Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

2026 Issue 31
From August 17 to August 21

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

Headline: China July Industrial Output Rises 4.5% YoY; US August Manufacturing PMI Eased to 53.2

On August 17, China reported that July industrial output above designated size rose 4.5% YoY, below expectations of 4.8%. On August 21, the US reported that the August S&P Global Flash manufacturing PMI was 53.2, below the expected 53.9 and the previous reading of 53.9.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of August 21, the RMB/USD middle rate closed at 6.7817, down 61.0bp from last Friday. The USD Index closed at 98.8, down 0.87% from last Friday.

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

Last week, China Government Bond yields decreased. Driven by increased Treasury supply and rising fiscal deficit concerns, US Treasury yields increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From August 17 to August 21, Chinese enterprises issued 38 new bonds in the offshore market, totaling about USD1.975 billion, a decrease of 47.36% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.713 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of August 21, the return rate of Chinese USD bonds decreased by 7.0bp to 1.42% compared to last Friday, among which the return rate of investment-grade bonds decreased by 7.0bp to 1.14%, while the return rate of high-yield bonds decreased by 7.0bp to 3.64%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On August 21, CCXAP assigned first-time long-term credit rating of BBB_g+ to Jiangxi Culture Performance & Arts Development Group Co., Ltd., with stable outlook.

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Headline: China July industrial output rises 4.5% YoY; US August manufacturing PMI eased to 53.2

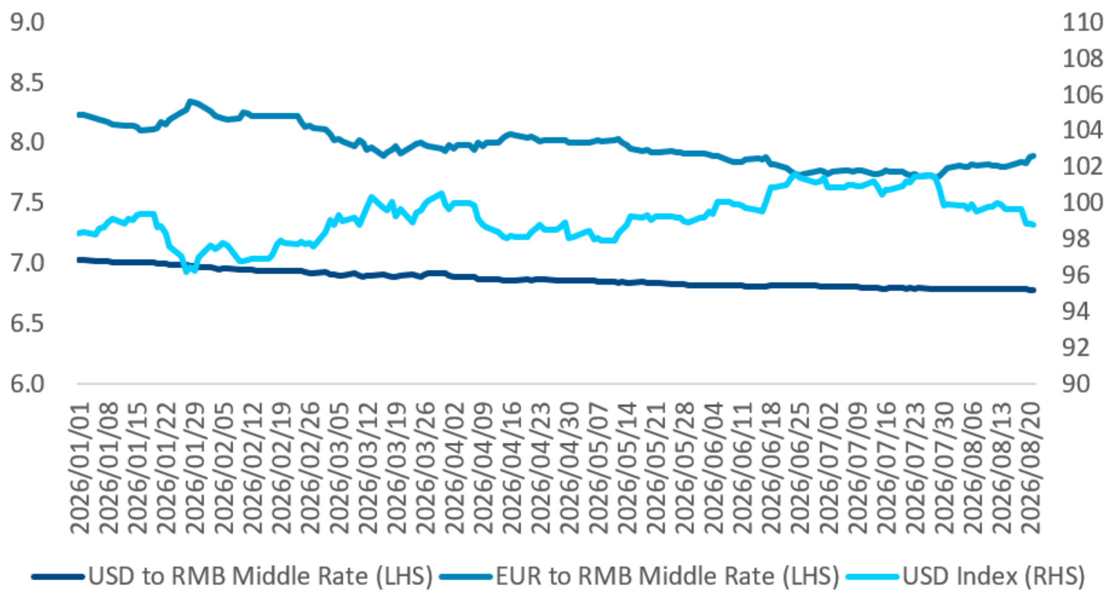
On August 17, China reported that July industrial output above designated size rose 4.5% YoY in real terms, below market expectations of 4.8% and down 0.8 percentage points from June. On a MoM basis, industrial output rose 0.11%, slowing notably from June's 0.76%. In the first seven months, cumulative industrial output rose 5.3% YoY. By sector, mining output fell 4.2% YoY, manufacturing rose 5.5%, and the production and supply of electricity, heating, gas and water rose 5.0%. Analysts attributed the slowdown mainly to weak domestic demand, with traditional industries such as coal, petrochemicals and steel facing production pressures. However, the divergence between old and new growth drivers continued, with high-tech manufacturing and equipment manufacturing maintaining relatively rapid growth. High-tech manufacturing output rose 16.9% YoY, accelerating 2.8 percentage points from the previous month, while equipment manufacturing output rose 12.3% YoY. In July, new growth drivers represented by AI, high-tech manufacturing and high-end equipment contributed around half of industrial growth.

