

2025 Issue 48 From December 15 to December 19

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

Headline: China's November Total Retail Sales of Consumer Goods Up 1.3% YoY; US November Unemployment Rate Higher Than Expected

On December 15, China announced its November total retail sales of consumer goods reached 4.39 trillion yuan, up 1.3% YoY. On December 16, the US announced its November unemployment rate at 4.6%, higher than the expected 4.4%.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of December 19, the RMB/USD middle rate closed at 7.055, down 136.0bp from last Friday. The USD Index closed at 98.599, up 0.2% from last Friday.

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

Last week, China Government Bond yields decreased. Following the Federal Reserve's third 25bp rate cut this year, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From December 15 to December 19, Chinese enterprises issued 27 new bonds in the offshore market, totaling about USD875 million, a decrease of 65.89% from last week. Among them, financial institutions were the main issuers, issuing a total of USD622 million in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of December 19, the return rate of Chinese USD bonds increased by 21.0bp to 6.76% compared to last Friday, among which the return rate of investment-grade bonds increased by 23.0bp to 8.72%, while the return rate of high-yield bonds increased by 6.0bp to 6.77%.

Rating Actions: CCXAP Assigned Credit Ratings to 2 Chinese Entities

From December 15 to December 19, CCXAP assigned credit ratings to 2 entities, Mianyang City Commercial Bank Co., Ltd. and Dongtai Chengxing Investment Development Co., Ltd.



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 November total retail sales of consumer goods up 1.3% YoY; US November unemployment rate higher than expected

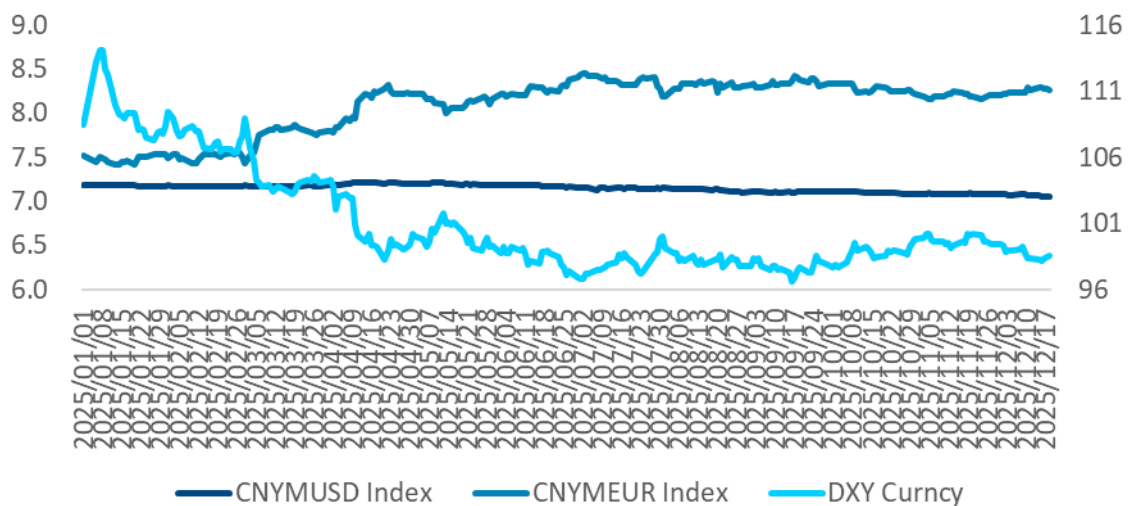
On December 15, China announced its November total retail sales of consumer goods reached 4.39 trillion yuan, up 1.3% YoY. Specifically, the retail sales of consumer goods excluding automobiles reached 3,944.4 billion yuan, up by 2.5%. From January to November, the total retail sales of consumer goods reached 45,606.7 billion yuan, up by 4.0%. Specifically, the retail sales of consumer goods excluding automobiles reached 41,163.7 billion yuan, up by 4.6%. By area of business units, in November, the retail sales of consumer goods in urban areas reached 3,768.4 billion yuan, up by 1.0% year on year; those in rural areas were 621.4 billion yuan, up by 2.8%. From January to November, the retail sales of consumer goods in urban areas reached 39,454.4 billion yuan, up by 3.9% year on year; those in rural areas reached 6,152.3 billion yuan, up by 4.4%. By consumption pattern, in November, the retail sales of goods were 3,784.1 billion yuan, up by 1.0% year on year; the income of the catering industry was 605.7 billion yuan, up by 3.2%. From January to November, the retail sales of goods reached 40,382.2 billion yuan, up by 4.1%; the income of the catering industry reached 5,224.5 billion yuan, up by 3.3%.

