Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

2026 Issue 34
From September 7 to September 11

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

Headline: US August CPI Rises 3.4% YoY; China August CPI Rises 0.8% YoY

On September 11, the US reported that August CPI rose 3.4% YoY, in line with expectations and unchanged from the previous reading. On September 9, China reported that August CPI rose 0.8% YoY, in line with expectations and above the previous reading of 0.5%.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of September 11, the RMB/USD middle rate closed at 6.7743, down 44.0bp from last Friday. The USD Index closed at 99.122, down 0.05% from last Friday.

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

Last week, China Government Bond yields generally increased. Driven by a much-stronger-than-expected August US PPI reading, US Treasury yields increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From September 7 to September 11, Chinese enterprises issued 25 new bonds in the offshore market, totaling about USD2.428 billion, an increase of 12.55% from last week. Among them, Chengtou were the main issuers, issuing a total of USD1.278 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of September 11, the return rate of Chinese USD bonds decreased by 43.0bp to 0.89% compared to last Friday, among which the return rate of investment-grade bonds decreased by 48.0bp to 0.53%, while the return rate of high-yield bonds increased by 4.0bp to 3.7%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On September 9, CCXAP assigned first-time long-term credit rating of A_g+ to Bank of Jiangsu Co., Ltd., with stable outlook.

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Headline: US August CPI Rises 3.4% YoY; China August CPI Rises 0.8% YoY

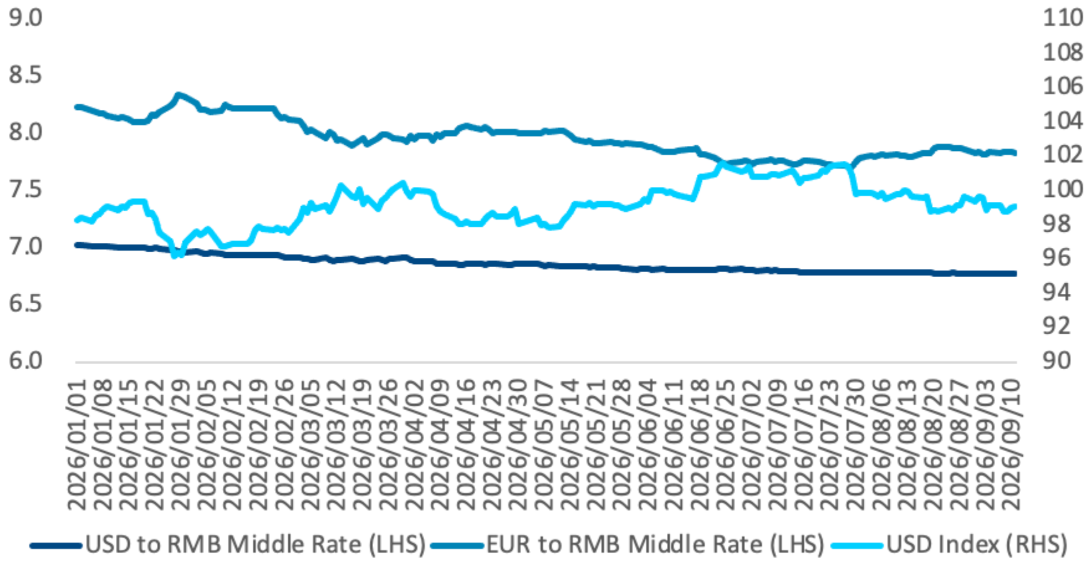
On September 11, the US reported that August unadjusted CPI rose 3.4% YoY, in line with market expectations and unchanged from the previous reading. On a seasonally adjusted basis, CPI rose 0.4% MoM, above both the previous reading and expectations of 0.1%, reversing the recent trend of relatively mild monthly gains. Core CPI rose 2.4% YoY, in line with expectations and below the previous reading of 2.5%, continuing its gradual moderation. However, core CPI MoM accelerated from 0.2% to 0.3%, above the market expectation of 0.2% and marking the fastest monthly increase in recent months. By component, services prices,including housing, communications, and airfares and hotels, were the main drivers behind the faster core CPI MoM reading, while core goods prices , excluding food and energy, also showed some resilience. Although the YoY data still point to a gradual cooling in inflation, the unexpected acceleration in the MoM reading, combined with the previous day's PPI print, which jumped to 5.4% YoY, suggests upstream cost pressures are increasingly passing through to the consumer level, and the reflationary momentum has yet to fully fade.