On August 21, the US reported that the August S&P Global Flash manufacturing PMI was 53.2, below market expectations of 53.9 and the previous reading of 53.9, hitting a five-month low. The manufacturing output index fell to 51.9, a 13-month low, with output growth slowing for the third consecutive month; new orders growth also slowed to its lowest since March this year. S&P Global's chief business economist noted that supplier delivery delays had reached one of the most severe levels in the past four years, with shipping delays, tariffs and inadequate supplier inventories significantly constraining output. Manufacturers' purchasing volumes recorded their first decline this year in August, suggesting that firms are reducing procurement after a period of front-loaded restocking. In contrast to the manufacturing slowdown, the Flash services PMI rose to 56.8, hitting a near-20-month high, while the composite PMI rose to 56.0, the highest since April 2022. The data suggests that the momentum of US economic growth is shifting from manufacturing to services.

Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of August 21, the RMB/USD middle rate closed at 6.7817, down 61.0bp from last Friday. The RMB/EUR middle rate closed at 7.8906, up 889.0bp from last Friday. The USD Index closed at 98.8, down 0.87% from last Friday.

Figure 1: RMB exchange rate

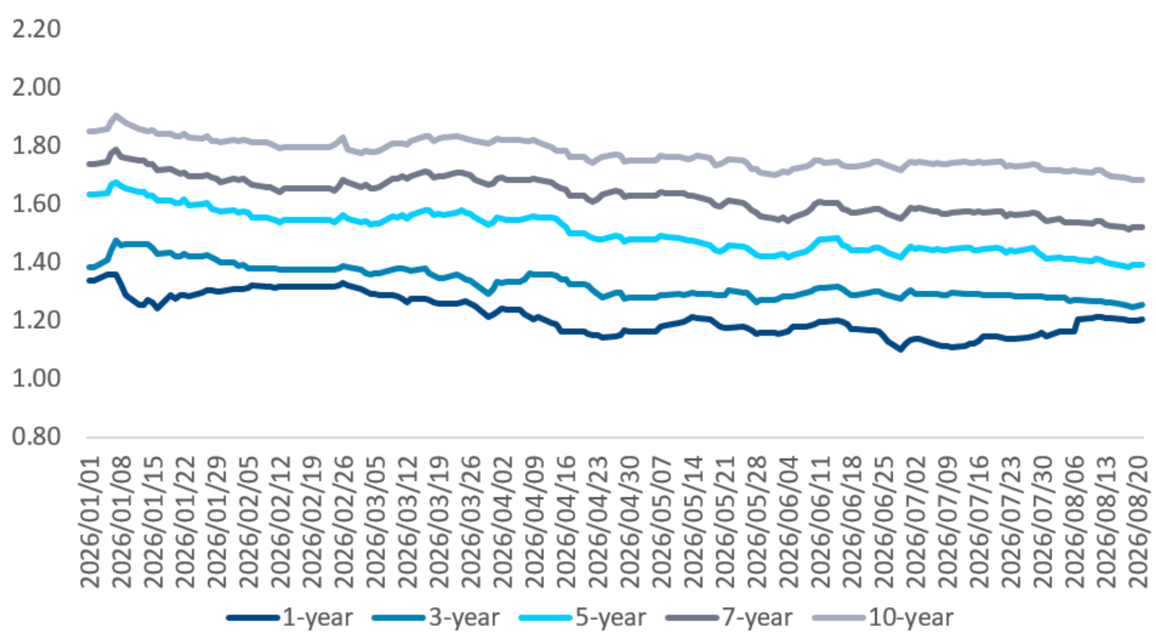


Sources: CCXAP research

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

In the past week, China Government Bond yields decreased. As of August 21, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were .2028%, 1.2549%, 1.3921%, 1.5223%, and 1.6839%, respectively. Down 0.37bp, 0.58bp, 0.14bp, 0.07bp, and 1.25bp from last Friday.