On December 16, the US announced its November unemployment rate at 4.6%, higher than the expected 4.4%. During the month, the total number of unemployed persons in the US was approximately 7.83 million, significantly higher than the 7.12 million in the same period last year. Among them, the number of persons unemployed for less than 5 weeks was 2.50 million, an increase of 316,000 from September; the number of long-term unemployed was 1.90 million, accounting for 24.3% of the total unemployed. The data also showed that US nonfarm payroll employment increased by 64,000 jobs in November, primarily in sectors such as healthcare, construction, and social assistance, while employment in transportation, warehousing, and the federal government decreased MoM. In October, nonfarm payroll employment had decreased significantly by 105,000 jobs. As some federal employees who accepted delayed resignation packages eventually left their positions, federal government employment fell sharply by 162,000 jobs MoM in October. Due to the impact of the previous US federal government shutdown, the Department of Labor was unable to collect and release the October unemployment rate data.

Exchange Rate: RMB appreciated; USD Index increased

In the past week, the RMB has appreciated. As of December 19, the RMB/USD middle rate closed at 7.055, down 136.0bp from last Friday. The RMB/EUR middle rate closed at 8.2616, up 23.0bp from last Friday. The USD Index closed at 98.599, up 0.2% from last Friday.

Figure 1: RMB exchange rate

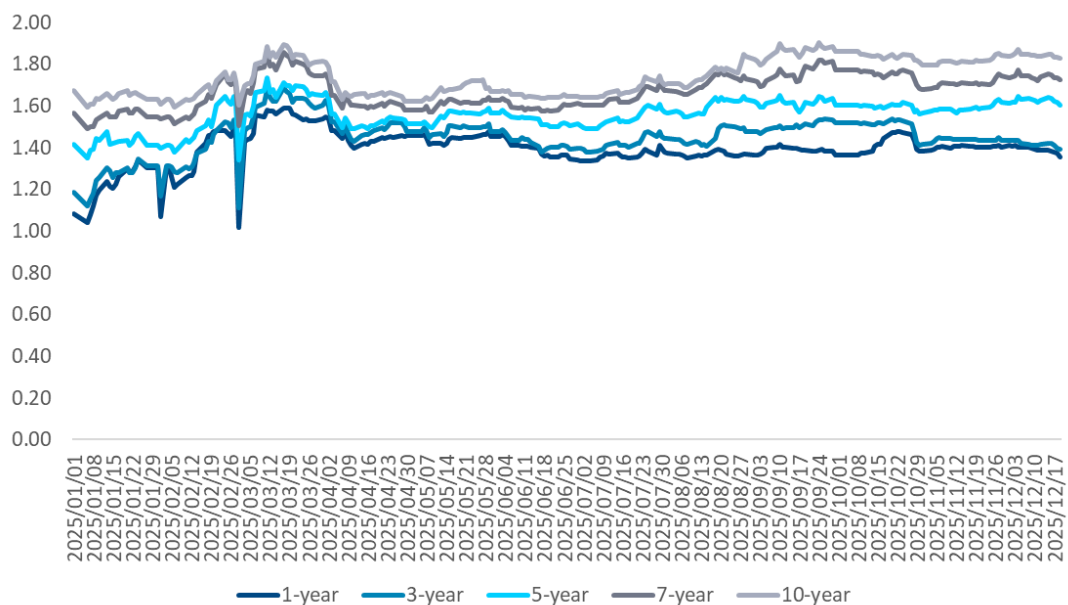


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of December 19, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.3547%, 1.3941%, 1.6021%, 1.7258%, and 1.8308%, respectively. Down 3.32bp, 2.20bp, 2.58bp, 1.52bp, and 0.88bp from last Friday.

