Cross-border Bonds Weekly Report

2026 Issue 29
From August 3 to August 7

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

Headline: US July Nonfarm Payrolls Turn Negative; China July CPI Falls to 0.5% YoY

On August 7, the US reported that July nonfarm payrolls fell by 23,000, far below expectations, with the previous two months revised down by a combined 103,000. On August 9, China reported that July CPI rose 0.5% YoY, down from the previous reading of 1.0%.

Exchange Rate: RMB Depreciated; USD Index Decreased

Last week, the RMB has depreciated. As of August 7, the RMB/USD middle rate closed at 6.7904, up 10.0bp from last Friday. The USD Index closed at 99.539, down 0.38% from last Friday.

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

Last week, China Government Bond yields generally decreased. The July nonfarm payroll data came in significantly below expectations, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From August 3 to August 7, Chinese enterprises issued 35 new bonds in the offshore market, totaling about USD3.326 billion, an increase of 144.56% from last week. Among them, financial institutions were the main issuers, issuing a total of USD2.345 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of August 7, the return rate of Chinese USD bonds increased by 39.0bp to 1.44% compared to last Friday, among which the return rate of investment-grade bonds increased by 33.0bp to 1.19%, while the return rate of high-yield bonds increased by 88.0bp to 3.32%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On August 7, CCXAP assigned first-time long-term credit rating of A_g to Eurasian Development Bank, with stable outlook.

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Headline: US July nonfarm payrolls turn negative; China July CPI falls to 0.5% YoY

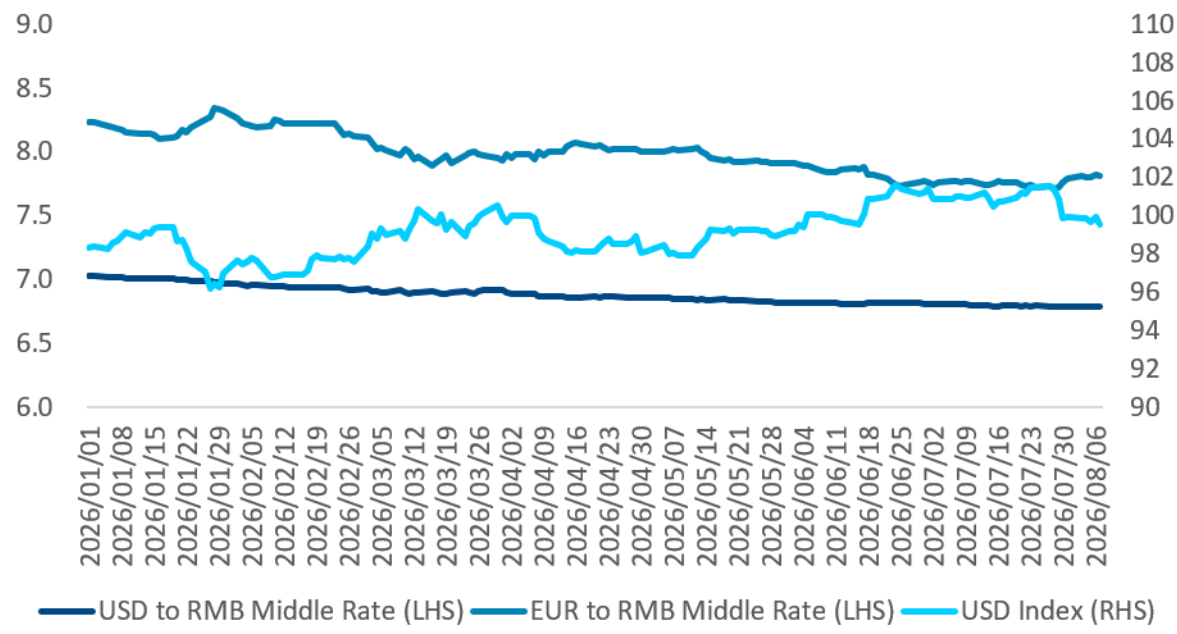
On August 7, the US announced that July seasonally adjusted nonfarm payrolls fell by 23,000, significantly below market expectations of a 90,000 increase, marking the first negative reading since 2024. Meanwhile, May nonfarm payrolls were revised down from 129,000 to 63,000, and June from 57,000 to 20,000, representing a combined downward revision of 103,000. By industry, employment changes in July showed notable divergence. Local government education lost 50,000 jobs; retail trade lost 19,000 jobs, with warehouse clubs and large general retailers accounting for 21,000 of the decline; financial services lost 14,000 jobs, with credit and insurance sectors contracting in tandem. Healthcare added 22,000 jobs, but the gain was below the 12-month average of 36,000. The seasonally adjusted unemployment rate fell 0.1 percentage point to 4.1%, with the number of unemployed falling by 178,000 to 6.916 million. The labor force participation rate dropped to 61.4%, the lowest since early 2021. Following the data release, market expectations for a September rate hike by the Fed declined notably.

