

## 2026 Issue 16 From May 4 to May 8

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

#### **Headline: China April S&P Services PMI Above Previous Reading; US April Unemployment Rate In Line With Expectations**

On May 6, China announced its April S&P Global Services PMI at 52.6, higher than the previous reading of 52.1. On May 8, the US announced its April unemployment rate at 4.3%, in line with expectations and the previous reading.

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

Last week, the RMB has appreciated. As of May 8, the RMB/USD middle rate closed at 6.8502, down 126.0bp from last Friday. The USD Index closed at 97.9, down 0.26% from last Friday.

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

Last week, China Government Bond yields increased. As the Fed is not expected to cut rates in the near term, US Treasury yields increased.

#### **Chinese Offshore Bond Market**

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

From May 4 to May 8, Chinese enterprises issued 22 new bonds in the offshore market, totaling about USD342 million, a decrease of 49.67% from last week. Among them, financial institutions were the main issuers, issuing a total of USD342 million in bonds.

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

As of May 8, the return rate of Chinese USD bonds increased by 22.0bp to 1.01% compared to last Friday, among which the return rate of investment-grade bonds increased by 20.0bp to 1.08%, while the return rate of high-yield bonds increased by 38.0bp to 0.45%.

##### **Rating Actions: Rating Agencies Took Rating Actions on 3 Chinese Issuers**

From May 4 to May 8, rating agencies took positive rating actions on 3 Chinese issuers.



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## Headline: China April S&P services PMI above previous reading; US April unemployment rate in line with expectations

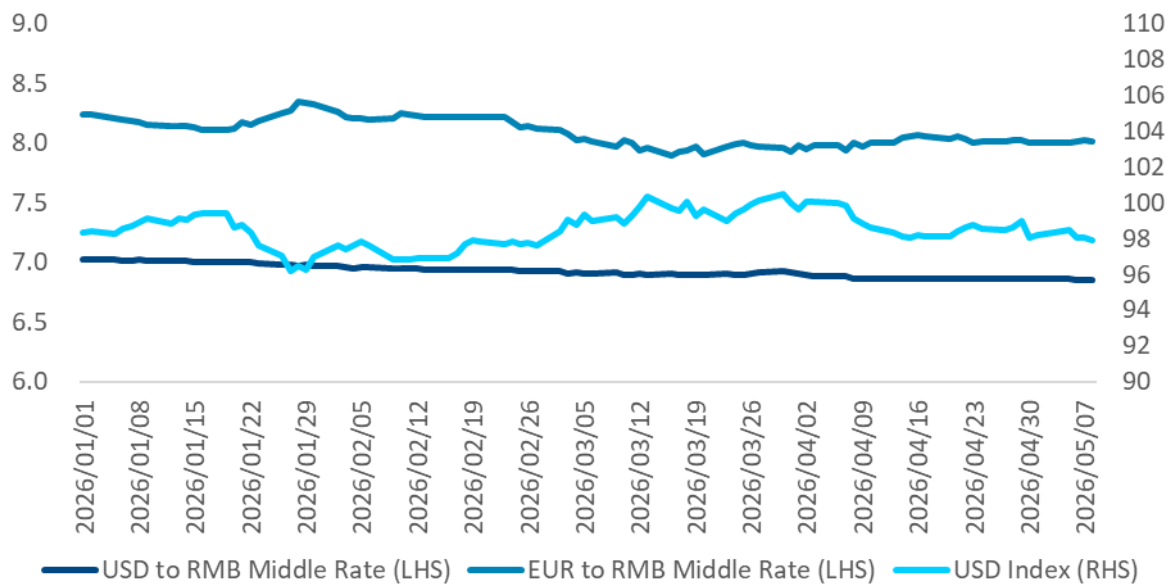
On May 6, China announced its April S&P Global Services PMI at 52.6, higher than the previous reading of 52.1, remaining above the 50 expansion-contraction threshold and exceeding the 52 forecasted by economists surveyed by Bloomberg. This reading contrasts with official PMI data released last week, which showed that services activity fell back into contraction in April after expanding in March, due to declines in sectors such as wholesale and retail trade. The data reveals a clear divergence between domestic and external demand. The expansion of China's services sector in April was mainly driven by strong growth in domestic new orders; new export business, after expanding in February, retreated into contraction for the second consecutive month, though the pace of decline narrowed in April compared to March. However, due to external demand volatility, China's export engine faces increased uncertainty, while retail sales and industrial output have also shown signs of cooling. Macroeconomic authorities have repeatedly emphasized shifting the center of economic growth from exports to consumption, especially services such as tourism and entertainment, seeking to tap potential and unleash more demand.

