

2026 Issue 38 From October 12 to October 16

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

Headline: China's September PPI Growth Accelerates to 5.0% YoY; US September PPI Rises 1.3% MoM

On October 14, China reported that its Producer Price Index (PPI) for September rose 5.0% YoY, up 1.2 percentage points from the previous reading of 3.8%. On October 15, the US reported that its Producer Price Index (PPI) for final demand rose 1.3% MoM in September, well above market expectations of 0.5% and the largest increase since March 2022.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of October 16, the RMB/USD middle rate closed at 6.7220, down 110.0bp from last Friday. The USD Index closed at 101.837, down 0.38% from last Friday.

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

Last week, China Government Bond yields decreased. Driven by heightened risk aversion, US Treasury yields decreased.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From October 12 to October 16, Chinese enterprises issued 50 new bonds in the offshore market, totaling about USD10.421 billion, an increase of 5638.27% from last week. Among them, Tencent Holdings Ltd was the main issuer, issuing a total of USD5.452 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of October 16, the return of Chinese USD bonds increased by 34.0bp to 0.72% compared to last Friday, among which the return rate of investment-grade bonds increased by 38.0bp to 0.41%, while the return rate of high-yield bonds decreased by 13.0bp to 2.86%.

Rating Actions: Rating Agencies Took Rating Actions on 9 Chinese Issuers

From October 12 to October 16, rating agencies took positive rating actions on 8 Chinese issuers and negative rating action on 1 Chinese issuer.



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Headline: China's September PPI Growth Accelerates to 5.0% YoY; US September PPI Rises 1.3% MoM

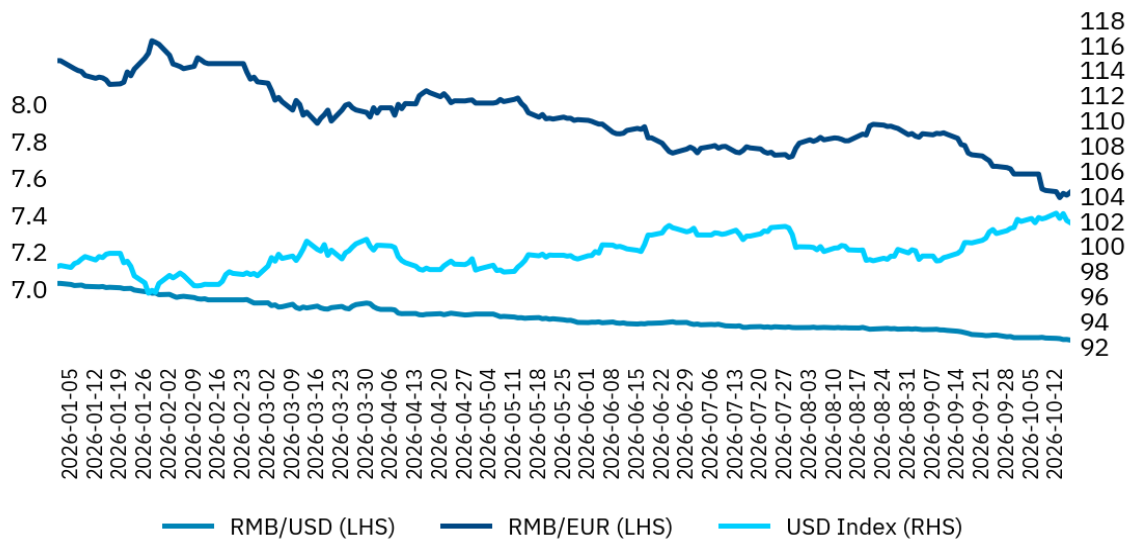
On October 14, China reported that its Producer Price Index (PPI) for September rose 5.0% YoY, up 1.2 percentage points from the previous reading of 3.8%. This indicates a stronger rebound in industrial product prices. In terms of drivers, higher prices of upstream raw materials and industrial goods were a key factor behind the PPI recovery, suggesting an improved supply-demand balance in the industrial sector. However, rising prices at the production level do not necessarily signal a broad-based recovery in overall demand. If improvement in final consumption and investment demand remains limited, higher upstream prices could squeeze the profit margins of midstream and downstream companies through cost pass-through, and profitability may diverge further across industries. Overall, the PPI rebound helps improve revenue and earnings expectations for some upstream industries. Going forward, it remains important to monitor whether price increases can be passed on to midstream and downstream sectors, and whether the recovery in domestic demand can provide sustained support for industrial product prices.

