Cross-border Bonds Weekly Report

2026 Issue 33
From August 31 to September 4

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

Headline: US August Nonfarm Payrolls Rise 162K; China August Manufacturing PMI Rises to 49.8%

On September 4, the US reported that August nonfarm payrolls rose by 162K, significantly beating expectations of 58K and the previous reading of 21K. On August 31, China reported that August official Manufacturing PMI came in at 49.8%, above the expected 49.6% and the previous reading of 49.2%.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of September 4, the RMB/USD middle rate closed at 6.7787, down 24.0bp from last Friday. The USD Index closed at 99.176, down 0.53% from last Friday.

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

Last week, China Government Bond yields generally decreased. Driven by hawkish signals from Federal Reserve officials, US Treasury yields increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From August 31 to September 4, Chinese enterprises issued 16 new bonds in the offshore market, totaling about USD2.157 billion, an increase of 153.22% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD1.05 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of September 4, the return rate of Chinese USD bonds decreased by 10.0bp to 1.32% compared to last Friday, among which the return rate of investment-grade bonds decreased by 10.0bp to 1.02%, while the return rate of high-yield bonds decreased by 3.0bp to 3.67%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On September 4, CCXAP assigned first-time long-term credit rating of BBB_g to Jiangsu Jinguan Investment Development Group Co., Ltd., with stable outlook.

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Headline: US August Nonfarm Payrolls Rise 162K; China August Manufacturing PMI Rises to 49.8%

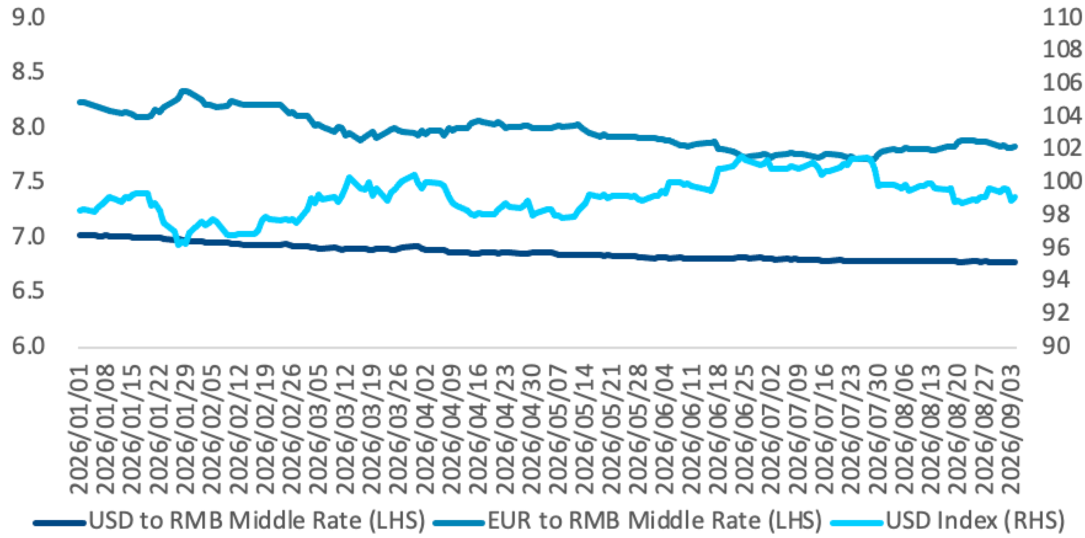
On September 4, the US reported that August nonfarm payrolls rose by 162K, significantly beating market expectations of 58K and the previous reading of 21K, marking the strongest monthly gain since March and the first positive rebound in five months. By sector, leisure and hospitality added 59K jobs and local government education added 42K, the main drivers of job growth; manufacturing continued its upward trend, adding 16K jobs; healthcare added 13K jobs, with home healthcare services and hospitals contributing 11K and 8K respectively. Meanwhile, the information sector lost 23K jobs, weighed down by contraction in computing infrastructure, data processing, and web hosting services, partly attributable to job cuts linked to AI-related investment. In addition, the combined revisions for June and July added 55K jobs. The unemployment rate held steady at 4.1%, in line with expectations.