On May 8, the US announced its April unemployment rate at 4.3%, in line with expectations and the previous reading; nonfarm payrolls increased by 115,000 in April, marking the first consecutive monthly growth in nearly a year and the largest two-month increase since 2024, far exceeding the median forecast of 65,000 from economists surveyed by Bloomberg. The March data was simultaneously revised upward to 185,000. Following the data release, market reactions were positive – stock index and futures held onto gains, Treasury yields edged lower, and the US dollar softened. However, wage growth came in below expectations, with average hourly earnings rising 0.2% MoM, missing the expected 0.3%, and the YoY growth rate was 3.6%, also below the market expectation of 3.8%. The continued improvement in employment data gives confidence to Fed officials to keep interest rates unchanged. Previously, Fed Chair Powell stated that the labor market had shown "increasing signs of stabilization." With inflationary pressures not yet abated, the stronger-than-expected employment data further reduces the urgency for the Fed to pivot toward rate cuts.

## Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of May 8, the RMB/USD middle rate closed at 6.8502, down 126.0bp from last Friday. The RMB/EUR middle rate closed at 8.0139, up 82.0bp from last Friday. The USD Index closed at 97.9, down 0.26% from last Friday.

Figure 1: RMB exchange rate

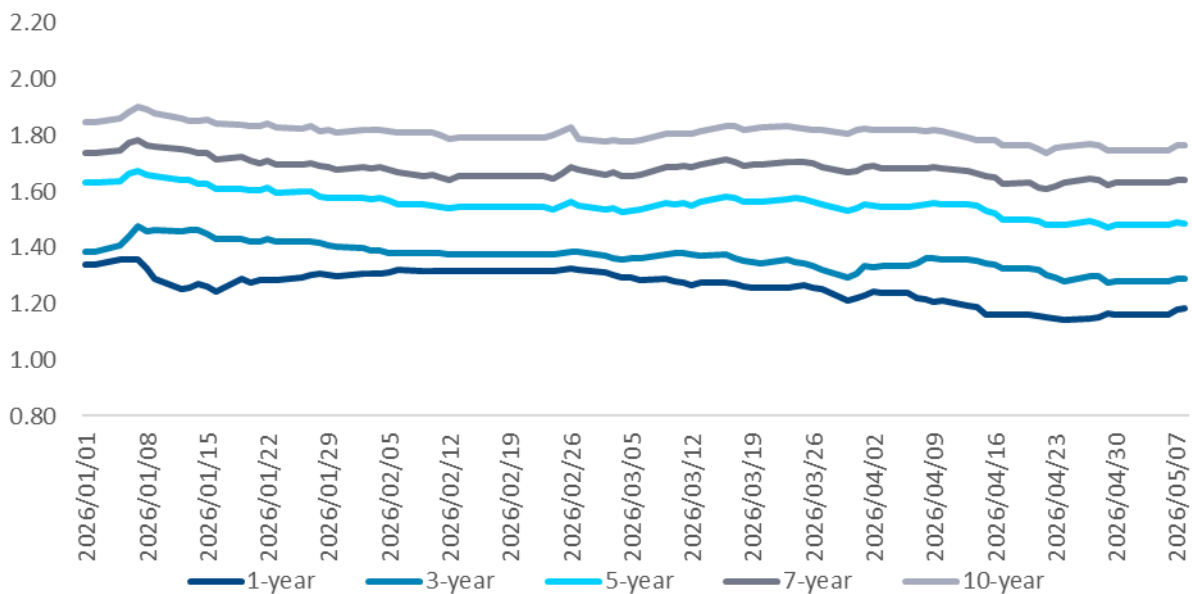


Sources: CCXAP research

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

In the past week, China Government Bond yields generally increased. As of May 8, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1814%, 1.2890%, 1.4865%, 1.6387%, and 1.7631%, respectively. Up 1.94bp, 0.88bp, 0.77bp, 0.84bp and 1.58bp from last Friday.

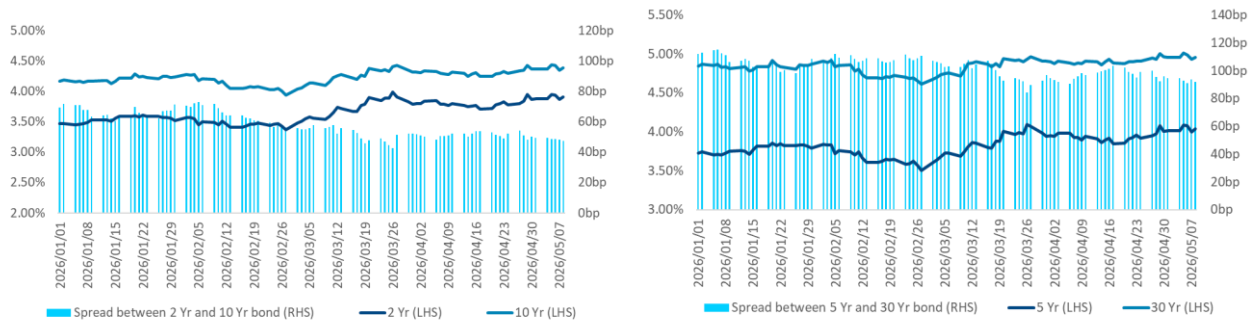
Figure 2: China Government Bond yields



Sources: CCXAP research

As the Fed is not expected to cut rates in the near term, US Treasury yields increased. As of May 8, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.9112%, 4.0409%, 4.3861%, and 4.9606%, respectively. Up 3.37bp, 2.65bp, 1.63bp, and 0.21bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 1.74bp to 47.49bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 2.44bp to 91.97bp compared to last Friday.