On October 15, the US reported that its Producer Price Index (PPI) for final demand rose 1.3% MoM in September, well above market expectations of 0.5%. On a YoY basis, the index rose 6.3%, accelerating from the previous reading of 5.6%, and the monthly increase was the largest since March 2022. By component, sharp increases in energy prices were the main factor driving the headline PPI higher, while service prices also rose, indicating growing price pressure at the production level. Higher energy costs may not only raise production and transportation costs for businesses, but may also be passed through supply chains to consumers, adding uncertainty to the outlook for inflation. If inflation remains above expectations, the Federal Reserve's room to ease monetary policy may be limited, and the market's assessment of the future interest rate path may become more cautious, which would put upward pressure on US Treasury yields. That said, this round of PPI increases was driven in part by energy price volatility, and its sustainability still needs to be assessed together with core inflation, employment and consumption data.

Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of October 16, the RMB/USD middle rate closed at 6.7220, down 110.0bp from last Friday. The RMB/EUR middle rate closed at 7.5228, down 95.0bp from last Friday. The USD Index closed at 101.837, down 0.38% from last Friday.

Figure 1: RMB exchange rate

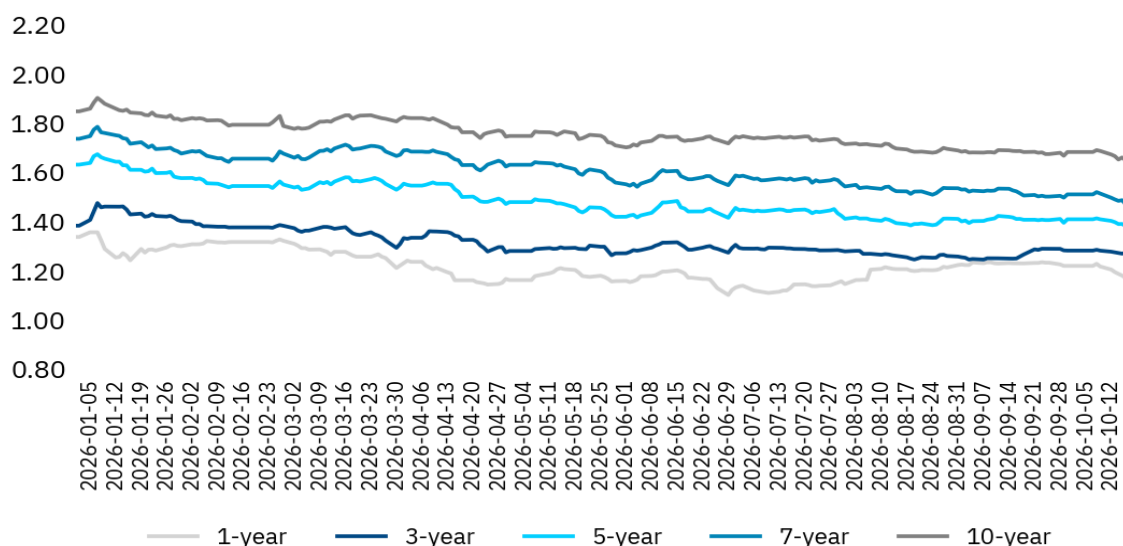


Sources: CCXAP research

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

Last week, China Government Bond yields decreased. As of October 16, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.1703%, 1.2729%, 1.3815%, 1.4700%, and 1.6480%, respectively. Down 4.69bp, 0.87bp, 2.74bp, 4.35bp, and 3.84bp from last Friday.