On September 9, China reported that August CPI rose 0.8% YoY, in line with expectations and up 0.3 percentage points from the previous reading of 0.5%, ending two consecutive months of YoY moderation. On a MoM basis, CPI swung from a 0.1% decline the previous month to a 0.4% increase, driven mainly by changes in international market prices and seasonal increases in food prices, with domestic gasoline prices swinging from a decline to a 7.2% MoM increase. Core CPI rose 1.0% YoY. By component, energy prices' YoY increase widened from 0.6% to 4.1%, contributing roughly 0.28 percentage points to the CPI YoY increase and serving as the main driver of this month's rebound; prices of industrial consumer goods excluding energy rose 1.8% YoY, up 0.3 percentage points from the previous month; and services prices rose 0.8% YoY, also showing a wider gain. The continued rise in core CPI suggests that policies aimed at boosting domestic demand and consumption are gradually taking effect, with consumer demand showing signs of a mild recovery.

Exchange Rate: RMB appreciated; USD Index decreased

In the past week, the RMB has appreciated. As of September 11, the RMB/USD middle rate closed at 6.7743, down 44.0bp from last Friday. The RMB/EUR middle rate closed at 7.8367, down 30.0bp from last Friday. The USD Index closed at 99.122, down 0.05% from last Friday.

Figure 1: RMB exchange rate

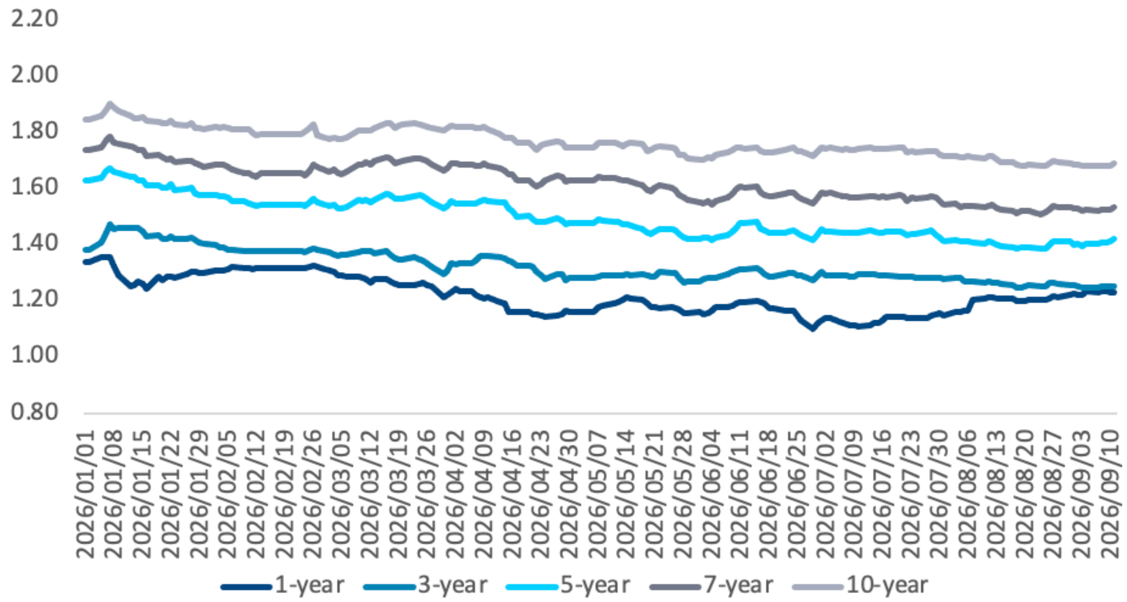


Sources: CCXAP research

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

In the past week, China Government Bond yields generally increased. As of September 11, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2292%, 1.2504%, 1.4226%, 1.5336%, and 1.6899%, respectively. Compared to last Friday, the 1-year yield decreased by 0.45bp, the 3-year yield increased by 0.26bp, the 5-year yield increased by 2.12bp, the 7-year yield increased by 0.81bp, and the 10-year yield increased by 0.95bp.

