

2026 Issue 21 From June 8 to June 12

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

Headline: China's May CPI Rises 1.2% YoY; US May CPI Rises 4.2% YoY

On June 10, China announced that its May CPI rose 1.2% YoY, below expectations and unchanged from the previous month. On June 10, the US announced that its May CPI rose 4.2% YoY, in line with expectations, with core CPI MoM coming in below expectations.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of June 12, the RMB/USD middle rate closed at 6.8109, down 48.0bp from last Friday. The USD Index closed at 99.747, down 0.32% from last Friday.

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

Last week, China Government Bond yields increased. Core CPI rose less than expected MoM, expectations for Fed rate hikes cooled, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From June 8 to June 12, Chinese enterprises issued 23 new bonds in the offshore market, totaling about USD7.538 billion, an increase of 848.15% from last week. Among them, Tencent Holdings Ltd was the main issuer, issuing a total of USD4.668 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of June 12, the return rate of Chinese USD bonds increased by 12.0bp to 1.29% to compared to last Friday, among which the return rate of investment-grade bonds increased by 14.0bp to 1.2%, while the return rate of high-yield bonds decreased by 5.0bp to 1.96%.

Rating Actions: Rating Agencies Took Rating Actions on 2 Chinese Issuers

From June 8 to June 12, rating agencies took positive rating actions on 2 Chinese issuers.



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 May CPI rises 1.2% YoY; US May CPI rises 4.2% YoY

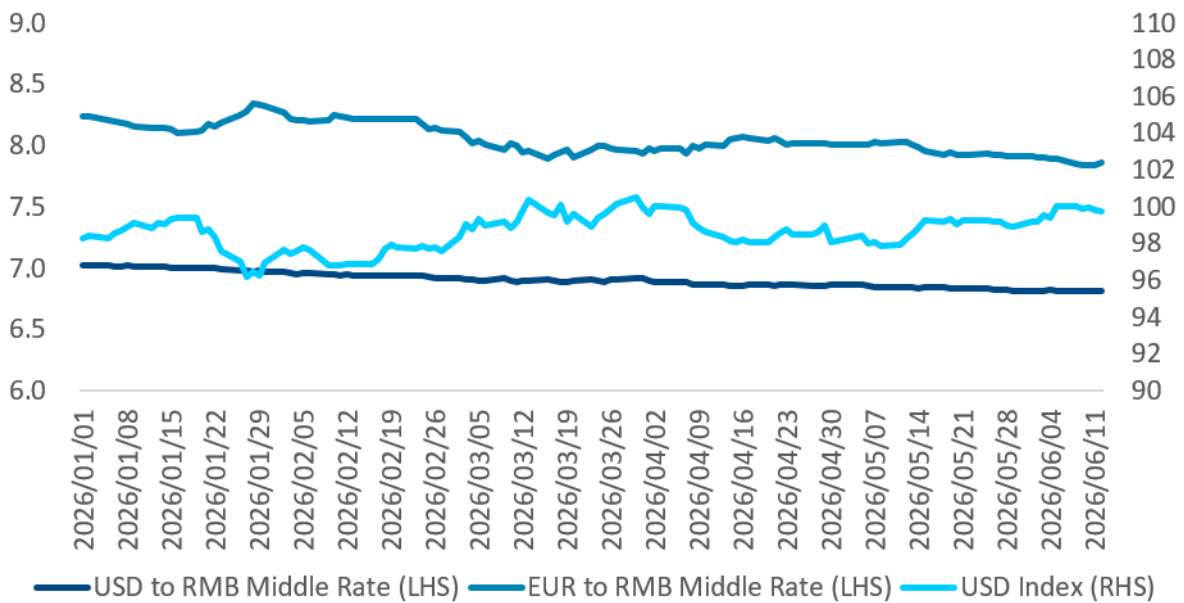
On June 10, China announced that its May CPI rose 1.2% YoY, below the expected 1.4%, with the increase unchanged from the previous reading, remaining in the moderate inflation range above 1% for the fourth consecutive month. Specifically, urban areas rose 1.3%, rural areas rose 1.1%; food prices fell 1.7%, non-food prices rose 1.9%; consumer goods prices rose 1.6%, services prices rose 0.8%. Core CPI, excluding food and energy, rose 1.1% YoY. On a MoM basis, CPI fell 0.1%, compared with a 0.3% rise in the previous reading, mainly due to changes in energy and services prices. Driven by a pullback in international oil prices from highs, domestic gasoline prices turned from a 12.6% rise last month to a 0.3% decline, causing energy prices to shift from rising to falling. After the May Day holiday, travel demand fell seasonally, and services prices turned from a 0.5% rise last month to a 0.1% decline, with prices for car rentals and airfares both moving from rising to falling. In addition, driven by robust AI-related demand, prices for mobile phones and tablet computers both rose.

