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From October 11 to October 15

The global recovery slowed down, Chinese offshore bond new issuance was weak

Authors

CXXI Overseas Business Department

Mia Zhu 010-66428877-570

llzhu@ccxi.com.cn

Lina Wang 010-66428877-451

jlwang@ccxi.com.cn

CXXAP

Olivia Feng 852-28607132

olivia_feng@ccxap.com

Peter Chong 852-28607126

peter_chong@ccxap.com

Other Contact

Elle Hu 852-28607120

elle_hu@ccxap.com

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Headline: The global recovery slowed down

On October 12, IMF released the latest issue of the World Economic Outlook, predicting that the global economy will grow by 5.9% in 2021, 0.1% lower than the forecast in July. The main reason for the downgrade was the slowdown in the forecast growth of developed economies and low-income developing countries. Among them, the predicted slowdown in the growth of developed economies was due to supply disruption; the predicted slowdown in the growth of low-income developing countries was mainly due to the worsened pandemic. IMF pointed out that although the global economy continues to recover, the pandemic has resumed and economic recovery has weakened. Differences in vaccination and economic support policy have led to continued divergence in recovery in different countries. The divergence of short-term economic trends in different countries will have a lasting impact on medium-term economic performance, and the "discontinuity" caused by the pandemic seems to last longer. The IMF predicted that in 2021, the GDP of developed economies will grow by 5.2% (down 0.4bp), and the GDP of emerging markets and developing economies will grow by 6.4% (up 0.1bp).

Exchange Rate: RMB exchange rate fluctuated downward

The RMB exchange rate declined with the weakening of the US dollar index. As of October 15, the RMB mid-point rate closed at 6.4386.

Interest Rate: Chinese Government Bond yields and US Treasury yields diverged

Chinese Government Bond yields generally increased, while the 1-year Government Bond yields continued to fluctuate downward. This week, inflation, and the expectations that quantitative easing monetary policy will be tightened and the Fed will raise interest rate next year, caused short-term US Treasury yields to maintain an upward trend while long-term bond yields to fall. As of October 15, the yield spread between China and US 10-year note was 139.8bp, widening by 9.7bp from October 8 and narrowing by 86.7bp from the beginning of the year.

Chinese Offshore Bond Market**Primary Market: Chinese offshore bond new issuance was weak, Chengtou companies were the main issuers**

From October 11 to October 15, there were 10 new issues with a total issued volume of USD2.2 billion. Among them, Chengtou companies were the main issuers, which issued a total volume of USD1.1 billion.

Secondary Market: Returns on Chinese USD bonds decreased, real estate bonds had the largest drop

As of October 15, the YTD return on Chinese USD corporate bond index decreased by 28bp from October 8 to -5.40%. The return on investment-grade bond decreased by 8bp to 0.03%, and the return on high-yield bond decreased by 79bp to -18.87%. In terms of sector indices, the returns on real estate bonds continued to drop, decreasing by 93bp from October 8 to -23.26%.

Rating Actions: Credit ratings of several real estate companies were downgraded**Risk Event: Increased default risk on real estate companies****Panda Bond Market: China Power and Poland issued 2 new bonds altogether this week****Special Analysis: The Republic of Poland**