On August 31, China reported that the official Manufacturing PMI came in at 49.8% in August, above the expected 49.6% and the previous reading of 49.2%, though still in contraction territory for the second consecutive month. Of the 21 industries surveyed, 16 saw their PMI readings rise, indicating a notable improvement in manufacturing sentiment. By sub-index, the production index rose to 50.4% and the new orders index rose to 50.6%, up 0.5 and 2.1 percentage points respectively, with both supply and demand shifting into expansion. The purchasing volume index rose to 50.5%, up 1.1 percentage points, reflecting stronger procurement activity among enterprises. By segment, the equipment manufacturing PMI stood at 51.4% and the high-tech manufacturing PMI at 52.9%, both remaining in expansion territory and serving as the main support for manufacturing sentiment; the consumer goods and high energy-consuming industries PMIs rose 1.2 and 0.9 percentage points to 49.0% and 47.9% respectively. On the price front, the raw material purchasing price index and the ex-factory price index rose to 56.6% and 50.4% respectively, reflecting the recent pass-through of rising commodity prices in crude oil and non-ferrous metals.

Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of September 4, the RMB/USD middle rate closed at 6.7787, down 24.0bp from last Friday. The RMB/EUR middle rate closed at 7.8397, down 286.0bp from last Friday. The USD Index closed at 99.176, down 0.53% from last Friday.

Figure 1: RMB exchange rate

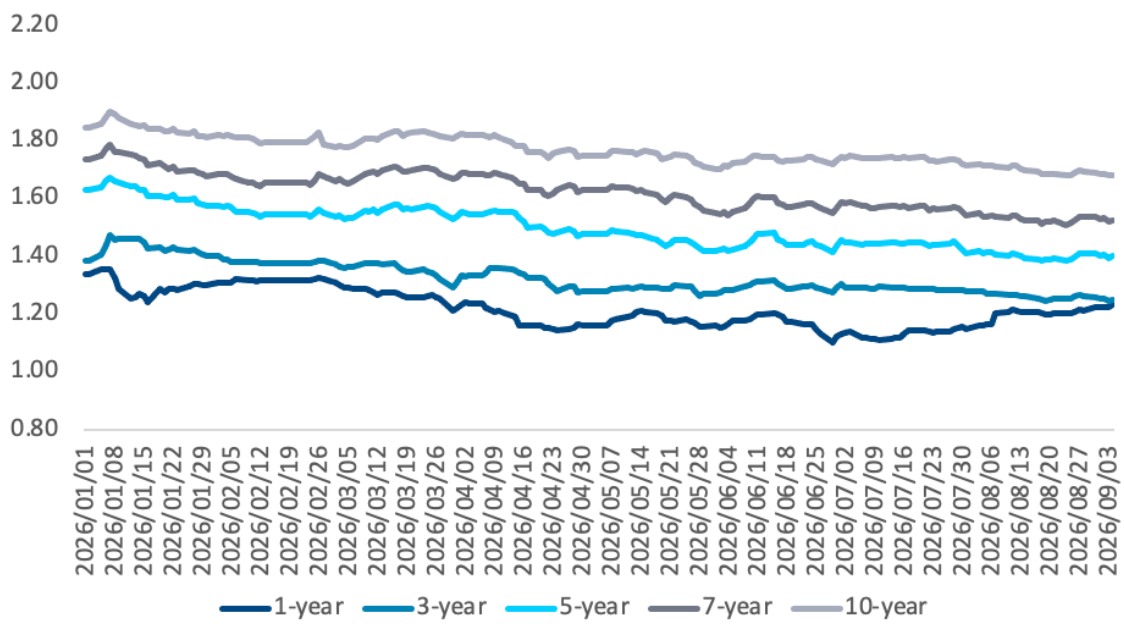


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of September 4, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2337%, 1.2478%, 1.4014%, 1.5255%, and 1.6804%, respectively. Compared to last Friday, the 1-year yield increased by 2.05bp, the 3-year yield decreased by 1.22bp, the 5-year yield decreased by 1.05bp, the 7-year yield decreased by 0.99bp, and the 10-year yield decreased by 1.45bp.

