Federal Reserve is unpredictable on whether cut interest rates, US Treasury yields did not change. As of October 17, the 2-year, 5-year, 10-year, and 30-year US treasury yields were

3.4799%, 3.6053%, 4.0007% and 4.5928%, respectively. The 2-year and 5-year were up 2.26bp and 1.37bp, the 10-year and 30-year were down 0.81bp and 1.25bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 3.07bp to 52.08bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 2.62bp to 98.75bp compared to last Friday.

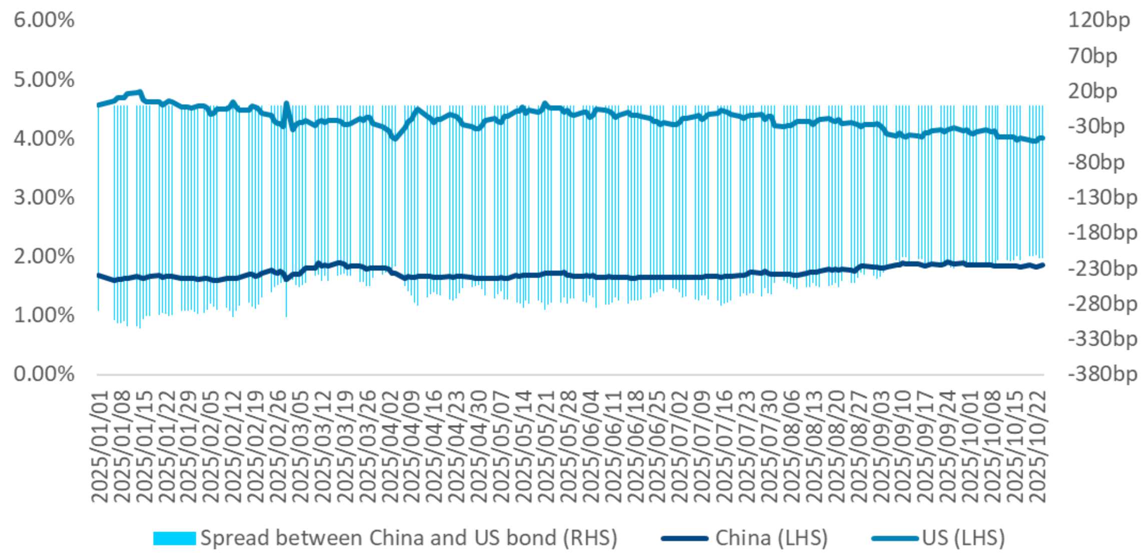
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of October 24, the 10-year Treasury bond interest rate gap between China and the United States was -215.2bp, narrowing by 3.2bp from last Friday and widening by 74.2bp 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 October 20 to October 24, Chinese enterprises issued 22 new bonds in the offshore market, totaling about USD3.113 billion, an increase of 35.46% from last week. Among them, financial institutions were the main issuer, issuing a total of USD1.325 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20251020-20251024)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2025/10/20	Bocom Leasing Management Hong Kong Co Ltd	CNY	1,000	2.02	2028/10/24	3	Financials	A2/A-/A	A3/-/A
2025/10/20	Huatai International Financial Holdings Co Ltd	USD	20	4.26	2026/1/22	91D	Financials	Baa1/BBB+/-	-/-/-
2025/10/20	GF Holdings Hong Kong Corp Ltd	USD	5	4.1	2026/1/26	96D	Financials	-/BBB/BBB	-/-/-
2025/10/20	CITIC Securities International Co Ltd	CNY	25	0	2028/3/10	2	Financials	-/BBB+/-	-/-/-
2025/10/21	Bank of China Ltd/London	GBP	250	4.125	2028/10/27	3	Banks	A1/-/-	A1/A/A
2025/10/21	China Energy Engineering Corp Ltd	USD	100	4.25	1900/1/0	--	Industrials	-/-/BBB+	-/-/BBB+
2025/10/21	China Energy Engineering Corp Ltd	USD	100	3.8	2028/10/27	3	Industrials	-/-/BBB+	-/-/BBB+
2025/10/21	Bank of China Ltd/London	CNY	1,500	1.92	2028/10/27	3	Banks	A1/-/-	A1/A/A
2025/10/21	GF Holdings Hong Kong Corp Ltd	USD	60	4.18	2025/12/29	63D	Financials	-/BBB/BBB	-/-/-
2025/10/21	GF Holdings Hong Kong Corp Ltd	HKD	70	3.7	2026/1/26	95D	Financials	-/BBB/BBB	-/-/-
2025/10/21	GF Holdings Hong Kong Corp Ltd	USD	70	SOFR +55	2026/10/22	364D	Financials	-/BBB/BBB	-/-/-
2025/10/22	China Three Gorges Corp	USD	700	3.6	2028/10/28	3	Utilities	A1/A+/A	A1/-/-
2025/10/22	Far East Horizon Ltd	JPY	8,000	2.05	2028/10/28	3	Financials	-/BBB-/-	-/-/-
2025/10/22	Liling Lujiang Investment Holding Group Co Ltd	CNY	1,385	6.4	2028/10/27	3	Chengtou	-/-/-	-/-/-
2025/10/22	TF International Securities Group Ltd	USD	8	4.85	2026/7/27	273D	Financials	-/-/BBB-	-/-/BBB-
2025/10/22	China International Capital Corp International Ltd	USD	5	4.13	2025/12/2	35D	Financials	Baa1/BBB+/BBB+	-/-/-
2025/10/22	Weifang Ocean Investment Group Co Ltd	CNY	175	6.9	2028/8/11	3	Chengtou	-/-/-	-/-/-
2025/10/23	Deyang Development Holdings Group Co Ltd	USD	350	4.29	2028/10/28	3	Chengtou	-/-/BBB-	-/-/BBB-
2025/10/23	Shangrao Investment Holding Group Co Ltd	USD	240	4.4	2028/10/30	3	Chengtou	-/-/BBB-	-/-/BBB-
2025/10/23	China CITIC Bank International Ltd	USD	-	perpetuals	2025/11/28	29D	Banks	-/BBB+/-	-/-/-
2025/10/24	Yuexiu Property Co Ltd	CNY	2,850	3.3	2028/11/3	3	Real Estate	Ba1/BBB-/BBB-	-/-/-
2025/10/24	Hubei Huanchuan State-owned Capital Investment Operation Group Co Ltd	CNY	970	4.3	2028/11/3	3	Chengtou	-/-/-	-/-/-