On June 10, the US announced that its May CPI rose 4.2% YoY, in line with expectations, higher than the previous reading of 3.8%, hitting a new high since April 2023; the MoM increase was 0.5%, in line with expectations, down from the previous reading of 0.6%. Sub-item data showed that energy prices were the main factor driving overall inflation higher, with US energy prices rising 23.5% YoY in May, gasoline prices up more than 40% YoY and 7% MoM, contributing over 60% to the YoY CPI increase. However, core CPI excluding food and energy rose 2.9% YoY and 0.2% MoM, below market expectations of 0.3% and the previous reading of 0.4%. This suggests that the spillover effect of energy prices to other sectors of the economy is not yet evident, and domestic inflationary pressures in the US have not significantly intensified. Following the data release, Treasury yields edged higher, and market expectations for a Fed rate hike by year-end remained around 70%, though the unexpected slowdown in core inflation led some traders to reduce their rate hike bets.

Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of June 12, the RMB/USD middle rate closed at 6.8109, down 48.0bp from last Friday. The RMB/EUR middle rate closed at 7.8576, down 343.0bp from last Friday. The USD Index closed at 99.747, down 0.32% from last Friday.

Figure 1: RMB exchange rate

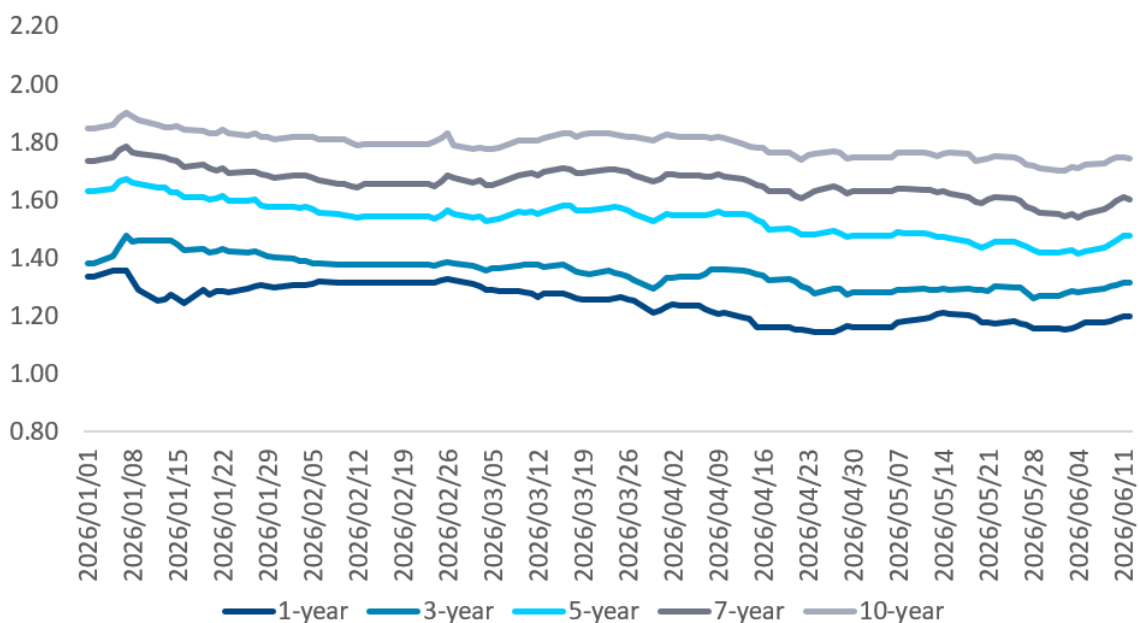


Sources: CCXAP research

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

In the past week, China Government Bond yields generally increased. As of June 12, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1967%, 1.3141%, 1.4776%, 1.6034%, and 1.7427%, respectively. Up 1.92bp, 3.02bp, 5.29bp, 4.98bp, and 2.20bp from last Friday.

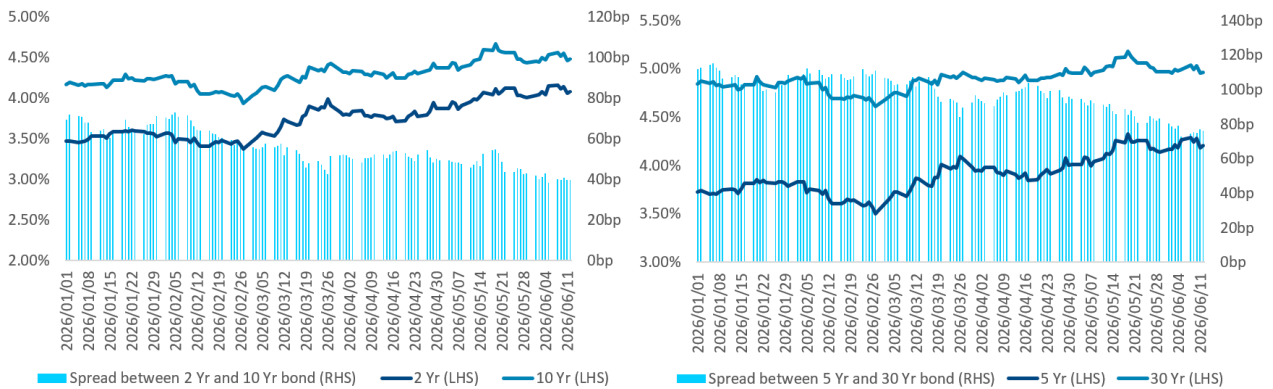
Figure 2: China Government Bond yields



Sources: CCXAP research

Core CPI rose less than expected MoM, expectations for Fed rate hikes cooled, US Treasury yields decreased. As of June 12, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.0809%, 4.2057%, 4.4789%, and 4.9664%, respectively. Down 6.61bp, 6.15bp, 5.14bp, and 2.93bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 1.47bp to 39.80bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds widened by 3.22bp to 76.07bp compared to last Friday.

