

2026 Issue 23 From June 22 to June 26

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

Headline: US June S&P Global Manufacturing and Services PMIs Beat Expectations; China's Industrial Profits for January–May Exceed Previous Reading

On June 23, the US announced its June S&P Global Manufacturing and Services PMIs, both higher than expectations and previous readings; on June 27, China announced the cumulative industrial profits for January-May rose 18.8% YoY, exceeding the previous reading.

Exchange Rate: RMB Depreciated; USD Index Increased

Last week, the RMB has depreciated. As of June 26, the RMB/USD middle rate closed at 6.8166, up 36.0bp from last Friday. The USD Index closed at 101.357, up 0.51% from last Friday.

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

Last week, China Government Bond yields generally decreased. The Fed kept rates unchanged at its policy meeting, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From June 22 to June 26, Chinese enterprises issued 12 new bonds in the offshore market, totaling about USD2.743 billion, an increase of 216.04% from last week. Among them, Chengtou were the main issuers, issuing a total of USD1.698 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of June 26, the return rate of Chinese USD bonds increased by 11.0bp to 1.5% to compared to last Friday, among which the return rate of investment-grade bonds increased by 15.0bp to 1.45%, while the return rate of high-yield bonds decreased by 18.0bp to 1.8%.

Rating Actions: CCXAP Assigned Credit Ratings to 2 Chinese Entities

From June 22 to June 26, CCXAP assigned first-time long-term credit ratings to 2 Chinese entities, Wenzhou Communications Development Group Co., Ltd. and Wenzhou Chengda Traffic Development Co., Ltd.



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Headline: US June S&P Global Manufacturing and Services PMIs beat expectations; China's industrial profits for January–May exceed previous reading

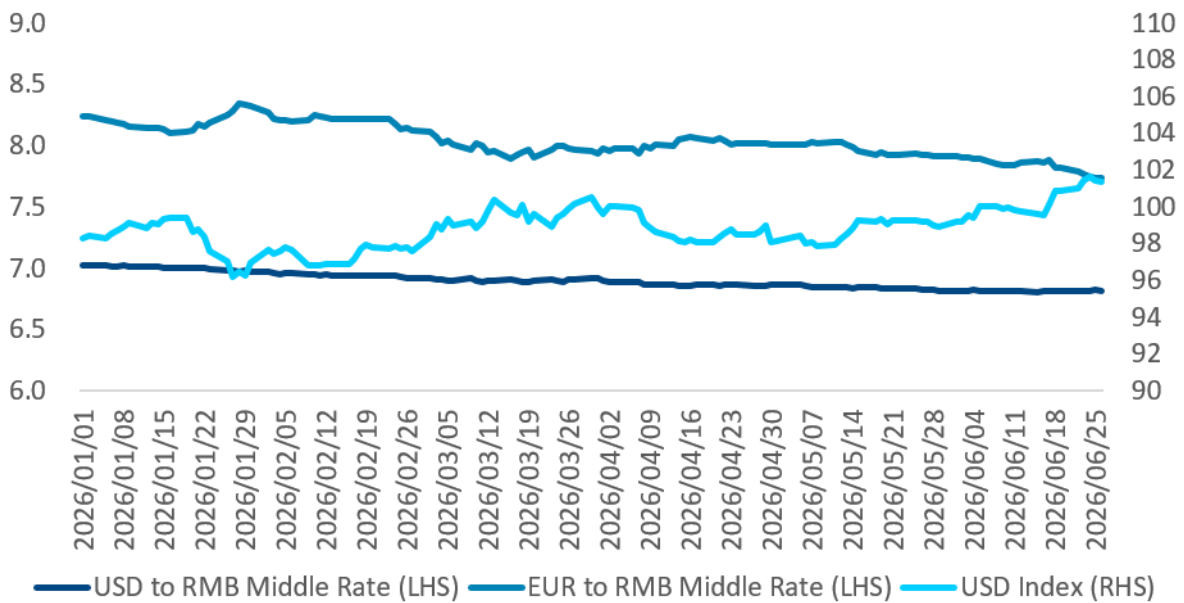
On June 23, the US announced the preliminary June S&P Global Manufacturing and Services PMI readings at 55.7 and 51.3 respectively, both above the expected 54.8 and 51, as well as the previous readings of 55.1 and 50.7. Breaking down the details, the manufacturing sector performed particularly well. New orders grew at the fastest pace in over four years, driving a notable pickup in factory activity. The preliminary US Manufacturing PMI rose to 55.7 in June, the highest since May 2022, above the expected 54.6 and the prior reading of 55.1. At the same time, the services sector also maintained expansion, with the preliminary Services PMI rising to 51.3, a four-month high, above the expected 51.1 and the prior reading of 50.7. Meanwhile, easing tensions in the Middle East brought some relief on cost pressures and also boosted business confidence. However, the survey also showed that issues such as supply chain delays, rising raw material prices, and slowing employment persist, indicating that the foundation for economic recovery remains fragile.