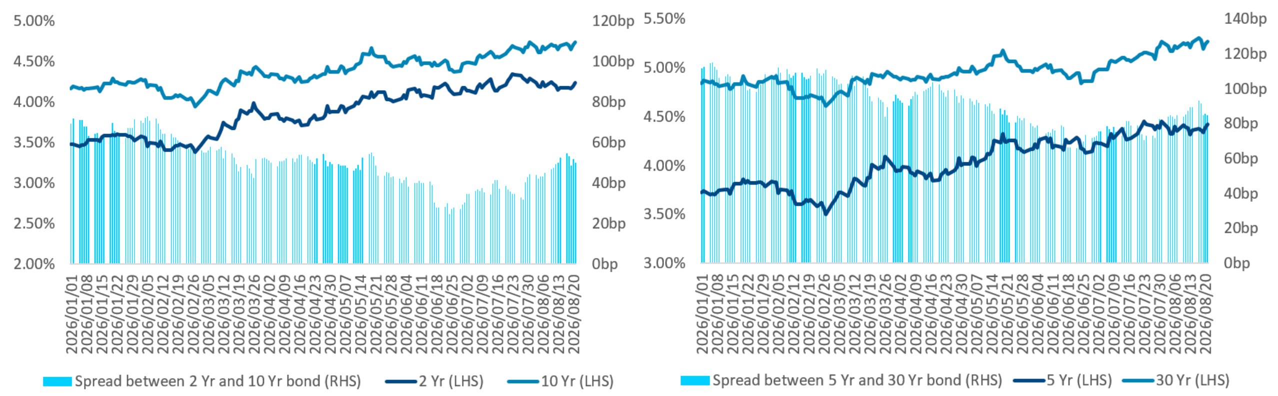
Figure 2: China Government Bond yields



Sources: CCXAP research

Driven by increased Treasury supply and rising fiscal deficit concerns, US Treasury yields generally increased. As of August 21, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.2359%, 4.4242%, 4.7339%, and 5.2709%, respectively. Up 6.68bp, 6.03bp, 4.17bp, and 1.16bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 2.51bp to 49.80bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 4.87bp to 84.67bp compared to last Friday.