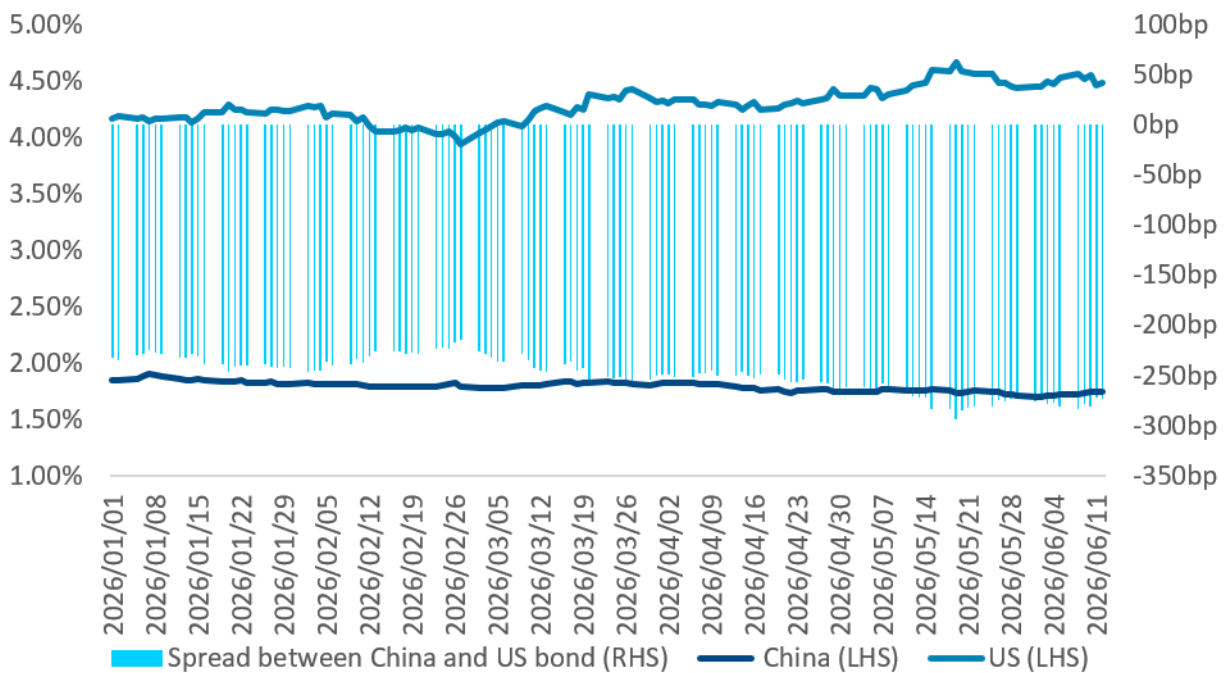
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of June 12, the 10-year Treasury bond interest rate gap between China and the US was -273.6bp, narrowing by 7.3bp from last Friday and widening by 41.7bp from the beginning of the year.

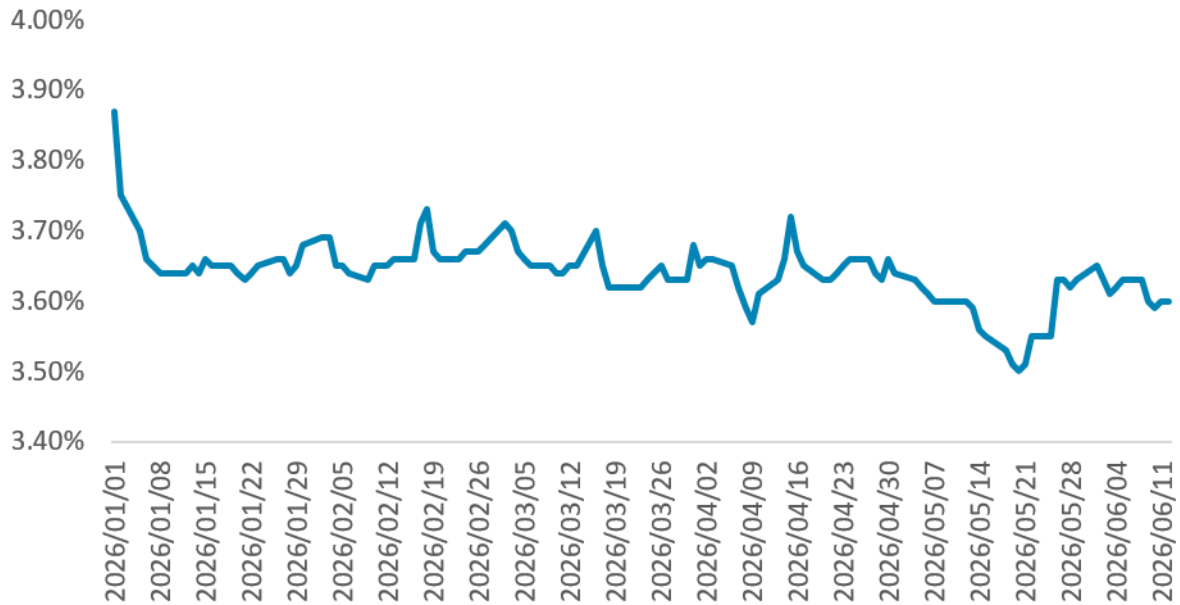
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of June 12, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.60%, down 3.0bp from last Friday and down 27.0bp from the beginning of the year.