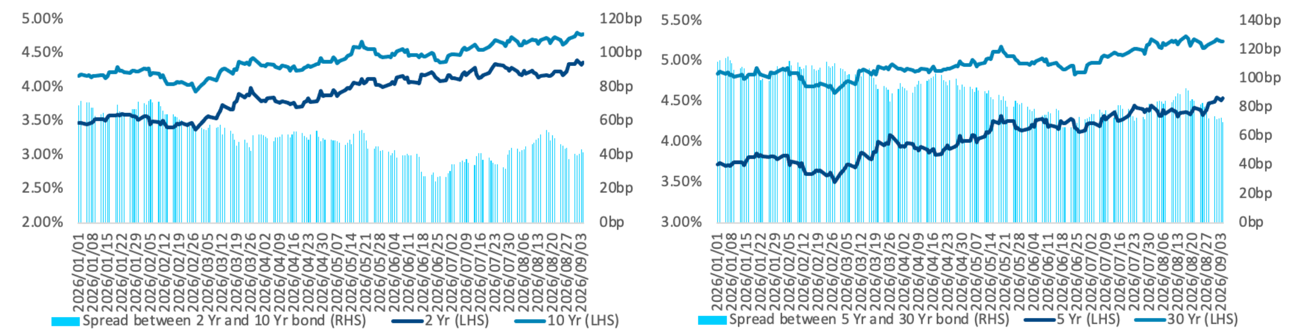
Figure 2: China Government Bond yields



Sources: CCXAP research

Driven by hawkish signals from Federal Reserve officials, US Treasury yields increased. As of September 4, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.3661%, 4.5448%, 4.7821%, and 5.2423%, respectively. Up 2.27bp, 6.59bp, 6.41bp and 3.67bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 4.14bp to 41.60bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 2.92bp to 69.75bp compared to last Friday.

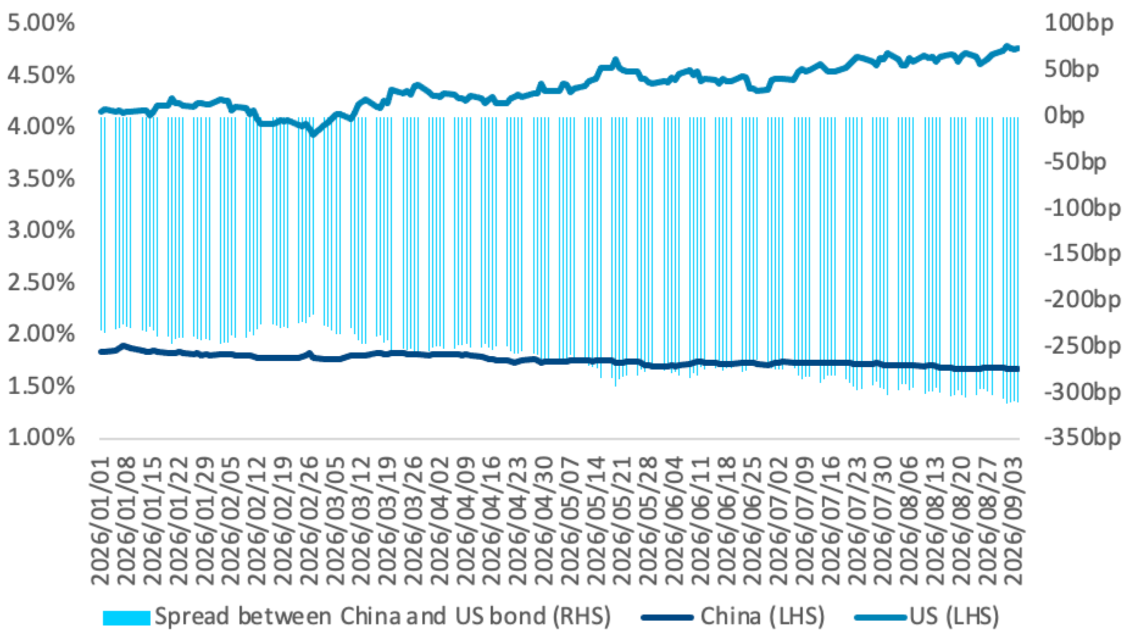
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of September 4, the 10-year Treasury bond interest rate gap between China and the US was -310.2bp, widening by 7.9bp from last Friday and widening by 78.2bp from the beginning of the year.