On August 9, China reported that July CPI rose 0.5% YoY, down from the previous reading of 1.0%. Urban CPI rose 0.5% and rural CPI rose 0.4%; food prices fell 1.5% while non-food prices rose 0.9%; consumer goods prices rose 0.2% and services prices rose 0.7%. The 0.5 percentage point moderation in YoY CPI from the previous month was mainly attributable to a slowdown in gasoline price increases. Gasoline price growth moderated by 16.0 percentage points to 1.0%, reducing its upward pull on CPI by about 0.45 percentage points compared with the previous month, and dragging energy price inflation down to 0.6%. Excluding energy, industrial consumer goods prices rose 1.5%, a 0.2 percentage point moderation from the previous month, contributing about 0.37 percentage points to YoY CPI. On a MoM basis, CPI fell 0.1%, narrower than the 0.2% decline in June. Core CPI, excluding food and energy, rose 0.3% MoM and 0.9% YoY, indicating that headline inflation remained broadly moderate.

Exchange Rate: RMB depreciated; USD Index decreased

In the past week, the RMB has depreciated. As of August 7, the RMB/USD middle rate closed at 6.7894, down 45.0bp from last Friday. The RMB/EUR middle rate closed at 7.8067, up 181.0bp from last Friday. The USD Index closed at 99.539, down 0.38% from last Friday.

Figure 1: RMB exchange rate

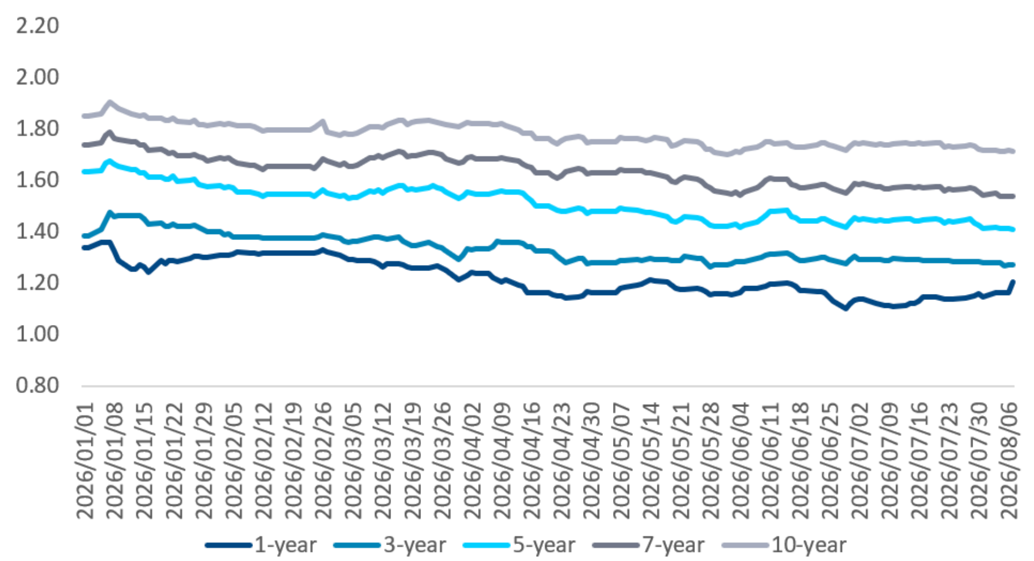


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of August 7, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2043%, 1.2688%, 1.4073%, 1.5368%, and 1.7114%, respectively. Compared to last Friday, the 1-year yield increased by 5.83bp, the 3-year yield decreased by 0.98bp, the 5-year yield decreased by 0.37bp, the 7-year yield decreased by 0.54bp, and the 10-year yield decreased by 0.27bp.

