

2025 Issue 45 From November 24 to November 28

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

Headline: US Beige Book Highlights Labor Market Issues; China's Official November Manufacturing PMI Rises Above Prior Reading

On November 27, the US released its Beige Book, which reported that the government shutdown and the application of AI have led to weakness in the labor market. On November 30, China announced its official November manufacturing PMI at 49.2, higher than the previous reading of 49.0.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of November 28, the RMB/USD middle rate closed at 7.0789, down 86.0bp from last Friday. The USD Index closed at 99.459, down 0.72% from last Friday.

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

Last week, China Government Bond yields increased. As a possible near-term interest rate cut by the Fed, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From November 24 to November 28, Chinese enterprises issued 27 new bonds in the offshore market, totaling about USD4.756 billion, an increase of 63.21% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.328 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of November 28, the return rate of Chinese USD bonds decreased by 7.0bp to 6.79% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 8.82%, while the return rate of high-yield bonds decreased by 178.0bp to 6.23%.

Rating Actions: Rating Agencies Took Rating Actions on 7 Chinese Issuers

From November 24 to November 28, rating agencies took positive rating actions on 6 Chinese issuers and negative rating action on 1 Chinese issuer.



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Headline: US Beige Book highlights labor market issues; China's official November manufacturing PMI rises above prior reading

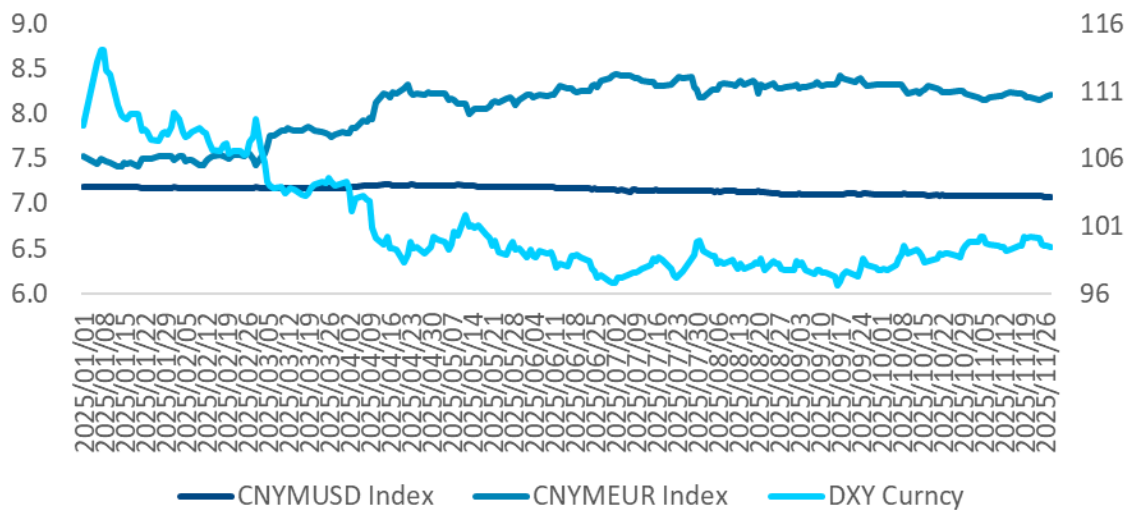
On November 27, the US released its Beige Book, which reported that the government shutdown and the application of AI have led to weakness in the labor market, with the job-seeking environment being less than optimistic over the past six weeks. Half of the Fed's 12 regional branches reported a decline in employers' willingness to hire. The report noted that while layoff announcements have increased, more companies are limiting headcount through hiring freezes, replacement-only hiring, and attrition. Many employers are also adjusting working hours to accommodate business volumes that are higher or lower than expected. A small number of firms pointed out that artificial intelligence has replaced entry-level positions or has increased the productivity of existing staff to a degree that suppresses new hiring. Tariffs and rising healthcare costs have pushed up business expenses, potentially exacerbating inflation concerns. Despite tariffs and tariff-related uncertainty remaining headwinds, manufacturing activity still saw some increase. Non-financial services revenues were mostly flat to down, and reports on loan demand were mixed. Conditions in the agricultural and energy sectors were largely stable, though some contacts noted challenges from low-price environments for oil and certain crops. The extent to which higher input costs are passed through to customers varies, depending on demand, competitive pressures, consumer price sensitivity, and customer pushback.