Figure 2: China Government Bond yields

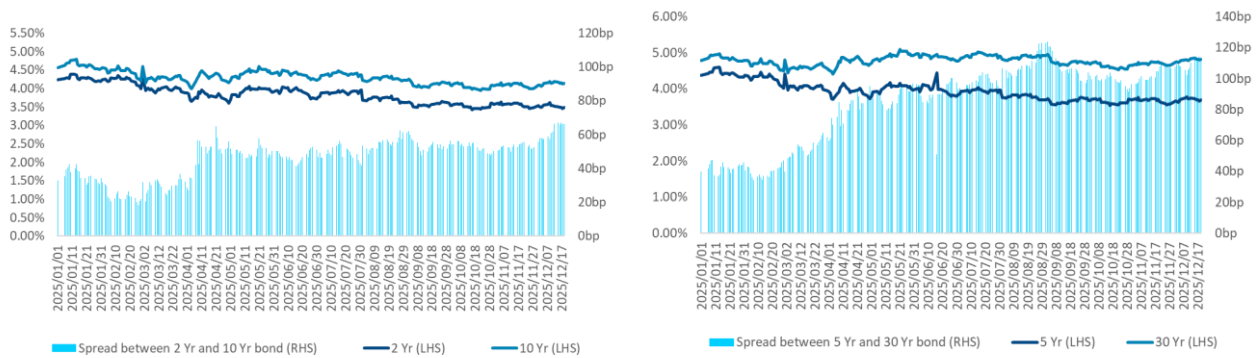


Sources: CCXAP research

Following the Federal Reserve's third 25bp rate cut this year, US Treasury yields decreased. As of December 19, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.4834%, 3.6933%,

4.1471%, and 4.8242%, respectively. Down 3.88bp, 4.84bp, 3.70bp, and 2.03bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 0.18bp to 66.37bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds widened by 2.81bp to 113.09bp compared to last Friday.

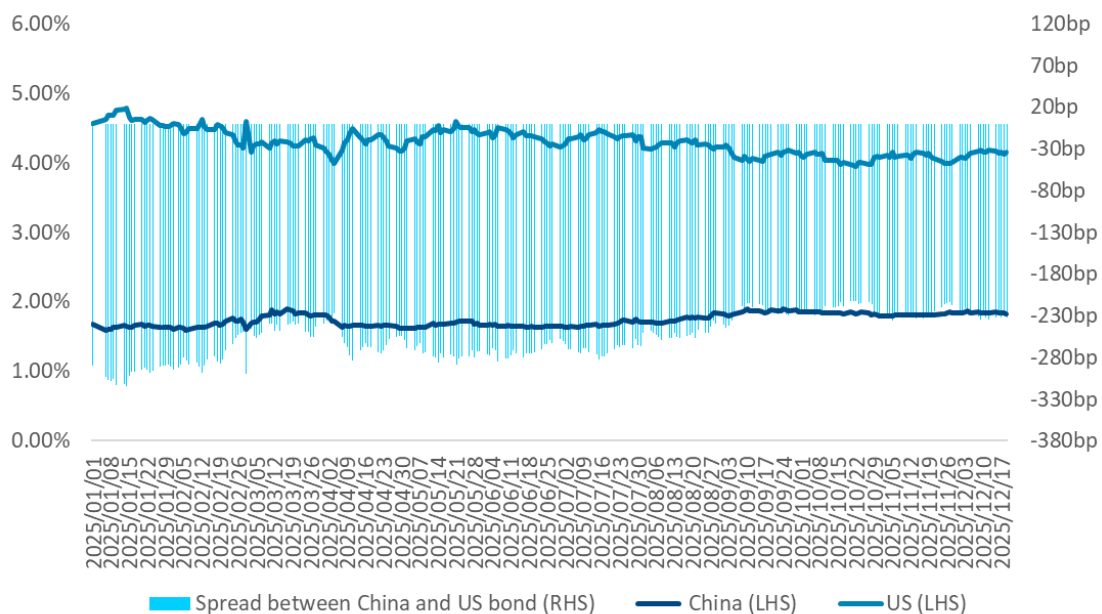
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of December 19, the 10-year Treasury bond interest rate gap between China and the US was -231.6bp, narrowing by 2.8bp from last Friday and widening by 57.7bp 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 decreased

From December 15 to December 19, Chinese enterprises issued 27 new bonds in the offshore market, totaling about USD875 million, a decrease of 65.89% from last week. Among them, financial institutions were the main issuers, issuing a total of USD622 million in bonds.