Headline: The global recovery slowed down

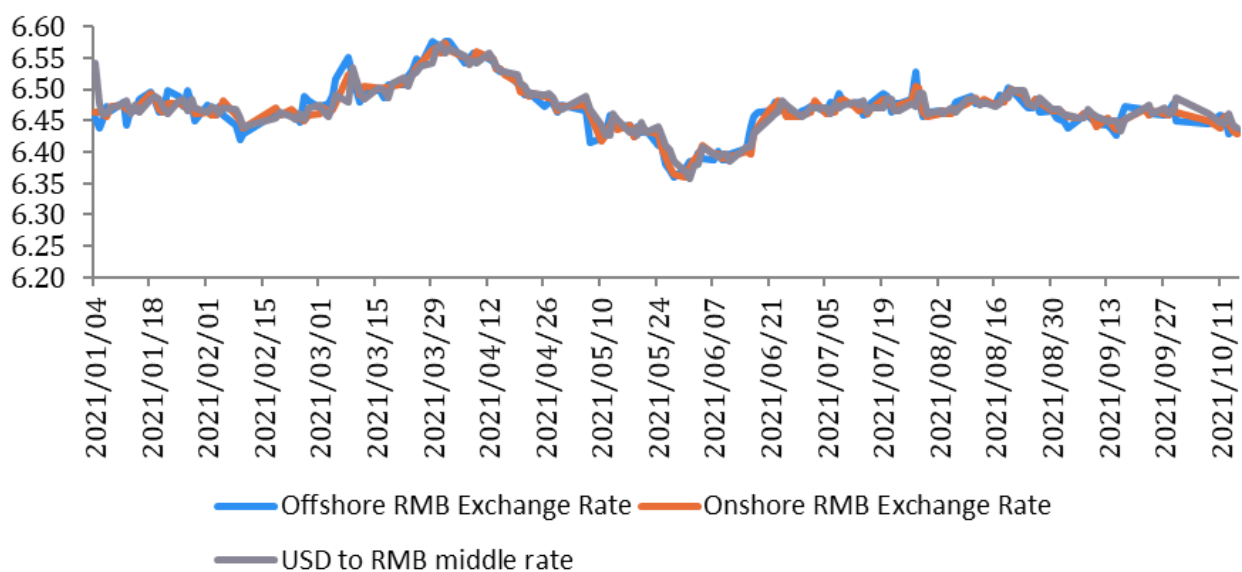
On October 12, the International Monetary Fund (IMF) released the latest issue of the World Economic Outlook, predicting that the global economy will grow by 5.9% in 2021, 0.1% lower than the forecast in July. The main reason for the downgrade was the slowdown in the forecast growth of developed economies and low-income developing countries. Among them, the predicted slowdown in the growth of developed economies was due to supply disruption; the predicted slowdown in the growth of low-income developing countries was mainly due to the worsened pandemic. IMF pointed out that although the global economy continues to recover, the pandemic has resumed and economic recovery has weakened. Differences in vaccination and economic support policy have led to continued divergence in recovery in different countries. The divergence of short-term economic trends in different countries will have a lasting impact on medium-term economic performance, and the "discontinuity" caused by the pandemic seems to last longer.

Specifically, IMF predicts that the GDP of developed economies will grow by 5.2% in 2021 (down 0.4 bp), of which the US economy will grow by 6% (down 1 bp), and the eurozone economy will grow by 5% (up 0.4 bp); emerging markets and developing economies increase by 6.4% (up 0.1bp), of which the five ASEAN countries increase by 2.9% (down 1.4bp). It is predicted that China's economy will grow by 8% in 2021, a slight decrease of 0.1bp from the forecast in July.

Exchange Rate: RMB exchange rate fluctuated downward

The RMB exchange rate declined with the weakening of the US dollar index. As of October 15, the RMB mid-point rate closed at 6.4386, down 218bp from last Friday; the onshore RMB exchange rate decreased by 200bp to 6.4291; the offshore RMB exchange rate declined by 111bp to 6.4345.