On November 30, China announced its official November manufacturing PMI at 49.2, higher than the previous reading of 49.0. Data showed that in November, the production index and new orders index stood at 50.0% and 49.2%, respectively, rising 0.3 and 0.4 percentage points from the previous month. The production index returned to the threshold, indicating improvements on both the production and demand sides of manufacturing. In November, large enterprises recorded a PMI of 49.3%, down 0.6 percentage points from the prior month, reflecting a dip in activity; medium-sized enterprises posted a PMI of 48.9%, up 0.2 percentage points, showing some improvement; small enterprises reported a PMI of 49.1%, up 2.0 percentage points, reaching its highest level in the past six months and signaling a notable rebound in activity. Additionally, the PMI for high-tech manufacturing stood at 50.1%, remaining above the threshold for the tenth consecutive month, indicating sustained growth in related industries. Data also showed that in November, the production and operation expectation index reached 53.1%, up 0.3 percentage points from the previous month, reflecting increased confidence among manufacturing firms regarding near-term market development.

Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of November 28, the RMB/USD middle rate closed at 7.0789, down 86.0bp from last Friday. The RMB/EUR middle rate closed at 8.2078, up 252.0bp from last Friday. The USD Index closed at 99.459, down 0.72% from last Friday.

Figure 1: RMB exchange rate

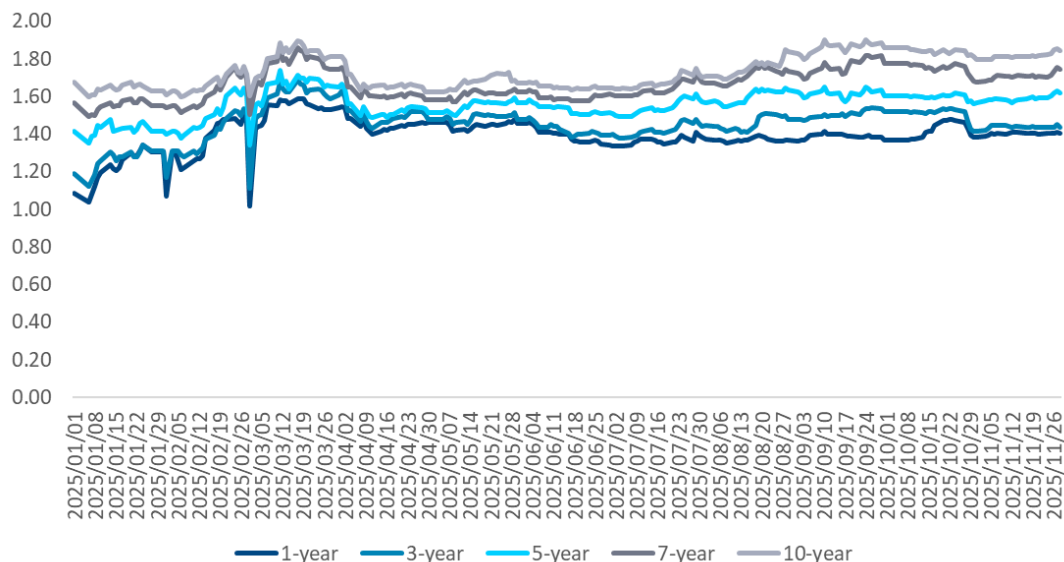


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of November 28, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.4017%, 1.4351%, 1.6183%, 1.7432%, respectively. Up 0.09bp, 0.03bp, 2.76bp, 3.79bp, and 2.46bp from last Friday.