Table 1: New issuance of Chinese offshore bonds (20251215-20251219)

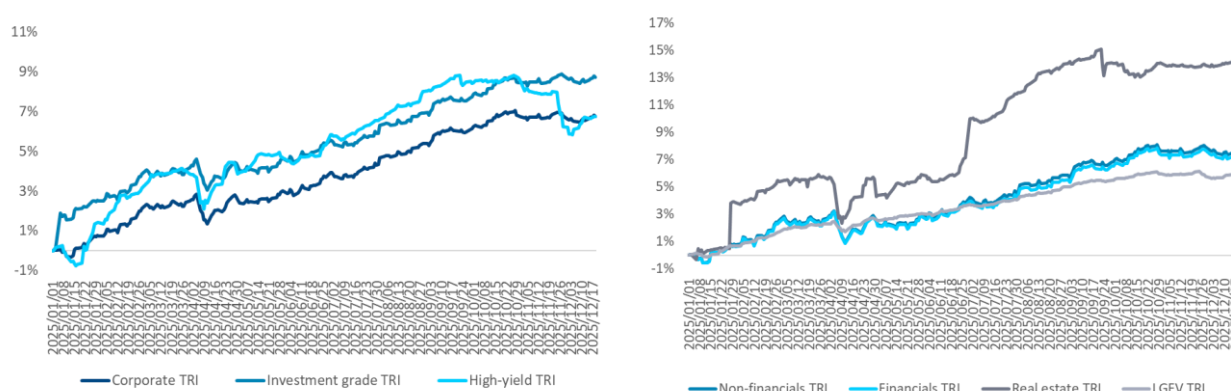
Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2025/12/15	CITIC Securities International Co Ltd	CNY	30	0	2028/12/18	3	Financials	-/BBB+/-	-/-/-
2025/12/15	Industrial Bank Co Ltd/Hong Kong	CNY	1,000	1.8	2026/12/22	364D	Banks	Baa2/-/-	-/-/-
2025/12/16	Ganzhou Urban Investment Holding Group Co Ltd	USD	66	4.35	2028/12/19	3	Chengtou	-/-/BBB-	-/-/-
2025/12/16	GF Holdings Hong Kong Corp Ltd	USD	20	4.2	2026/3/19	90D	Financials	-/BBB/BBB	-/-/-
2025/12/16	Industrial Bank Co Ltd/Hong Kong	USD	100	3.85	2026/12/22	364D	Banks	Baa2/-/-	-/-/-
2025/12/16	Zibo High-tech State-owned Capital Investment Co Ltd	CNY	285	6.9	2028/12/19	3	Chengtou	-/-/-	-/-/-
2025/12/17	China Securities International Finance Holding Co Ltd	HKD	30	3.11	2026/9/18	273D	Financials	-/-/-	-/-/-
2025/12/17	China Securities International Finance Holding Co Ltd	USD	1.0	3.85	2026/12/22	365D	Financials	-/-/-	-/-/-
2025/12/17	CITIC Securities International Co Ltd	USD	1.1	0	2026/12/22	365D	Financials	-/BBB+/-	-/-/-
2025/12/17	CITIC Securities International Co Ltd	USD	1.0	0	2026/12/22	365D	Financials	-/BBB+/-	-/-/-
2025/12/17	CITIC Securities International Co Ltd	USD	0.7	0	2026/12/22	365D	Financials	-/BBB+/-	-/-/-
2025/12/17	GF Holdings Hong Kong Corp Ltd	USD	7	4.16	2026/3/19	90D	Financials	-/BBB/BBB	-/-/-
2025/12/17	GF Holdings Hong Kong Corp Ltd	USD	1.0	4.21	2026/3/19	90D	Financials	-/BBB/BBB	-/-/-
2025/12/17	GF Holdings Hong Kong Corp Ltd	USD	7	4.16	2026/3/20	91D	Financials	-/BBB/BBB	-/-/-
2025/12/18	China International Capital Corp International Ltd	USD	4	3.96	2026/1/23	31D	Financials	Baa1/BBB+/BBB+	-/-/-
2025/12/18	China Securities International Finance Holding Co Ltd	HKD	60	3.35	2026/12/23	1	Financials	-/-/-	-/-/-
2025/12/18	CITIC Securities International Co Ltd	USD	30	0	2026/3/30	90D	Financials	-/BBB+/-	-/-/-
2025/12/18	CITIC Securities International Co Ltd	CNY	100	0	2030/12/23	5	Financials	-/BBB+/-	-/-/-
2025/12/18	GF Holdings Hong Kong Corp Ltd	CNY	500	2.07	2026/6/22	182D	Financials	-/BBB/BBB	-/-/-
2025/12/18	GF Holdings Hong Kong Corp Ltd	HKD	100	3.28	2026/6/22	182D	Financials	-/BBB/BBB	-/-/-
2025/12/19	China Securities International Finance Holding Co Ltd	USD	30	4	2026/12/24	365D	Financials	-/-/-	-/-/-
2025/12/19	GF Holdings Hong Kong Corp Ltd	USD	10	4.21	2026/3/23	90D	Financials	-/BBB/BBB	-/-/-
2025/12/19	GF Holdings Hong Kong Corp Ltd	CNY	80	2.1	2026/3/24	90D	Financials	-/BBB/BBB	-/-/-
2025/12/19	GF Holdings Hong Kong Corp Ltd	USD	10	4.16	2026/3/23	90D	Financials	-/BBB/BBB	-/-/-
2025/12/19	Huatai International Financial Holdings Co Ltd	HKD	620	3.09	2026/12/18	354D	Financials	Baa1/BBB+/-	-/-/-
2025/12/19	Huatai International Financial Holdings Co Ltd	HKD	430	3.09	2026/12/17	353D	Financials	Baa1/BBB+/-	-/-/-
2025/12/19	NanAn Development Investment Group Co Ltd	CNY	1,050	3.15	2028/12/29	3	Chengtou	-/-/-	-/-/-

