Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

2026 Issue 25
From July 6 to July 10

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

Headline: US June ISM Services PMI Expands for 24th Consecutive Month; China June CPI Eases to 1.0% YoY

On July 6, the US reported that the June ISM Services PMI was 54.0, in line with expectations, marking the 24th consecutive month of expansion. On July 9, China reported that June CPI rose 1.0% YoY, below market expectations and the previous reading.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of July 10, the RMB/USD middle rate closed at 6.7989, down 58.0bp from last Friday. The USD Index closed at 100.952, up 0.09% from last Friday.

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

Last week, China Government Bond yields generally decreased. Fed minutes released a hawkish signal, US Treasury yields increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From July 6 to July 10, Chinese enterprises issued 26 new bonds in the offshore market, totaling about USD1.457 billion, a decrease of 1.68% from last week. Among them, financial institutions were the main issuers, issuing a total of USD695.0 million in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of July 10, the return rate of Chinese USD bonds decreased by 5.0bp to 1.27% compared to last Friday, among which the return rate of investment-grade bonds decreased by 9.0bp to 1.21%, while the return rate of high-yield bonds increased by 22.0bp to 1.69%.

Rating Actions: Rating Agencies Took Rating Actions on 4 Chinese Issuers

From July 6 to July 10, rating agencies took positive rating actions on 4 Chinese issuers.

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Headline: US June ISM Services PMI expands for 24th consecutive month; China June CPI eases to 1.0% YoY

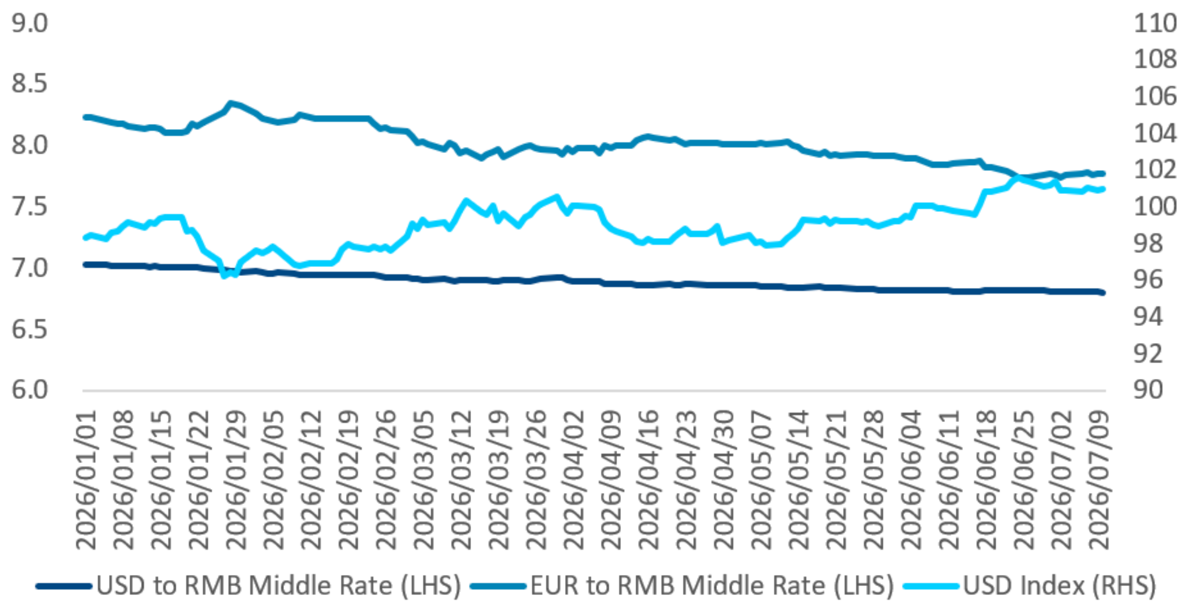
On July 6, the US reported that the June ISM Services PMI was 54.0, in line with market expectations, down from the previous reading of 54.5, but remaining above the 50 threshold for the 24th consecutive month. Sub-indexes showed that both the business activity index and new orders index declined from the previous month but stayed in expansionary territory, indicating that US services demand softened slightly but maintained a broadly steady growth trajectory. Meanwhile, inventories fell notably, while the backlog of orders index rose again, pointing to an increase in outstanding orders. The employment index increased from 47.9 to 51.2, marking the largest single-month gain since 2024 and returning to expansionary territory for the first time since February this year, suggesting that more services firms are adding staff. On the price front, the prices paid index fell from 71.3 to 67.7, hitting a four-month low, reflecting that the US-Iran ceasefire and subsequent oil price declines had eased cost pressures for businesses.

