Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

2026 Issue 32
From August 24 to August 28

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

Headline: US July Durable Goods Orders Rise 1.1% MoM; China Jan-Jul Industrial Profits Up 17.6% YoY

On August 26, the US reported that July durable goods orders rose 1.1% MoM, significantly beating expectations of 0.5% and the previous reading of 0.5%. On August 27, China reported that Jan-Jul industrial profits above designated size rose 17.6% YoY, slowing by 1.1 percentage points from the Jan-Jun growth rate.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of August 28, the RMB/USD middle rate closed at 6.7811, down 6.0bp from last Friday. The USD Index closed at 99.702, up 0.9% from last Friday.

Interest Rate: Chinese Government Bond Yields Increased; US Treasury Yields Remained Flat

Last week, China Government Bond yields increased. US Treasury yields remained flat.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Decreased

From August 24 to August 28, Chinese enterprises issued 12 new bonds in the offshore market, totaling about USD852 million, a decrease of 56.86% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD619 million in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of August 28, the return rate of Chinese USD bonds decreased by 1.0bp to 1.42% compared to last Friday, among which the return rate of investment-grade bonds decreased by 2.0bp to 1.12%, while the return rate of high-yield bonds increased by 6.0bp to 3.7%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On August 25, CCXAP assigned first-time long-term credit rating of A_g- to Capital Securities Corporation Limited, with stable outlook.

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Headline: US July durable goods orders rise 1.1% MoM; China Jan-Jul industrial profits up 17.6% YoY

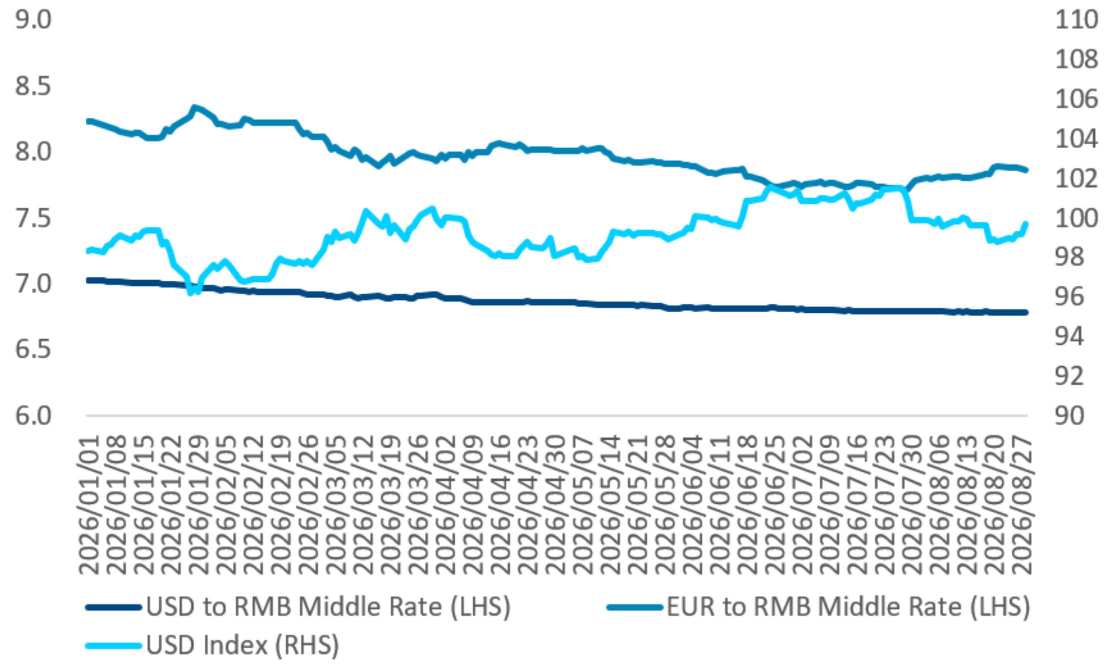
On August 26, the US reported that July durable goods orders rose 1.1% MoM, significantly exceeding market expectations of 0.5% and the previous reading of 0.5%. By sub-segment, transportation equipment was the main driver of July orders, swinging to a 2.3% MoM increase after two consecutive months of declines. Among its components, civil aircraft and related products rose 12.7%, defense aircraft rose 4.9%, and motor vehicles and parts rose 0.9%. However, durable goods orders excluding transportation rose only 0.4% MoM, below market expectations of 0.6% and the previous reading of 0.7%. Core capital goods orders (non-defense capital goods excluding aircraft), seen as a leading indicator of business capital expenditure, rose only 0.2% MoM, also missing expectations of 0.7% and slowing sharply from the previous reading of 1.2%. The headline beat was mainly driven by volatile categories such as transportation equipment, while core indicators excluding transportation and defense softened notably, pointing to a cooling in actual business investment appetite.

