

## 2026 Issue 3

### From January 19 to January 23

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

#### Headline: China Q4 GDP Grows 4.5% YoY; US January S&P Global Manufacturing and Services PMI Miss Expectations

On January 19, China announced its Q4 2025 GDP grew by 4.5% YoY, exceeding expectations. On January 23, the US released the preliminary January readings for the S&P Global Manufacturing and Services PMI, at 51.9 and 52.5 respectively, both slightly below expectations.



#### Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of January 23, the RMB/USD middle rate closed at 6.9929, down 149.0bp from last Friday. The USD Index closed at 97.599, down 1.79% from last Friday.

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

Last week, China Government Bond yields decreased. With markets anticipating that the Fed will not cut rates in the near term, US Treasury yields increased.

#### Chinese Offshore Bond Market

##### Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From January 19 to January 23, Chinese enterprises issued 41 new bonds in the offshore market, totaling about USD1.977 billion, a decrease of 50.58% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.482 billion in bonds.

##### Secondary Market: Return on Chinese USD Bonds Increased

As of January 23, the return rate of Chinese USD bonds increased by 12.0bp to 7.19% compared to last Friday, among which the return rate of investment-grade bonds increased by 11.0bp to 9.10%, while the return rate of high-yield bonds increased by 22.0bp to 7.72%.

##### Rating Actions: CCXAP Assigned Credit Rating to 1 Chinese Entity

On January 19, CCXAP assigns first-time long-term credit rating of AA<sub>g</sub>+ to Agricultural Bank of China Limited, with stable outlook.

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## Headline: China Q4 GDP grows 4.5% YoY; US January S&P Global Manufacturing and Services PMI miss expectations

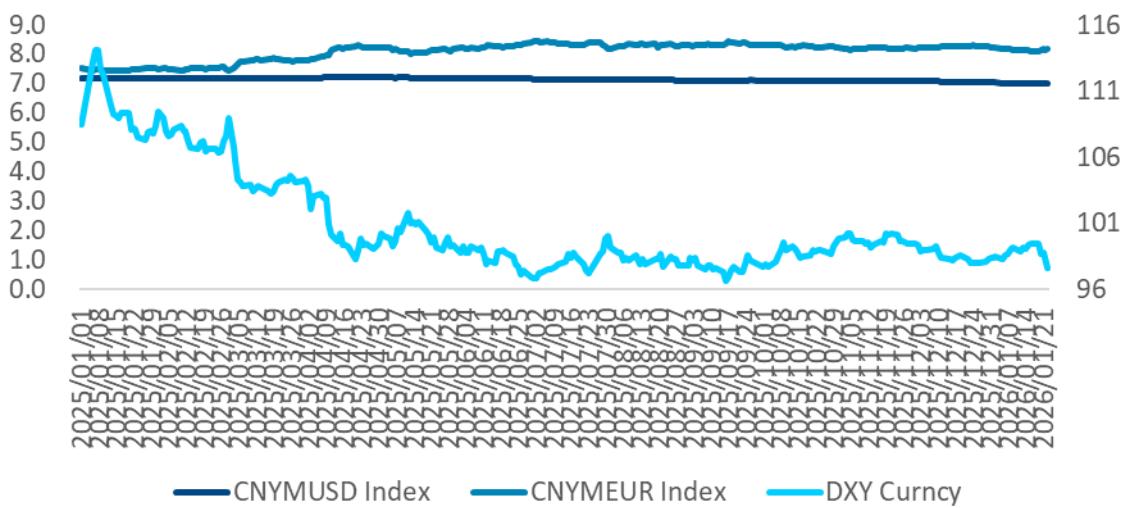
On January 19, China announced its Q4 2025 GDP grew by 4.5% YoY, exceeding expectations. China's 2025 GDP reached 140.19 trillion yuan, representing a 5.0% growth in constant prices compared to the previous year. By quarter, Q1 GDP increased by 5.4% YoY, Q2 by 5.2%, Q3 by 4.8%, and Q4 by 4.5%. On a quarterly basis, Q4 GDP grew by 1.2%. By sector, the value added of the primary industry was 9.33 trillion yuan, up 3.9% YoY; the secondary industry reached 49.97 trillion yuan, up 4.5% YoY; and the tertiary industry totaled 80.89 trillion yuan, up 5.4% YoY.