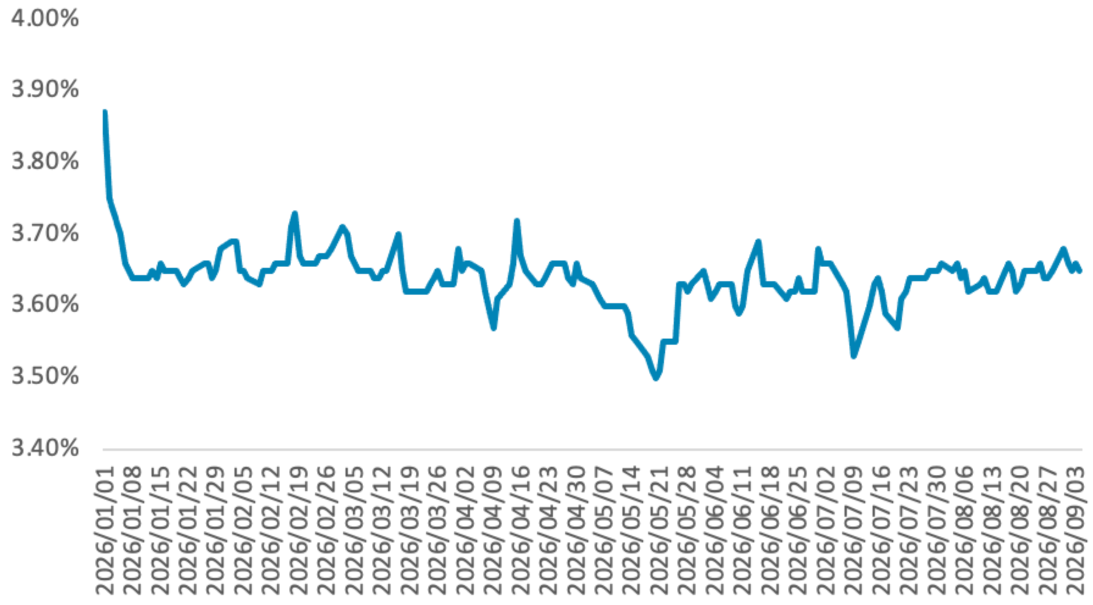
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of September 4, 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 increased

From August 31 to September 4, Chinese enterprises issued 16 new bonds in the offshore market, totaling about USD2.157 billion, an increase of 153.22% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD1.05 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260831-20260904)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/8/31	China Securities (International) Finance Holding Company Limited	USD	0.1	4.25	2026/12/29	117D	Financials	-/BBB+/BBB+	-/-/-
2026/9/1	GF Holdings Hong Kong Corp Ltd	USD	0.55	SOFR +44	2027/3/3	180D	Financials	-/BBB/BBB	-/-/-
2026/9/1	Kangda International Environmental Co Ltd	USD	0.5	8	2029/9/4	3	Utilities	-/-/-	-/-/-
2026/9/1	Sichuan Naxing Industrial Group Co Ltd	USD	0.66	4.7	2029/9/8	3	Chengtou	-/-/-	-/-/-
2026/9/2	China Securities International Finance Holding Co Ltd	CNY	5.0	1.58	2027/3/5	178D	Financials	-/BBB+/BBB+	-/-/-
2026/9/2	CITIC Securities International Co Ltd	USD	0.216	0	2026/11/27	80D	Financials	-/BBB+/A-	-/-/-
2026/9/2	Gansu Provincial Highway Aviation Tourism Investment Group Co Ltd	CNY	18.6	2.25	2029/9/9	3	Chengtou	-/-/BBB+	-/-/BBB+
2026/9/3	BOC International Holdings Ltd	CNY	9.6	2.03	2029/8/15	2.91	Financials	A2/-/A	-/-/-
2026/9/3	BOCOM International Holdings Co Ltd	HKD	1.0	3.01	2026/10/12	32D	Financials	Baa1/-/A	-/-/-
2026/9/3	BOCOM International Holdings Co Ltd	HKD	1.0	3.06	2026/11/10	61D	Financials	Baa1/-/A	-/-/-
2026/9/3	BOCOM International Holdings Co Ltd	USD	0.4	4.04	2026/10/13	33D	Financials	Baa1/-/A	-/-/-