Figure 5: US Benchmark Rate SOFR



Sources: CCXAP research

Primary Market: new issuance of Chinese offshore bonds increased

From June 8 to June 12, Chinese enterprises issued 23 new bonds in the offshore market, totaling about USD7.538 billion, an increase of 848.15% from last week. Among them, Tencent Holdings Ltd was the main issuer, issuing a total of USD4.668 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260608-20260612)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/6/8	China Construction Bank Corp/Hong Kong	USD	500	SOFR +35	2029/6/15	3	Banks	A1/-/-	-/-/A
2026/6/8	China Construction Bank Corp/Hong Kong	USD	500	SOFR +38	2031/6/15	5	Banks	A1/-/-	-/-/A
2026/6/8	China Construction Bank Corp/London	CNY	3,000	1.64	2029/6/15	3	Banks	A1/-/-	-/-/A
2026/6/8	CITIC Securities International Co Ltd	CNY	156	0	2031/6/11	5	Financials	-/BBB+/A-	-/-/-
2026/6/8	GF Holdings Hong Kong Corp Ltd	HKD	100	3.09	2026/12/8	176D	Financials	-/BBB/BBB	-/-/-
2026/6/8	Guangzhou Industrial Investment Fund Management Co Ltd	CNY	2,042	2.6	2029/6/15	3	Financials	-/-/BBB+	-/-/-
2026/6/8	Luoyang Shengshi Urban Construction Investment Co Ltd	CNY	300	4	2029/6/12	3	Chengtou	-/-/-	-/-/-
2026/6/8	Shenwan Hongyuan HK Ltd	USD	10	3.99	2026/9/14	91D	Financials	-/BBB/-	-/-/-
2026/6/9	CCB International Holdings Ltd	CNY	159	1.66	2026/9/16	92D	Financials	A2/-/A	-/-/-

2026/6/9	Tencent Holdings Ltd	CNY	4,000	3.1	2056/6/16	30	Comm unicati ons	A1/A+/A	A1/A+/A
2026/6/9	Tencent Holdings Ltd	CNY	11,000	2.5	2036/6/16	10	Comm unicati ons	A1/A+/A	A1/A+/A
2026/6/9	Tencent Holdings Ltd	USD	700	5.6	2046/6/16	20	Comm unicati ons	A1/A+/A	A1/A+/A
2026/6/9	Tencent Holdings Ltd	USD	1,750	5	2036/6/16	10	Comm unicati ons	A1/A+/A	A1/A+/A
2026/6/10	Guosen HK Financial Products Co Ltd	HKD	203	0	2031/6/10	5	Financ ials	-/-/-	-/-/-
2026/6/10	Sichuan Hengji Industrial Group Co Ltd	CNY	300	4.5	2029/6/16	3	Cheng tou	-/-/-	-/-/-
2026/6/11	CITIC Securities International Co Ltd	USD	5	0	2031/6/24	5	Financ ials	-/BBB+/A-	-/-/-
2026/6/11	CITIC Securities International Co Ltd	USD	7	0	2026/9/18	92D	Financ ials	-/BBB+/A-	-/-/-
2026/6/11	GF Holdings Hong Kong Corp Ltd	USD	5	4.2	2026/12/10	178D	Financ ials	-/BBB/BBB	-/-/-
2026/6/11	Hangzhou Fuyang City Construction Investment Group Co., Ltd.	CNY	2,045	2.9	2029/6/16	3	Cheng tou	-/-/BBB-	-/-/-
2026/6/11	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	300	SOFR +35	2029/6/18	3	Banks	A1/-/-	A1/-/-
2026/6/11	Industrial & Commercial Bank of China Ltd/Dubai DIFC	CNY	2,800	1.64	2029/6/18	3	Banks	A1/-/-	A1/-/-
2026/6/11	Jiangsu Hanrui Investment Holding Co Ltd	CNY	710	2.1	2029/6/16	3	Cheng tou	-/-/-	-/-/-
2026/6/11	TF International Securities Group Ltd	USD	10	5	2027/6/15	364D	Financ ials	-/-/BBB-	-/-/-