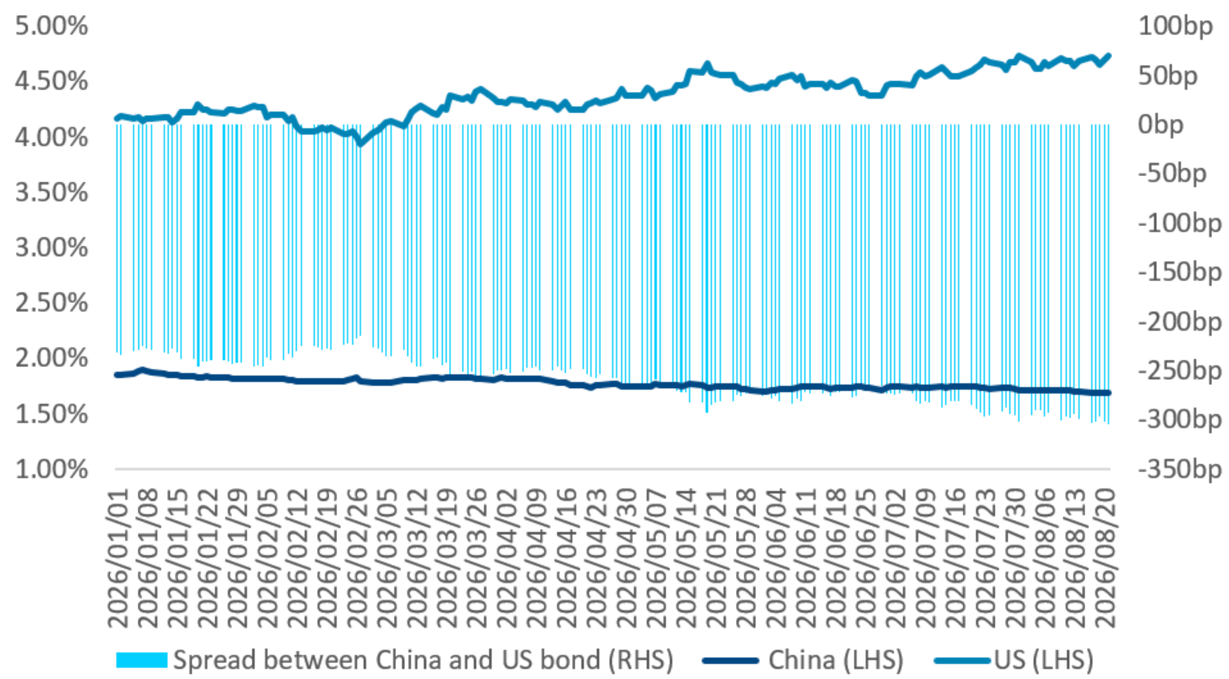
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of August 21, the 10-year Treasury bond interest rate gap between China and the US was -305.0bp, narrowing by 5.4bp from last Friday and widening by 73.0bp from the beginning of the year.

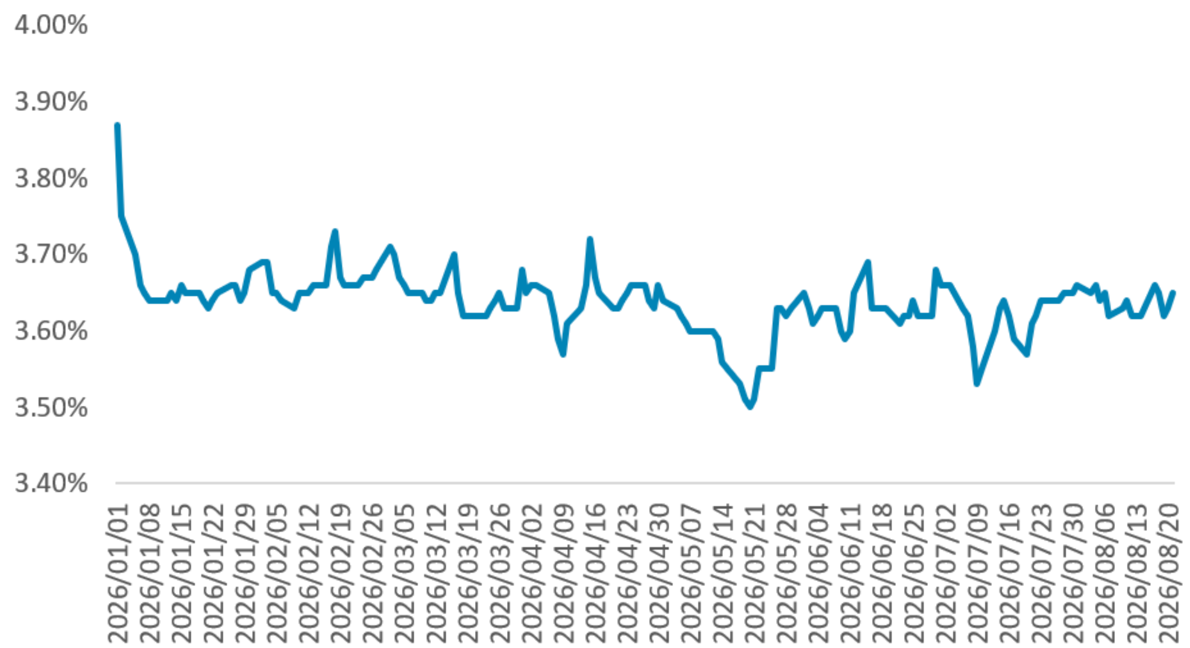
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of August 21, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.65%, up 3.0bp from last Friday and down 22.0bp 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 August 17 to August 21, Chinese enterprises issued 38 new bonds in the offshore market, totaling about USD1.975 billion, a decrease of 47.36% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.713 billion in bonds.