On August 27, China reported that total profits of industrial enterprises above designated size reached RMB4,582.1 billion in Jan-Jul, up 17.6% YoY. The growth rate moderated by 1.1 percentage points from the 18.7% recorded in Jan-Jun, but remained at a relatively high level. July monthly profits rose 11.2% YoY, moderating by 3.9 percentage points from June. By sector, mining profits rose 34.9%, manufacturing rose 18.8%, while profits in the production and supply of electricity, heating, gas and water fell 5.8%. Sectoral divergence persisted, the electronics industry saw profits surge 1.1x YoY, contributing 9.3 percentage points to overall industrial profit growth, with the integrated circuit segment surging 18.5x YoY. In contrast, automobile manufacturing profits fell 20.4%, and ferrous metal smelting and rolling processing fell 51.2%. Analysts attributed the moderation mainly to short-term factors such as extreme weather and a simultaneous decline in both volume and prices. Nonetheless, the operating profit margin for Jan-Jul rose to 5.66%, up 0.54 percentage points YoY, the highest for the period since 2023, indicating that the underlying improvement in corporate profitability remains intact.

Exchange Rate: RMB appreciated; USD Index increased

In the past week, the RMB has appreciated. As of August 28, the RMB/USD middle rate closed at 6.7811, down 6.0bp from last Friday. The RMB/EUR middle rate closed at 7.8683, down 223.0bp from last Friday. The USD Index closed at 99.702, up 0.9% from last Friday.