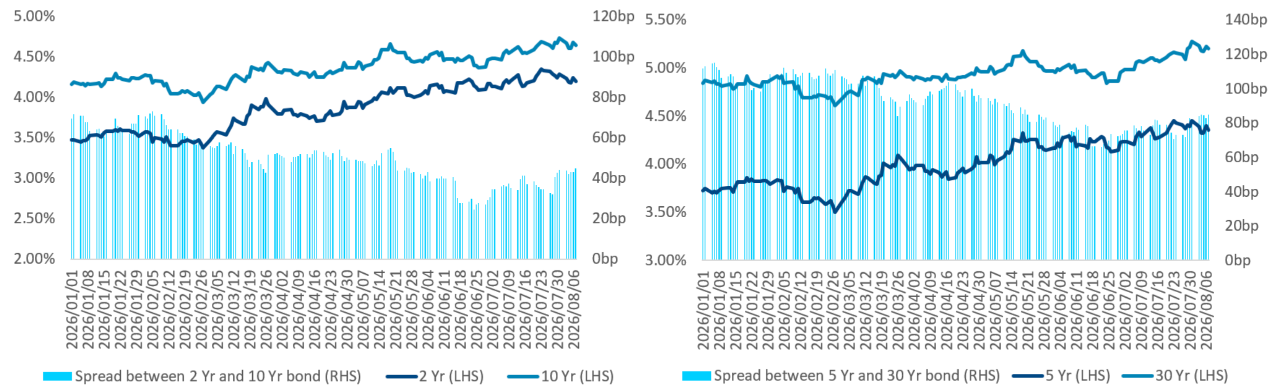
Figure 2: China Government Bond yields



Sources: CCXAP research

The July nonfarm payroll data came in significantly below expectations, US Treasury yields decreased. As of August 7, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.1952%, 4.3518%, 4.6454%, and 5.2008%, respectively. Down 9.60bp, 9.71bp, 8.93bp, and 7.16bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 0.67bp to 45.02bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds widened by 2.55bp to 84.90bp compared to last Friday.

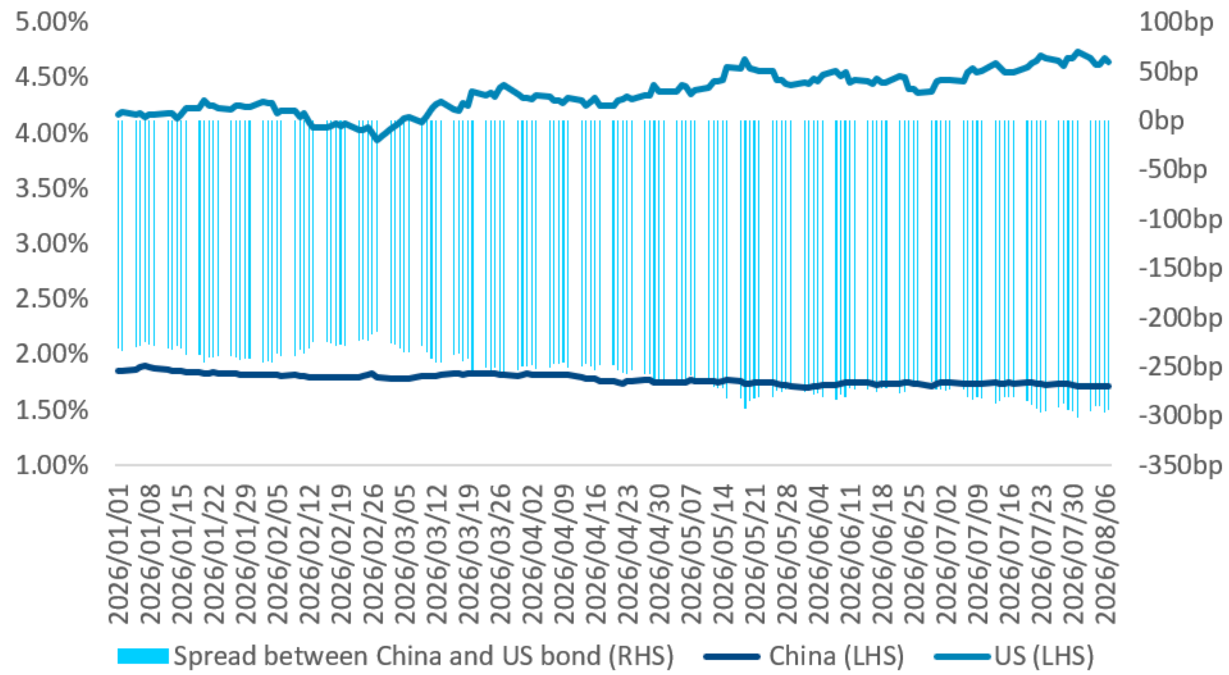
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of August 7, the 10-year Treasury bond interest rate gap between China and the US was -293.4bp, narrowing by 8.7bp from last Friday and widening by 61.4bp from the beginning of the year.