Table 1： New issuance of Chinese offshore bonds (20260817-20260821)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/8/17	CITIC Securities International Co Ltd	CNY	300	0	2026/11/27	99D	Financials	-/BBB+/A-	-/-/-
2026/8/17	CITIC Securities International Co Ltd	CNY	300	0	2026/11/27	99D	Financials	-/BBB+/A-	-/-/-
2026/8/17	CITIC Securities International Co Ltd	CNY	300	0	2026/11/27	99D	Financials	-/BBB+/A-	-/-/-
2026/8/17	CSI Financial Products Ltd	HKD	1	0	2027/2/26	186D	Financials	-/-/-	-/-/-
2026/8/18	CCB International Holdings Ltd	CNY	100	1.79	2027/2/24	184D	Financials	A2/-/A	-/-/-
2026/8/18	CCB International Holdings Ltd	USD	10	4.26	2027/8/23	1	Financials	A2/-/A	-/-/-
2026/8/18	China Securities International Finance Holding Co Ltd	USD	10	4.25	2026/12/22	123D	Financials	-/BBB+/BBB+	-/-/-
2026/8/18	China Securities International Finance Holding Co Ltd	USD	10	4.35	2027/2/3	166D	Financials	-/BBB+/BBB+	-/-/-
2026/8/18	CITIC Securities International Co Ltd	USD	400	SOFR +53	2031/8/25	5	Financials	-/BBB+/A-	-/-/-
2026/8/18	CMB International Leasing Management Ltd	USD	30	SOFR +25	2027/8/24	1	Financials	A3/A-/-	-/-/-