On January 23, the US released the preliminary January readings for the S&P Global Manufacturing and Services PMI, at 51.9 and 52.5 respectively, both slightly below expectations. US business activity continued to expand in January, but the pace of growth was notably weaker compared to the expansion rates commonly seen in the second half of 2025. Manufacturing growth accelerated and outpaced services growth, yet underlying order growth for both manufacturing and services has slowed recently. The PMI survey indicates that confidence about the year ahead remains generally positive overall but has softened slightly. Expectations for continued economic growth and improved demand conditions were partly offset by ongoing concerns about political uncertainty and rising prices.

## Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of January 23, the RMB/USD middle rate closed at 6.9929, down 149.0bp from last Friday. The RMB/EUR middle rate closed at 8.19, up 833.0bp from last Friday. The USD Index closed at 97.599, down 1.79% from last Friday.

**Figure 1: RMB exchange rate**

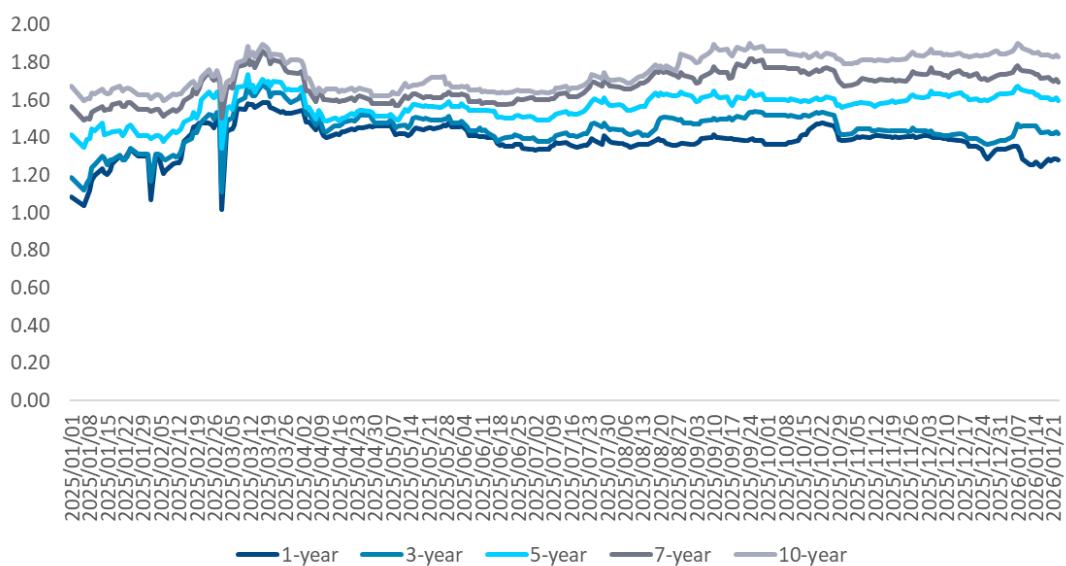


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of January 23, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2819%, 1.4223%, 1.5965%, 1.6941%, and 1.8298%, respectively. Compared to last Friday, the 1-year yield increased by 3.95bp, the 3-year yield decreased by 0.63bp, the 5-year yield decreased by 1.34bp, the 7-year yield decreased by 2.17bp, and the 10-year yield decreased by 1.26bp.

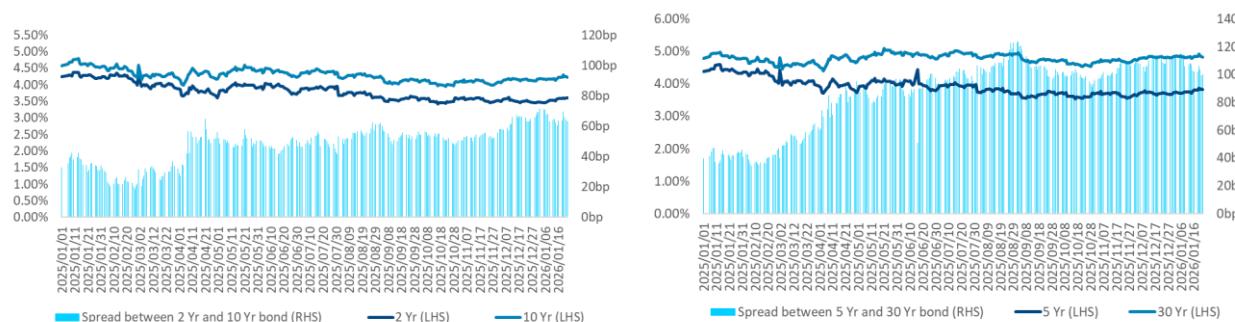
**Figure 2: China Government Bond yields**



Sources: CCXAP research

With markets anticipating that the Fed will not cut rates in the near term, US Treasury yields increased. As of January 23, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.5940%, 3.8245%, 4.2252%, and 4.8264%, respectively. Compared to last Friday, the 2-year yield increased by 0.80bp, the 5-year yield increased by 0.93bp, the 10-year yield increased by 0.23bp, and the 30-year yield decreased by 1.01bp. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 0.57bp to 63.12bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 1.94bp to 100.19bp compared to last Friday.