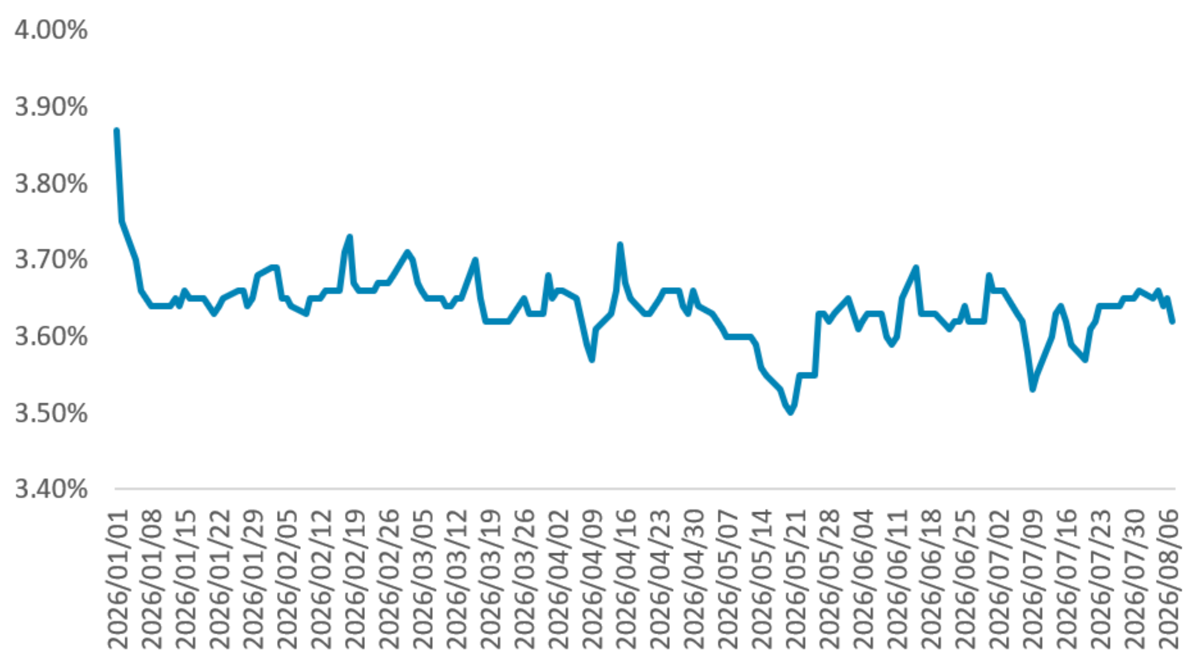
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of August 7, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.62%, down 4.0bp from last Friday and down 25.0bp 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 August 3 to August 7, Chinese enterprises issued 35 new bonds in the offshore market, totaling about USD3.326 billion, an increase of 144.56% from last week. Among them, financial institutions were the main issuers, issuing a total of USD2.345 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260803-20260807)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/8/3	China International Capital Corp International Ltd	USD	40	4.15	2026/11/10	92D	Financials	Baa1/BBB+/A-	-/-/-
2026/8/3	CITIC Securities International Co Ltd	USD	12	0	2026/11/10	92D	Financials	-/BBB+/A-	-/-/-
2026/8/3	CSI Financial Products Ltd	HKD	1	0	2027/2/12	186D	Financials	-/-/-	-/-/-
2026/8/3	Huatai International Financial Holdings Co Ltd	USD	10	0	2026/12/10	126D	Financials	-/BBB+/-	-/-/-
2026/8/3	Huatai International Financial Holdings Co Ltd	USD	10	0	2026/12/9	125D	Financials	-/BBB+/-	-/-/-
2026/8/3	Huatai International Financial Holdings Co Ltd	USD	5	0	2028/8/18	2	Financials	-/BBB+/-	-/-/-
2026/8/3	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	30	4.35	2029/8/10	3	Banks	A1/-/-	-/-/-
2026/8/3	Yixin Group Ltd	JPY	6,200	3.5	2029/8/10	3	Financials	-/-/-	-/-/-
2026/8/4	CITIC Securities International Co Ltd	USD	50	5.27	2031/8/10	5	Financials	-/BBB+/A-	-/-/-
2026/8/4	CITIC Securities International Co Ltd	CNY	500	0	2031/7/24	5	Financials	-/BBB+/A-	-/-/-