On July 9, China announced that the June CPI rose 1.0% YoY, below market expectations of 1.1% and the previous reading of 1.2%; on a MoM basis, CPI fell 0.3%, a wider decline than May's 0.1% drop. Core CPI, excluding food and energy, rose 1.0% YoY, down from 1.1% in May. The MoM decline was mainly attributed to seasonal factors and volatility in international commodity prices. Specifically, food prices fell 0.4%, with fresh vegetables and fresh fruit prices down 1.0% and 2.0%, respectively, due to ample market supply; domestic gold jewelry and gasoline prices dropped 8.7% and 4.9%, respectively, affected by international market price fluctuations. On the same day, June PPI rose 4.1% YoY, up from 3.9% in May; on a MoM basis, PPI fell 0.3%, the first negative reading after eight consecutive months of positive growth. The PPI-CPI gap widened to 3.1 percentage points, the highest since July 2022. This reflects a K-shaped divergence in the Chinese economy, with downstream enterprises facing the dual pressures of high costs and weak demand.

Exchange Rate: RMB appreciated; USD Index increased

In the past week, the RMB has appreciated. As of July 10, the RMB/USD middle rate closed at 6.7989, down 58.0 from last Friday. The RMB/EUR middle rate closed at 7.7712, up 103.0bp from last Friday. The USD Index closed at 100.952, up 0.09% from last Friday.