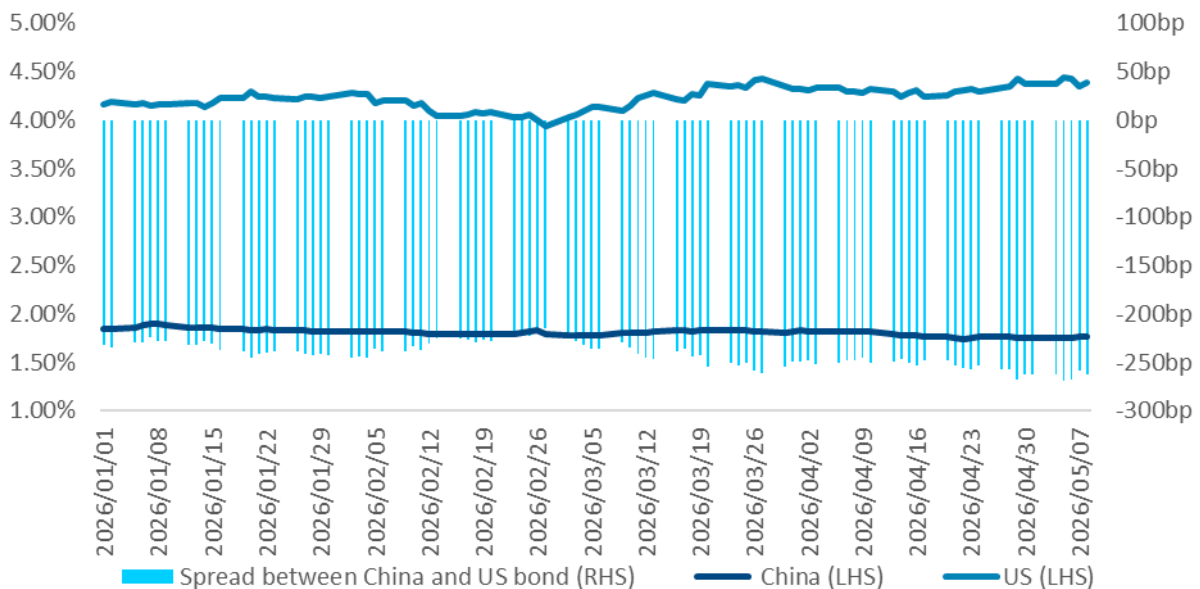
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of May 8, the 10-year Treasury bond interest rate gap between China and the US was -262.3bp, narrowing by 0.1bp from last Friday and widening by 30.3bp 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 May 4 to May 8, Chinese enterprises issued 22 new bonds in the offshore market, totaling about USD342 million, a decrease of 49.67% from last week. Among them, financial institutions were the main issuers, issuing a total of USD342 million in bonds.

**Table 1: New issuance of Chinese offshore bonds (20260504-20260508)**

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/5/5	GF Holdings Hong Kong Corp Ltd	USD	20	3.99	2026/8/6	92D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	USD	10	3.99	2026/8/6	91D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	USD	10	4.1	2026/11/2	179D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	USD	50	3.9	2026/6/15	34D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	CNY	80	1.35	2026/6/15	34D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	HKD	100	2.89	2026/11/5	178D	Financials	-/BBB/BBB	-/-/-
2026/5/5	GF Holdings Hong Kong Corp Ltd	USD	20	3.99	2026/8/11	92D	Financials	-/BBB/BBB	-/-/-
2026/5/5	TF International Securities Group Ltd	USD	10	4.5	2026/11/10	186D	Financials	-/-/BBB-	-/-/-