2026/8/4	CITIC Securities International Co Ltd	CNY	500	0	2031/7/24	5	Financials	-/BBB+/A-	-/-/-
2026/8/4	CSI Financial Products Ltd	HKD	2	0	2026/11/13	94D	Financials	-/-/-	-/-/-
2026/8/4	CSI Financial Products Ltd	HKD	1	0	2026/11/13	94D	Financials	-/-/-	-/-/-
2026/8/4	CSI Financial Products Ltd	HKD	2	0	2027/2/15	188D	Financials	-/-/-	-/-/-
2026/8/4	CSI Financial Products Ltd	HKD	1	0	2027/2/15	188D	Financials	-/-/-	-/-/-
2026/8/4	CSI Financial Products Ltd	HKD	1	0	2026/11/13	94D	Financials	-/-/-	-/-/-
2026/8/4	Fujian Zhanglong Group Co Ltd	CNY	3,060	2.35	2031/8/11	5	Chengtou	-/-/BBB-	-/-/-
2026/8/4	GF Holdings Hong Kong Corp Ltd	USD	45	3.89	2026/9/17	37D	Financials	-/BBB/BBB	-/-/-
2026/8/4	GF Holdings Hong Kong Corp Ltd	HKD	200	3.31	2027/2/1	174D	Financials	-/BBB/BBB	-/-/-
2026/8/4	GF Holdings Hong Kong Corp Ltd	HKD	100	3.31	2027/2/2	173D	Financials	-/BBB/BBB	-/-/-
2026/8/4	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	150	4.4	2029/8/9	3	Banks	A1/-/-	-/-/-
2026/8/4	Sichuan Development International Holding Co Ltd	USD	450	4.55	2029/8/10	3	Chengtou	-/-/A	-/-/A
2026/8/5	Black Peony Group Co Ltd	CNY	540	2.8	2029/8/12	3	Chengtou	-/-/-	-/-/-
2026/8/5	China Everbright Securities International Co Ltd	CNY	2,000	1.86	2029/8/12	3	Financials	Baa3/-/-	Baa3/-/-
2026/8/5	China International Capital Corp International Ltd	USD	50	4.2	2026/10/14	63D	Financials	Baa1/BBB+/A-	-/-/-
2026/8/5	CITIC Securities International Co Ltd	CNY	33	0	2028/8/29	2	Financials	-/BBB+/A-	-/-/-
2026/8/5	CSI Financial Products Ltd	HKD	1	0	2027/2/16	188D	Financials	-/-/-	-/-/-
2026/8/5	GF Holdings Hong Kong Corp Ltd	HKD	8	3.31	2027/2/3	180D	Financials	-/BBB/BBB	-/-/-
2026/8/6	CITIC Securities International Co Ltd	CNY	700	0	2032/8/9	6	Financials	-/BBB+/A-	-/-/-
2026/8/6	GF Holdings Hong Kong Corp Ltd	HKD	100	3.31	2027/2/2	172D	Financials	-/BBB/BBB	-/-/-
2026/8/7	GF Holdings Hong Kong Corp Ltd	HKD	90	3.31	2027/2/4	176D	Financials	-/BBB/BBB	-/-/-
2026/8/7	Huatai Securities Co Ltd	USD	700	SOFR +45	2029/8/13	3	Financials	Baa1/BBB+/-	Baa1/-/-
2026/8/7	Huatai Securities Co Ltd	HKD	1,500	3.65	2029/8/13	3	Financials	Baa1/BBB+/-	Baa1/-/-
2026/8/7	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	40	4.41	2031/8/13	5	Banks	A1/-/-	-/-/-
2026/8/7	Science City Guangzhou Investment Group Co Ltd	CNY	195	2.9	2029/8/14	3	Chengtou	-/-/BBB	-/-/BBB