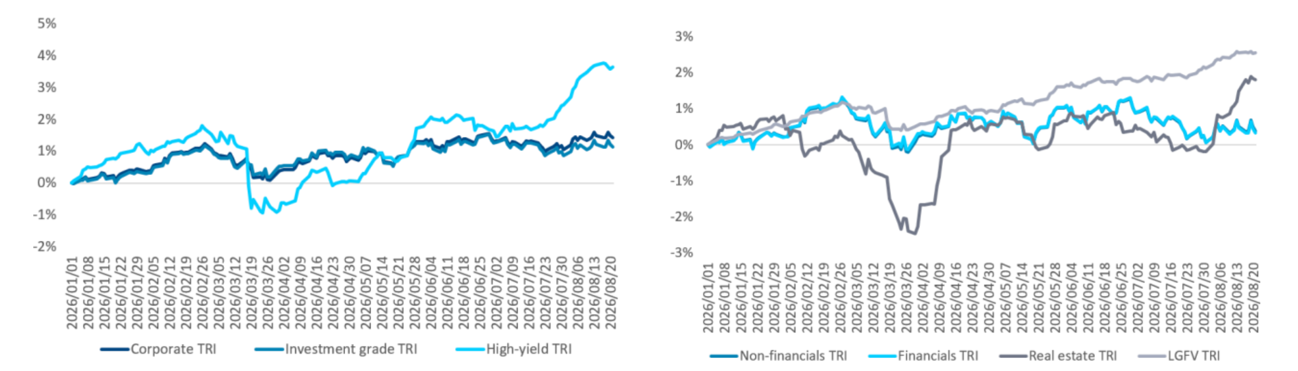
2026/8/18	CSI Financial Products Ltd	HKD	2	0	2027/3/1	188D	Financials	-/-/-	-/-/-
2026/8/18	CSI Financial Products Ltd	HKD	2	0	2027/3/1	188D	Financials	-/-/-	-/-/-
2026/8/18	Far East Horizon Ltd	USD	50	SOFR +154	2029/8/27	3	Financials	-/BBB-/BBB-	-/-/-
2026/8/18	GF Holdings Hong Kong Corp Ltd	CNY	300	1.87	2027/3/26	218D	Financials	-/BBB/BBB	-/-/-
2026/8/18	Guotai Junan International Holdings Ltd	CNY	50	0	2028/8/25	2	Financials	Baa2/BBB+/-	-/-/-
2026/8/18	Huatai International Financial Holdings Co Ltd	USD	60	4.37	2027/2/2	159D	Financials	-/BBB+/-	-/-/-
2026/8/18	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	20	4.41	2031/8/22	5	Banks	A1/-/-	-/-/-
2026/8/18	Luso International Banking Limited	CNY	990	3.6	-	PERP	Banks	-/-/-	-/-/-
2026/8/18	Luso International Banking Limited	USD	100	6.6	-	PERP	Banks	-/-/-	-/-/-
2026/8/18	TF International Securities Group Ltd	USD	15	4.4	2027/2/12	177D	Financials	-/-/BBB-	-/-/-
2026/8/18	TF International Securities Group Ltd	USD	20	4.17	2026/11/18	90D	Financials	-/-/BBB-	-/-/-
2026/8/18	Zoucheng City Shengcheng Cultural and Tourism Group Co Ltd	CNY	86	3.75	2029/8/21	3	Chengtou	-/-/-	-/-/-
2026/8/19	BOSC International Company Limited	HKD	200	2.7	2026/11/20	92D	Financials	-/-/-	-/-/-
2026/8/19	BOSC International Company Limited	HKD	400	2.7	2026/11/20	92D	Financials	-/-/-	-/-/-
2026/8/19	CITIC Securities International Co Ltd	CNY	78	0	2031/8/26	5	Financials	-/BBB+/A-	-/-/-
2026/8/19	CNCB Hong Kong Investment Ltd	USD	300	4.415	2027/6/18	297D	Financials	-/BBB+/A-	-/-/-
2026/8/19	Industrial & Commercial Bank of China Ltd/London	CNY	500	1.62	2029/8/28	3	Banks	A1/-/-	-/-/-
2026/8/20	BOC International Holdings Ltd	CNY	400	3.427	2031/8/27	5	Financials	A2/-/A	-/-/-
2026/8/20	Chengdu Jingkai Asset Management Co Ltd	CNY	500	3.9	2031/8/25	5	Industrials	-/-/-	-/-/-
2026/8/20	China International Capital Corp International Ltd	USD	30	4.15	2026/12/2	99D	Financials	Baa1/BBB+/A-	-/-/-
2026/8/20	China International Capital Corp International Ltd	USD	20	3.96	2026/9/29	33D	Financials	Baa1/BBB+/A-	-/-/-
2026/8/20	CSI Financial Products Ltd	HKD	1	0	2027/3/3	188D	Financials	-/-/-	-/-/-
2026/8/20	Industrial & Commercial Bank of China Ltd/London	CNY	500	1.62	2029/8/28	3	Banks	A1/-/-	-/-/-
2026/8/20	Luoyang Cultural Tourism Investment Group Co Ltd	CNY	373	3.5	2029/8/27	3	Chengtou	-/-/-	-/-/-
2026/8/20	Zibo Caijin Holding Group Co Ltd	CNY	580	2.7	2029/8/27	3	Utilities	-/-/-	-/-/-
2026/8/20	Zibo Zhangdian District Stateowned Assets Operation Co Ltd	CNY	334	2.1	2029/8/25	3	Chengtou	-/-/-	-/-/-
2026/8/21	CITIC Securities International Co Ltd	CNY	35	0	2029/11/29	3	Financials	-/BBB+/A-	-/-/-
2026/8/21	TF International Securities Group Ltd	USD	20	4.2	2026/12/9	107D	Financials	-/-/BBB-	-/-/-

Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of August 21, the year-to-date return[1] of Chinese USD bonds decreased by 7.0bp to 1.42% compared to last Friday, among which the return rate of investment-grade bonds decreased by 7.0bp to 1.14%, while the return rate of high-yield bonds decreased by 7.0bp to 3.64%. By industry, the return rate of non-financial bonds was 0.38%, down 12.0bp from last Friday. The return rate of financial bonds was 0.33%, down 13.0bp. The return rate of real estate was 1.8%, up 32.0bp. The return rate of Chengtou was 2.54%, down 1.0bp.