Figure 1: RMB exchange rate

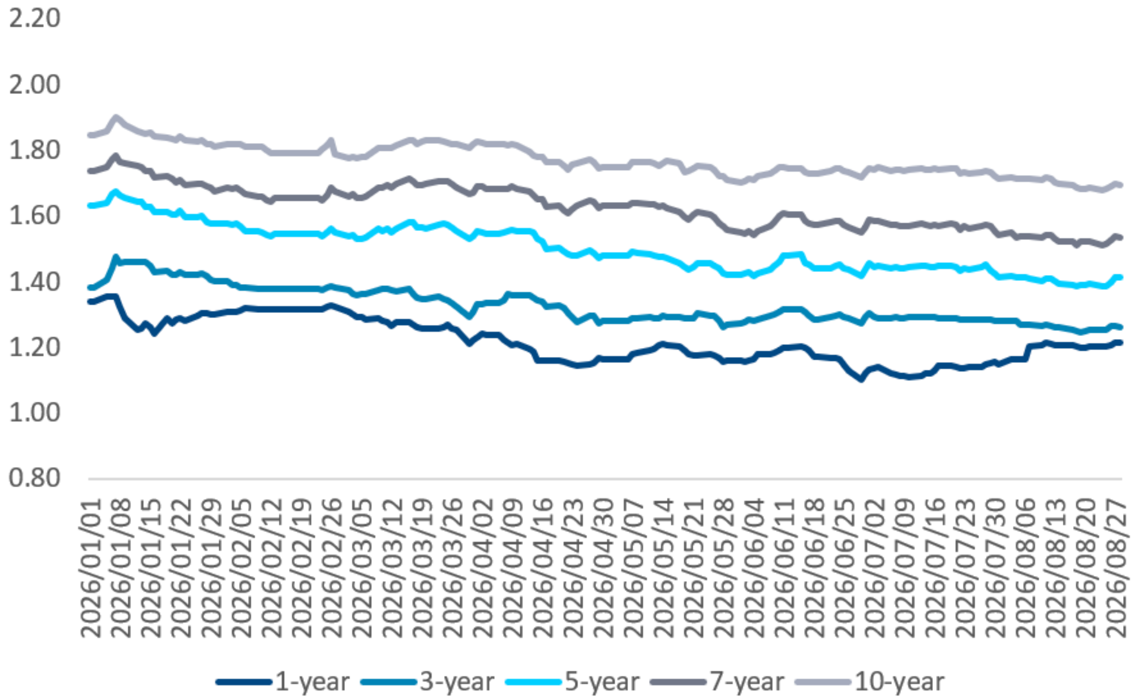


Sources: CCXAP research

Interest Rate: Chinese Government Bond yields increased; US Treasury yields remained flat

In the past week, China Government Bond yields increased. As of August 28, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2132%, 1.2600%, 1.4119%, 1.5354%, and 1.6949%, respectively. Up 1.04bp, 0.51bp, 1.98bp, 1.31bp, and 1.10bp from last Friday.

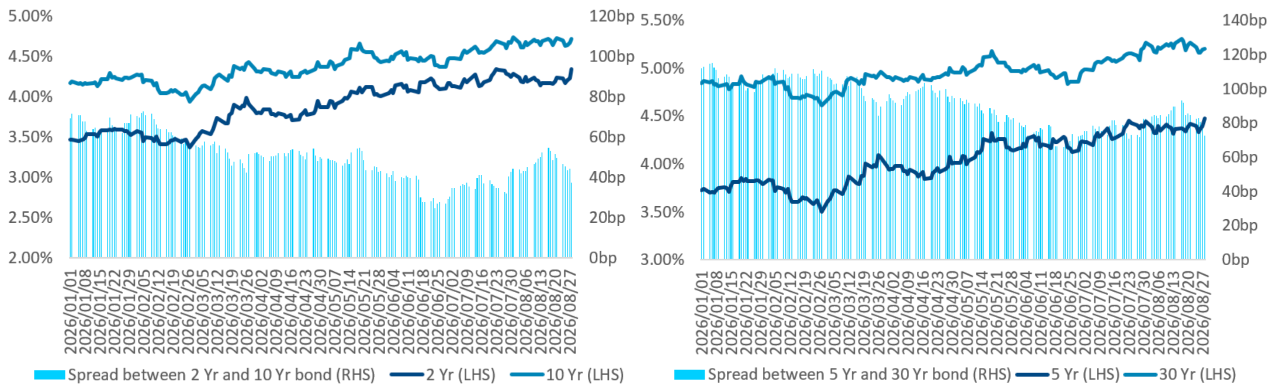
Figure 2: China Government Bond yields



Sources: CCXAP research

US Treasury yields remained flat. As of August 28, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.3434%, 4.4789%, 4.7180%, and 5.2056%, respectively. Compared to last Friday, the 2-year yield increased by 10.75bp, the 5-year yield increased by 5.47bp, the 10-year yield decreased by 1.59bp, and the 30-year yield decreased by 6.53bp. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 12.34bp to 37.46bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 12.00bp to 72.67bp compared to last Friday.