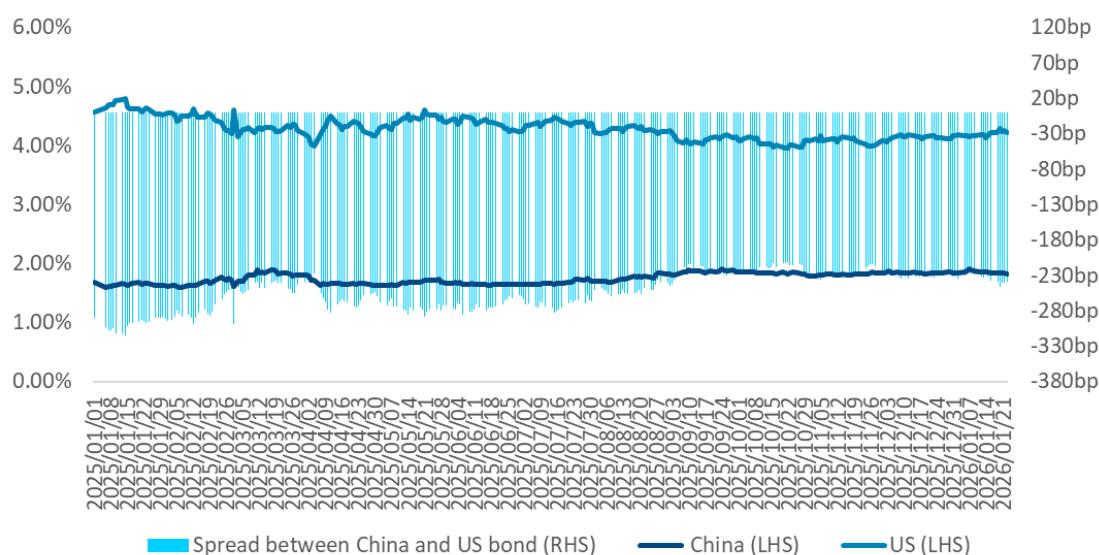
**Figure 3: US Treasury yields and yield spreads**



Sources: CCXAP research

As of January 23, the 10-year Treasury bond interest rate gap between China and the US was -239.5bp, narrowing by 1.5bp from last Friday and widening by 49.8bp 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 January 19 to January 23, Chinese enterprises issued 41 new bonds in the offshore market, totaling about USD1.977 billion, a decrease of 50.58% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.482 billion in bonds.

**Table 1: New issuance of Chinese offshore bonds (20260119-20260123)**

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/1/19	China Securities International Finance Holding Co Ltd	USD	200	4	2027/1/21	364D	Financials	-/BBB+/BBB+	-/-
2026/1/19	GF Holdings Hong Kong Corp Ltd	USD	15	4.07	2026/4/21	90D	Financials	-/BBB/BBB	-/-
2026/1/19	GF Holdings Hong Kong Corp Ltd	USD	20	4.07	2026/4/28	90D	Financials	-/BBB/BBB	-/-
2026/1/19	Guotai Junan International Holdings Ltd	CNY	980	1.87	2026/7/27	182D	Financials	Baa2/BBB+/-	-/-
2026/1/19	Shui On Land Ltd	USD	300	9.75	2029/1/26	3	Real Estate	-/-	-/-
2026/1/20	China Securities International Finance Holding Co Ltd	CNY	600	2	2027/1/22	361D	Financials	-/BBB+/BBB+	-/-
2026/1/20	China Securities International Finance Holding Co Ltd	HKD	50	3.01	2026/7/24	179D	Financials	-/BBB+/BBB+	-/-
2026/1/20	GF Holdings Hong Kong Corp Ltd	HKD	75	3.04	2026/4/28	88D	Financials	-/BBB/BBB	-/-
2026/1/20	GF Holdings Hong Kong Corp Ltd	USD	5	4.08	2026/8/4	183D	Financials	-/BBB/BBB	-/-
2026/1/20	GF Holdings Hong Kong Corp Ltd	HKD	100	3.02	2026/4/1	62D	Financials	-/BBB/BBB	-/-