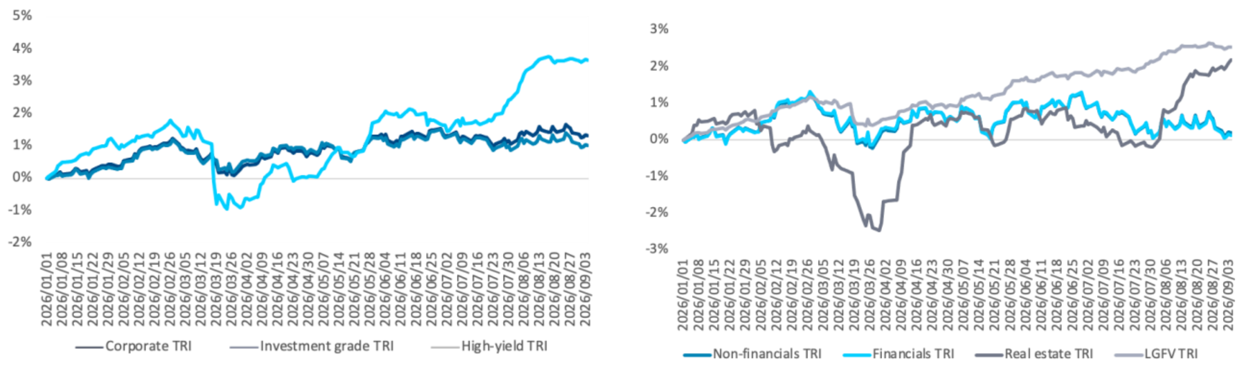
2026/9/3	Jinan Lixia Holding Group Co Ltd	USD	3.0	4.9	2029/9/9	3	Chengtou	-/-/BBB	-/-/BBB
2026/9/3	Tencent Music Entertainment Group	USD	5.0	5.05	2031/9/10	5	Communications	A2/A/A-	A2/A/-
2026/9/3	Tencent Music Entertainment Group	USD	5.0	5.65	2036/9/10	10	Communications	A2/A/A-	A2/A/-
2026/9/3	Zhangzhou Yuanshan Development Co Ltd	CNY	5.6	3.45	2029/9/10	3	Chengtou	-/-/-	-/-/-
2026/9/3	Zoucheng Limin Construction Development Group Co Ltd	CNY	3.272	2.8	2029/9/9	3	Chengtou	-/-/-	-/-/-

Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of September 4, the year-to-date return[1] of Chinese USD bonds decreased by 10.0bp to 1.32% compared to last Friday, among which the return rate of investment-grade bonds decreased by 10.0bp to 1.02%, while the return rate of high-yield bonds decreased by 3.0bp to 3.67%. By industry, the return rate of non-financial bonds was 0.19%, down 16.0bp from last Friday. The return rate of financial bonds was 0.12%, down 18.0bp. The return rate of real estate was 2.19%, up 30.0bp. The return rate of Chengtou was 2.53%, down 2.0bp.