2026/5/6	China CITIC Bank Corp Ltd	HKD	80	2.49	2026/8/14	93D	Banks	A3/-/A-	-/-/-
2026/5/6	China CITIC Bank International Ltd	HKD	80	2.49	2026/8/14	93D	Banks	A3/-/A-	-/-/-
2026/5/6	China Securities International Finance Holding Co Ltd	USD	5	4	2026/11/10	183D	Financials	-/BBB+/BBB+	-/-/-
2026/5/6	CITIC Securities International Co Ltd	USD	35	0	2026/9/14	123D	Financials	-/BBB+/-	-/-/-
2026/5/6	GF Holdings Hong Kong Corp Ltd	USD	10	SOFR+41	2026/11/5	177D	Financials	-/BBB/BBB	-/-/-
2026/5/6	GF Holdings Hong Kong Corp Ltd	HKD	8	2.89	2026/11/4	180D	Financials	-/BBB/BBB	-/-/-
2026/5/6	GF Holdings Hong Kong Corp Ltd	HKD	100	2.89	2026/11/9	180D	Financials	-/BBB/BBB	-/-/-
2026/5/6	GF Holdings Hong Kong Corp Ltd	USD	20	3.88	2026/6/23	40D	Financials	-/BBB/BBB	-/-/-
2026/5/6	GF Holdings Hong Kong Corp Ltd	USD	50	4.15	2026/11/10	180D	Financials	-/BBB/BBB	-/-/-
2026/5/6	Industrial & Commercial Bank of China Ltd/Doha	CNY	100	1.5	2029/5/18	3	Banks	A1/--/--	-/-/-
2026/5/8	CITIC Securities International Co Ltd	HKD	100	0	2026/7/15	61D	Financials	-/BBB+/-	-/-/-
2026/5/8	GF Holdings Hong Kong Corp Ltd	USD	13	4.1	2026/11/5	177D	Financials	-/BBB/BBB	-/-/-
2026/5/8	GF Holdings Hong Kong Corp Ltd	HKD	8	3.04	2026/11/5	177D	Financials	-/BBB/BBB	-/-/-
2026/5/8	GF Holdings Hong Kong Corp Ltd	HKD	20	3.03	2026/11/5	176D	Financials	-/BBB/BBB	-/-/-