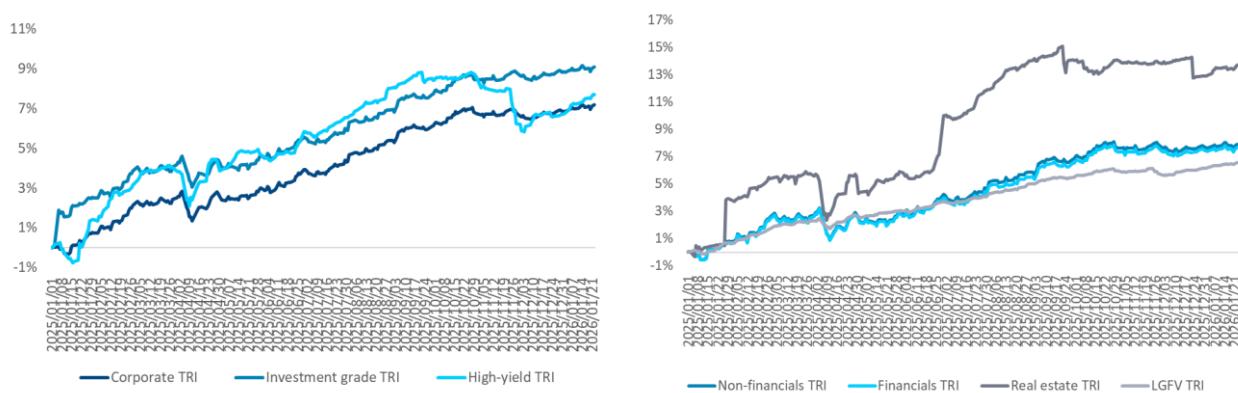
2026/1/20	GF Holdings Hong Kong Corp Ltd	HKD	100	3.02	2026/3/31	62D	Financials	-/BBB/BBB	-/-/-
2026/1/20	Huatai International Financial Holdings Co Ltd	USD	30	4.05	2026/7/28	182D	Financials	-/BBB+/-	-/-/-
2026/1/20	Orient Securities Co Ltd/China	CNY	200	1.88	2027/1/26	364D	Financials	Baa2/BBB-/-	-/-/-
2026/1/21	China Securities International Finance Holding Co Ltd	USD	5	4.02	2026/7/28	183D	Financials	-/BBB+/BBB+	-/-/-
2026/1/21	China Securities International Finance Holding Co Ltd	USD	5	4.02	2026/7/21	176D	Financials	-/BBB+/BBB+	-/-/-
2026/1/21	China Securities International Finance Holding Co Ltd	USD	5	4.02	2026/7/22	177D	Financials	-/BBB+/BBB+	-/-/-
2026/1/21	CITIC Securities International Co Ltd	USD	1	0	2027/1/28	358D	Financials	-/BBB+/-	-/-/-
2026/1/21	GF Holdings Hong Kong Corp Ltd	USD	15	4.07	2026/5/5	89D	Financials	-/BBB/BBB	-/-/-
2026/1/21	GF Holdings Hong Kong Corp Ltd	CNY	100	2	2026/5/5	92D	Financials	-/BBB/BBB	-/-/-
2026/1/21	GF Holdings Hong Kong Corp Ltd	HKD	60	3.02	2026/4/14	70D	Financials	-/BBB/BBB	-/-/-
2026/1/21	Huatai International Financial Holdings Co Ltd	USD	100	4.05	2026/8/27	211D	Financials	-/BBB+/-	-/-/-
2026/1/21	Huatai International Financial Holdings Co Ltd	USD	100	4.05	2026/7/28	181D	Financials	-/BBB+/-	-/-/-
2026/1/22	China Securities International Finance Holding Co Ltd	USD	22	4.03	2026/7/24	179D	Financials	-/BBB+/BBB+	-/-/-
2026/1/22	China Securities International Finance Holding Co Ltd	USD	5	4.02	2026/7/23	178D	Financials	-/BBB+/BBB+	-/-/-
2026/1/22	China Securities International Finance Holding Co Ltd	USD	5	4.01	2026/7/7	161D	Financials	-/BBB+/BBB+	-/-/-
2026/1/22	China Securities International Finance Holding Co Ltd	USD	5	4.01	2026/7/9	163D	Financials	-/BBB+/BBB+	-/-/-
2026/1/22	China Securities International Finance Holding Co Ltd	USD	5	4.01	2026/7/7	161D	Financials	-/BBB+/BBB+	-/-/-
2026/1/22	Ganzhou Urban Investment Holding Group Co Ltd	CNY	1,092	3.15	2029/1/29	3	Chengtou	-/-/BBB-	-/-/-
2026/1/22	GF Holdings Hong Kong Corp Ltd	CNY	407	2.2	2027/1/26	364D	Financials	-/BBB/BBB	-/-/-
2026/1/22	GF Holdings Hong Kong Corp Ltd	USD	5	SOFR +45	2026/7/15	170D	Financials	-/BBB/BBB	-/-/-
2026/1/22	GF Holdings Hong Kong Corp Ltd	USD	5	SOFR +45	2026/7/21	176D	Financials	-/BBB/BBB	-/-/-
2026/1/22	GF Holdings Hong Kong Corp Ltd	USD	5	SOFR +45	2026/7/22	177D	Financials	-/BBB/BBB	-/-/-
2026/1/22	GF Holdings Hong Kong Corp Ltd	USD	5	SOFR +45	2026/7/16	171D	Financials	-/BBB/BBB	-/-/-
2026/1/22	Huatai International Financial Holdings Co Ltd	USD	100	4	2027/1/26	363D	Financials	-/BBB+/-	-/-/-
2026/1/22	Huatai International Financial Holdings Co Ltd	CNY	640	0	2027/1/27	364D	Financials	-/BBB+/-	-/-/-
2026/1/22	Huatai International Financial Holdings Co Ltd	HKD	385	0	2027/1/28	364D	Financials	-/BBB+/-	-/-/-
2026/1/22	Panzhihua Panxi Science And Technology City Development Construction Co Ltd	USD	42	5.5	2029/1/29	3	Chengtou	-/-/-	-/-/-
2026/1/23	Bank of China Ltd/Hong Kong	USD	150	SOFR +45	2031/1/30	5	Banks	A1/-/-	A1/A/A
2026/1/23	China Securities International Finance Holding Co Ltd	USD	120	4	2026/7/28	181D	Financials	-/BBB+/BBB+	-/-/-
2026/1/23	GF Holdings Hong Kong Corp Ltd	USD	10	4.08	2026/8/4	186D	Financials	-/BBB/BBB	-/-/-
2026/1/23	GF Holdings Hong Kong Corp Ltd	USD	30	SOFR +55	2027/1/27	364D	Financials	-/BBB/BBB	-/-/-

