Cross-border Bonds Weekly Report

中誠信亞太 CCXAP

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From September 14 to September 18

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

Headline: US Federal Reserve Raises Rates by 25 Basis Points to 3.75%-4.00% in September; China's August Industrial Output Rose 5.2% YoY

On September 17, the US Federal Reserve announced a 25-basis-point rate hike, raising the federal funds rate target range to 3.75%-4.00%. On September 15, China reported that August industrial output above designated size grew 5.2% YoY, above the market expectation of 4.8% and a notable acceleration from July's 4.5% growth rate.

Exchange Rate: RMB Appreciated; USD Index Increased

Last week, the RMB has appreciated. As of September 18, the RMB/USD middle rate closed at 6.7521, down 222.0bp from last Friday. The USD Index closed at 100.222, up 1.1% from last Friday.

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

Last week, China Government Bond yields generally decreased. Driven by the US Federal Reserve's first interest rate hike in over two years, US Treasury yields generally increased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From September 14 to September 18, Chinese enterprises issued 25 new bonds in the offshore market, totaling about USD2.855 billion, an increase of 17.6% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD1.338 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Decreased

As of September 18, the return rate of Chinese USD bonds decreased by 3.0bp to 0.86% compared to last Friday, among which the return rate of investment-grade bonds increased by 0.4bp to 0.54%, while the return rate of high-yield bonds decreased by 30.0bp to 3.4%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Entity

On September 14, CCXAP assigned first-time long-term credit rating of A_g to Fujian Zhangzhou City Investment Group Co., Ltd., with stable outlook.

Analyst Contacts

Saul Zuo
852-2810 7142
saul_zuo@ccxap.com

Natalie Xu
852-2810 7142
natalie_xu@ccxap.com

Other Contacts

Peter Chong
852-2860 7124
peter_chong@ccxap.com

Headline: US Federal Reserve Raises Rates by 25 Basis Points to 3.75%-4.00% in September; China's August Industrial Output Rose 5.2% YoY

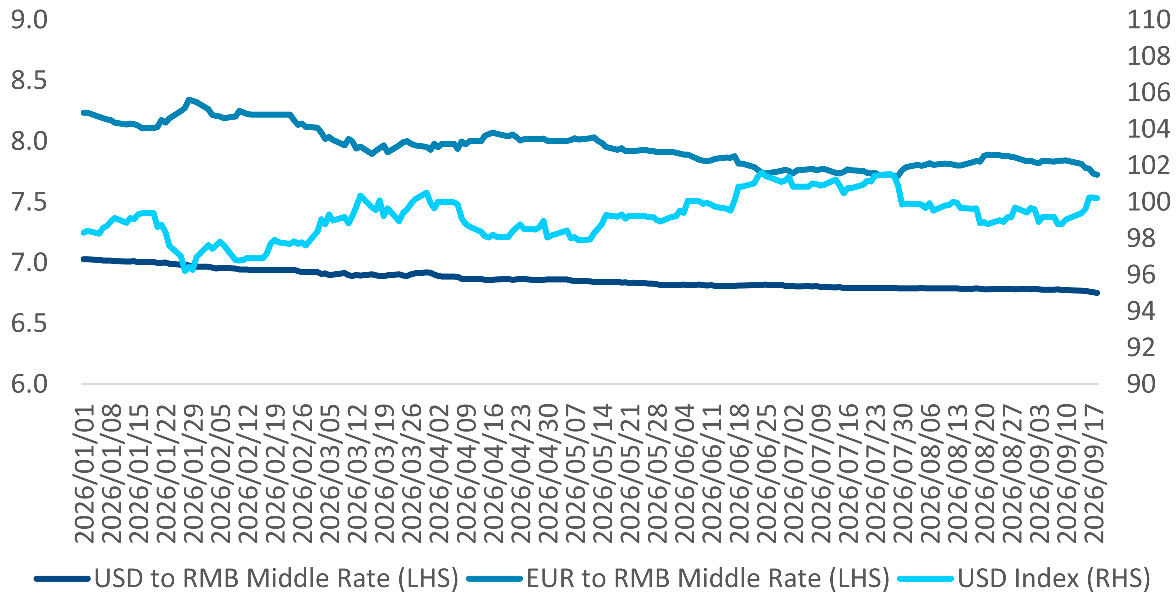
On September 17, the US Federal Reserve announced a 25-basis-point rate hike, raising the federal funds rate target range to 3.75%-4.00%. This marked the Fed's first rate hike since July 2023, signaling the formal end of a nearly two-year easing cycle. The core rationale behind this decision lies in the simultaneous emergence of triple pressures from inflation, employment, and long-end rates, making it difficult for the Fed to continue its narrative of "maintaining accommodation on the grounds of moderating inflation." August CPI rose 3.4% YoY, while core CPI unexpectedly accelerated to 0.3% MoM; PPI surged to 5.4% YoY, with energy prices jumping 4.2% MoM in particular, together confirming signs of sustained pass-through to consumer prices. More critically, the sudden escalation of tensions in the Middle East injected a clear supply-shock element into this round of inflation. In other words, this rate hike was more of a preemptive stance, aimed at anchoring inflation expectations and preventing price shocks from spreading into wages and core services prices to form "second- and third-round effects."