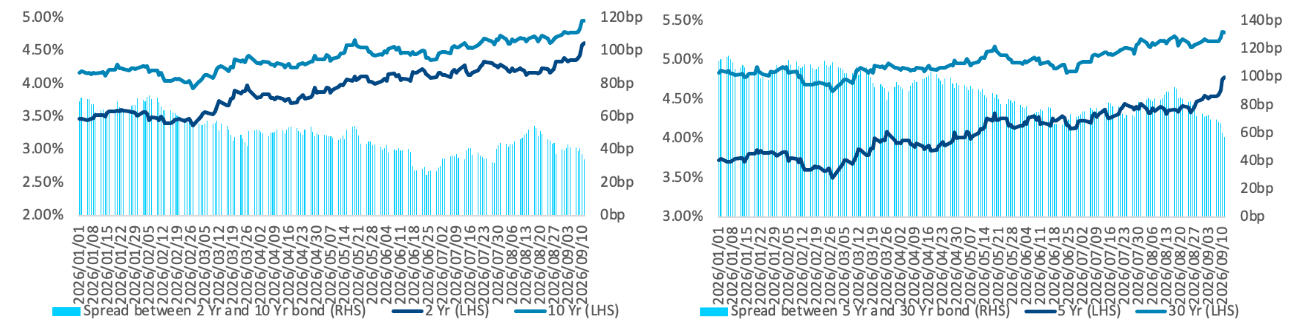
Figure 2: China Government Bond yields



Sources: CCXAP research

Driven by a much-stronger-than-expected August US PPI reading, US Treasury yields increased. As of September 11, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.6254%, 4.7821%, 4.9669%, and 5.3522%, respectively. Up 25.93bp, 23.73bp, 18.48bp and 10.99bp from last Friday. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 7.45bp to 34.15bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 12.74bp to 57.01bp compared to last Friday.

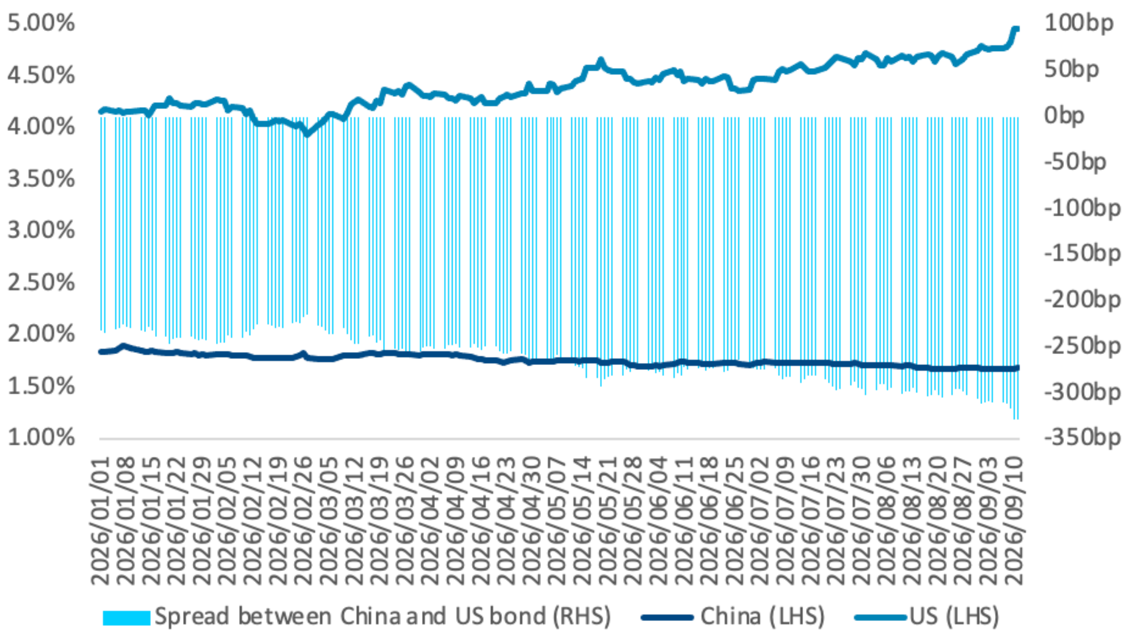
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of September 11, the 10-year Treasury bond interest rate gap between China and the US was -327.7bp, narrowing by 17.5bp from last Friday and widening by 95.7bp from the beginning of the year.