On June 27, China announced its cumulative industrial profits for the January-May period, with total profits reaching 3,143.96 billion yuan, up 18.8% YoY, exceeding the previous reading. Among industrial enterprises above the designated size, state-holding enterprises achieved total profits of 1,048.66 billion yuan, up 19.6% YoY; share-holding enterprises realized total profits of 2,434.81 billion yuan, up 24.1%; enterprises with investment from foreign, Hong Kong, Macao, and Taiwan achieved total profits of 695.72 billion yuan, up 4.2%; private enterprises recorded total profits of 772.65 billion yuan, up 10.7%. In addition, the mining sector achieved total profits of 479.52 billion yuan, up 33.5% YoY; the manufacturing sector realized total profits of 2,328.52 billion yuan, up 20.0%; and the electricity, heat, gas, and water production and supply sector recorded total profits of 335.92 billion yuan, down 2.7%.

Exchange Rate: RMB depreciated; USD Index increased

In the past week, the RMB has depreciated. As of June 26, the RMB/USD middle rate closed at 6.8166, up 36.0bp from last Friday. The RMB/EUR middle rate closed at 7.7405, down 769.0bp from last Friday. The USD Index closed at 101.357, up 0.51% from last Friday.

Figure 1: RMB exchange rate

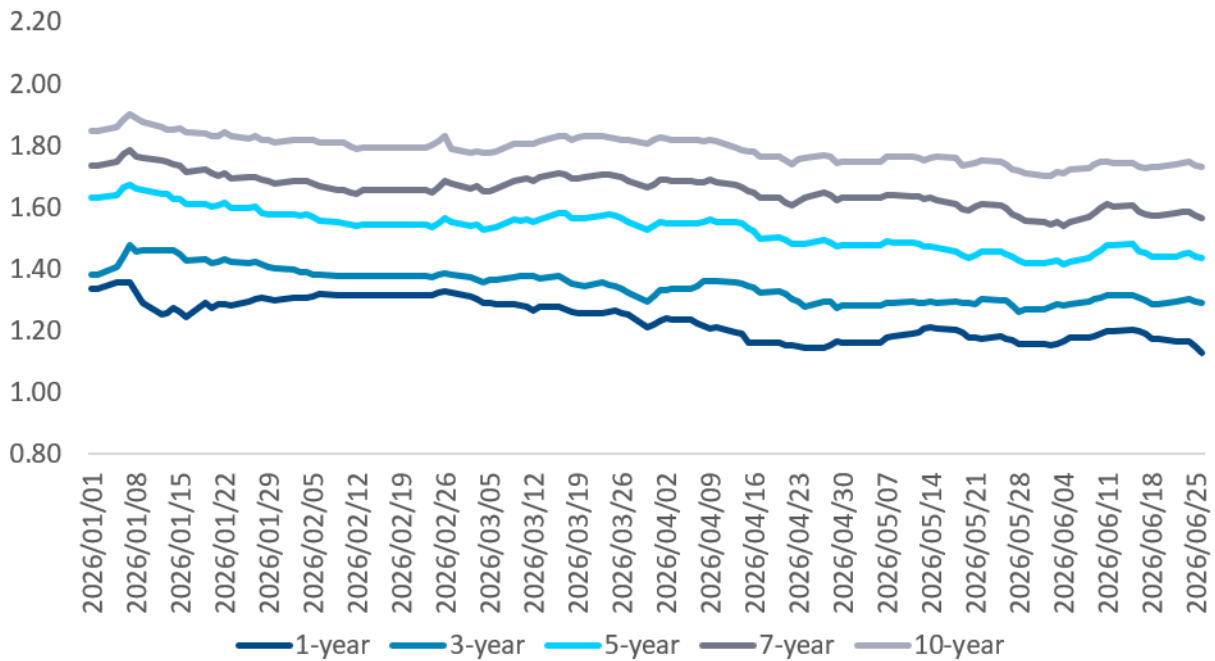


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of June 26, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1292%, 1.2890%, 1.4350%, 1.5650%, and 1.7314%, respectively. Compared to last Friday, the 1-year yield decreased by 4.25bp, the 3-year yield increased by 0.36bp, the 5-year yield decreased by 0.57bp, the 7-year yield decreased by 0.65bp, and the 10-year yield increased by 0.15bp.