On September 15, China reported that August industrial output above designated size grew 5.2% YoY, above the market expectation of 4.8% and an acceleration from July's 4.5% growth rate; cumulative growth for the January-August period stood at 5.3% YoY. Production came in stronger than expected, driven mainly by a recovery in external demand and enterprises' restocking needs. Meanwhile, August retail sales of consumer goods rose just 0.4% YoY, below the market expectation of 0.7%-0.8% and a further slowdown from July's 0.6% growth, with retail sales excluding automobiles up 2.5%; fixed asset investment for the January-August period fell 7.2% YoY, real estate development investment dropped 19.9%, and the August urban surveyed unemployment rate rose 0.1 percentage point from the prior month to 5.3%. China's National Bureau of Statistics stated that the national economy ran generally steady in August, continuing the trend of shifting toward new growth drivers and an optimized structure, but noted that adverse external factors have deepened, the domestic mismatch between strong supply and weak demand remains pronounced, and the foundation for a steady economic recovery still needs to be consolidated.

Exchange Rate: RMB appreciated; USD Index increased

In the past week, the RMB has appreciated. As of September 18, the RMB/USD middle rate closed at 6.7521, down 222.0bp from last Friday. The RMB/EUR middle rate closed at 7.7257, down 1110.0bp from last Friday. The USD Index closed at 100.222, up 1.1% from last Friday.