Sources: CCXAP research

Secondary Market: return on Chinese USD bonds increased

As of December 19, the year-to-date return¹ of Chinese USD bonds increased by 21.0bp to 6.76% compared to last Friday, among which the return rate of investment-grade bonds increased by 23.0bp to 8.72%, while the return rate of high-yield bonds increased by 6.0bp to 6.77%. By industry, the return rate of non-financial bonds was 7.61%, up 28.0bp from last Friday. The return rate of financial bonds was 7.32%, up 28.0bp. The return rate of real estate was 14.19%, up 15.0bp. The return rate of Chengtong was 5.99%, up 14.0bp.

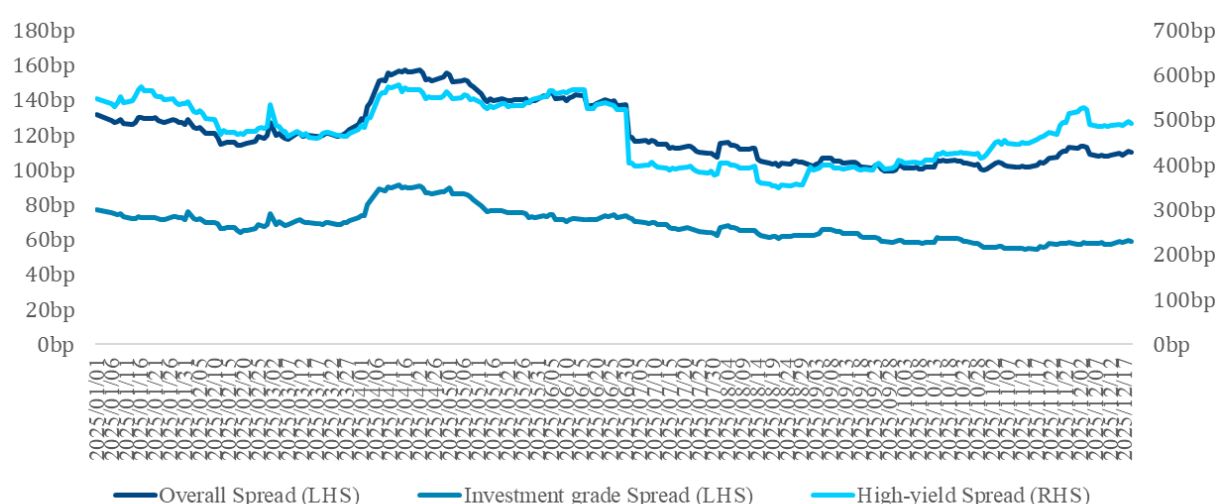
Figure 5: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of December 19, the spread of Chinese USD bonds widened by 1.6bp to 109.81bp from last Friday, among which the spread of investment-grade bonds widened by 1.6bp to 59.06bp, and the spread of high-yield bonds widened by 4.2bp to 492.04bp.