Figure 2: China Government Bond yields

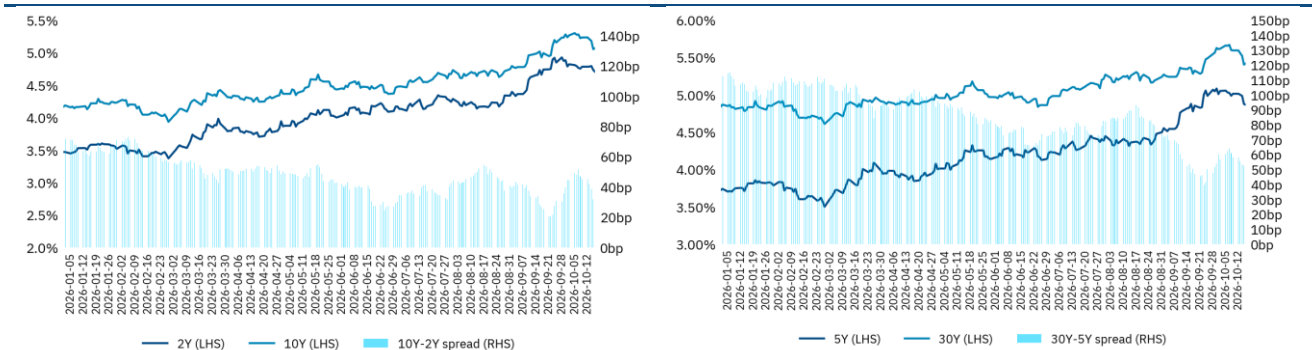


Sources: CCXAP research

Driven by heightened risk aversion, US Treasury yields decreased. As of October 16, the 2-year, 5-year, 10-year, and 30-year US Treasury yields were 4.7083%, 4.8683%, 5.0728%, and 5.4209%, respectively. Down 7.86bp, 14.74bp, 16.50bp, and 17.47bp from last Friday. For US Treasury yield

spreads, the spread between the 2-year and 10-year Treasury notes narrowed by 8.64bp to 36.45bp compared to last Friday and the spread between the 5-year and 30-year Treasury bonds narrowed by 2.73bp to 55.26bp compared to last Friday.

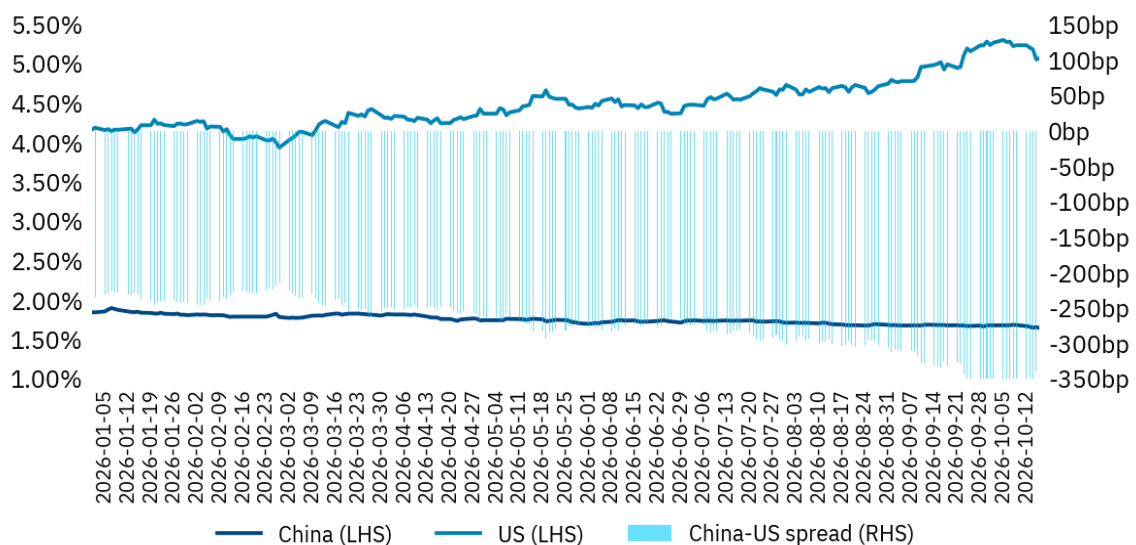
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