Figure 1: RMB exchange rate

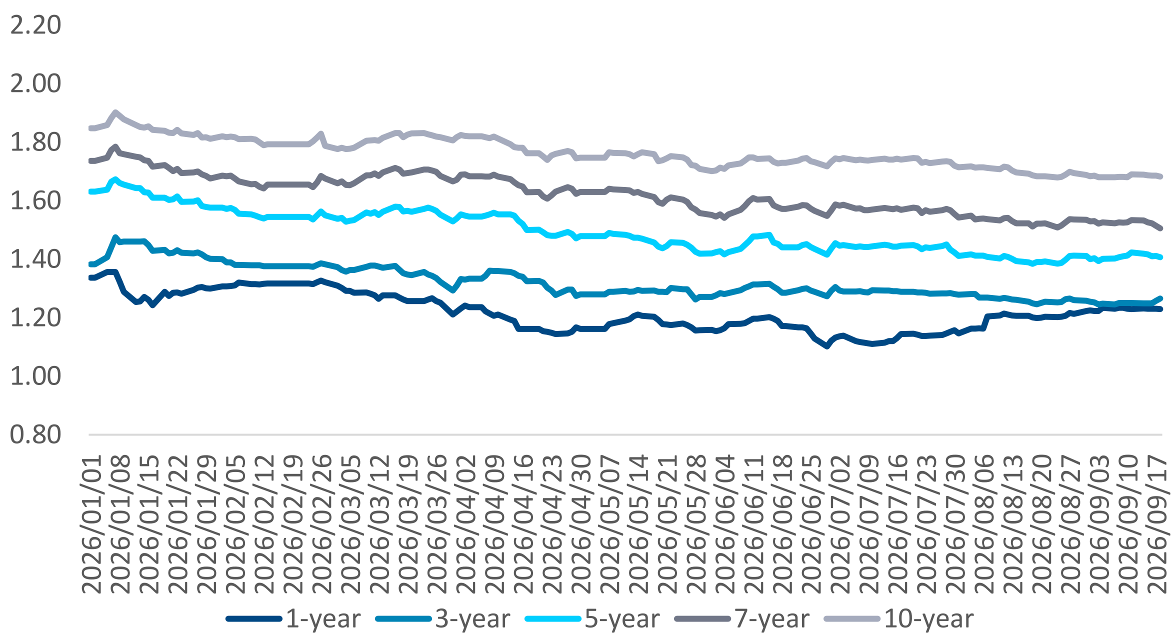


Sources: CCXAP research

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

In the past week, China Government Bond yields generally decreased. As of September 18, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2298%, 1.2659%, 1.4070%, 1.5054%, and 1.6820%, respectively. Compared to last Friday, the 1-year yield increased by 0.06bp, the 3-year yield increased by 1.55bp, the 5-year yield decreased by 1.56bp, the 7-year yield decreased by 2.82bp, and the 10-year yield decreased by 0.79bp.

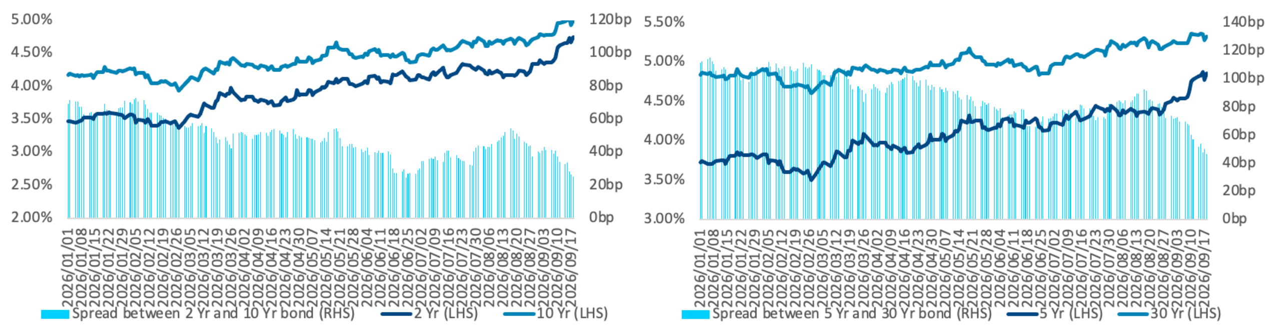
Figure 2: China Government Bond yields



Sources: CCXAP research

Driven by the Federal Reserve's first interest rate hike in over two years on September 17, compounded by escalating tensions in the Middle East that pushed up oil prices, US Treasury yields increased. As of September 18, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 4.7433%, 4.8560%, 4.9961%, and 5.3252%, respectively. Compared to last Friday, the 2-year yield increased by 11.79bp, the 5-year yield increased by 7.39bp, the 10-year yield increased by 2.92bp, and the 30-year yield decreased by 2.70bp. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 8.87bp to 25.28bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds narrowed by 10.09bp to 46.92bp compared to last Friday.