Figure 2: China Government Bond yields

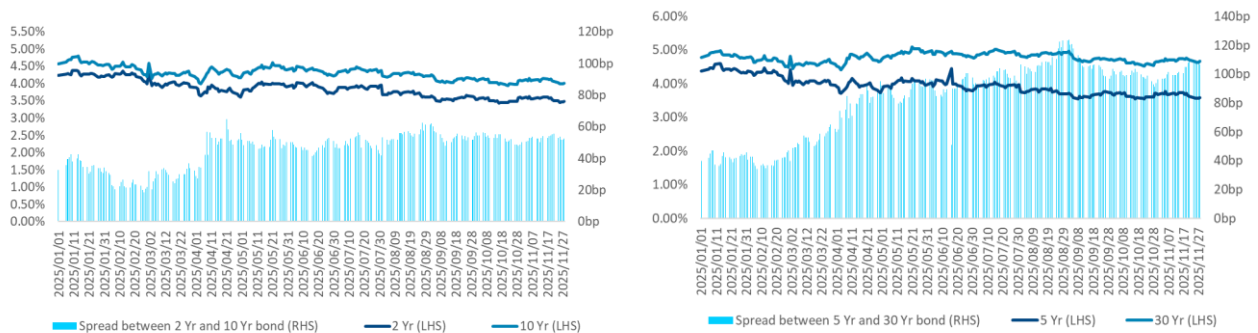


Sources: CCXAP research

As the market expected a possible near-term interest rate cut by the Fed, US Treasury yields decreased. As of November 28, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.4893%, 3.5964%, 4.0132%, and 4.6628%, respectively. Down 1.82bp, 2.47bp, 5.01bp, and 4.92bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year

Treasury notes narrowed by 3.19bp to 52.39bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 2.45bp to 106.64bp compared to last Friday.

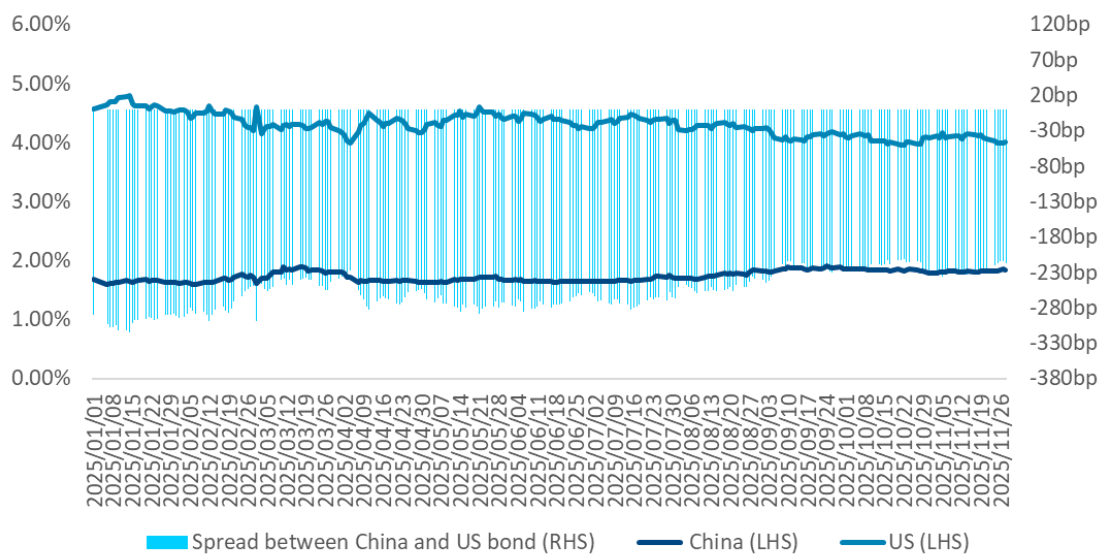
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of November 28, the 10-year Treasury bond interest rate gap between China and the US was -217.2bp, narrowing by 7.5bp from last Friday and widening by 72.2bp 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 November 24 to November 28, Chinese enterprises issued 27 new bonds in the offshore market, totaling about USD4.756 billion, an increase of 63.21% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.328 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20251124-20251128)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2025/11/24	China Merchants Securities International Co Ltd	CNY	600	2.1	2028/12/1	3	Financials	Baa2/--/--	Baa2/--/--