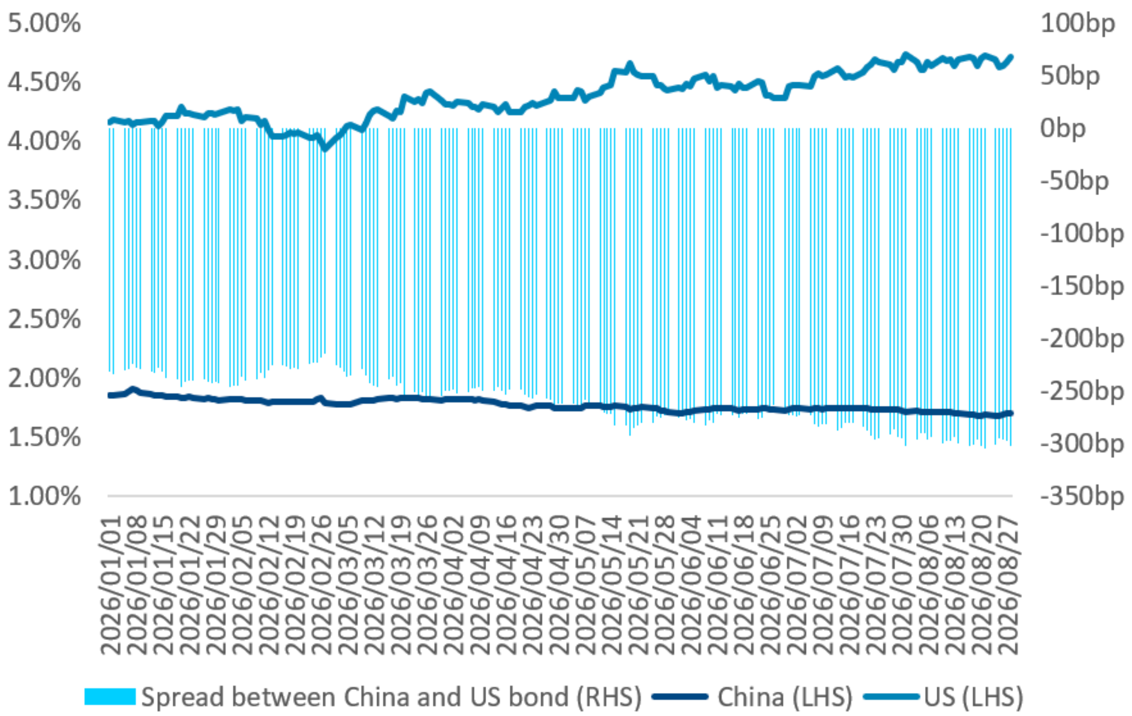
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of August 28, the 10-year Treasury bond interest rate gap between China and the US was -302.3bp, narrowing by 2.7bp from last Friday and widening by 70.3bp from the beginning of the year.

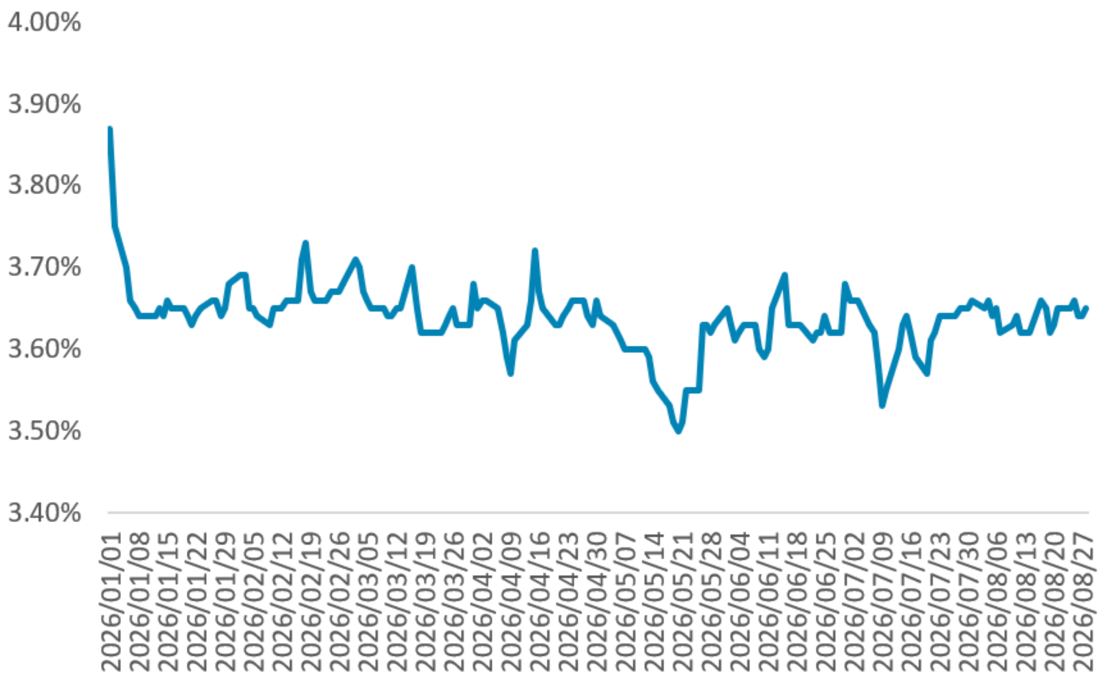
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of August 28, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.65%, unchanged 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 24 to August 28, Chinese enterprises issued 12 new bonds in the offshore market, totaling about USD852 million, a decrease of 56.86% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD619 million in bonds.