Figure 1: RMB exchange rate

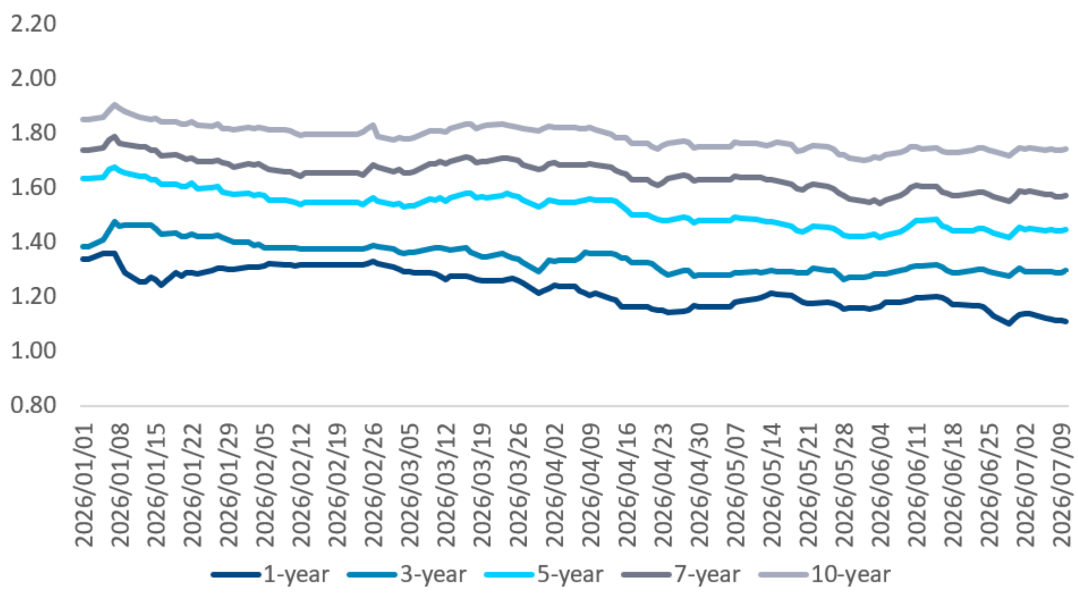


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of July 10, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1097%, 1.2938%, 1.4436%, 1.5693%, and 1.7398%, respectively. Compared to last Friday, the 1-year yield decreased by 2.95bp, the 3-year yield increased by 0.37bp, the 5-year yield decreased by 0.44bp, the 7-year yield decreased by 1.66bp, and the 10-year yield decreased by 0.65bp.

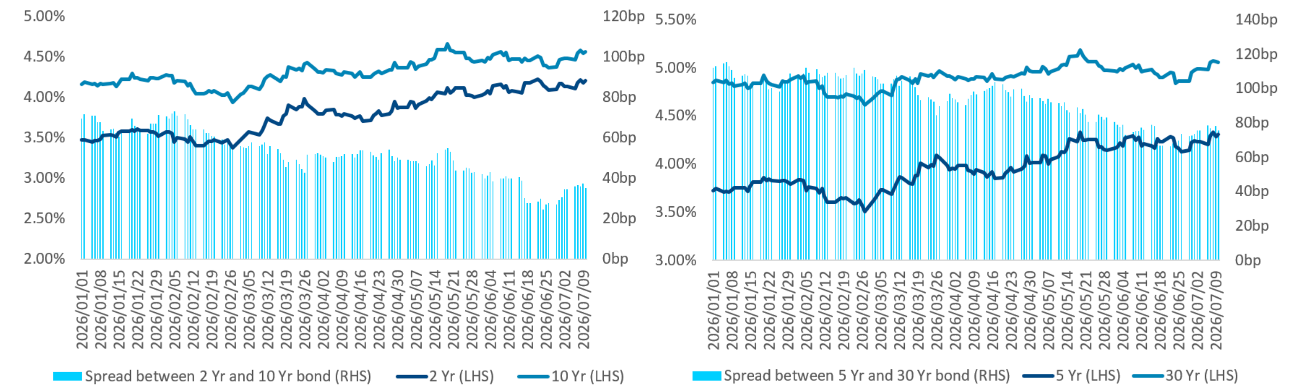
Figure 2: China Government Bond yields



Sources: CCXAP research

Fed minutes released a hawkish signal, US Treasury yields increased. As of July 10, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.2079%, 4.3047%, 4.5612%, and 5.0587%, respectively. Up 7.08bp, 7.45bp, 7.80bp, and 7.33bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 0.72bp to 35.33bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 0.12bp to 75.40bp compared to last Friday.