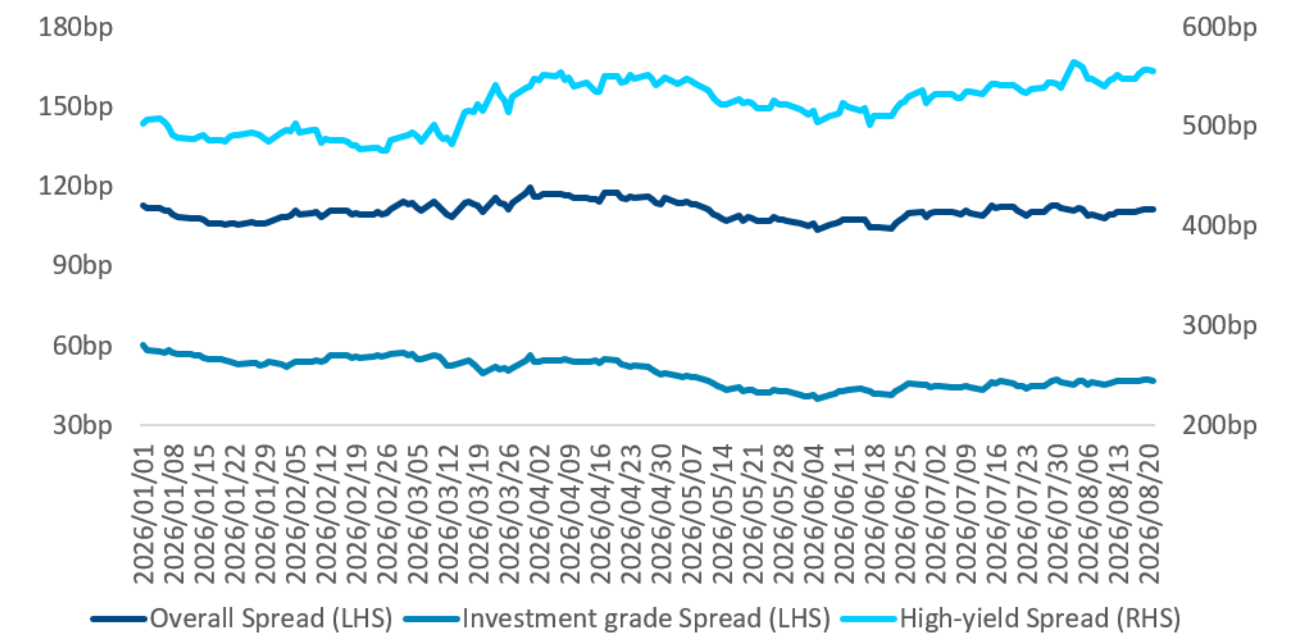
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of August 21, the spread of Chinese USD bonds widened by 1.0bp to 111.2bp from last Friday, among which the spread of investment-grade bonds narrowed by 0.0bp to 46.94bp, and the spread of high-yield bonds widened by 7.6bp to 555.1bp.