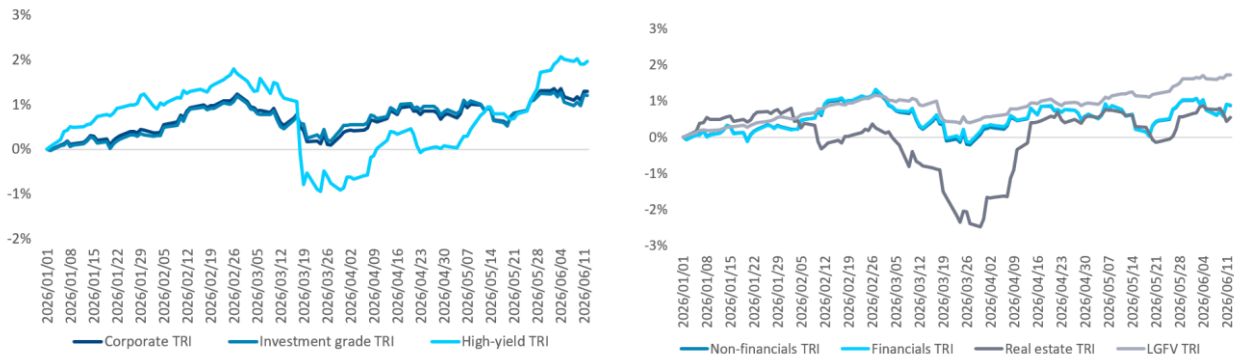
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds increased

As of June 12, the year-to-date return¹ of Chinese USD bonds increased by 12.0bp to 1.29% to compared to last Friday, among which the return rate of investment-grade bonds increased by 14.0bp to 1.2%, while the return rate of high-yield bonds decreased by 5.0bp to 1.96%. By industry, the return rate of non-financial bonds was 0.88%, up 13.0bp from last Friday. The return rate of financial bonds was 0.89%, up 14.0bp. The return rate of real estate was 0.56%, down 23.0bp. The return rate of Chengtou was 1.73%, up 11.0bp.