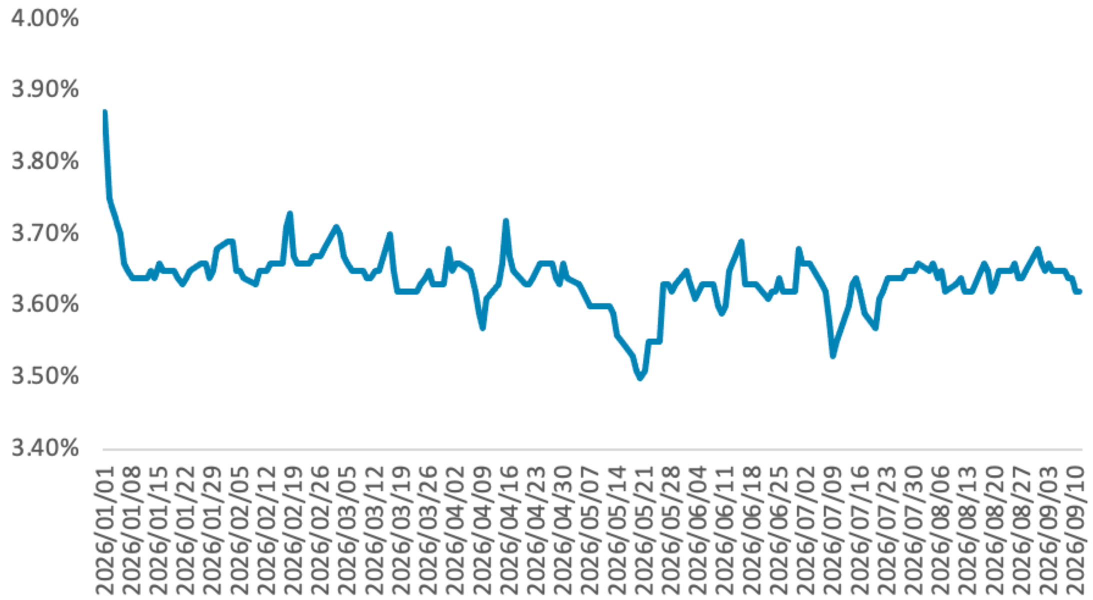
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of September 11, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.62%, down 3.0bp 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 September 7 to September 11, Chinese enterprises issued 25 new bonds in the offshore market, totaling about USD2.428 billion, an increase of 12.55% from last week. Among them, Chengtou were the main issuers, issuing a total of USD1.278 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260907-20260911)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/9/7	CCB International Holdings Ltd	HKD	1.0	3.11	2026/12/14	91D	Financials	A2/-/A	-/-/-
2026/9/7	CITIC Securities International Co Ltd	USD	0.3	0	2026/12/14	91D	Financials	-/BBB+/A-	-/-/-
2026/9/7	GF Holdings Hong Kong Corp Ltd	CNY	4.0	1.75	2027/3/9	180D	Financials	-/BBB/BBB	-/-/-
2026/9/7	GF Holdings Hong Kong Corp Ltd	CNY	0.5	1.8	2027/3/16	180D	Financials	-/BBB/BBB	-/-/-
2026/9/7	Huatai International Financial Holdings Co Ltd	USD	0.69	4.26	2026/12/15	95D	Financials	-/BBB+/-	-/-/-
2026/9/7	Huatai International Financial Holdings Co Ltd	USD	0.6	4.4	2027/3/3	170D	Financials	-/BBB+/-	-/-/-
2026/9/7	Huatai International Financial Holdings Co Ltd	USD	0.5	4.4	2027/3/4	171D	Financials	-/BBB+/-	-/-/-
2026/9/7	Huatai International Financial Holdings Co Ltd	USD	0.25	4.24	2026/12/10	90D	Financials	-/BBB+/-	-/-/-
2026/9/7	Huatai International Financial Holdings Co Ltd	USD	0.455	4.25	2026/12/15	92D	Financials	-/BBB+/-	-/-/-