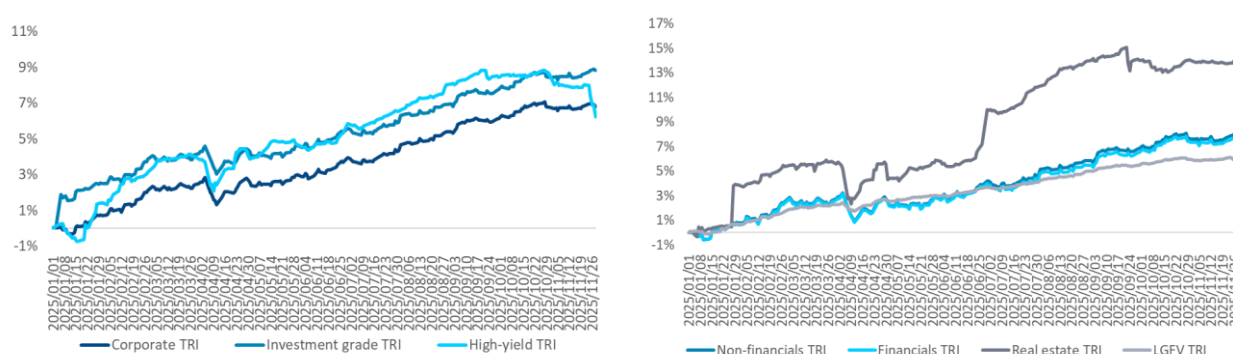
2025/11/24	CITIC Securities International Co Ltd	USD	4	0	2026/2/27	91D	Financ ials	-/BBB+/-	-/-/-
2025/11/24	Feicheng Huayu Industrial Group Co Ltd	CNY	152	4.5	2028/11/27	3	Cheng tou	-/-/-	-/-/-
2025/11/24	GF Holdings Hong Kong Corp Ltd	USD	5	SOFR +53	2026/8/27	272D	Financ ials	-/BBB/BBB	-/-/-
2025/11/24	Guangzhou Development District Holding Group Co Ltd	USD	500	4.4	2027/11/28	2	Utilitie s	--/--/BBB+	--/-- /BBB+
2025/11/24	Huatai International Financial Holdings Co Ltd	USD	26	4.17	2026/3/3	91D	Financ ials	Baa1/BBB+/-	-/-/-
2025/11/25	Chengdu Jingkai Asset Management Co Ltd	CNY	300	5.9	2028/11/28	3	Cheng tou	-/-/-	-/-/-
2025/11/25	CITIC Securities International Co Ltd	USD	13	0	2026/3/3	90D	Financ ials	-/BBB+/-	-/-/-
2025/11/25	GF Holdings Hong Kong Corp Ltd	USD	6	4.32	2026/2/5	62D	Financ ials	-/BBB/BBB	-/-/-
2025/11/25	Liaocheng Eastern New City Investment Holding Group Co Ltd	CNY	500	6.99	2028/12/1	3	Cheng tou	-/-/-	-/-/-
2025/11/25	Risland Thailand Co Ltd	THB	800	7	2026/11/23	363D	Real Estate	-/-/-	-/-/-
2025/11/25	West China Cement Ltd	USD	400	9.9	2028/12/4	3	Materi als	Caa1/-/B	--/B/B
2025/11/26	China Huaneng Group Co Ltd	USD	1,000	4.15	1900/1/0	- 45994 D	Utilitie s	A2/A-/A-	A3/--/--
2025/11/26	China Orient Asset Management International Holding Ltd	USD	800	4.3	2028/12/4	3	Financ ials	--/BBB/BBB+	-- /BBB/BBB +
2025/11/26	Taixing Jiangqiao Investment Construction And Development Co Ltd	CNY	400	6.3	2028/12/1	3	Cheng tou	-/-/-	-/-/-
2025/11/26	Ziyang Development Investment Group Co Ltd	CNY	150	6.2	2028/12/3	3	Cheng tou	-/-/-	-/-/-
2025/11/27	Chengdu Dongjin Huaizhou Xincheng Investment Group Co Ltd	CNY	700	6.3	2028/12/4	3	Cheng tou	-/-/-	-/-/-
2025/11/27	China Merchants Securities International Co Ltd	CNY	700	2.1	2028/12/4	3	Financ ials	Baa2/--/--	Baa2/--/--
2025/11/27	GF Holdings Hong Kong Corp Ltd	HKD	15	3.4	2026/5/28	181D	Financ ials	-/BBB/BBB	-/-/-
2025/11/28	CITIC Securities International Co Ltd	USD	170	SOFR +60	2028/7/16	3	Financ ials	-/BBB+/-	-/-/-
2025/11/28	Fosun International Ltd	JPY	4,200	3	2027/12/4	2	Consu mer Discre tionar y	-/BB/-	-/-/-
2025/11/28	GF Holdings Hong Kong Corp Ltd	USD	5	4.33	2026/3/10	95D	Financ ials	-/BBB/BBB	-/-/-
2025/11/28	GF Holdings Hong Kong Corp Ltd	USD	5	4.32	2026/2/3	60D	Financ ials	-/BBB/BBB	-/-/-
2025/11/28	GF Holdings Hong Kong Corp Ltd	USD	55	SOFR +58	2026/12/1	364D	Financ ials	-/BBB/BBB	-/-/-
2025/11/28	GF Holdings Hong Kong Corp Ltd	USD	55	SOFR +53	2026/9/2	274D	Financ ials	-/BBB/BBB	-/-/-
2025/11/28	Jiangyin State Owned Asset Holding Group Co Ltd	EUR	100	2.82	2028/12/5	3	Cheng tou	--/--/BBB	--/--/BBB
2025/11/28	Sichuan Gloport Investment Development Group Co Ltd	CNY	311	2.3	2028/12/5	3	Cheng tou	-/-/-	-/-/-

Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of November 28, the year-to-date return¹ of Chinese USD bonds decreased by 7.0bp to 6.79% compared to last Friday, among which the return rate of investment-grade bonds increased by 18.0bp to 8.82%, while the return rate of high-yield bonds decreased by 178.0bp to 6.23%. By industry, the return rate of non-financial bonds was 7.91%, up 21.0bp from last Friday. The return rate of financial bonds was 7.64%, up 21.0bp. The return rate of real estate was 13.89%, up 17.0bp. The return rate of Chengtou was 5.74%, down 34.0bp.

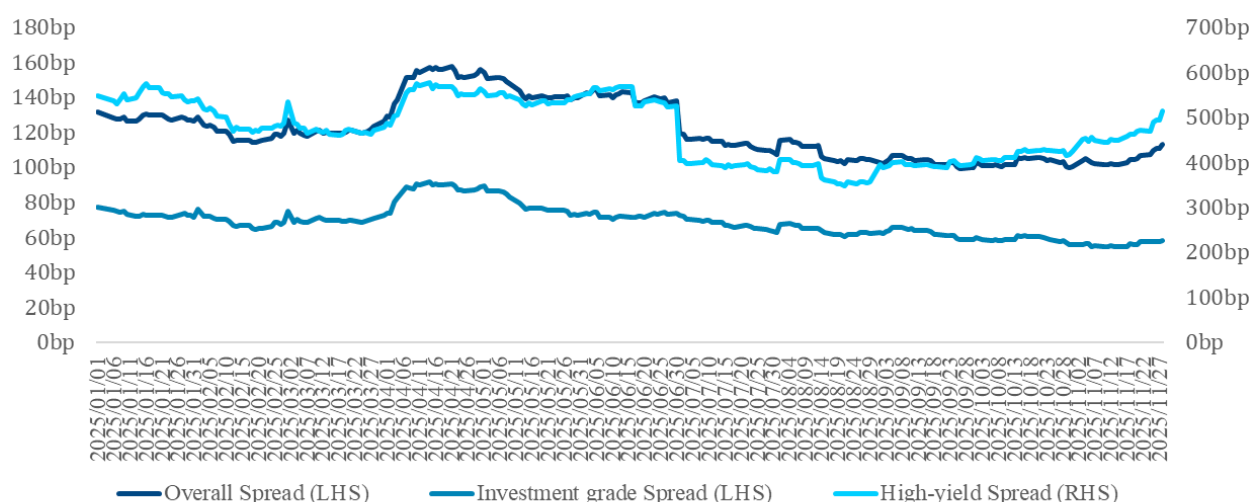
Figure 5: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of November 28, the spread of Chinese USD bonds widened by 6.5bp to 113.10bp from last Friday, among which the spread of investment-grade bonds widened by 0.7bp to 58.21bp, and the spread of high-yield bonds widened by 42.40bp to 513.96bp.