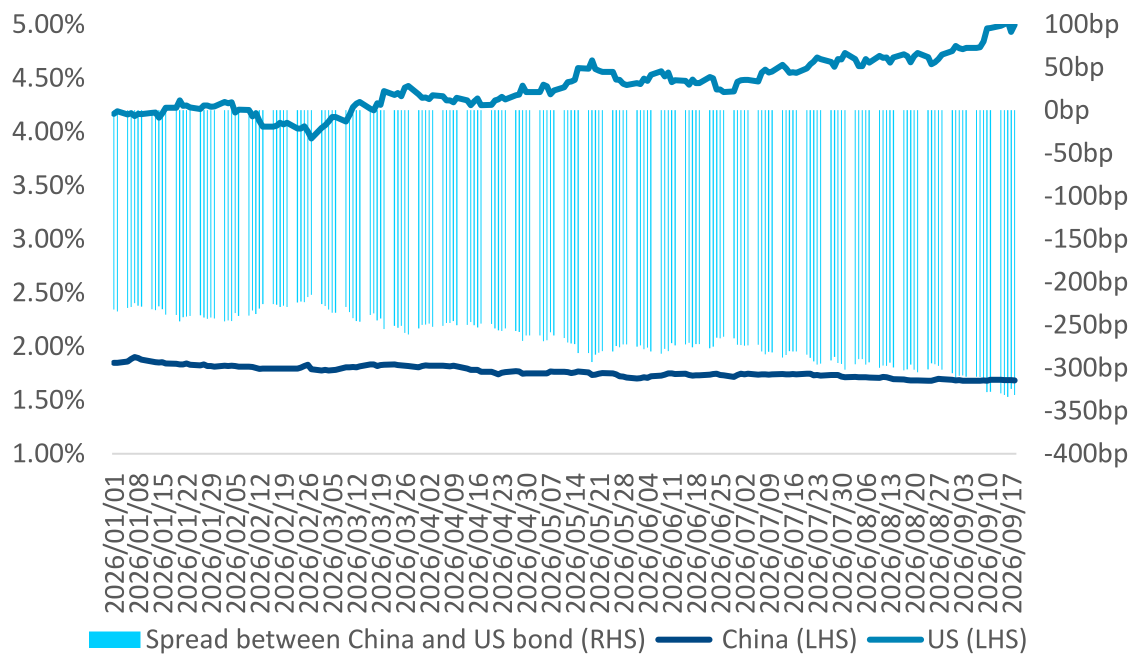
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of September 18, the 10-year Treasury bond interest rate gap between China and the US was -331.4bp, narrowing by 3.7bp from last Friday and widening by 99.4bp from the beginning of the year.

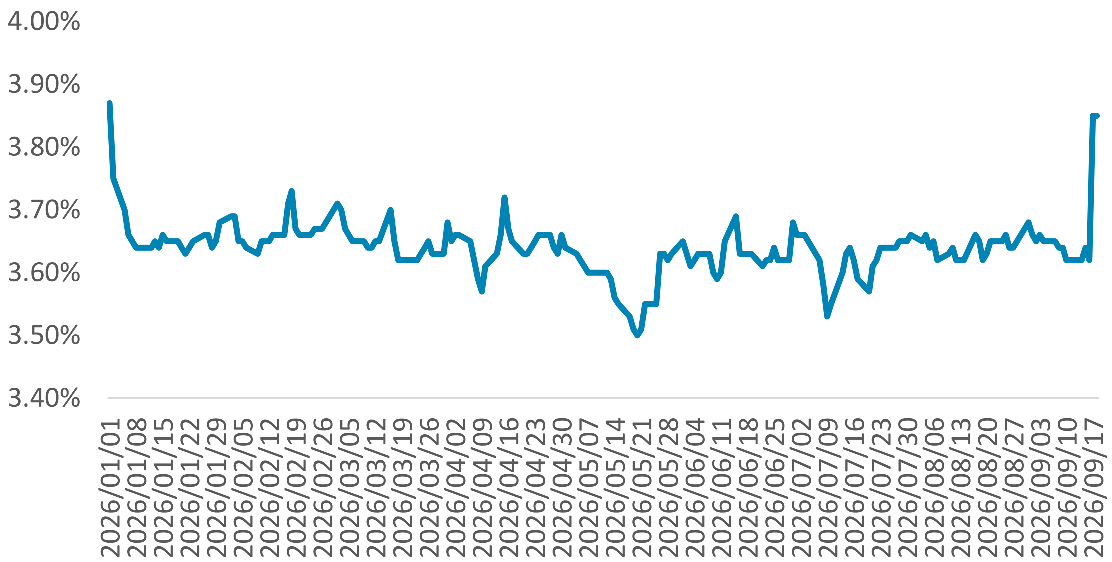
Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research