Figure 1 : RMB exchange rate

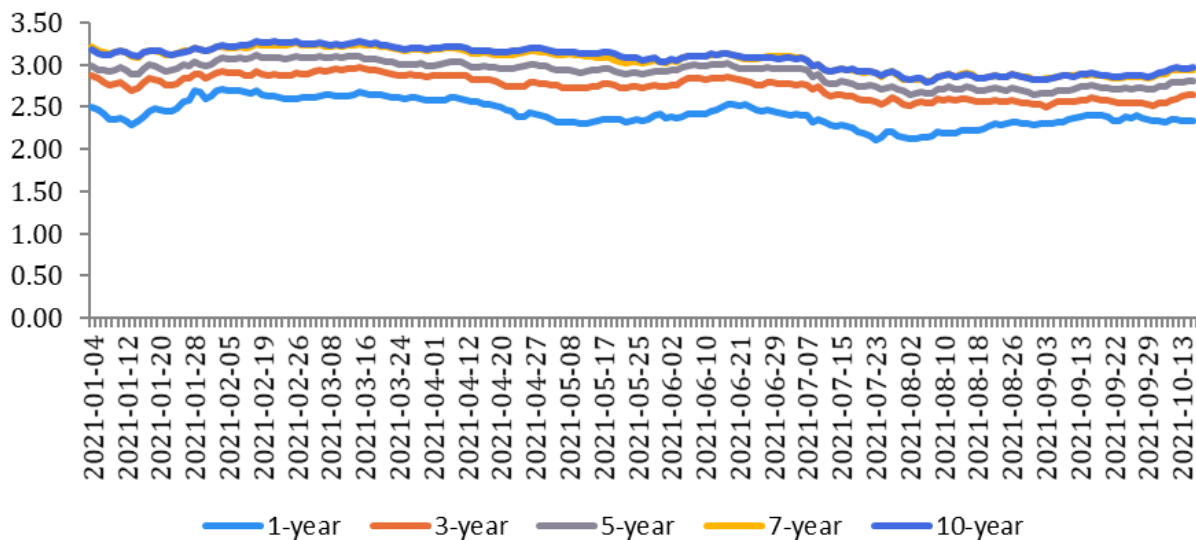


Sources: Wind, CCX research

Interest Rate: Chinese Government Bond yields and US Treasury yields diverged

Chinese Government Bond yields generally increased, while the 1-year Government Bond yield continued to decline. As of October 15, the 3-year, 5-year, 7-year and 10-year Chinese Government Bond yields went up from last Friday, closing at 2.6459%, 2.8155%, 2.9464% and 2.9683% respectively. The 1-year Government Bond yield decreased, closing at 2.3361%, down 0.79bp from last Friday.

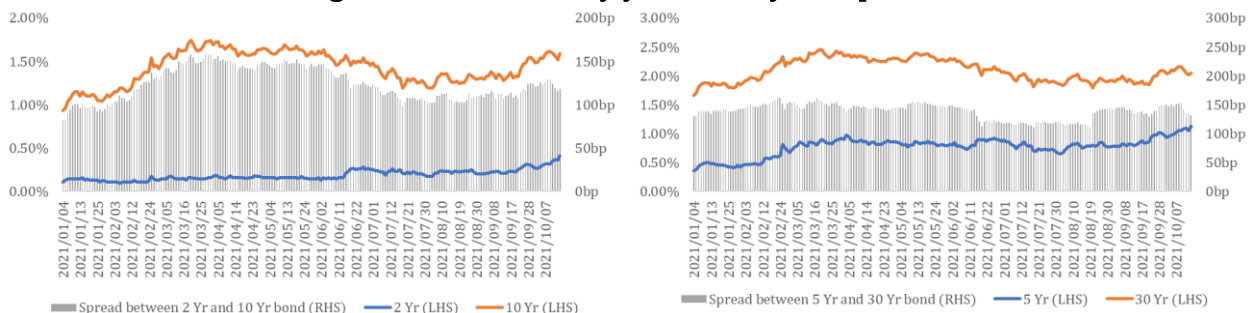
Figure 2 : China Government Bond yields



Sources: ChinaBond.com.cn, CCX research

This week, inflation, and the expectations that quantitative easing monetary policy will be tightened and the Fed will raise interest rate next year, caused short-term US Treasury yields to maintain an upward trend while long-term bond yields to fall. As of October 15, 2-year and 5-year Treasury yields closed at 0.41% and 1.13%, increasing by 9bp and 8bp from October 8; while 10-year and 30-year Treasury yields closed at 1.59% and 2.05%, decreasing by 2bp and 11 bp from October 8, respectively. In terms of Treasury yield spreads, the spread between the 2-year and 10-year was 118bp, narrowing by 11bp from October 8, while the spread between the 5-year and 30-year widened by 20bp to 132bp.