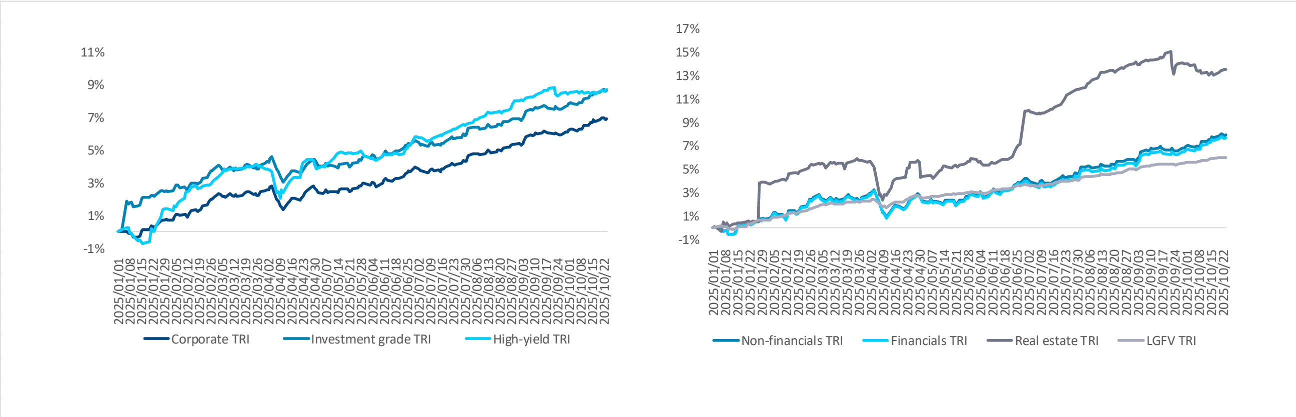
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds increased

As of October 24, the year-to-date return[1] of Chinese USD bonds increased by 18.0bp to 6.94% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 8.64%, while the return rate of high-yield bonds increased by 26.0bp to 8.71%. By industry, the return rate of non-financial bonds was 7.92%, up 22.0bp from last Friday. The return rate of financial bonds was 7.66%, up 20.0bp. The return rate of real estate was 13.54%, up 51.0bp. The return rate of Chengtou was 6.04%, up 15.0bp.