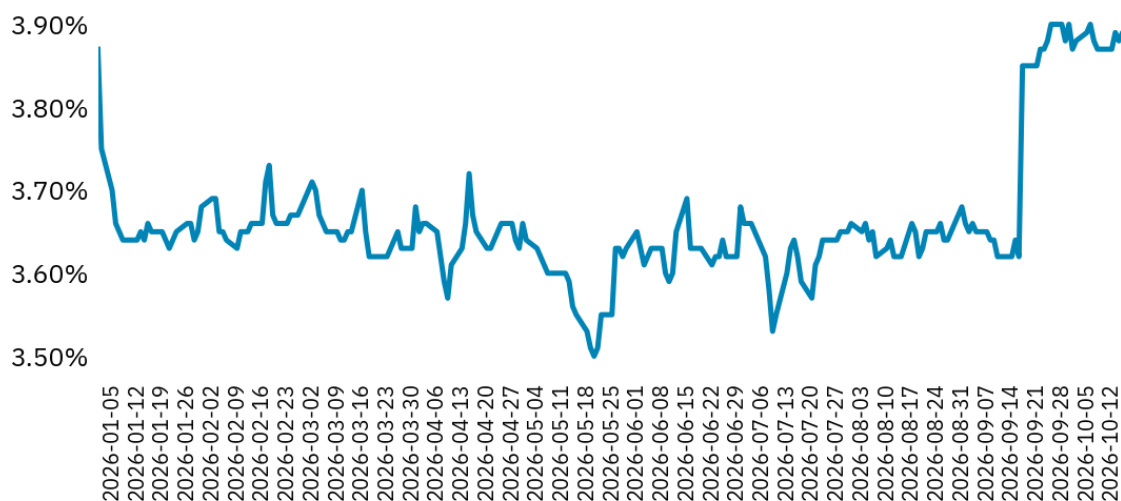
As of October 16, the 10-year Treasury bond interest rate gap between China and the US was -342.5bp, narrowing by 12.7bp from last Friday and widening by 110.5bp from the beginning of the year.

Figure 4: China-US 10-year government bond yield spread



Sources: CCXAP research

As of October 16, the US benchmark rate SOFR (Secured Overnight Financing Rate) was 3.88%, up 1.0bp from last Friday and up 1.0bp 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 October 12 to October 16, Chinese enterprises issued 50 new bonds in the offshore market, totaling about USD10.421 billion, an increase of 5638.27% from last week. Among them, Tencent Holdings Ltd was the main issuer, issuing a total of USD5.452 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20261012-20261016)

Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/12	CCB International Holdings Ltd	CNY	70	1.72	2027/1/20	92D	Financials	A2/-/A	-/-/-
2026/10/12	Chongqing Xinshuangquan Urban Construction And Development Co Ltd	CNY	182.4	2.1	2029/10/20	3	Chengtou	-/-/-	-/-/-
2026/10/12	Chongqing Xinshuangquan Urban Construction And Development Co Ltd	CNY	182.4	2.1	2029/10/20	3	Chengtou	-/-/-	-/-/-
2026/10/12	Chongqing Xinshuangquan Urban Construction And Development Co Ltd	CNY	182.4	2.1	2029/10/20	3	Chengtou	-/-/-	-/-/-
2026/10/12	CITIC Securities International Co Ltd	CNY	1200	2.1	2030/10/22	4	Financials	-/BBB+/A-	-/-/-
2026/10/12	CMB International Capital Corp Ltd	HKD	49	0	2026/12/14	61D	Financials	A3/A/-	-/-/-
2026/10/12	TF International Securities Group Ltd	USD	10	4.75	2027/4/13	180D	Financials	-/-/BBB-	-/-/-
2026/10/13	Agricultural Bank of China Ltd/Macao	USD	500	SOFR+38	2029/10/21	3	Banks	A1/-/-	A1/-/-

Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/13	Agricultural Bank of China Ltd/Macao	USD	240	SOFR+41	2031/10/21	5	Banks	A1/-/-	A1/-/-
2026/10/13	Binzhou Bincheng District Economic Development Investment Co Ltd	CNY	80	3.7	2029/10/16	3	Chengtou	-/-/-	-/-/-
2026/10/13	China CITIC Bank International Limited	CNY	800	1.6	2027/2/26	123D	Banks	A3/-/A-	-/-/-
2026/10/13	CITIC Securities International Co Ltd	USD	5.7	0	2027/1/21	92D	Financials	- /BBB+/A-	-/-/-
2026/10/13	Hualu Holdings Co Ltd	CNY	2020	1.74	2029/10/21	3	Financials	A3/-/A-	A3/-/A-
2026/10/13	Huzhou City Investment Development Group Co Ltd	CNY	1210	1.99	2029/10/21	3	Chengtou	-/-/BBB	-/-/-
2026/10/13	Shenwan Hongyuan HK Ltd	HKD	100	3.4	2027/1/20	92D	Financials	-/BBB/-	-/-/-
2026/10/13	Tencent Holdings Ltd	USD	1300	6.1	2036/10/21	10	Communications	A1/A+/A	A1/A+/-
2026/10/13	Tencent Holdings Ltd	CNY	6000	3	2056/10/21	30	Communications	A1/A+/A	A1/A+/-
2026/10/13	Tencent Holdings Ltd	USD	500	6.75	2046/10/21	20	Communications	A1/A+/A	A1/A+/-
2026/10/13	Tencent Holdings Ltd	CNY	20000	2.4	2036/10/21	10	Communications	A1/A+/A	A1/A+/-
2026/10/14	BOSC International Company Limited	HKD	910	3.25	2027/1/15	92D	Financials	-/-/-	-/-/-
2026/10/14	China Securities International Finance Holding Co Ltd	CNY	59.5	0	2031/3/31	4.44	Financials	- /BBB+/BBB+	-/-/-
2026/10/14	China Securities International Finance Holding Co Ltd	CNY	26.5	0	2031/3/31	4.44	Financials	- /BBB+/BBB+	-/-/-
2026/10/14	CITIC Securities International Co Ltd	USD	5	0	2027/1/22	92D	Financials	- /BBB+/A-	-/-/-
2026/10/14	CITIC Securities International Co Ltd	USD	21.6	0	2026/11/27	38D	Financials	- /BBB+/A-	-/-/-
2026/10/14	Guotai Junan International Holdings Ltd	CNY	1000	0	2028/10/16	1.99	Financials	Baa1/BBB+/-	-/-/-
2026/10/14	Industrial & Commercial Bank of China Ltd/London	CNY	1000	1.6	2029/10/26	3	Banks	A1/-/-	-/-/-
2026/10/14	Industrial Bank Co Ltd/Hong Kong	CNY	660	1.575	2027/10/21	1	Banks	Baa2/-/-	-/-/-
2026/10/14	Industrial Bank Co Ltd/Hong Kong	CNY	660	1.575	2027/10/22	1	Banks	Baa2/-/-	-/-/-
2026/10/15	Bank of China Ltd/Dubai	CNY	2000	1.6	2028/10/23	2	Banks	A1/-/-	A1/A/A
2026/10/15	BOSC International Company Limited	USD	120	4.4	2027/4/16	182D	Financials	-/-/-	-/-/-