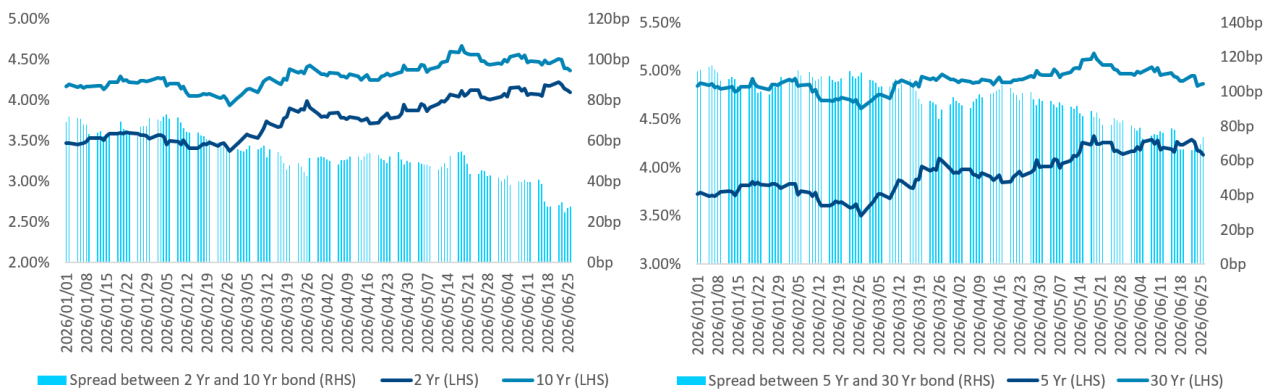
Figure 2: China Government Bond yields



Sources: CCXAP research

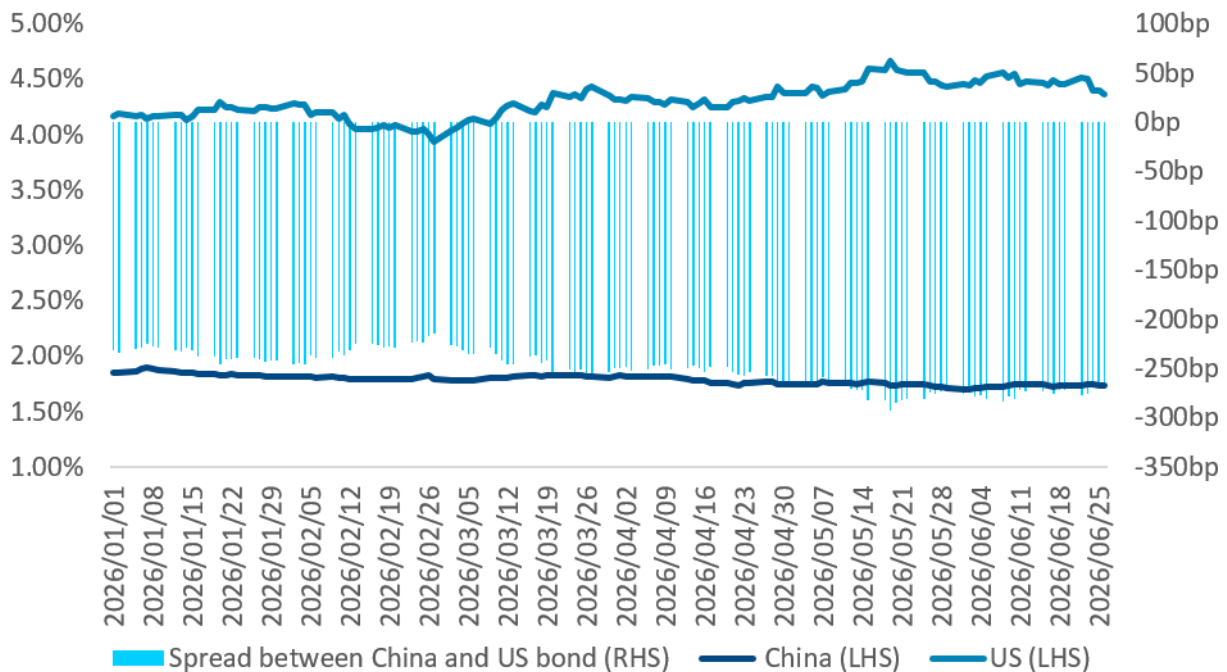
The Fed kept rates unchanged at its policy meeting, US Treasury yields decreased. As of June 26, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.0921%, 4.1285%, 4.3686%, and 4.8640%, respectively. Down 8.46bp, 10.39bp, 8.47bp, and 3.36bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 0.01bp to 27.65bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds widened by 7.03bp to 73.55bp compared to last Friday.

Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of June 26, the 10-year Treasury bond interest rate gap between China and the US was -263.7bp, narrowing by 8.6bp from last Friday and widening by 31.7bp 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 increased

From June 22 to June 26, Chinese enterprises issued 12 new bonds in the offshore market, totaling about USD2.743 billion, an increase of 216.04% from last week. Among them, Chengtou were the main issuers, issuing a total of USD1.698 