Table 1: New issuance of Chinese offshore bonds (20260824-20260828)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/8/24	CITIC Securities International Co Ltd	CNY	400	0	2027/2/27	180D	Financials	-/BBB+/A-	-/-/-
2026/8/24	CSI Financial Products Ltd	HKD	2	0	2027/3/3	184D	Financials	-/-/-	-/-/-
2026/8/24	CSI Financial Products Ltd	HKD	1	0	2027/3/3	184D	Financials	-/-/-	-/-/-
2026/8/24	Shandong Binda Industrial Group Co Ltd	CNY	272	2.05	2029/8/28	3	Chengtou	-/-/-	-/-/-
2026/8/24	Zhangzhou Jiulongjiang Group Co Ltd	CNY	2,130	1.98	2031/8/31	5	Health Care	-/BBB-/BBB-	-/-/-
2026/8/24	Zouping Financial Development Group Co Ltd	CNY	340	2.3	2029/8/31	3	Chengtou	-/-/-	-/-/-
2026/8/25	CCB International Holdings Ltd	CNY	100	1.68	2026/12/2	91D	Financials	A2/-/A	-/-/-
2026/8/25	China Securities International Finance Holding Co Ltd	USD	10	4.25	2026/11/24	88D	Financials	-/BBB+/BBB+	-/-/-
2026/8/25	CMB International Capital Corp Ltd	USD	40	4.01	2026/9/28	31D	Financials	A3/A-/-	-/-/-
2026/8/25	CMB International Capital Corp Ltd	HKD	200	3.16	2027/2/26	182D	Financials	A3/A-/-	-/-/-
2026/8/25	Guangdong Provincial Communications Group Co Ltd	CNY	2,030	1.8	2031/9/1	5	Industrials	-/A/A	-/-/A
2026/8/28	Chengdu Sino French Ecological Park Investment Development Co Ltd	CNY	270	3.9	2031/9/2	5	Chengtou	-/-/-	-/-/-