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

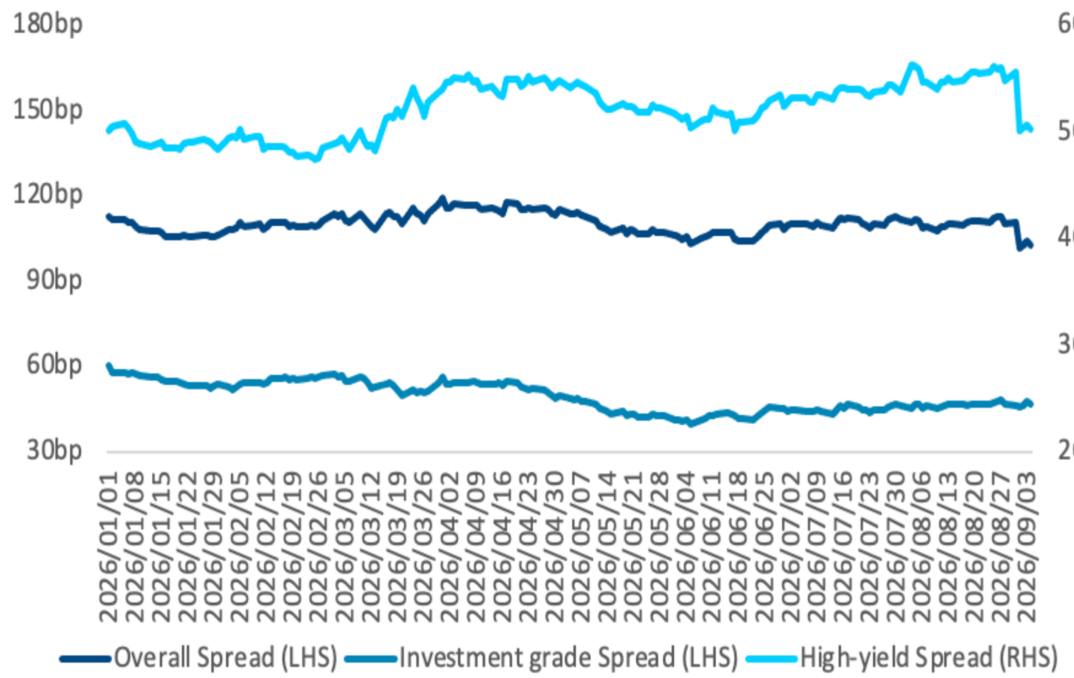


Sources: CCXAP research

As of September 4, the spread of Chinese USD bonds narrowed by 7.3bp to 102.9bp from last Friday, among which the spread of investment-grade bonds widened by 0.4bp to 47.13bp, and the spread of high-yield bonds narrowed by 44.8bp to 503.50bp.

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

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



Sources: CCXAP research

From August 31 to September 4, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Hongqiao Group Co., Ltd. changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260831-20260904)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
HONGQI 7.05 01/10/28	China Hongqiao Group Co., Ltd.	102.347	1.35	-12.443	8.0833M
FOSUNI 3.95 10/02/26	Fosun International Limited	99.983	0.07	4.145	241.9
EHICAR 12 09/26/27	eHi Car Services Limited	42.014	1.05	125.591	198.9
AVIILC 6 ⅜ PERP	AVIC International Leasing Co., Ltd.	100.266	PREP	4.92	152.5
JNHITE 7.4 10/27/26	Jinan Hi-tech Holding Group Co., Ltd.	100.64	0.14	2.516	118
FRESHK 4 ¼ 10/26/26	Far East Horizon Limited	99.924	0.14	4.761	102.8
CCAMCL 4.4 PERP	China Cinda Asset Management Co., Ltd.	99.92	PREP	4.759	76.5
SNDINT 5.95 12/04/26	Suzhou Hi-Tech Zone Economic Development Group Corporation	100.323	0.24	4.497	51.1
CHPWCN 4 ¼ PERP	China Power Construction Corporation Limited	99.94	PREP	4.432	50.6
ORIEAS 4 ½ 12/21/26	China Orient Asset Management (International) Holdings Co., Ltd.	99.953	0.29	4.623	42.6

Note: M in the rate of return change represents 1000; all defaulting entities have been excluded

Sources: CCXAP research

Rating Actions: CCXAP assigned credit rating to 1 entity

On September 4, CCXAP assigned first-time long-term credit rating of BBB_g to Jiangsu Jinguan Investment Development Group Co., Ltd. ("Jinguan Group"), with stable outlook.

Table 3: CCXAP's rating actions of cross-border issuer (20260831-20260904)

Rating Date	Obligor	Entity Rating	Rating Rational
9/4	Jinguan Group	BBB_g	The rating reflects the Company's (1) full ownership and ultimate control by the Lianyungang Municipal Government; (2) status as the key public utility and infrastructure platform with exclusive regional franchise in Guannan County; and (3) good track record of receiving ongoing government support. However, the rating is constrained by the Company's (1) moderate commercial-project exposure associated with property development; (2) weak asset liquidity and elevated short-term refinancing pressure; and (3) high exposure to contingent-liability risk from external guarantees.

Source: CCXAP research6

From August 31 to September 4, rating agencies took positive rating actions on 4 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260831-20260904)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Yanfeng International Automotive Technology Co., Ltd.	Industrials	Baa3	Pos	2026/08/31	Baa3	Stable	2025/06/20	Moody's	The company will continue to maintain a solid financial profile
Upgrade	Zhongyuan Asset Management Co., Ltd	Financials	BBB	Pos	2026/09/03	BBB	Stable	2025/09/08	Fitch	Strengthened policy role of the company
Upgrade	Sunlight Agricultural Mutual Insurance Company	Financials	Baa1	Stable	2026/09/04	Baa2	Pos	2026/02/11	Moody's	Persistently strong capitalization and solid profitability
Upgrade	Yantai Chefoo Finance Holding Group Co., Ltd.	Chengtou	Ag-	Stable	2026/09/04	BBBg+	Stable	2024/12/03	CCXAP	Stronger capacity to provide support from the local government

Source: CCXAP research

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