Sources: CCXAP research

## Secondary Market: return on Chinese USD bonds increased

As of January 23, the year-to-date return<sup>1</sup> of Chinese USD bonds increased by 12.0bp to 7.19% compared to last Friday, among which the return rate of investment-grade bonds increased by 11.0bp to 9.10%, while the return rate of high-yield bonds increased by 22.0bp to 7.72%. By industry, the return rate of non-financial bonds was 7.91%, up 12.0bp from last Friday. The return rate of financial bonds was 7.65%, up 12.0bp. The return rate of real estate was 13.67%, up 30.0bp. The return rate of Chengtou was 6.57%, up 12.0bp.

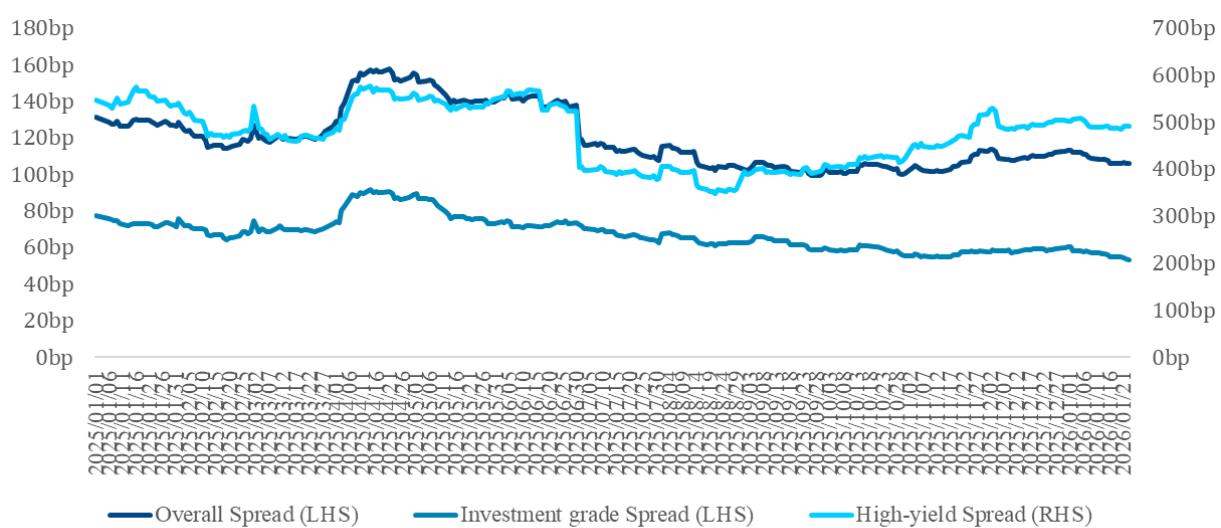
**Figure 5: YTD return on Markit iBoxx Chinese USD bond index**