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260622-20260626)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/6/22	China Construction Bank Corp Singapore Branch	USD	50	SOFR +38	2029/6/29	3	Banks	A1/-/-	-/-/-
2026/6/22	China Construction Bank Corp Singapore Branch	USD	195	SOFR +38	2029/6/28	3	Banks	A1/-/-	-/-/-
2026/6/22	Ekorner QM Holding AS	NOK	750	-	2029/7/6	3	Consumer Discretionary	-/-/-	-/-/-
2026/6/22	Jinan Energy Group Co Ltd	USD	210	4.4	2029/6/25	3	Chengtou	A3/-/-	A3/-/-
2026/6/23	Linyi City Construction Investment Group Co Ltd	USD	170	4.85	2029/6/26	3	Chengtou	Ba1/-/BBB-	-/-/-
2026/6/23	Zhongyuan Yuzi Investment Holdings Group Co Ltd	CNY	2,045	2.35	2029/6/29	3	Chengtou	A3/-/A	A3/-/-
2026/6/23	Ziyang Investment Holding Group Co Ltd	CNY	300	6.08	2029/6/30	3	Chengtou	-/-/-	-/-/-
2026/6/24	Pingdu City Development Group Co Ltd	CNY	815	3.99	2029/6/30	3	Chengtou	-/-/-	-/-/-
2026/6/24	Shaoxing City Development Group Ltd	USD	698	4.35	2029/6/29	3	Chengtou	-/-/BBB+	-/-/BBB+
2026/6/26	China Securities International Finance Holding Co Ltd	CNY	360	1.88	2029/7/6	3	Financials	-/-/-	-/-/-