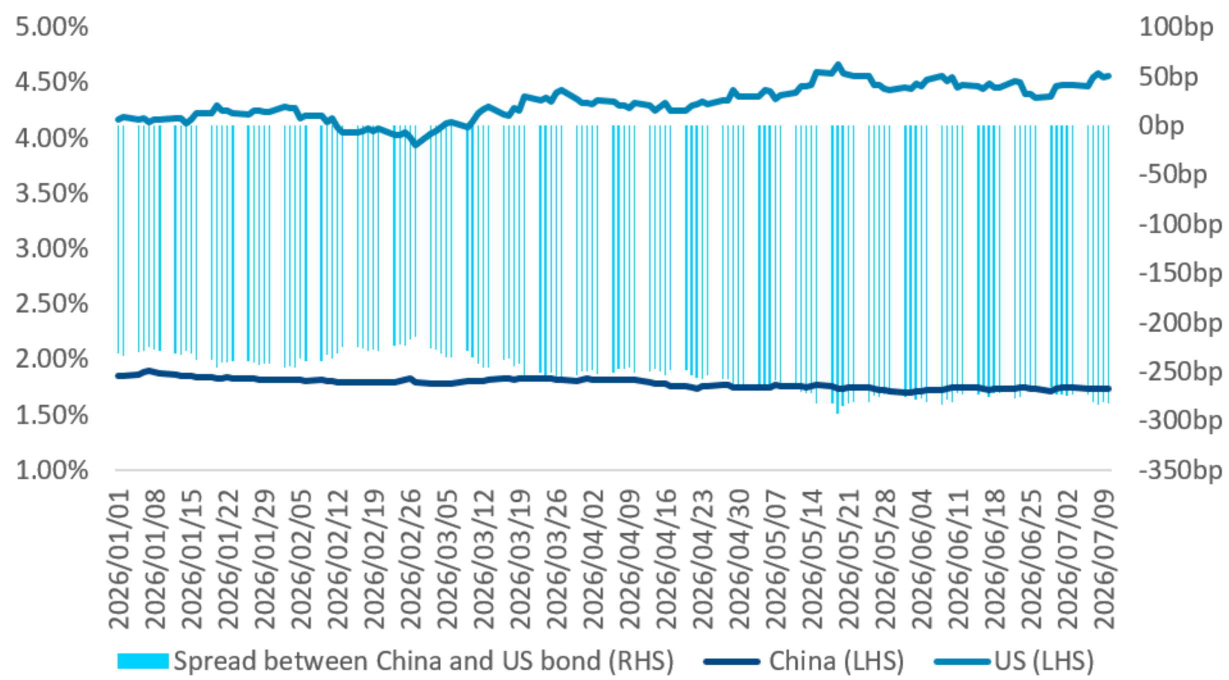
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of July 10, the 10-year Treasury bond interest rate gap between China and the US was -282.1bp, narrowing by 8.5bp from last Friday and widening by 50.2bp from the beginning of the year.

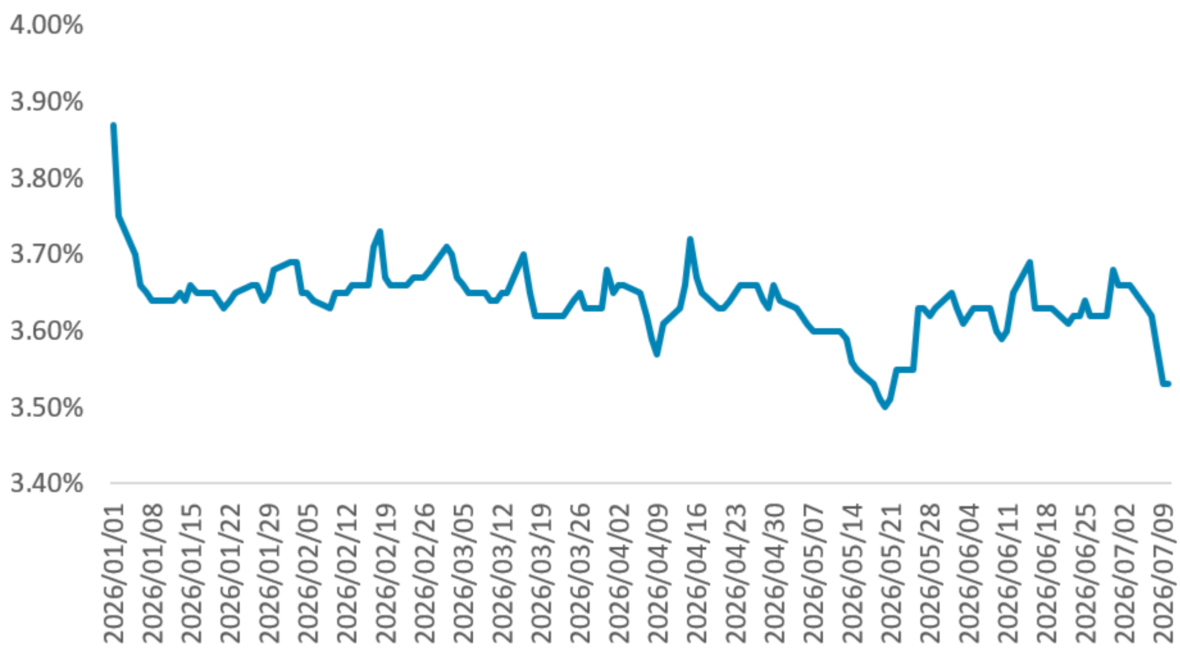
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of July 10, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.53%, down 13.0bp from last Friday and down 34.0bp from the beginning of the year.