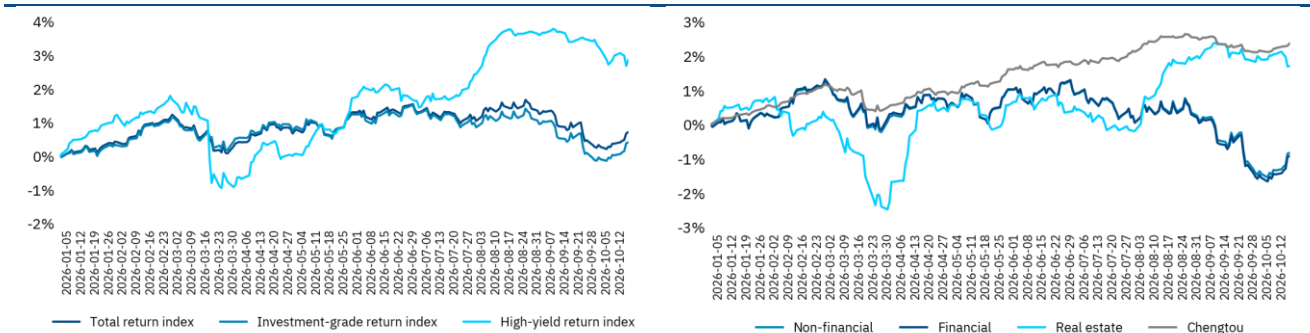
Announce date	Obligor	Ccy	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/10/15	China Cinda HK Holdings Co Ltd	USD	400	SOFR+87	2030/4/22	3.5	Financials	Baa2/BB B+/A-	-/BBB+/-
2026/10/15	China Cinda HK Holdings Co Ltd	HKD	2500	4.75	2029/4/22	2.5	Financials	Baa2/BB B+/A-	-/BBB+/-
2026/10/15	China Securities International Finance Holding Co Ltd	CNY	36.9	0	2028/11/20	2.08	Financials	- /BBB+/B BB+	-/-/-
2026/10/15	China Securities International Finance Holding Co Ltd	CNY	69.1	0	2029/8/23	2.84	Financials	- /BBB+/B BB+	-/-/-
2026/10/15	CITIC Securities International Co Ltd	CNY	46	0	2030/6/24	3.67	Financials	- /BBB+/A-	-/-/-
2026/10/15	Guotai Junan International Holdings Ltd	CNY	1000	0	2028/10/17	1.99	Financials	Baa1/BB B+/-	-/-/-
2026/10/15	Guotai Junan International Holdings Ltd	CNY	1000	0	2028/10/20	1.98	Financials	Baa1/BB B+/-	-/-/-
2026/10/15	Guotai Junan International Holdings Ltd	CNY	500	1.75	2027/1/26	92D	Financials	Baa1/BB B+/-	-/-/-
2026/10/15	Hainan Natural Rubber Industry Group Co Ltd	USD	65	7.95	-	PERP	Materials	-/-/BBB+	-/-/BBB-
2026/10/15	Heze Urban Investment Holding Group Co Ltd	CNY	667	3.7	2029/10/21	3	Chengtou	-/-/-	-/-/-
2026/10/15	Shaoxing Shangyu Urban Development Group Co Ltd	CNY	1290	2.1	2029/10/23	3	Chengtou	-/-/BBB-	-/-/-
2026/10/15	Taizhou Guokong Investment Group Co Ltd	CNY	993	2.9	2029/10/21	3	Chengtou	-/-/-	-/-/-
2026/10/16	BOCOM International Holdings Co Ltd	USD	4	4.19	2026/12/9	48D	Financials	Baa1/-/A	-/-/-
2026/10/16	China Securities International Finance Holding Co Ltd	CNY	36.8	0	2028/11/20	2.08	Financials	- /BBB+/B BB+	-/-/-
2026/10/16	CITIC Securities International Co Ltd	CNY	700	0	2031/10/17	4.99	Financials	- /BBB+/A-	-/-/-
2026/10/16	CITIC Securities International Co Ltd	USD	20	0	2027/1/27	92D	Financials	- /BBB+/A-	-/-/-
2026/10/16	Guotai Junan International Holdings Ltd	CNY	1000	0	2028/10/18	1.99	Financials	Baa1/BB B+/-	-/-/-
2026/10/16	State Grid International Development Limited	AUD	500	5.628	2031/10/23	5	Utilities	A1/A+/A	A1/A+/A
2026/10/16	Yueyang Construction and Investment Group Co Ltd	CNY	200	2.5	2031/10/26	5	Chengtou	-/-/BBB-	-/-/-
2026/10/16	Yueyang Construction and Investment Group Co Ltd	CNY	1130	2.5	2031/10/26	5	Chengtou	-/-/BBB-	-/-/-