As of September 18, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.85%, up 23.0bp from last Friday and down 2.0bp 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 14 to September 18, Chinese enterprises issued 25 new bonds in the offshore market, totaling about USD2.855 billion, an increase of 17.6% from last week. Among them, industrial enterprises were the main issuers, issuing a total of USD1.338 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260914-20260918)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/9/14	China Securities International Finance Holding Co Ltd	USD	30	4.25	2026/10/20	33D	Financials	-/BBB+/BBB+	-/-/-
2026/9/14	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	30	4.8	2029/9/21	3	Banks	A1/-/-	-/-/-
2026/9/15	CCB International Holdings Ltd	CNY	70	1.79	2027/3/22	181D	Financials	A2/-/A	-/-/-
2026/9/15	CMB International Capital Corp Ltd	HKD	200	3.14	2026/11/18	61D	Financials	A3/A-/-	-/-/-
2026/9/15	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD	150	4.9	2029/9/24	3	Banks	A1/-/-	-/-/-
2026/9/15	SF Holding Co Ltd	CNY	5,000	1.75	2029/9/22	3	Industrials	A3/A-/A-	A3/-/-
2026/9/15	SF Holding Co Ltd	CNY	5,000	1.85	2031/9/22	5	Industrials	A3/A-/A-	A3/-/-

2026/9/16	Chengdu Wenjiang Xingrongxi City Operations Group Co Ltd	CNY	410	2.6	2029/9/21	3	Chengtou	-/-/-	-/-/-
2026/9/16	CITIC Securities International Co Ltd	USD	5	0	2026/12/23	91D	Financials	-/BBB+/A-	-/-/-
2026/9/16	Jinan Hi-tech Holding Group Co Ltd	CNY	1,550	2.1	2029/9/23	3	Chengtou	-/-/BBB	-/-/BBB
2026/9/17	CCB International Holdings Ltd	CNY	80	1.68	2026/12/24	91D	Financials	A2/-/A	-/-/-
2026/9/17	China Securities International Finance Holding Co Ltd	USD	10	4.6	2027/3/18	177D	Financials	-/BBB+/BBB+	-/-/-
2026/9/17	GF Holdings Hong Kong Corp Ltd	CNY	300	1.73	2027/3/22	180D	Financials	-/BBB+/BBB	-/-/-
2026/9/17	GF Holdings Hong Kong Corp Ltd	HKD	9	3.56	2027/3/18	178D	Financials	-/BBB+/BBB	-/-/-
2026/9/17	Xi'an International Port Group Co Ltd	CNY	708	3.8	2029/9/22	3	Chengtou	-/-/-	-/-/-
2026/9/17	Yizheng City State-owned Assets Investment Development Group Co Ltd	CNY	191	3	2029/9/24	3	Chengtou	-/-/-	-/-/-
2026/9/17	Yizheng City State-owned Assets Investment Development Group Co Ltd	CNY	505	2	2029/9/24	3	Chengtou	-/-/-	-/-/-
2026/9/18	Chengdu Xiangcheng Investment Group Co Ltd	CNY	1,260	2.5	2031/9/23	5	Chengtou	-/-/-	-/-/-
2026/9/18	China Securities International Finance Holding Co Ltd	USD	10	4.6	2027/3/16	174D	Financials	-/BBB+/BBB+	-/-/-
2026/9/18	CNCB Hong Kong Investment Ltd	CNY	300	0	2029/9/28	3.02	Financials	-/BBB+/A-	-/-/-
2026/9/18	GF Holdings Hong Kong Corp Ltd	HKD	10	3.56	2027/3/17	176D	Financials	-/BBB+/BBB	-/-/-
2026/9/18	GF Holdings Hong Kong Corp Ltd	HKD	10	3.56	2027/3/16	175D	Financials	-/BBB+/BBB	-/-/-
2026/9/18	Industrial & Commercial Bank of China Ltd/Dubai DIFC	CNY	1,500	1.58	2029/9/27	3	Banks	A1/-/-	-/-/-
2026/9/18	Industrial & Commercial Bank of China Ltd/Dubai DIFC	CNY	800	1.59	2029/9/25	2.99	Banks	A1/-/-	-/-/-
2026/9/18	Xi'an Aerospace High-Tech Industry Development Group Co Ltd	USD	116	5.75	2029/9/23	3	Chengtou	-/-/-	-/-/-