2026/9/7	Industrial & Commercial Bank of China Ltd/Luxembourg	HKD	3.0	0	2028/9/8	2	Banks	A1/-/-	-/-/-
2026/9/7	Jinan City Construction Group Co Ltd	CNY	19.7	2.2	2031/9/14	5	Chengtou	Baa1/-/BBB+	-/-/-
2026/9/7	Tangshan Holding Development Group Co Ltd	CNY	3.65	3.5	2029/9/10	3	Chengtou	-/-/-	-/-/-
2026/9/8	CCB International Holdings Ltd	USD	0.4	4.01	2026/10/15	30D	Financials	A2/-/A	-/-/-
2026/9/8	CCB International Holdings Ltd	CNY	0.7	1.66	2026/12/15	91D	Financials	A2/-/A	-/-/-
2026/9/8	CITIC Securities International Co Ltd	CNY	4.0	0	2027/3/12	178D	Financials	-/BBB+/A-	-/-/-
2026/9/8	Huatai International Financial Holdings Co Ltd	USD	0.5	4.26	2026-12-16	93D	Financials	-/BBB+/-	-/-/-
2026/9/8	Qihe Urban Investment Construction Group Co Ltd	CNY	12.7	3.95	2029/9/10	3	Chengtou	-/-/-	-/-/-
2026/9/9	BOC International Holdings Ltd	CNY	6.48	0.717	2031/7/1	4.79	Financials	A2/-/A	-/-/-
2026/9/9	CCB INTERNATIONAL (HOLDINGS) LIMITED	CNY	0.7	1.66	2026/12/16	91D	Financials	A2/-/A	-/-/-
2026/9/9	H World Group Ltd	CNY	33.5	2.25	2031/9/16	5	Consumer Discretionary	-/-/BBB	Baa2/-/-
2026/9/9	Qingdao Jiaozhou Bay Development Group Co Ltd	CNY	7.6	3.95	2029/9/15	3	Chengtou	-/-/-	-/-/-
2026/9/10	Chengdu Xingcheng Investment Group Co Ltd	CNY	18.3	2.15	2031/9/17	5	Chengtou	-/-/BBB+	-/-/-
2026/9/10	Xuzhou Industrial Development Holding Group Co Ltd	CNY	23.8	2.18	2029/9/17	3	Chengtou	-/-/-	-/-/-
2026/9/11	Chengdu Dongjin Huaizhou Xincheng Investment Group Co Ltd	CNY	5.55	3.85	2029/9/16	3	Chengtou	-/-/-	-/-/-
2026/9/11	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	0.3	4.79	2029/9/18	3	Banks	A1/-/-	-/-/-