Figure 5: US Benchmark Rate SOFR



Sources: CCXAP research

Primary Market: new issuance of Chinese offshore bonds decreased

From July 6 to July 10, Chinese enterprises issued 26 new bonds in the offshore market, totaling about USD1.457 billion, a decrease of 1.68% from last week. Among them, financial institutions were the main issuers, issuing a total of USD695.0 million in bonds.

Table 1：New issuance of Chinese offshore bonds (20260706-20260710)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/7/6	BOCOM International Holdings Co Ltd	HKD	90	0	2027/1/13	184D	Financials	Baa1/-/A	-/-/-
2026/7/6	GF Holdings Hong Kong Corp Ltd	USD	50	4.35	2027/1/6	180D	Financials	-/BBB/BBB	-/-/-
2026/7/6	GF Holdings Hong Kong Corp Ltd	CNY	70	1.8	2027/1/6	180D	Financials	-/BBB/BBB	-/-/-
2026/7/6	GF Holdings Hong Kong Corp Ltd	USD	8	4.35	2027/1/4	180D	Financials	-/BBB/BBB	-/-/-
2026/7/6	CNCB Hong Kong Investment Ltd	HKD	0.9	0	2027/7/11	1	Financials	-/BBB+/A-	-/-/-
2026/7/7	Zhejiang Energy International Ltd	CNY	3200	2.02	2031/7/14	5	Utilities	A1/-/A	A2/-/-
2026/7/7	GF Holdings Hong Kong Corp Ltd	USD	8	4.35	2027/1/5	180D	Financials	-/BBB/BBB	-/-/-
2026/7/7	CITIC Securities International Co Ltd	CNY	200	2	2029/7/13	3	Financials	-/BBB+/A-	-/-/-
2026/7/8	Huatai International Financial Holdings Co Ltd	USD	50	4.12	2026/10/14	93D	Financials	-/BBB+/-	-/-/-
2026/7/8	Huatai International Financial Holdings Co Ltd	USD	100	4.15	2026/10/15	92D	Financials	-/BBB+/-	-/-/-

2026/7/8	TF International Securities Group Ltd	USD	10	4.6	2027/1/12	186D	Financials	-/-/BBB-	-/-/-
2026/7/8	GF Holdings Hong Kong Corp Ltd	USD	25	4.3	2026/12/23	166D	Financials	-/BBB/BBB	-/-/-
2026/7/8	GF Holdings Hong Kong Corp Ltd	HKD	250	3.34	2026/12/23	166D	Financials	-/BBB/BBB	-/-/-
2026/7/8	GF Holdings Hong Kong Corp Ltd	USD	2	4.35	2027/1/6	180D	Financials	-/BBB/BBB	-/-/-
2026/7/8	GF Holdings Hong Kong Corp Ltd	USD	3	4.35	2027/1/6	180D	Financials	-/BBB/BBB	-/-/-
2026/7/8	Hubei Guanggudong State-owned Asset Investment Operation Group Co Ltd	CNY	1243	4	2029/7/14	3	Chengtou	-/-/-	-/-/-
2026/7/8	Yibin Development Holding Group Co Ltd	CNY	1000	2.1	2029/7/15	3	Consumer Staples	-/-/-	-/-/-
2026/7/8	CITIC Securities International Co Ltd	CNY	10	0	2036/7/11	10	Financials	-/BBB+/A-	-/-/-
2026/7/9	Huatai International Financial Holdings Co Ltd	USD	50	4.22	2027/1/5	174D	Financials	-/BBB+/-	-/-/-
2026/7/9	Huatai International Financial Holdings Co Ltd	USD	25	4.25	2027/1/5	174D	Financials	-/BBB+/-	-/-/-
2026/7/9	Industrial & Commercial Bank of China Ltd/Luxembourg	USD	50	4.2	2029/7/16	3	Banks	A1/-/-	-/-/-
2026/7/9	Industrial & Commercial Bank of China Ltd/Luxembourg	USD	50	4.25	2029/7/16	3	Banks	A1/-/-	-/-/-
2026/7/9	Industrial & Commercial Bank of China Ltd/Luxembourg	CNY	500	1.64	2029/7/16	3	Banks	A1/-/-	-/-/-
2026/7/9	GF Holdings Hong Kong Corp Ltd	HKD	100	3.42	2027/1/6	175D	Financials	-/BBB/BBB	-/-/-
2026/7/9	GF Holdings Hong Kong Corp Ltd	CNY	50	1.8	2027/1/6	175D	Financials	-/BBB/BBB	-/-/-
2026/7/10	China Construction Bank Corp Luxembourg Branch	EUR	100	3.006	2029/7/17	3	Banks	A1/-/-	-/-/-