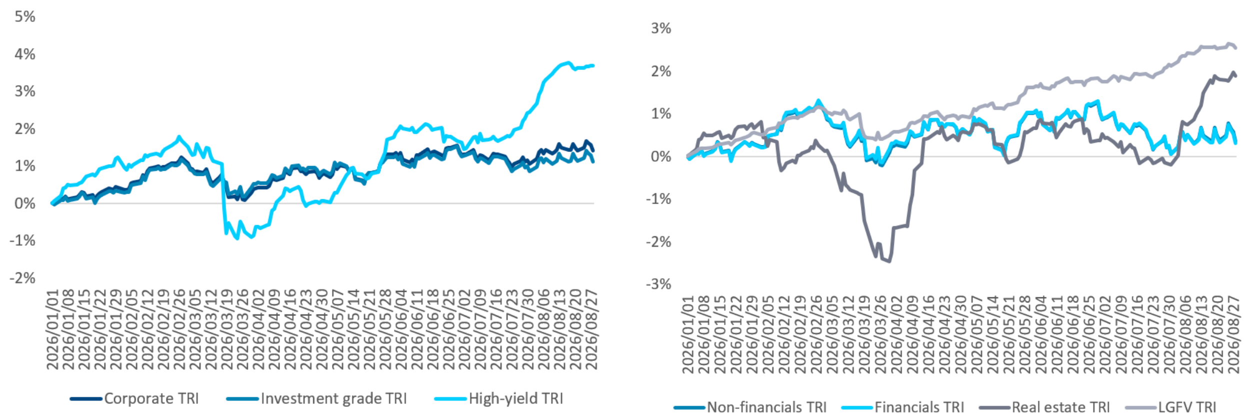
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of August 28, the year-to-date return[1] of Chinese USD bonds decreased by 1.0bp to 1.42% compared to last Friday, among which the return rate of investment-grade bonds decreased by 2.0bp to 1.12%, while the return rate of high-yield bonds increased by 6.0bp to 3.7%. By industry, the return rate of non-financial bonds was 0.36%, down 3.0bp from last Friday. The return rate of financial bonds was 0.3%, down 3.0bp. The return rate of real estate was 1.89%, up 9.0bp. The return rate of Chengtou was 2.55%, up 1.0bp.

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

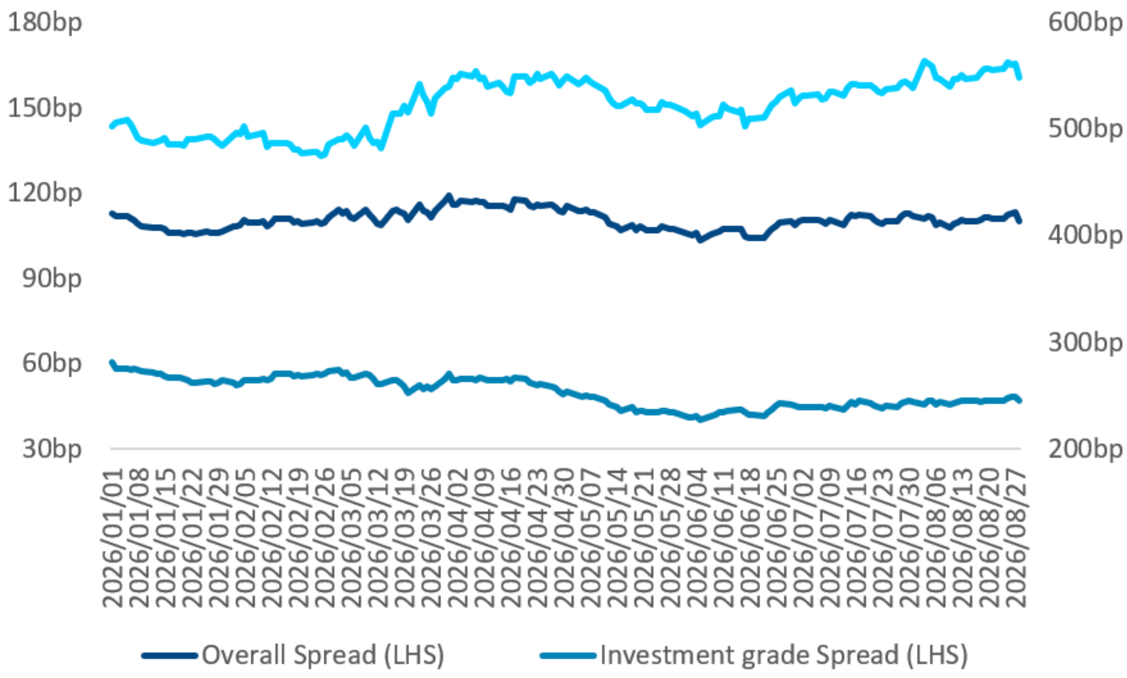
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of August 28, the spread of Chinese USD bonds narrowed by 1.0bp to 110.2bp from last Friday, among which the spread of investment-grade bonds narrowed by 0.2bp to 46.72bp, and the spread of high-yield bonds narrowed by 6.8bp to 548.28bp.