¹ Year-to-date return measures the return since January 1, 2026

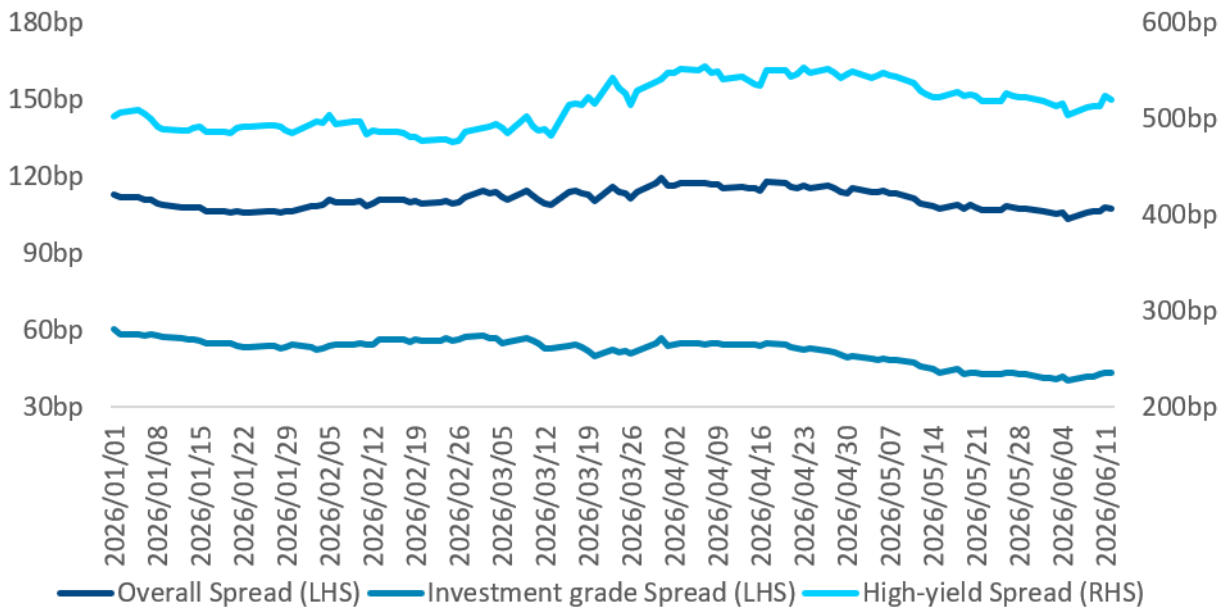
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of June 12, the spread of Chinese USD bonds widened by 3.8bp to 107.28bp from last Friday, among which the spread of investment-grade bonds widened by 3.2bp to 43.23bp, and the spread of high-yield bonds widened by 15.3bp to 518.99bp.

Figure 7: Yield Spreads of Bloomberg Barclays Chinese USD bond index



Sources: CCXAP research

From June 8 to June 12, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of eHi Car Services Limited changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260608-20260612)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
EHICAR 7 09/21/26	eHi Car Services Limited	78.647	0.27	110.531	805.4
CHIOIL 4.7 06/30/26	China Oil And Gas Group Limited	100.109	0.04	1.644	444.1

HZFYCT 3.2 06/25/26	Hangzhou Fuyang City Construction Investment Group Co., Ltd.	100.033	0.03	1.689	281.4
BJCONS 2.22 07/02/26	Beijing Construction Engineering Group Co., Ltd.	99.882	0.05	5.007	188.8
PINGRE 3.45 07/29/26	Ping An Real Estate Company Ltd.	99.552	0.12	7.227	124.6
EHICAR 10 10/14/29	eHi Car Services Limited	44.531	3.34	50.086	73.8
HBTUID 7 ½ 07/10/26	Hubei New Tongdu Urban Investment Development Group Co., Ltd.	100.368	0.07	1.679	66.4
SDGOLD 2.8 08/25/26	Shandong Gold Group Co., Ltd.	99.799	0.20	3.838	57.7
QDJZWD 5 ½ 09/26/26	Qingdao Jiaozhou Bay Development Group Co., Ltd.	100.375	0.28	4.109	52.8
WESCHI 9.9 12/04/28	China West Cement Co., Ltd.	91.892	2.48	13.893	49.2

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 2 Chinese issuers

From June 8 to June 12, rating agencies took positive rating actions on 2 Chinese issuers.

Table 3: Rating actions of cross-border issuer (20260608-20260612)

Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook	
		Entity Rating	Outlook	Date	Entity Rating	Outlook	Date			
Offshore Rating :										
Upgrade	Ningbo Yincheng Group Co., Ltd.	Chengt ou	Baa2	Stable	2026/06/11	Baa3	Stable	2026/04/28	Moody's	Proven improvements in Yinzhou district government's propensity to support the company
	Jinan Energy Group Co., Ltd.	Energy	A3	Stable	2026/06/08	Baa1	Stable	2026/04/28	Moody's	Proven improvements in Jinan government's propensity to support the company

Source: CCXAP research

Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”). All rights reserved.

No part of this publication may be reproduced, resold, or redistributed in any form or by any means, without prior written permission of CCXAP.

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: +852-2860 7111

Fax: +852-2868 0656