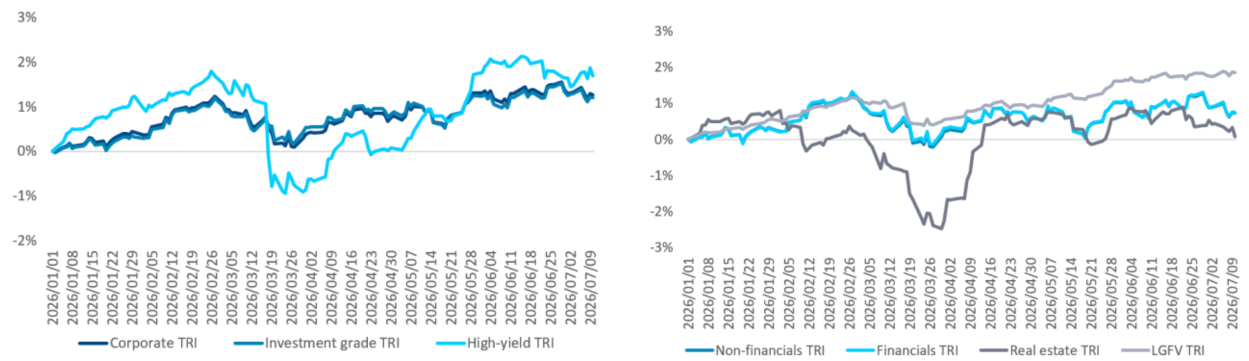
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of July 10, the year-to-date return[1] of Chinese USD bonds decreased by 5.0bp to 1.27% compared to last Friday, among which the return rate of investment-grade bonds decreased by 9.0bp to 1.21%, while the return rate of high-yield bonds increased by 22.0bp to 1.69%. By industry, the return rate of non-financial bonds was 0.72%, down 19.0bp from last Friday. The return rate of financial bonds was 0.75%, down 18.0bp. The return rate of real estate was 0.08%, down 36.0bp. The return rate of Chengtou was 1.85%, up 9.0bp.