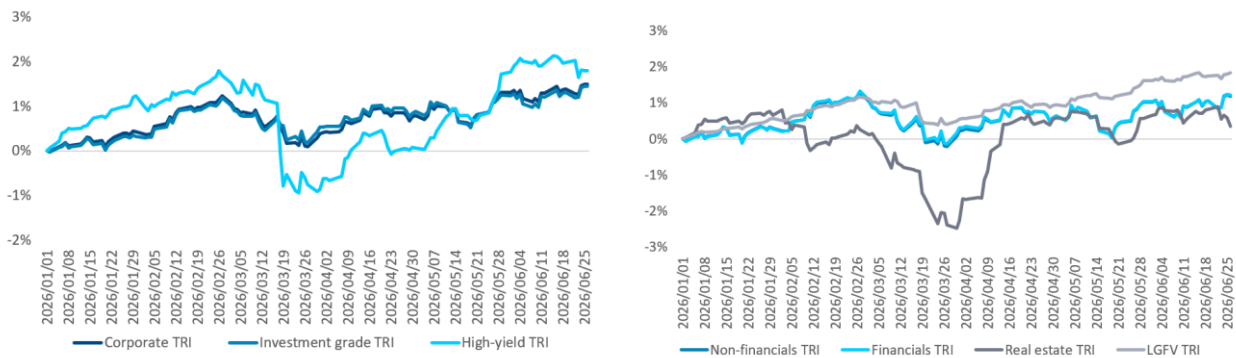
2026/6/26	Chongqing Wansheng Industrial Park Development And Construction Co Ltd	USD	18	4.6	2029/6/30	3	Cheng tou	-/-	-/-
2026/6/26	Hubei New Tongdu Urban Investment Development Group Co Ltd	CNY	1,139	4	2029/7/3	3	Cheng tou	-/-	-/-

Sources: CCXAP research

Secondary Market: return on Chinese USD bonds increased

As of June 26, the year-to-date return¹ of Chinese USD bonds increased by 11.0bp to 1.5% to compared to last Friday, among which the return rate of investment-grade bonds increased by 15.0bp to 1.45%, while the return rate of high-yield bonds decreased by 18.0bp to 1.8%. By industry, the return rate of non-financial bonds was 1.19%, up 14.0bp from last Friday. The return rate of financial bonds was 1.22%, up 16.0bp. The return rate of real estate was 0.35%, down 48.0bp. The return rate of Chengtou was 1.83%, up 8.0bp.