Sources: CCXAP research

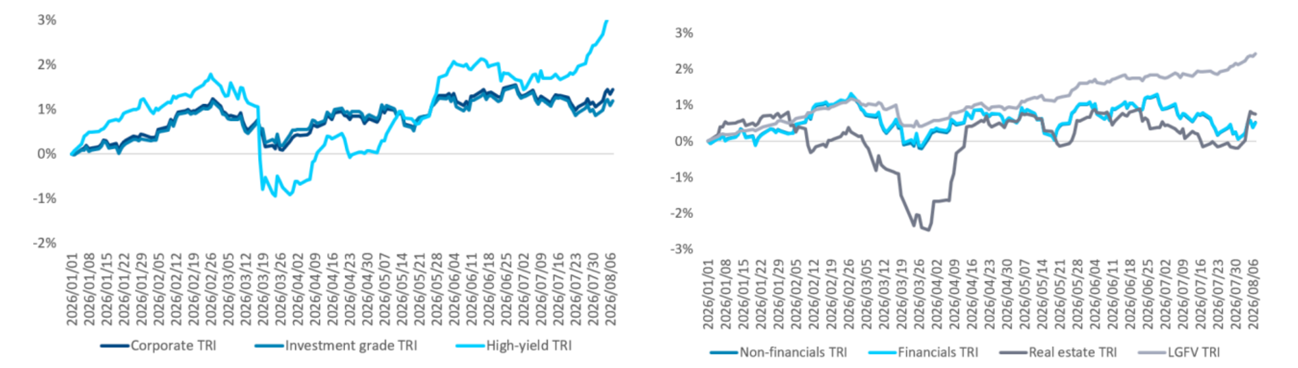
Secondary Market: return on Chinese USD bonds increased

As of August 7, the year-to-date return[1] of Chinese USD bonds increased by 39.0bp to 1.44% compared to last Friday, among which the return rate of investment-grade bonds increased by 33.0bp to 1.19%, while the return rate of high-yield bonds increased by 88.0bp to 3.32%. By industry, the return rate of non-financial bonds was 0.52%, up 47.0bp from last Friday. The return

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

rate of financial bonds was 0.51%, up 45.0bp. The return rate of real estate was 0.75%, up 93.0bp. The return rate of Chengtou was 2.43%, up 31.0bp.

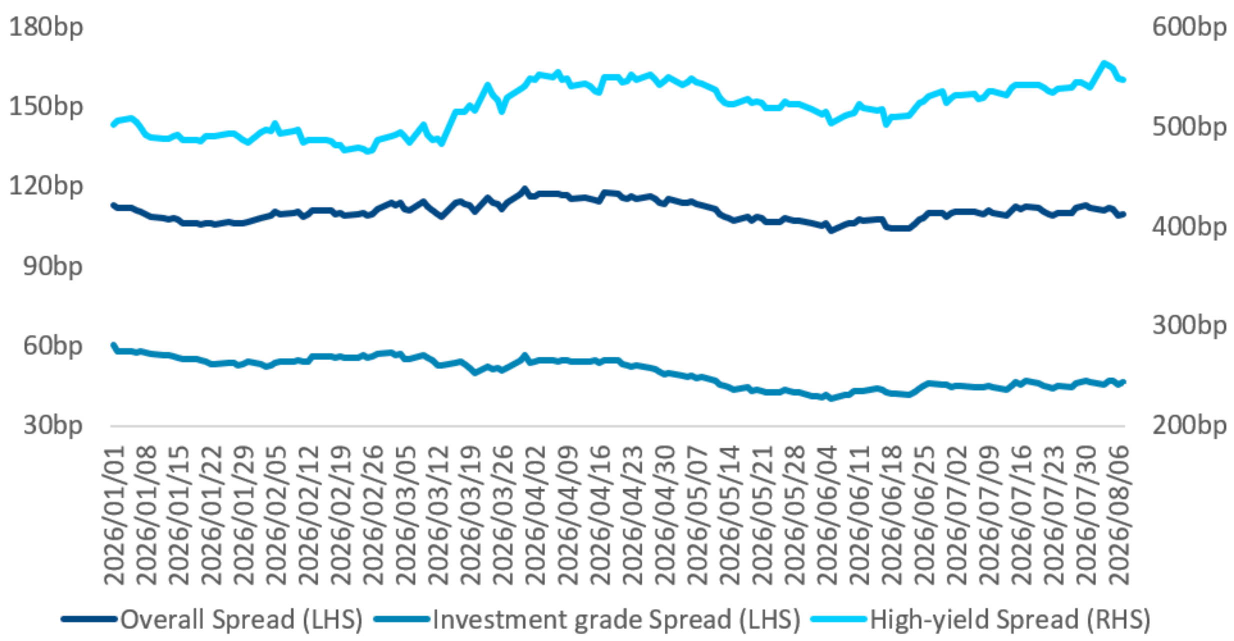
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of August 7, the spread of Chinese USD bonds narrowed by 2.2bp to 109.49bp from last Friday, among which the spread of investment-grade bonds widened by 0.1bp to 46.32bp, and the spread of high-yield bonds widened by 8.7bp to 547.25bp.