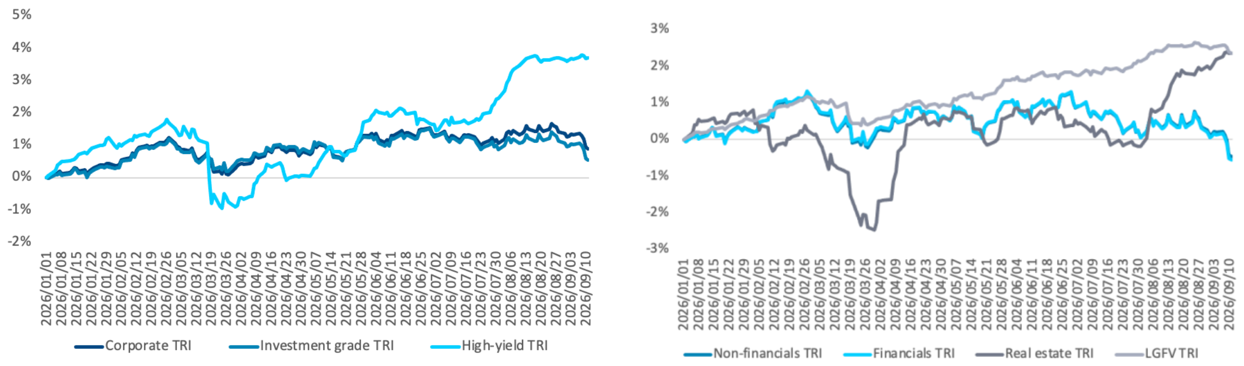
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of September 11, the year-to-date return[1] of Chinese USD bonds decreased by 43.0bp to 0.89% compared to last Friday, among which the return rate of investment-grade bonds decreased by 48.0bp to 0.53%, while the return rate of high-yield bonds increased by 4.0bp to 3.7%. By industry, the return rate of non-financial bonds was -0.47%, down 66.0bp from last Friday. The return rate of financial bonds was -0.56%, down 68.0bp. The return rate of real estate was 2.35%, up 17.0bp. The return rate of Chengtou was 2.35%, down 18.0bp.

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

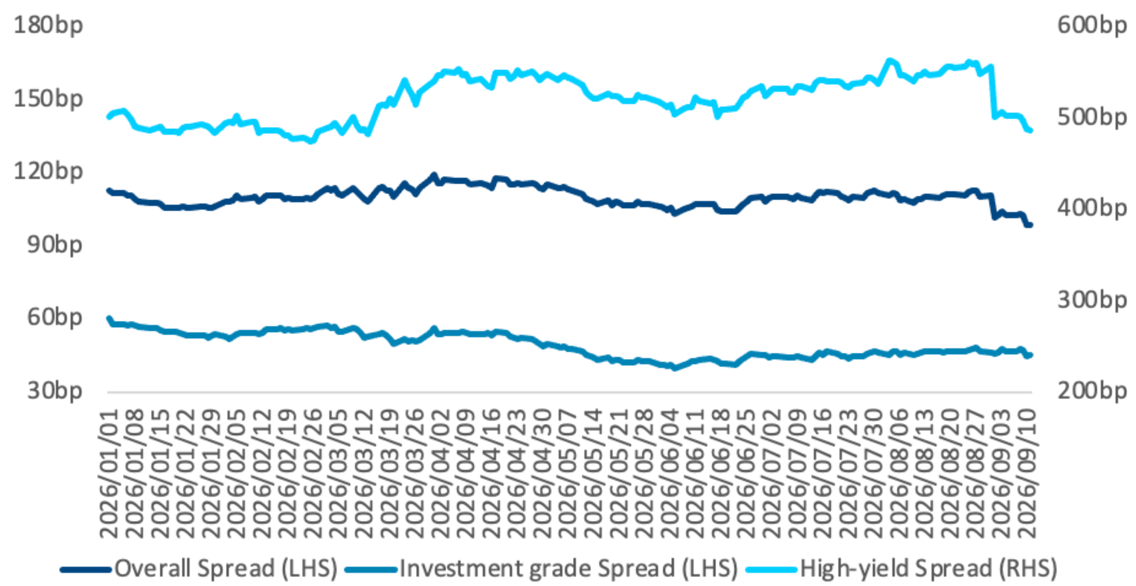
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of September 11, the spread of Chinese USD bonds narrowed by 4.1bp to 98.77bp from last Friday, among which the spread of investment-grade bonds narrowed by 2.0bp to 45.17bp, and the spread of high-yield bonds narrowed by 16.9bp to 486.63bp.