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



Sources: CCXAP research

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

From August 17 to August 21, 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 (20260817-20260821)

Security Name	Obligor	Last Price （USD）	Years to Maturity	Yield to Convention	Yield Change
EHICAR 7 09/21/26	eHi Car Services Limited	76.13	0.08	443.152	8.3281M
ZBTECH 6.9 04/16/27	Zibo Hi-Tech State-Owned Capital Investment Co., Ltd.	100.512	0.65	6.05	97.8
GUAMET 1.579 09/23/26	Guangzhou Metro Group Co., Ltd.	99.782	0.08	4.465	96.7
EHICAR 12 09/26/27	eHi Car Services Limited	41.981	1.09	121.175	83
JNCCIH 7 ½ 02/02/27	Ji'An Chengtou Holding Group Co., Ltd	101.241	0.45	4.557	57.8
LNGFOR 3 ⅜ 04/13/27	Longfor Group Holdings Limited	97.582	0.64	7.36	49.9
HUXJDP 2.65 10/27/26	Hunan Xiangjiang New Area Development Group Co., Ltd.	99.594	0.18	5.022	46.2
EHICAR 10 10/14/29	eHi Car Services Limited	40.195	3.15	60.135	39.1
WESCHI 9.9 12/04/28	China West Cement Co., Ltd.	92.26	2.28	13.97	39
ZIBOPR 5.8 06/14/27	Zibo City Asset Operation Group Co., Ltd.	102.043	0.81	3.177	33.7

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 21, CCXAP assigned first-time long-term credit rating of BBB_g+ to Jiangxi Culture Performance & Arts Development Group Co., Ltd. (“JCAG”), with stable outlook.

Table 3: CCXAP’s rating actions of cross-border issuer (20260817-20260821)

Rating Date	Obligor	Entity Rating	Rating Rational
8/21	JCAG	BBB_g+	The rating reflects the Company’s (1) significant importance for the cultural development of Jiangxi Province, with regional competitive advantage; and (2) high level of resource control and reserves in the cultural field. However, the rating is also constrained by the Company’s (1) moderate business diversification, with relatively high concentration on cultural businesses; (2) small revenue scale and relatively weak profitability; and (3) high debt leverage and weak debt servicing metrics.

Source: CCXAP research6

From August 17 to August 21, rating agencies took positive rating actions on 11 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260817-20260821)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Jiangsu Pingzhong Technology Development Group Co., Ltd.	Chengtou	A	Stable	2026/08/18	A-	Stable	2025/08/11	Lianhe	An upgrade in the internal credit

									assessment on the local government
China State Construction Engineering Corp. Ltd.	Construction	A2	Stable	2026/08/18	A2	Neg	2025/04/29	Moody's	Enhanced strategic significance to the government
CSCEC International Construction Co., Ltd.	Construction	A3	Stable	2026/08/18	A3	Neg	2025/04/29	Moody's	Outlook upgraded in line with parent due to close linkage
China Railway Construction Corp. Ltd.	Construction	A3	Stable	2026/08/18	A3	Neg	2025/04/24	Moody's	Enhanced strategic significance to the government
China Railway Group Limited	Construction	A3	Stable	2026/08/18	A3	Neg	2025/04/24	Moody's	Enhanced strategic significance to the government
China Communications Construction Co., Ltd.	Construction	Baa1	Stable	2026/08/18	Baa1	Neg	2025/04/24	Moody's	Enhanced strategic significance to the government
Power Construction Corporation of China	Construction	Baa1	Stable	2026/08/18	Baa1	Neg	2024/05/30	Moody's	Enhanced strategic significance to the government
Zhangzhou Jiulongjiang Group Co., Ltd.	Chengtou	A	Stable	2026/08/19	A-	Pos	2025/09/02	Lianhe	Increasing strategic importance in Zhangzhou City and Fujian Province
Jining City Development Capital Holdings Co., Ltd.	Chengtou	A-	Stable	2026/08/20	BBB+	Stable	2025/07/15	Lianhe	Enhanced strategic importance
Taixing Jinjiang Investment Co., Ltd.	Chengtou	BBB+	Pos	2026/08/20	BBB+	Stable	2025/08/21	Lianhe	Expectation of strengthened strategic importance
Contemporary Amperex Technology Co., Ltd.	Industrials	A3	Pos	2026/08/21	A3	Stable	2025/03/31	Moody's	Strengthened business and financial profile

Source: CCXAP research

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