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



Sources: CCXAP research

From August 24 to August 28, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of Guangzhou Metro Group Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260824-20260828)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
GUAMET 1.579 09/23/26	Guangzhou Metro Group Co., Ltd.	99.819	0.07	4.658	129.8
EHICAR 12 09/26/27	eHi Car Services Limited	41.901	1.07	123.516	54.6
HUXJDP 2.65 10/27/26	Hunan Xiangjiang New Area Development Group Co., Ltd.	99.684	0.16	4.69	48.9
CCAMCL 4.4 PERP	China Cinda Asset Management Co., Ltd.	99.916	PERP	4.727	43.2
LNGFOR 3 ⅜ 04/13/27	Longfor Group Holdings Limited	97.312	0.62	7.938	39.4
FRESHK 4 ¼ 10/26/26	Far East Horizon Limited	99.922	0.16	4.704	38.6
CHDXCH 2 ⅜ 10/08/26	Chengdu Xingcheng Investment Group Co., Ltd.	99.756	0.11	4.781	38
EHICAR 10 10/14/29	eHi Car Services Limited	39.987	3.13	60.882	33.5
YUEXIU 4 11/15/26	Yuexiu Property Company Limited	100.246	0.21	2.758	29.1
LNGFOR 4 ½ 01/16/28	Longfor Group Holdings Limited	94.648	1.38	8.715	26.1

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 25, CCXAP assigned first-time long-term credit rating of A_g- to Capital Securities Corporation Limited (“CSC”), with stable outlook.

Table 3: CCXAP’s rating actions of cross-border issuer (20260824-20260828)

Rating Date	Obligor	Entity Rating	Rating Rational
8/25	CSC	A_g-	The rating reflects the (1) well-established operating environment in China, where the capital market is more mature and highly efficient; (2) the Company’s established franchise in China’s securities market; (3) stable and increasing profitability amid market volatility; and (4) relatively strong liquidity and funding position. However, the rating is also constrained by the Company’s (1) intensified competition in China’s securities sector; (2) the Company’s relatively small revenue scale; (3) moderate business diversification with relatively concentrated focus on investment and asset management businesses; (4) moderate risk appetite as compared with other peers.

Source: CCXAP research6

From August 24 to August 28, rating agencies took positive rating actions on 6 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260824-20260828)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Shandong Gaochuang Holding Group Co., Ltd.	Chengtou	BBB+	Stable	2026/08/26	BBB	Stable	2025/08/19	Lianhe	Increasing strategic importance and strengthened local

										government support
	China Minmetals Corp.	Materials	A-	Stable	2026/08/26	BBB+	Stable	2022/06/28	S&P	Upgraded likelihood of government support
	Metallurgical Corp. of China Ltd.	Construction	A-	Stable	2026/08/26	BBB+	Stable	2025/01/13	S&P	The company's rating was upgraded in line with the parent's rating upgrade
	Health and Happiness (H&H) International Holdings Ltd.	Health care	BB+	Stable	2026/08/27	BB	Stable	2025/11/27	S&P	Strengthened competitive position and steady growth in core markets
	CNOOC Gas and Power Group Co., Ltd.	Energy	A3	Pos	2026/08/27	A3	Stable	2024/06/14	Moody's	Prudent risk management of LNG business and strong financial profile
	China Oilfield Services Limited	Energy	A3	Pos	2026/08/27	A3	Stable	2024/08/16	Moody's	Established track record of maintaining a strong financial profile

Source: CCXAP research

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