Sources: CCXAP research

Secondary Market: Return on Chinese USD Bonds Increased

As of October 16, the return¹ of Chinese USD bonds increased by 34.0bp to 0.72% compared to last Friday, among which the return rate of investment-grade bonds increased by 38.0bp to 0.41%, while the return rate of high-yield bonds decreased by 13.0bp to 2.86%. By industry, the return rate of non-financial bonds was -0.83%, up 51.0bp from last Friday. The return rate of financial bonds was -0.91%, up 53.0bp from last Friday. The return rate of real estate was 1.71%, down 35.0bp from last Friday. The return rate of Chengtou was 2.37%, up 14.0bp from last Friday.

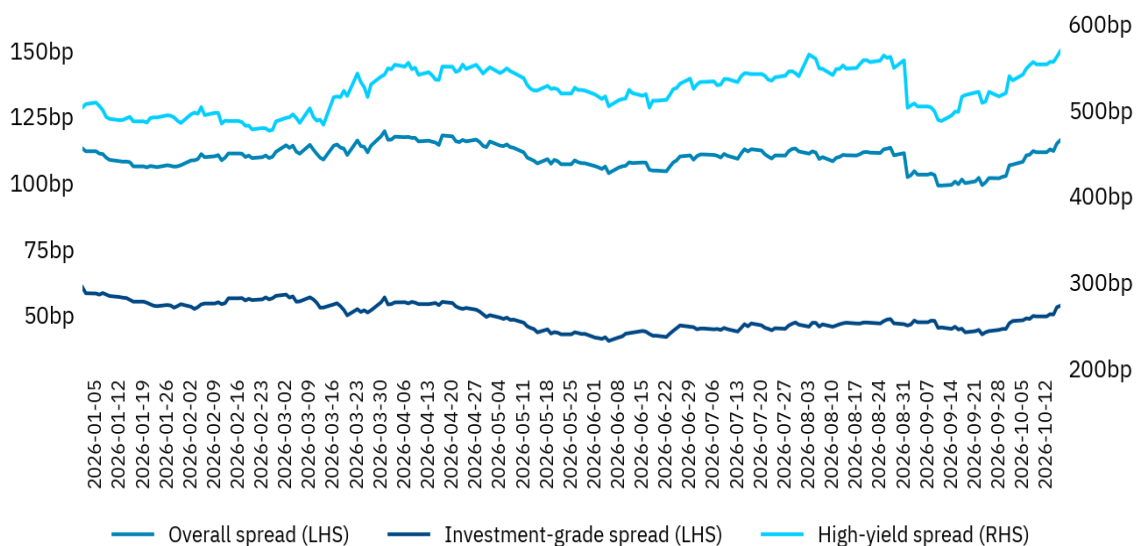
Figure 6: YTD return on Markit iBoxx Chinese USD bond index



Sources: CCXAP research

As of October 16, the spread of Chinese USD bonds widened by 4.5bp to 115.86bp from last Friday, among which the spread of investment-grade bonds widened by 4.0bp to 53.35bp, and the spread of high-yield bonds widened by 15.3bp to 567.77bp.

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



Sources: CCXAP research

¹ Return measures the year-to-date return since January 1, 2026.