Sources: CCXAP research

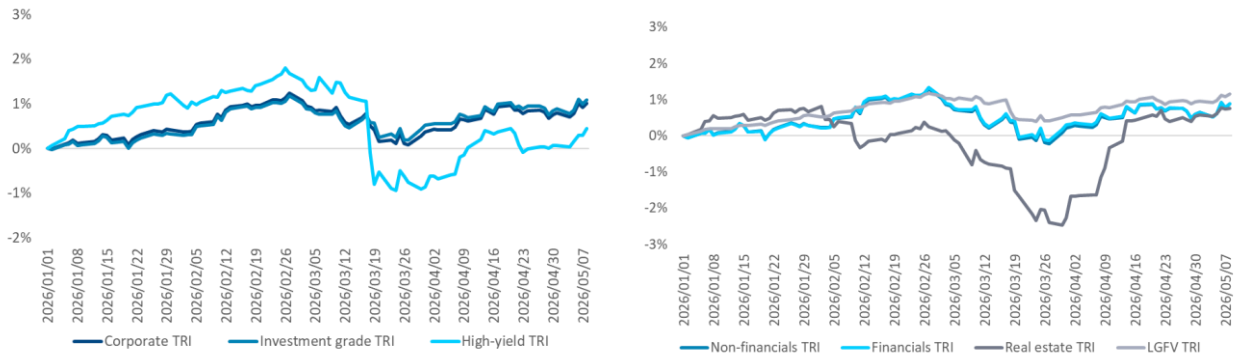
## Secondary Market: return on Chinese USD bonds increased

As of May 8, the year-to-date return<sup>1</sup> of Chinese USD bonds increased by 22.0bp to 1.01% compared to last Friday, among which the return rate of investment-grade bonds increased by 20.0bp to 1.08%,

<sup>1</sup> Year-to-date return measures the return since January 1, 2026

while the return rate of high-yield bonds increased by 38.0bp to 0.45%. By industry, the return rate of non-financial bonds was 0.88%, up 24.0bp from last Friday. The return rate of financial bonds was 0.89%, up 25.0 bp. The return rate of real estate was 0.76%, up 17.0bp. The return rate of Chengtou was 1.15%, up 19.0 bp.