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

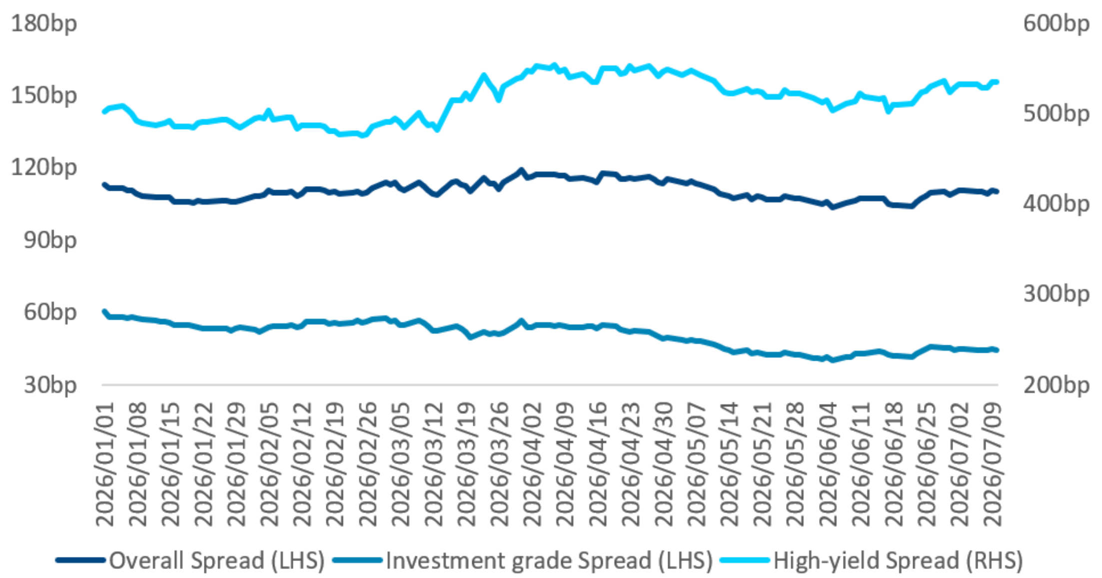
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of July 10, the spread of Chinese USD bonds narrowed by 0.5bp to 110.03bp from last Friday, among which the spread of investment-grade bonds narrowed by 0.3bp to 44.5bp, and the spread of high-yield bonds widened by 3.4bp to 535.39bp.

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



Sources: CCXAP research

From July 6 to July 10, 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 (20260706-20260710)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
EHICAR 7 09/21/26	eHi Car Services Limited	67.786	0.19	261.008	3.9335M
EHICAR 12 09/26/27	eHi Car Services Limited	45.5	1.21	98.66	297.6
WESCHI 10 ½ 11/11/29	China West Cement Co., Ltd.	84.155	3.34	16.875	107.8
ZHOSHK 5.98 01/30/28	Zhongsheng Group Holdings Limited	93.345	1.55	10.776	97.6

WESCHI 9.9 12/04/28	China West Cement Co., Ltd.	87.122	2.40	16.64	97.1
SIDEVE 2.8 08/18/26	Sichuan Development Holding Co., Ltd.	99.826	0.10	4.653	93.1
SDGOLD 2.8 08/25/26	Shandong Gold Group Co., Ltd.	99.894	0.12	3.717	91.4
LYURBN 7.4 08/17/26	Linyi City Construction Investment Group Co., Ltd.	100.735	0.10	-0.837	81.1
CHGRID 0.797 08/05/26	State Grid Corporation of China	99.873	0.07	2.986	78.7
FTLNHD 11.88 09/30/27	Seazen Holdings Co., Ltd.	98.32	1.22	13.388	65.6

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 4 Chinese issuers

From July 6 to July 10, rating agencies took positive rating actions on 4 Chinese issuers.

Table 3: Rating actions of cross-border issuer (20260706-20260710)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Shanghai Electric Holdings Group Co. Ltd.	Industrials	BBB+	Pos	2026/07/06	BBB+	Stable	2025/11/13	S&P	The company's improving profitability and cash flow will help it to deleverage over the next 12–24 months
	Shanghai Electric Group Company Limited	Industrials	BBB+	Pos	2026/07/06	BBB+	Stable	2025/11/13	S&P	The company's rating outlook moves in line with the parent’s outlook, reflecting its core subsidiary status
	Laizhou Finance Investment Co., Ltd.	Chengtou	BBB+	Stable	2026/07/07	BBB	Stable	2025/07/14	Lianhe	The improved internal credit assessment on the Laizhou government and the expectation of continued strong support
	Sinopec Century Bright Capital Investment Ltd.	Financials	A1	Stable	2026/07/10	A2	Stable	2026/04/28	Moody's	Supportive government policies on SOEs' treasury and liquidity management reinforce the company's essentiality and integration within its parent’s governance framework

Source: CCXAP research

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