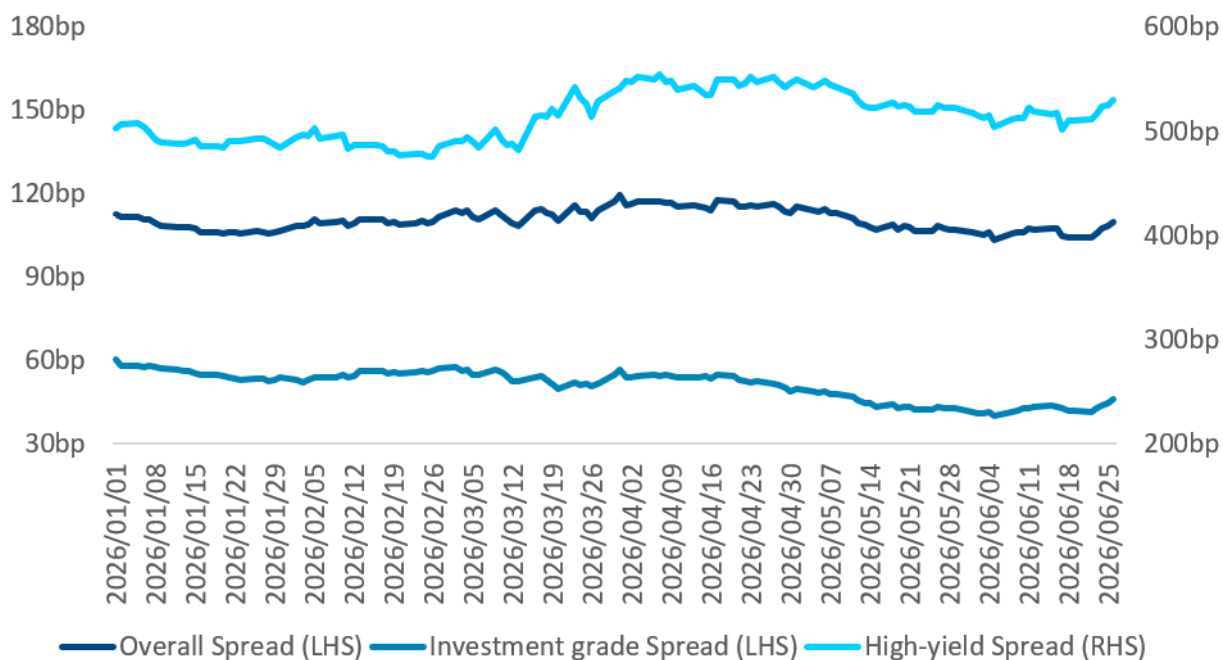
Figure 5 YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of June 26, the spread of Chinese USD bonds widened by 5.3bp to 109.76bp from last Friday, among which the spread of investment-grade bonds widened by 3.9bp to 45.92bp, and the spread of high-yield bonds widened by 19.6bp to 529.85bp.

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

Figure 6 Yield Spreads of Bloomberg Barclays Chinese USD bond index


Sources: CCXAP research

From June 22 to June 26, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Ruian Construction Holdings Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260622-20260626)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
SHUION 5 ½ 06/29/26	Ruian Construction Holdings Co., Ltd.	100.029	0.01	1.966	5.9419M
EHICAR 7 09/21/26	Yihi Car Rental Service Co., Ltd.	78.6	0.23	128.252	1.0739M
CHIOIL 4.7 06/30/26	China Petroleum and Gas Group Co., Ltd.	100.105	0.00	-32.311	907.4
PINGRE 3.45 07/29/26	Ping An Real Estate Capital Co., Ltd.	99.615	0.08	8.554	654.3
EHICAR 12 09/26/27	Yihi Car Rental Service Co., Ltd.	46.55	1.24	92.875	585.4
HNYUZI 3.2 07/06/26	Zhongyuan Yuzi Investment Holding Group Co., Ltd.	99.984	0.02	4.286	527.4
EHICAR 10 10/14/29	Yihi Car Rental Service Co., Ltd.	43	3.30	52.801	361.3
BCDHGR 3 ¼ 07/15/26	Beijing Capital Development Holdings (Group) Co., Ltd.	99.992	0.04	3.202	177.8
GUOENV 4.994 07/19/26	Guoneng Environmental Protection Investment Group Co., Ltd.	100.078	0.05	3.411	143
WESCHI 9.9 12/04/28	China West Cement Co., Ltd.	89.223	2.44	15.379	111.6

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 June 22, CCXAP assigned first-time long-term credit rating of A_g+ to Wenzhou Communications Development Group Co., Ltd. (“WCDG”), with stable outlook.

On June 25, CCXAP assigned first-time long-term credit rating of BBB_g+ to Wenzhou Chengda Traffic Development Co., Ltd. (“Chengda Traffic”), with stable outlook.