Sources: CCXAP research

As of January 23, the spread of Chinese USD bonds narrowed by 0.3bp to 105.74bp from last Friday, among which the spread of investment-grade bonds narrowed by 1.7bp to 53.21bp, and the spread of high-yield bonds widened by 4.5bp to 490.72bp.

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



<sup>1</sup> Year-to-date return measures the return since January 2, 2025

Sources: CCXAP research

From January 19 to January 23, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Jinmao Holdings Group Limited changed the most.

**Table 2: Chinese offshore bonds with largest increase in yield (20260119-20260123)**

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
CHJMAO 6 PERP	China Jinmao Holdings Group Limited	100.217	PERP	-1.758	555.6
CWAHK 4.85 05/18/26	China Water Group Limited	99.995	0.30	4.821	126.2
XXCIG 7.8 05/16/26	Xiaoxian Construction Investment Group Limited	99.89	0.30	8.057	125.2
YXREIT 2.65 02/02/26	Yuexiu Real Estate Investment Trust	99.924	0.02	9.376	116.7
EHICAR 7 09/21/26	eHi Car Rental Limited	76.568	0.65	54.468	111.6
NDPAPE 14 PERP	Nine Dragons Paper (Holdings) Limited	105.146	PERP	9.865	92.7
FTLNHD 4 1/2 05/02/26	Seazen Holdings Limited	96.444	0.26	19.198	70.9
BOCAVI 3.15 07/11/29	BOC Aviation Limited	90.033	3.45	6.457	46.2
LNGFOR 3 3/4 04/13/27	Longfor Group Holdings Limited	94.934	1.21	7.844	36
HBPUAO 6.8 04/11/26	Huabei Public Utilities Asset Management Co., Ltd.	100.139	0.20	5.782	35.8

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

Sources: CCXAP research

## Rating Actions: CCXAP assigned credit rating to 1 Chinese entity

On January 19, CCXAP assigned first-time long-term credit rating of AA<sub>g</sub>+ to Agricultural Bank of China Limited (“ACB”), with stable outlook.

**Table 3: CCXAP's rating actions of cross-border issuer (20260119-20260123)**

Rating Date	Obligor	Entity Rating	Rating Rational
2026/1/19	ACB	AA <sub>g</sub> +	The rating reflects the Bank's (1) leading market position as the second-largest state-owned bank in China; (2) solid asset quality with high-quality client base and extensive business network; and (3) good funding structure and sufficient liquidity resources. However, the rating is constrained by the Bank's (1) profitability strained by a decline in net interest margin; and (2) pressure on asset quality and capitalization.

Source: CCXAP research

From January 19 to January 23, rating agencies took positive rating actions on 2 Chinese issuers and negative rating action on 1 Chinese issuer.

**Table 4: Rating actions of cross-border issuer (20260119-20260123)**

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
<b>Offshore Rating :</b>										
Upgrade	Yuexiu Real Estate Investment Trust	Financials	Ba3	Stable	2026/01/20	Ba3	Neg	2024/08/26	Moody's	The fund is actively deleveraging by selling a majority stake in the Yuexiu Financial Building.
	Qingdao Haifa State-owned Capital Investment and Operation Group Co., Ltd.	Chengtou	A+	Stable	2026/01/21	A	Pos	2025/01/17	Lianhe	The company's strategic importance in Qingdao has increased.
Downgrade	Dalian Wanda Commercial Management Group Co., Ltd.	Real estate	Ca	Neg	2026/01/19	Caa2	Neg	2023/11/23	Moody's	The company anticipates poor liquidity and a high risk of default over the next 6 to 12 months.

Source: CCXAP research

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