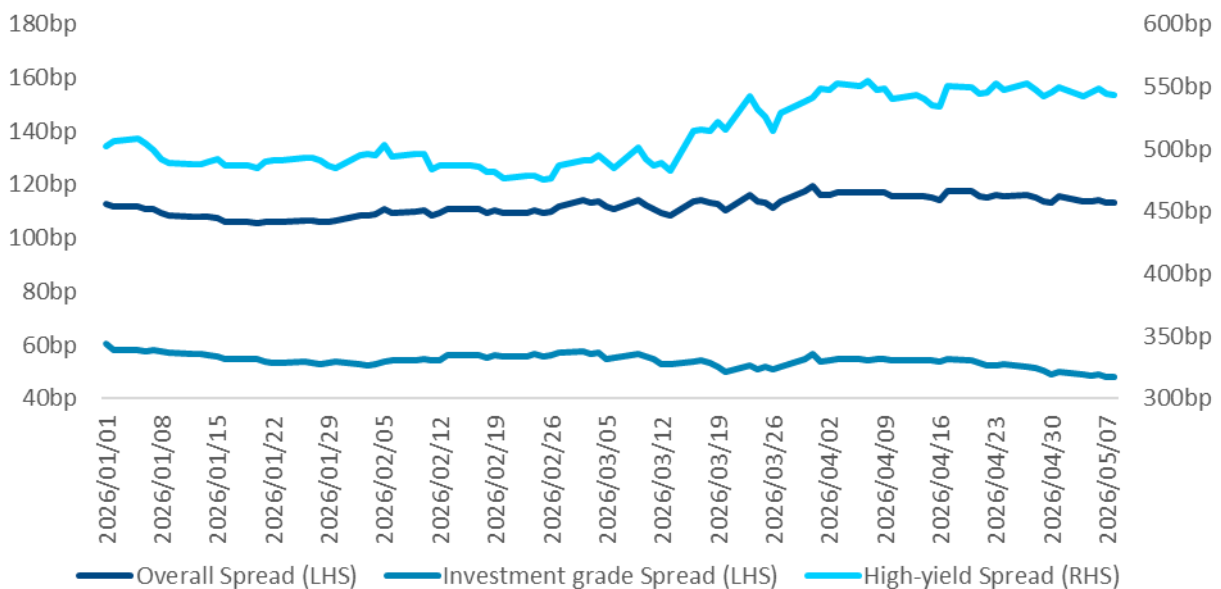
Figure 5: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of May 8, the spread of Chinese USD bonds narrowed by 2.4bp to 113.03bp from last Friday, among which the spread of investment-grade bonds narrowed by 1.7bp to 48.11bp, and the spread of high-yield bonds widened by 6.3bp to 542.72bp.

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



Sources: CCXAP research

From May 4 to May 8, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Water Affairs Group Limited changed the most.

**Table 2: Chinese offshore bonds with largest increase in yield (20260504-20260508)**

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
CWAHK 4.85 05/18/26	China Water Affairs Group Limited	100.014	0.019178	3.753	1.948M
CHDOHU 7.4 05/20/26	Chengdu Dongjin Huaitou Ronghe Industry Investment Co., Ltd.	99.934	0.024658	10.479	1.9191M
CFAMCI 4 ½ 06/03/26	China CITIC Financial AMC International Holdings Limited	100.096	0.063014	2.836	1.6215M
EHICAR 7 09/21/26	eHi Car Services Limited	69.734	0.364384	130.218	1.4176M
FOSUNI 5 05/18/26	Fosun International Limited	100.088	0.019178	-1.303	953.7
SHUION 5 ½ 06/29/26	Shui On Land Limited	100.151	0.134247	3.412	477.8
VEYONG 3 ¾ 05/12/26	ENN Natural Gas Co., Ltd.	100.061	0.00274	-18.267	299.8
SDECDI 2.4 06/03/26	Shandong Finance Investment Group Co., Ltd.	99.72	0.063014	7.382	224.6
EHICAR 10 10/14/29	eHi Car Services Limited	50.967	3.430137	41.314	87
EHICAR 12 09/26/27	eHi Car Services Limited	53.99	1.378082	68.84	84

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 3 Chinese issuers

From May 4 to May 8, rating agencies took positive rating actions on 3 Chinese issuers.

**Table 3: Rating actions of cross-border issuer (20260504-20260508)**

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	Far East Horizon Limited	Financials	BBB-	Stable	2026/05/07	BBB-	Rating Watch Neg	2026/02/03	S&P	The company will have ample capital and liquidity, as well as stable asset quality.
	China Great Wall Asset Management Co., Ltd.	Financials	AA	Stable	2026/05/09	AA-	Pos	2026/04/16	Lianhe	The company will receive ample government support.
	China Great Wall Asset (International) Holdings Limited	Financials	AA	Stable	2026/05/09	AA-	Pos	2025/05/07	Lianhe	The company will receive ample government support.

Source: CCXAP research

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