Table 3: CCXAP’s rating actions of cross-border issuer (20260622-20260626)

Rating Date	Obligor	Entity Rating	Rating Rational
2026/6/22	WCDG	A _g +	The rating reflects the Company’s (1) status as the most important transportation infrastructure construction and operation entity in Wenzhou City, with high business sustainability; (2) solid track record of receiving government support; and (3) good access to funding. However, the rating is constrained by the Company’s (1) high exposure to commercial activities; (2) moderate asset quality; and (3) rapid debt growth and relatively high debt leverage.
2026/6/25	Chengda Traffic	BBB _g +	The rating reflects the Company’s (1) status as an important state-owned enterprise providing comprehensive engineering services in Wenzhou City, with good technical strength and qualifications; (2) sufficient contracts to support business development; and (3) low debt burden. However, the rating is constrained by the Company’s (1) moderate business diversification and customer concentration (2) intensified competition from private sector; and (3) small revenue scale, with moderate profitability.

Source: CCXAP research

From June 22 to June 26, rating agencies took positive rating actions on 10 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260622-20260626)

Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook	
		Entity Rating	Outlook	Date	Entity Rating	Outlook	Date			
Offshore Rating :										
Upgrade	Jinan High-tech Holding Group Co., Ltd.	Chengtou	Ag	Stable	2026/06/22	Ag-	Stable	2025/06/12	CCXAP	The improvement of the company's debt structure and the reduction of non-standard financing scale will help the company reduce financing costs and optimize its financial situation.
	Hubei Science and Technology Investment Group Co., Ltd.	Chengtou	Baa1	Stable	2026/06/22	Baa2	Stable	2026/04/28	Moody's	The Wuhan Municipal Government's willingness to support Hubei Science and Technology Investment Group has been effectively enhanced

Yancheng City Urban Asset Investment Group Co., Ltd.	Chengt ou	Ag	Stable	2026/06/23	Ag-	Stable	2025/06/20	CCXAP	The Yancheng City government has strong support capabilities
Chongqing Nan'an District Urban Construction and Development (Group) Co., Ltd.	Chengt ou	Ag-	Stable	2026/06/23	BBB _g +	Stable	2025/04/17	CCXAP	Nan'an District's continued GDP growth and significant progress in asset revitalization in recent years
Yiwu State-owned Capital Operation Co., Ltd.	Chengt ou	Baa1	Stable	2026/06/23	Baa2	Stable	2026/04/28	Moody's	Yiwu City's regional strength has increased, thanks to Yiwu City's strong and stable market financing channels and its national strategic position as the world's largest small commodity wholesale center and an important international trade node under the "Belt and Road" initiative. As the largest state-owned enterprise in Yiwu City, the company is likely to receive stronger government support
China Huaneng Group Co., Ltd.	Energy	A1	Stable	2026/06/24	A2	Pos	2025/11/25	Moody's	The four major domestic power generation central enterprises, directly controlled by the State-owned Assets Supervision and Administration Commission of the State Council, have a systematically important position in China's increasingly complex power system and market structure.
Shanghai Electric Holding Group Co., Ltd.	Utilities	A3	Stable	2026/06/25	Baa1	Stable	2025/12/17	Moody's	Financial buffers of Shanghai Electric Group and Shanghai Electric Co., Ltd. have strengthened, and business conditions remain

									strong, as China places greater emphasis on energy security and technological self-reliance.
Shanghai Electric Group Co., Ltd.	Utilities	A3	Stable	2026/06/25	Baa1	Stable	2025/12/17	Moody's	Financial buffers of Shanghai Electric Group and Shanghai Electric Co., Ltd. have strengthened, and business conditions remain strong, as China places greater emphasis on energy security and technological self-reliance.
China International Capital Corporation	Financials	A-	Stable	2026/06/26	BBB+	Stable	2025/12/24	Fitch	CICC's strategic importance to Central Huijin increases
China International Capital Corporation (International) Co., Ltd.	Financials	A-	Stable	2026/06/26	BBB+	Stable	2025/12/24	Fitch	CICC's strategic importance to Central Huijin increases

Source: CCXAP research

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