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

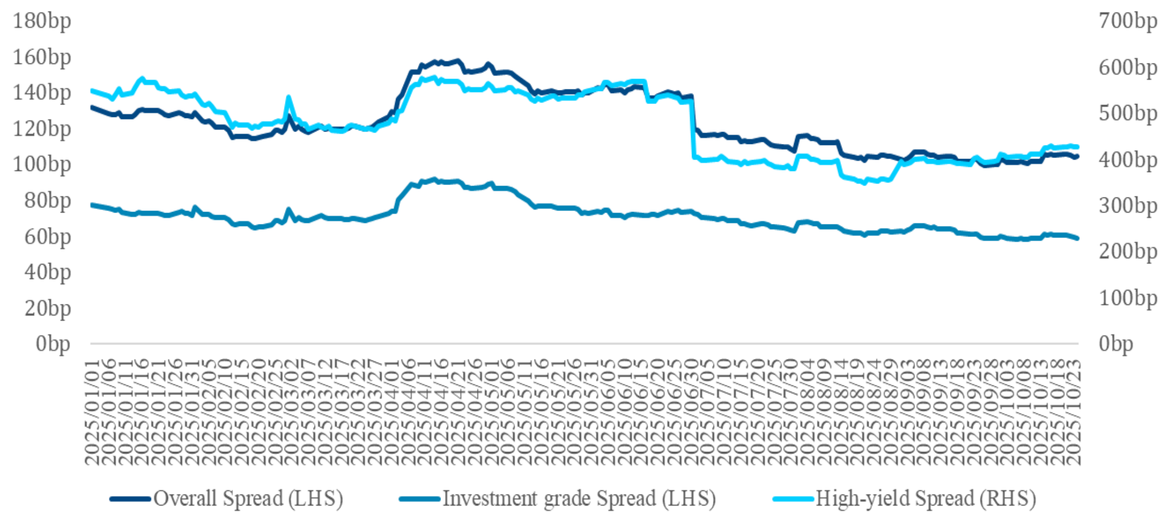
Figure 5: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of October 24, the spread of Chinese USD bonds narrowed by 1.0bp to 104.03bp from last Friday, among which the spread of investment-grade bonds narrowed by 1.8bp to 58.75bp, and the spread of high-yield bonds widened by 2.8bp to 425.98bp.

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



Sources: CCXAP research

From October 20 to October 24, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Wen's Food Group Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20251020-20251024)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
GWFOOD 2.349 10/29/25	Wen's Food Group Co., Ltd.	99.858	0.01	52.926	4.516M
WHGBIO 2.9 10/28/25	Hubei Science and Technology Investment Group Co., Ltd.	100.027	0.01	-6.721	2.1509M
GXCMIN 2.95 10/30/25	Guangxi Communications Investment Group Co., Ltd.	100.038	0.01	-10.571	2.0779M

CHGDNU 4 11/05/25	CGN International Co., Ltd.	100.011	0.02	3.276	759.1
ZHHFGR 2.8 11/04/25	Zhuhai Huafa Group Co., Ltd.	100.046	0.02	-0.505	239.3
EHICAR 7 09/21/26	eHi Car Rental Co., Ltd.	81.895	0.9	31.751	219.6
ZHJWCI 7.1 11/14/25	Zhenjiang Cultural Tourism Industry Group Co., Ltd.	100.154	0.05	3.292	214
POLHON 4 11/10/25	Poly Property Group Co., Ltd. (Hong Kong)	100.164	0.04	-1.34	198.2
MEITUA 2.125 10/28/25	Meituan	99.959	0.01	16.715	198.1
VNKRLE 3.975 11/09/27	Vanke Co., Ltd.	73.678	2.04	20.479	179.8

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

Sources: CCXAP research

Rating Actions: CCXAP assigns long-term credit ratings to 1 entity

On October 24, CCXAP assigns first time long-term credit rating of BBB$_g$ to Fengyang County Xiaogang Industrial Development Investment Co., Ltd. ("FXID" or the "Company"), with stable outlook.

Table 3: Credit rating from CCXAP (20251020-20251024)

Rating Date	Obligor	Entity Rating	Rating Rational
2025/10/24	FXID	BBB$_g$	The credit rating is underpinned by the Company's (1) status as a key subsidiary of FHIG, which is ultimately owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Fengyang County ("Fengyang SASAC") and controlled by the Fengyang County Government; (2) important role in the operation of state-owned assets and investment in key industries in Fengyang County; and (3) good track record of receiving government supports.

Sources: CCXAP research

From October 20 to October 24, rating agencies took negative rating action on 3 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20251020-20251024)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Downgrade	China Tourism Group Co., Ltd.	Utilities	Baa1	Stable	2025/10/20	A3	Neg	2025/02/27	Moody's	The company's deleveraging process is slower than expected.
	Vanke Co., Ltd.	Real estate	Caa2	Neg	2025/10/20	Caa1	Neg	2025/02/11	Moody's	The company faces significant maturing debt, raising uncertainty about financial support from its major shareholder.
	Industrial and Commercial Bank of China Limited Macau Branch	Bank	A2	Stable	2025/10/21	A1	Neg	2025/05/27	Moody's	Support from its parent company may decrease.

Source: CCXAP research

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address：	Suites 1904-1909, 19/F, Jardine House, 1 Connaught Place, Central, Hong Kong
Website：	www.ccxap.com
Email：	info@ccxap.com
Tel:	+852-28200711
Fax：	+852-28208020