From October 12 to October 16, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Communications Construction Co Ltd changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20261012-20261016)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
CHCOMU 3.65 PERP	China Communications Construction Co Ltd	99.858	PERP	5.329	212.8
XINAOG 4 ½ 05/17/27	ENN Energy Holdings Ltd	99.85	0.578	6.171	195.5
EHICAR 12 09/26/27	eHi Car Services Ltd	47.462	0.94	119.653	182.1
WESCHI 10 ½ 11/11/29	West China Cement Ltd	86.044	3.068	16.427	90
WESCHI 9.9 12/04/28	West China Cement Ltd	88.96	2.132	16.243	85.9
LNGFOR 3 ¾ 04/13/27	Longfor Group Holdings Ltd	97.047	0.485	9.839	80.3
ZHOSHK 5.98 01/30/28	Zhongsheng Group Holdings Ltd	91.414	1.285	13.514	65.3
CHIBIC 6 ½ 05/30/27	Chibi Urban Development Group Co Ltd	102.579	0.614	2.184	49.5
HNYUZI 5.9 06/20/27	Zhongyuan Yuzi Investment Holding Group Co Ltd	100.562	0.671	5.016	46.2
ZOUCAO 6.98 01/14/27	Zoucheng Urban Assets Holding Group Co Ltd	100.14	0.241	6.247	45.2

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

Sources: CCXAP research

Rating Actions: Rating Agencies Took Rating Actions on 9 Chinese Issuers

From October 12 to October 16, rating agencies took positive rating actions on 8 Chinese issuers and negative rating action on 1 Chinese issuer.

Table 3: Rating actions of cross-border issuers (20261012-20261016)

Entity		Sector	Latest Rating			Last Rating			Rating Agency	Reason For Rating / Outlook Change
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating:										
Upgrade	Jinan Tianqiao Industrial Development Group Co Ltd	Chengto u	A-	Stable	2026/10/14	BBB+	Stable	2025/10/14	Pengyu an	The overall credit profile of the Tianqiao District Government has strengthened
	Shanghai Pudong Development Bank Co Ltd	Financia ls	Baa2	Pos	2026/10/15	Baa2	Stable	2026/6/5	Moody's	The company's standalone credit profile has improved steadily and is expected to continue improving over the next 12-18 months

	Shanghai Pudong Dev Bk Co Ltd, SG Branch	Financials	Baa2	Pos	2026/10/15	Baa2	Stable	2026/6/5	Moody's	The company's standalone credit profile has improved steadily and is expected to continue improving over the next 12-18 months
	Shanghai Pudong Dev Bk Co Ltd, LDN Branch	Financials	Baa2	Pos	2026/10/15	Baa2	Stable	2026/6/5	Moody's	The company's standalone credit profile has improved steadily and is expected to continue improving over the next 12-18 months
	Shanghai Pudong Dev Bk Co Ltd, HK Branch	Financials	Baa2	Pos	2026/10/15	Baa2	Stable	2026/6/5	Moody's	The company's standalone credit profile has improved steadily and is expected to continue improving over the next 12-18 months
	Industrial Bank Co Ltd	Financials	Baa2	Pos	2026/10/15	Baa2	Stable	2025/12/17	Moody's	The company's standalone credit profile has improved, and its credit fundamentals are expected to strengthen further over the next 12-18 months
	Industrial Bank Co Ltd, Hong Kong Branch	Financials	Baa2	Pos	2026/10/15	Baa2	Stable	2025/12/17	Moody's	The company's standalone credit profile has improved, and its credit fundamentals are expected to strengthen further over the next 12-18 months
	New Oriental Education & Technology Group Inc	Technology	Baa2	Stable	2026/10/16	Baa3	Pos	2026/3/13	Moody's	The company's consistently stronger-than-expected operating and financial performance

Downgrade	Weibo Corporation	Technology	BBB	Neg	2026/10/14	BBB	Stable	2026/2/6	Fitch	Greater near-term pressure on the Company's profitability
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Source: CCXAP research

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