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 December 15 to December 19, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of FWD Group Limited changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20251215-20251219)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
FWDGHD 6.675 PERP	FWD Group Limited	100.907	PERP	-2.076	220.6
HUALUG 2.2 10/27/26	Hualu Holding Group Limited	98.417	0.85	4.13	202.3
JNUCGC 2.4 09/23/26	Jinan Urban Construction Group Limited	98.115	0.75	4.996	115.1
XXCIG 7.8 05/16/26	Xiaoxian Construction Investment Group Limited	99.879	0.40	8.056	100.1
CHDUIN 2.6 04/12/26	Chengdu Jiazi Financial Holding Group Limited	99.186	0.30	5.329	96.4
WUXIND 2.85 04/09/26	Wuxi Industrial Development Group Limited	99.298	0.30	5.263	92.2
VNKRLE 3.975 11/09/27	Vanke Co., Ltd.	23.15	1.88	106.219	88.8
HZCONI 2.95 10/28/26	Huzhou City Investment and Development Group Limited	98.661	0.85	4.58	88.5
CWAHK 4.85 05/18/26	China Water Group Limited	99.952	0.40	4.948	87.3
EHICAR 7 09/21/26	eHi Car Rental Service Co., Ltd.	79.531	0.75	41.714	86.5

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

Sources: CCXAP research

Rating Actions: CCXAP assigned credit ratings to 2 Chinese entities

On December 15, CCXAP assigned first-time long-term credit rating of BBB_g+ to Mianyang City Commercial Bank Co., Ltd. (“MCCB”), with stable outlook.

On December 17, CCXAP assigned first-time long-term credit rating of BBB_g to Dongtai Chengxing Investment Development Co., Ltd. (“DTCX”), with stable outlook.

Table 3: CCXAP’s rating actions of cross-border issuer (20251215-20251219)

Rating Date	Obligor	Entity Rating	Rating Rational
2025/12/15	MCCB	BBB _g +	The rating reflects Company’s (1) strong market franchise in Mianyang City with leading shares of local deposits and loans; (2) sound funding profile, characterized by a declining reliance on market funds and a stable customer deposit base; (3) reasonable profitability and operating efficiency, despite pressure on net interest margins; and (4) track record of receiving support from the Mianyang Municipal Government and China Minmetals Corporation, in terms of business cooperation and capital replenishment. However, the rating is constrained by the Bank’s (1) heightened credit costs and asset quality vulnerabilities; and (2) certain capital replenishment pressure with continuous asset growth.
2025/12/17	DTCX	BBB _g	The rating reflects Company’s (1) role as a key infrastructure entity in the Dongtai High-Tech Industrial Development Zone; and (2) established track record of receiving government support in the form of capital injections, asset transfers, and fiscal subsidies. However, the rating is constrained by the Company’s (1) increasing debt burden with certain near-term refinancing needs; (2) moderate liquid asset profile; and (3) relatively high reliance on nonstandard financing instruments.

Source: CCXAP research

From December 15 to December 19, rating agencies took positive rating action on 4 Chinese issuers and negative rating action on 1 Chinese issuer.

Table 4: Rating actions of cross-border issuer (20251215-20251219)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating :										
Upgrade	CDB Financial Leasing Co., Ltd.	Financials	A	Stable	2025/12/17	A	NEG	2025/09/22	S&P	Recent support measures indicate that the connection between the China Development Bank (CDB) and the company continues.
	CDB Aviation Financial Leasing Co., Ltd.	Financials	A	Stable	2025/12/17	A	NEG	2024/07/23	S&P	Recent support measures indicate that the connection between the CDB and the company's parent company continues.
	Shanghai Electric Holding Group Co., Ltd.	Industrials	Baa1	Stable	2025/12/17	Baa2	Pos	2025/06/25	Moody's	The company's credit quality continues to improve, and strong new orders for energy equipment will continue to drive EBITDA and cash flow growth, leading to a decrease in leverage.
	Shanghai Electric Group Co., Ltd.	Industrials	Baa1	Stable	2025/12/17	Baa2	Pos	2025/06/25	Moody's	The company's credit quality continues to improve, and strong new orders for energy equipment will continue to drive EBITDA and cash flow growth, leading to a decrease in leverage.

Downgrade	Vanke Co., Ltd.	Real estate	C	None	2025/12/17	CCC-	Rating Watch Neg	2025/12/02	Fitch	The company may be unable to repay its maturing debts.
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Source: CCXAP research

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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