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



Sources: CCXAP research

From August 3 to August 7, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Anhui Transportation Holding Group Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260803-20260807)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
AHTRHK 1.618 08/26/26	Anhui Transportation Holding Group Co., Ltd.	99.862	0.05	5.135	168.9
JNUCGC 2.4 09/23/26	Jinan Urban Construction Group Limited	99.555	0.12	6.277	146.2
LCTIGP 5 ½ 08/27/26	Luoyang Cultural Tourism Investment Group Co., Ltd.	100.158	0.05	1.399	131.6
EHICAR 12 09/26/27	eHi Car Services Limited	42	1.13	116.688	87.8
EHICAR 10 10/14/29	eHi Car Services Limited	40	3.18	59.613	61.3
FRESHK 4 ¼ 10/26/26	Far East Horizon Limited	99.937	0.21	4.503	41.8
GUAMET 1.579 09/23/26	Guangzhou Metro Group Co., Ltd.	99.659	0.12	4.561	38.6
JNHITE 6.1 04/15/27	Jinan Hi-tech Holding Group Co., Ltd.	101.083	0.68	4.442	33.2
GDCOMM 2.358 01/25/27	Guangdong Provincial Communications Group Co., Ltd.	98.909	0.46	4.815	29.1
SHUGRP 7.2 03/20/27	Shuifa Group Co., Ltd.	101.427	0.61	4.769	26.5

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 entity

On August 7, CCXAP assigned first-time long-term credit rating of A_g to Eurasian Development Bank ("EDB"), with stable outlook.

Table 3: CCXAP's rating actions of cross-border issuer (20260803-20260807)

Rating Date	Obligor	Entity Rating	Rating Rational
2026/8/7	EDB	A_g	The rating reflects the Bank's (1) high strategic position as the leading multilateral development bank in the region; (2) clear business strategy and prudent risk management; and (3) strong capital structure and sufficient liquidity resources. However, the rating is constrained by the Bank's (1) challenging operating environment constrained by geopolitical situation and macroeconomic conditions; (2) asset portfolio highly concentrated geographically with tight economic linkages among members; and (3) moderate funding channels.

Source: CCXAP research

From August 3 to August 7, rating agencies took positive rating actions on 3 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260803-20260807)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Aluminum Corporation of China	Materials	A-	Stable	2026/08/04	BBB+	Stable	2026/04/14	Fitch	The company's role in preserving government policy functions has strengthened

	Aluminum Corporation of China Limited	Materials	A-	Stable	2026/08/04	BBB+	Stable	2026/02/11	Fitch	The company's rating was upgraded in line with the parent's rating upgrade
	Zhaojin Mining Industry Company Limited	Materials	BBBg+	Pos	2026/08/06	BBB$_g$+	Stable	2025/07/28	CCXAP	The company's credit metrics will continue to improve

Source: CCXAP research

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