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



Sources: CCXAP research

From September 7 to September 11, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of State Power Investment Corporation Limited changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260907-20260911)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
POWINV 3 ⅞ 12/06/26	State Power Investment Corporation Limited	99.748	0.23	4.968	129.3
CHGRID 4 ⅜ 05/22/43	State Grid Corporation of China	88.922	16.70	5.389	124.9
CHGRID 4.85 05/07/44	State Grid Corporation of China	93.89	17.66	5.39	122.8

CHGRID 2.45 01/26/27	State Grid Corporation of China	99.87	0.37	2.77	122.6
BEIENT 6 ⅜ 05/12/41	Beijing Enterprises Holdings Limited	105.038	14.67	5.857	109.5
CHIOLI 5.35 11/15/42	China Overseas Land & Investment Limited	90.675	16.18	6.276	108.6
CHIOLI 6 ⅜ 10/29/43	China Overseas Land & Investment Limited	100.965	17.14	6.281	104.9
SINOPE 4 ¼ 05/03/46	China Petrochemical Corporation	85.51	19.65	5.462	101.9
SINOPE 4.1 04/28/45	China Petrochemical Corporation	84.294	18.64	5.453	101.8
BABA 4 ½ 11/28/34	Alibaba Group Holding Limited	93.406	8.21	5.509	101.5

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 September 9, CCXAP assigned first-time long-term credit rating of A_g+ to Bank of Jiangsu Co., Ltd. (“BOJS”), with stable outlook.

Table 3: CCXAP’s rating actions of cross-border issuer (20260907-20260911)

Rating Date	Obligor	Entity Rating	Rating Rational
9/9	BOJS	A_g+	The rating reflects the Company’s (1) systemic importance in China’s financial system as one of the largest city commercial banks by assets, benefiting from the established financial market and outstanding economic profile of Jiangsu Province; (2) good profitability, with revenue and net profit growing at high single-digit rates; (3) solid asset quality supported by a low and stable non-performing loan ratio and a conservative investment portfolio; and (4) sufficient and high-quality liquidity resources. However, the rating is constrained by the Company’s (1) relatively high reliance on market-based wholesale funding compared with other larger state-owned commercial bank peers; and (2) declining capital adequacy ratios driven by rapid asset expansion.

Source: CCXAP research6

From September 7 to September 11, rating agencies took positive rating actions on 5 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260907-20260911)

	Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：										
Upgrade	Yunnan Provincial Energy Investment Group Co., Ltd.	Energy	A+	Stable	2026/09/08	A	Stable	2025/09/17	Lianhe	An upgrade in the internal credit assessment on the local government
Upgrade	PICC Reinsurance Co., Ltd.	Financials	A-	Pos	2026/09/08	A-	Stable	2024/03/28	S&P	The company will likely strengthen its capital position over the next two years

	WH Group Ltd	Consumer Staples	BBB+	Stable	2026/09/09	BBB	Stable	2017/10/25	S&P	The company's packaged meat business is strengthening across its markets
	WH Group Ltd	Consumer Staples	Baa2	Pos	2026/09/10	Baa2	Stable	2024/11/07	Moody's	The company will maintain a strong financial profile over the next 12-18 months
	China Mengniu Dairy Co., Ltd.	Industrials	BBB+	Pos	2026/09/10	BBB+	Stable	2023/09/17	S&P	Increasing likelihood of stabilization in company's domestic dairy business
	China Modern Dairy Holdings Ltd.	Industrials	BBB	Pos	2026/09/10	BBB	Stable	2023/09/17	S&P	Outlook upgraded in line with parent

Source: CCXAP research

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