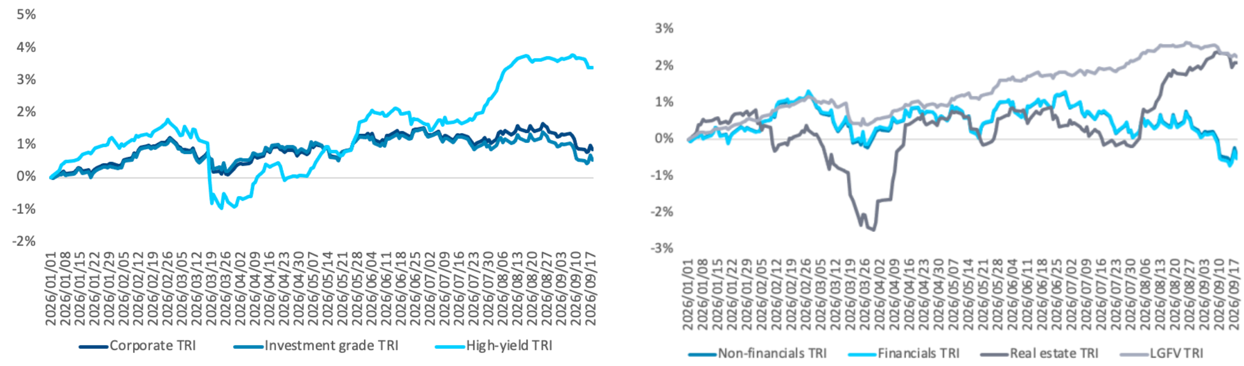
Sources: CCXAP research

Secondary Market: return on Chinese USD bonds decreased

As of September 18, the year-to-date return[1] of Chinese USD bonds decreased by 3.0bp to 0.86% compared to last Friday, among which the return rate of investment-grade bonds increased by 0.4bp to 0.54%, while the return rate of high-yield bonds decreased by 30.0bp to 3.4%. By industry, the return rate of non-financial bonds was -0.43%, up 3.0bp from last Friday. The return rate of financial bonds was -0.52%, up 4.0bp. The return rate of real estate was 2.1%, down 25.0bp. The return rate of Chengtou was 2.25%, down 10.0bp.

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

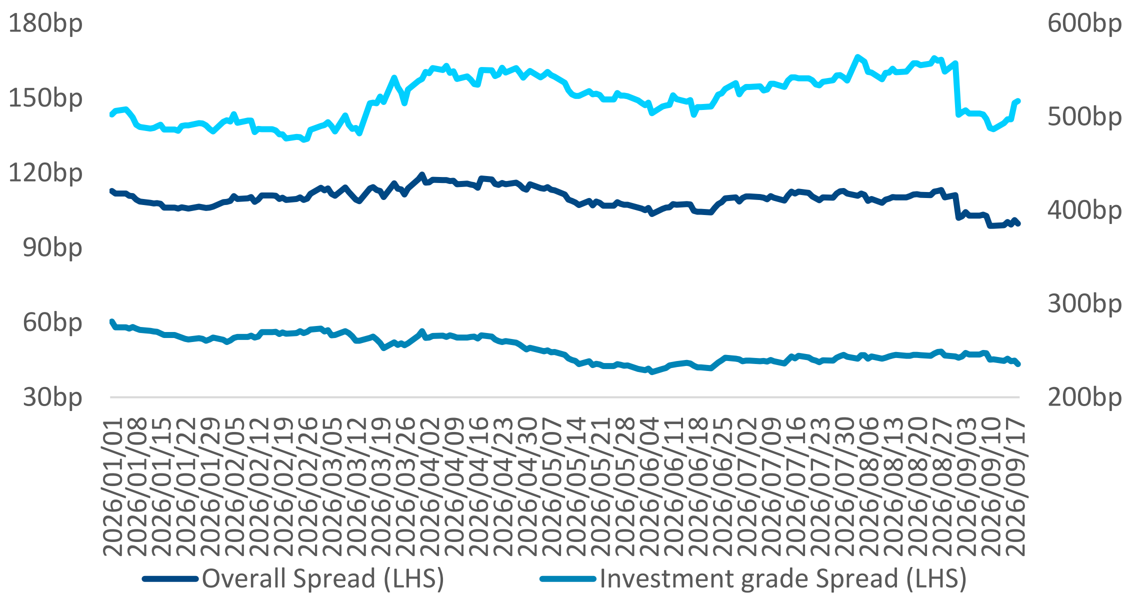
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of September 18, the spread of Chinese USD bonds widened by 0.9bp to 99.69bp from last Friday, among which the spread of investment-grade bonds narrowed by 1.8bp to 43.33bp, and the spread of high-yield bonds narrowed by 30.1bp to 516.7bp.