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



Sources: CCXAP research

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

From November 24 to November 28, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Vanke Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20251124-20251128)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
VNKRLE 3.975 11/09/27	Vanke Co., Ltd.	20.791	1.94	112.131	7.2507M
VNKRLE 3 ½ 11/12/29	Vanke Co., Ltd.	20.646	3.95	54.078	3.0506M
GZGETH 6.3 12/06/25	Guangzhou Development Zone Holdings Group Co., Ltd.	100.167	0.01	-23.005	1.2018M
FTLNHD 4 ½ 05/02/26	Seazen Holdings Limited	92.053	0.41	26.125	829.6
FUTLAN 11.88 06/26/28	Seazen Holdings Limited	89.327	2.57	20.161	495.7
KMRLGP 8 ½ 12/07/25	Kunming Rail Transit Group Co., Ltd.	100.068	0.01	0.326	465
FTLNHD 11.88 09/30/27	Seazen Holdings Limited	89.987	1.83	18.565	456
CHIOLI 6.45 06/11/34	China Overseas Land & Investment Ltd.	110.126	8.53	4.977	386.4
CCB Float 02/09/26	China Construction Bank (New Zealand) Limited	100.066	0.19	3.203	340.4
LNGFOR 3.95 09/16/29	Longfor Group Holdings Limited	76.061	3.79	12.003	281.6

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 7 Chinese issuers

From November 24 to November 28, rating agencies took positive rating actions on 6 Chinese issuers and negative rating action on 1 Chinese issuer.

Table 3: Rating actions of cross-border issuer (20251124-20251128)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating :										
Upgrade	Jinan Lixia Holding Group Co., Ltd.	Chengt ou	Ag-	Stable	2025/11/24	BBBg +	Stable	2024/11/28	CCXAP	The Lixia District government's support capacity has increased.
	China Hongqiao Group Co., Ltd.	Industr ials	BBB	Stable	2025/11/25	BBB-	Stable	2024/12/30	Lianhe	China Hongqiao's profitability and operating performance continue to improve.
	PICC Reinsurance Co., Ltd.	Financi als	A3	Stable	2025/11/25	A3	NEG	2023/12/07	Moody' s	The group has strong capital and high business support capabilities.

	China Huaneng Group Co., Ltd.	Industrials	A2	Pos	2025/11/25	A2	Stable	2025/05/27	Moody's	The company's latest progress in the nuclear power field has further consolidated its strategic position.
	H&H International Holdings Limited	Technologies	BB	Stable	2025/11/27	BB	NEG	2024/11/25	S&P	H&H International Holdings' baby product business segment will achieve a steady recovery in the next 12 to 18 months.
	Chengdu Economic and Technological Development Zone Asset Management Co., Ltd.	Chengdu	BBB	Stable	2025/11/28	BBB-	Stable	2025/01/10	Pengyuan International	The local government has a strong willingness to provide support.
Downgrade	Vanke Co., Ltd.	Real estate	CCC-	Rating Watch NEG	2025/11/28	CCC	Neg	2025/11/05	S&P	The company's liquidity buffer has been significantly weakened due to concentrated short-term debt maturities, continued decline in sales revenue, and a tightening financing environment.

Source: CCXAP research

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