

CCXAP Weekly Series: Chinese Domestic Bond Market



Week Ending November 21, 2014

1) ISSUANCE AMOUNT OF SHORT-TERM NOTE REBOUNDED, PUSHING TOTAL AMOUNT OF THE DEBT ISSUED GREW SUBSTANTIALLY

For the week ended 21 November, the total amount of debts issued rebounded significantly to 91.55 billion RMB, which was three times of the total amount issued in the previous week. Total issued amount of short-term notes achieved 40.04 billion, whereas the total issued amount of medium-term notes surged to 38.01 billion. Total issued amount of corporate bonds and enterprise bonds was recorded 6.5 billion and 7.0 billion respectively.

TABLE 1: WEEKLY BOND ISSUE AMOUNT

Period		Corporate Bond	Enterprise Bond	Medium-Term Note	Short-Term Note
Period Started	Period Ended	Total Issue Amount(bn)*	Total Issue Amount(bn)*	Total Issue Amount(bn)*	Total Issue Amount(bn)*
17/11/2014	21/11/2014	6.5	7.0	38.01	40.04
10/11/2014	14/11/2014	0	5.1	4.7	18.44
3/11/2014	7/11/2014	7.35	26.4	54.2	23.5
27/10/2014	31/10/2014	1.15	3	16.6	38.025
20/10/2014	24/10/2014	2.26	6.1	36.66	41.87
13/10/2014	17/10/2014	2.45	25.3	41.7	48.79
8/10/2014	11/10/2014	4.5	0	8.2	6.6
28/9/2014	30/9/2014	1.15	0.7	7.65	6.7
22/9/2014	26/9/2014	3.89	10.6	21.25	28.2
15/9/2014	19/9/2014	3.3	25.05	35.53	25.49
9/9/2014	12/9/2014	1.25	22.5	11.75	32.85
1/9/2014	5/9/2014	0	10.35	26.69	33.91
25/8/2014	29/8/2014	3.35	14	15.15	30.2
18/8/2014	22/8/2014	2	45.3	29.45	26

Source of Information: GILDATA

*(bn) = RMB billion

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2) INTEREST RATE SPREAD OF DEBT ISSUED REBOUNDED LED BY THE RISE IN COST OF FUNDING

Compared with last week, yield of the AA+ rating enterprise bond with 7 years maturity was 5.47%, 9bp higher, the interest spread at issue was 184bp, 6bp wider; yield of the AA rating enterprise bond with 7 years maturity was 5.65%, 5bp lower, interest spread was 205bp, 19bp tighter.

Yield of the AAA rating medium-term note with 3 years maturity was 4.82%, its interest spread was 147bp while the yield of the AAA rating medium-term note with 5 years maturity was 5.05%, its interest spread was 158bp. Yield of the AA+ rating medium-term note with 5 years maturity was 5.48%, 28bp higher; the interest spread at issue was 199bp, 25bp wider; yield of the AA rating medium-term bond with 3 years maturity was 6.04%, 41bp higher, its interest spread was 268bp, 33bp wider. The yield of the AA rating 5 years medium-term note was 5.78%, 10bp higher, its interest spread was 230bp, 10bp wider.

The interest rate at issue of AAA rating 1 year short-term note was 4.44%, 34bp lower, its interest spread was 125bp, 25bp wider. The interest rate at issue of AA+ rated 1 year short-term note was 4.50%, 34bp lower, its interest spread was 132bp, 32bp tighter. The interest rate at issue of AA rated 1 year short-term note was 5.06%, 20bp higher; its interest spread was 187bp, 17bp wider.

TABLE 2: AVERAGE INTEREST RATE AT BOND ISSUE (Unit: %)					TABLE 3: INTEREST SPREAD AT BOND ISSUE				
Interest Rate	Tenor	AAA	AA+	AA	Interest Spread	Tenor	AAA	AA+	AA
Enterprise Bond	5 yrs.	---	---	---	Enterprise Bond	5 yrs.	---	---	---
	7 yrs.	---	5.47	5.65		7 yrs.	---	184bp	205bp
Medium-Term Note	3 yrs.	4.82	---	6.04	Medium-Term Note	3 yrs.	147bp	---	268bp
	5 yrs.	5.05	5.48	5.78		5 yrs.	158bp	199bp	230p
Short-Term Note	1 yr.	4.44	4.50	5.06	Short-Term Note	1 yr.	125bp	132bp	187bp
Source of Information: GILDATA					Source of Information: GILDATA				

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