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



Sources: CCXAP research

From September 14 to September 18, 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 (20260914-20260918)

Security Name	Obligor	Last Price（USD）	Years to Maturity	Yield to Convention	Yield Change
EHICAR 12 09/26/27	eHi Car Services Limited	41.929	1.02	131.377	364.3
EHICAR 10 10/14/29	eHi Car Services Limited	39.468	3.07	63.277	231.7
ZHAPIE 4.2 09/27/26	Zhang Zhou Jiu Long Jiang Group Co Ltd	100.204	0.02	-19.83	176.5

CDHIIN 2.7 10/28/26	Chengdu Gaoxin Innovation Investment Co Ltd	99.929	0.10	3.396	171.5
HUXJDP 2.65 10/27/26	Hunan Xiangjiang New Area Development Group Co Ltd	100.022	0.10	2.391	164.3
CHDXCH 2 ⅜ 10/08/26	Chengdu Xingcheng Investment Group Co Ltd	99.969	0.05	3.086	126.7
CCAMCL 4.4 PERP	China Cinda Asset Management Co Ltd	99.997	PERP	4.26	64.4
CHCOMU 3.65 PERP	China Communications Construction Company Limited	99.694	PERP	5.548	62.3
JNHITE 7.4 10/27/26	Jinan Hi-tech Holding Group Co Ltd	100.545	0.10	1.574	56.5
BADNHI 6.9 04/08/28	Baoding National High Tech Industrial Development Zone Development Co Ltd	100.35	1.55	6.654	48.4

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 14, CCXAP assigned first-time long-term credit rating of A_g to Fujian Zhangzhou City Investment Group Co., Ltd. ("ZCIG"), with stable outlook.

Table 3: CCXAP's rating actions of cross-border issuer (20260914-20260918)

Rating Date	Obligor	Entity Rating	Rating Rational
9/14	ZCIG	A_g	The rating reflects (1) Zhangzhou City Government's very strong capacity to provide support; and (2) the local government's extremely high willingness to provide support. The rating also reflects the local government's willingness to support, which is based on the Company's (1) important infrastructure construction entity in Zhangzhou City; (2) high sustainability of infrastructure construction business; and (3) track record of receiving government support. However, the rating is constrained by the Company's (1) medium exposure to commercial business activities; (2) rapid debt growth and high short-term repayment pressure; and (3) weak asset liquidity.

Source: CCXAP research6

From September 14 to September 18, rating agencies took positive rating actions on 31 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260914-20260918)

Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
		Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating：									
Taizhou Huaxin Pharmaceutical Investment Co Ltd	Chengtou	A	Stable	2026/09/14	A-	Stable	2025/09/11	Lianhe	An upgrade in the internal credit assessment on the local government
China Longyuan Power Group Corp. Ltd.	Utilities	A	Stable	2026/09/15	A-	Stable	2024/12/17	S&P	Company's strategic role is expanding

Hero Asia Investment Ltd.	Utilities	A-	Stable	2026/09/15	BBB+	Stable	2020/04/08	S&P	The company's rating upgraded in line with the parent's rating upgrade
Midea Group Co., Ltd.	Industrials	A2	Pos	2026/09/15	A2	Stable	2025/11/18	Moody's	The company will further strengthen its global competitive position and diversify its business mix
China CITIC Bank Corporation Limited	Financials	Baa1	Stable	2026/09/15	Baa2	Pos	2026/05/20	Moody's	The company has strengthened its standalone credit profile over recent years
Citic Securities Company Limited	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2023/06/28	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
GF Securities Co Ltd	Financials	BBB+	Stable	2026/09/16	BBB	Stable	2023/03/21	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
Guotai Haitong Financial Holdings Ltd	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2026/07/28	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
Guotai Junan International Holdings Ltd	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2026/07/29	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
Haitong International Securities Group Ltd	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2026/07/29	S&P	Strengthened resilience of China's economy and positive developments in

										the securities industry
	GF HOLDINGS HONG KONG CO Ltd	Financials	BBB+	Stable	2026/09/16	BBB	Stable	2024/12/02	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	CITIC Securities International Company Limited	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2024/04/29	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	Orient Securities Company Limited	Financials	BBB-	Pos	2026/09/16	BBB-	Stable	2025/10/23	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	CGS International Holdings Limited	Financials	BBB	Pos	2026/09/16	BBB	Stable	2025/08/25	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	China Galaxy Securities Co Ltd	Financials	BBB	Pos	2026/09/16	BBB	Stable	2025/08/25	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	Guotai Haitong Securities Co Ltd	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2025/07/30	S&P	Strengthened resilience of China's economy and positive developments in the securities industry
	CITIC Limited	Financials	A-	Pos	2026/09/16	A-	Stable	2024/04/29	S&P	Strengthened resilience of the economy and its banking system

CITIC Group Corp	Financials	A-	Pos	2026/09/16	A-	Stable	2024/04/29	S&P	Strengthened resilience of the economy and its banking system
Bocom Leasing Management Hong Kong Co Ltd	Financials	A	Stable	2026/09/16	A-	Stable	2026/02/11	S&P	The company has strong ties with the government
Bank of Communications Financial Leasing Co Ltd	Financials	A	Stable	2026/09/16	A-	Stable	2026/02/11	S&P	The company has strong ties with the government
Bank of Communications (Hong Kong) Limited	Financials	A	Stable	2026/09/16	A-	Stable	2026/02/11	S&P	The company has strong ties with the government
China Minsheng Banking Corp Ltd	Financials	BBB	Stable	2026/09/16	BBB-	Stable	2025/03/06	S&P	The company's capitalization and asset quality have improved steadily
Bank Of Communications Co Ltd	Financials	A	Stable	2026/09/16	A-	Stable	2025/02/19	S&P	The company has strong ties with the government
CNCB (Hong Kong) Investment Limited	Financials	BBB+	Pos	2026/09/16	BBB+	Stable	2024/04/29	S&P	Rating and outlook adjusted in line with the parent bank
China CITIC Bank Corp Ltd	Financials	A-	Pos	2026/09/16	A-	Stable	2024/04/29	S&P	The company maintains a strong market position, with resilient retail and corporate banking businesses
Minsheng Financial & Leasing Co Ltd	Financials	BBB	Stable	2026/09/16	BBB-	Stable	2022/05/31	S&P	The company's capitalization and asset quality have improved steadily
Huaxia Bank Co Ltd	Financials	BBB	Stable	2026/09/16	BBB-	Stable	2022/01/18	S&P	The company's capitalization and asset quality have improved steadily
Shanghai Pudong Development Bank Co Ltd	Financials	BBB+	Stable	2026/09/16	BBB	Stable	2024/05/29	S&P	The company's capitalization and

									asset quality have improved steadily
Chengdu Wenjiang Xingrongxi City Operation Group Co., Ltd	Chengtou	BBBg+	Stable	2026/09/18	BBBg	Stable	2025/03/20	CCXAP	Wenjiang District Government's very strong capacity and very high willingness to provide support
Wanda Commercial Properties (HK) Co.,Limited	Real Estate	Caa3	Pos	2026/09/18	C	Neg	2026/01/19	Moody's	Company's improving liquidity and funding access
Dalian Wanda Commercial Management Group Co.ltd	Real Estate	Caa2	Pos	2026/09/18	Ca	Neg	2026/01/19	Moody's	Company's improving liquidity and funding access

Source: CCXAP research

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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address：	Suites 1904-1909, 19/F, Jardine House, 1 Connaught Place, Central, Hong Kong
Website：	www.ccxap.com
Email：	info@ccxap.com
Tel:	+852-2860 7111
Fax：	+852-2868 0656