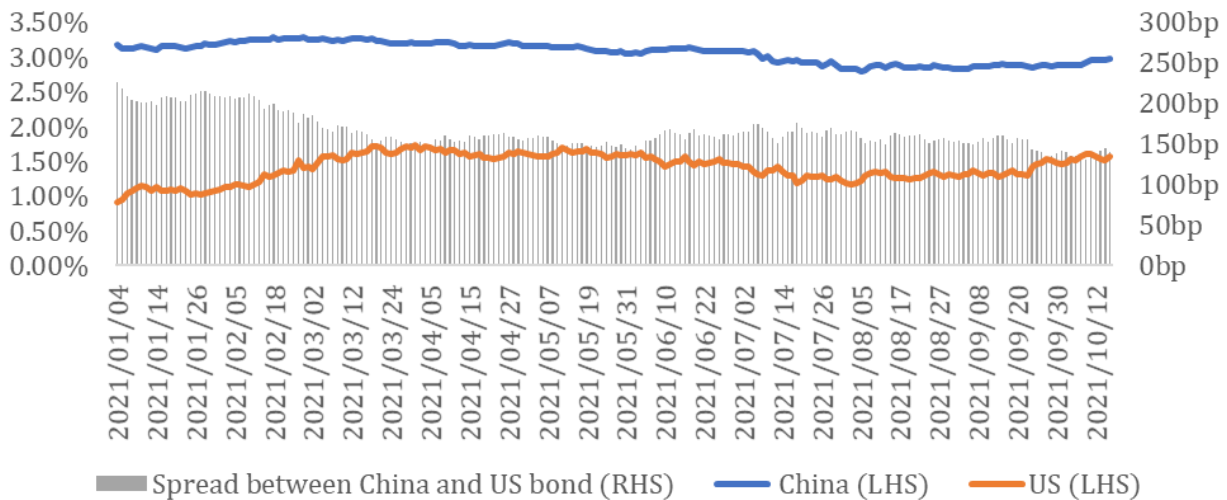
Figure 3 : US Treasury yields and yield spreads



Sources: US Department of the Treasury, CCX research

As of October 15, the yield spread between China and US 10-year note was 139.8bp, widening by 9.7bp from October 8 and narrowing by 86.7bp from the beginning of the year.

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



Sources: Bloomberg, ChinaBond.com.cn, CCX research

Chinese Offshore Bond Market

Primary Market: Chinese offshore bond new issuance, Chengtou companies were main issuers

From October 11 to October 15, there were 10 new issues with a total issued volume of USD2.2 billion. Among them, Chengtou companies were the main issuers, which issued a total volume of USD1.1 billion.

Table 1 : New issuance of Chinese offshore bonds (20211011-20211015)

Pricing Date	Obligor	Currency	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating (Moody's/S&P/Fitch)	Issue Rating (Moody's/S&P/Fitch)
2021/10/12	Beijing Infrastructure Investment Co. Ltd	USD	400	1.35	2024/10/20	3	Chengtou	A1/A+/A+	-/A+/A+
2021/10/12	Dongfeng Motor Group Co Ltd	EUR	725	0.425	2024/10/19	3	Consumer Discretionary	A2/A/A	A2-/A
2021/10/12	Zhuji State-owned Assets Management Co Ltd	USD	520	3.2	2024/10/18	3	Chengtou	Ba1/-/-	-/-/-
2021/10/13	Huatai International Financial Holdings Co Ltd	CNY	32	0	2024/10/25	3	Financials	-/BBB/-	-/-/-
2021/10/13	Huatai International Financial Holdings Co Ltd	USD	7	0	2026/9/30	4.94	Financials	-/BBB/-	-/-/-
2021/10/13	Huatai International Financial Holdings Co Ltd	USD	4	0	2026/9/30	4.95	Financials	-/BBB/-	-/-/-
2021/10/13	Huatai International Financial Holdings Co Ltd	USD	5	0	2026/9/30	4.95	Financials	-/BBB/-	-/-/-
2021/10/13	Huatai International Financial Holdings Co Ltd	USD	8	0	2026/9/30	4.95	Financials	-/BBB/-	-/-/-
2021/10/13	Jiangning Jingkai Overseas Investment Co Ltd	USD	210	2.9	2022/10/19	364D	Chengtou	-/-/BBB	-/-/BBB

2021/10/15	Xinyuan Real Estate Co Ltd	USD	205	14.2	2023/10/15	2	Real Estate	-/-/-	-/-/-
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Sources: Bloomberg, CCX research

From October 8 to October 15, 2 companies announced tap bond offering.

Table 2 : Tap bond offering (20211011-20211015)

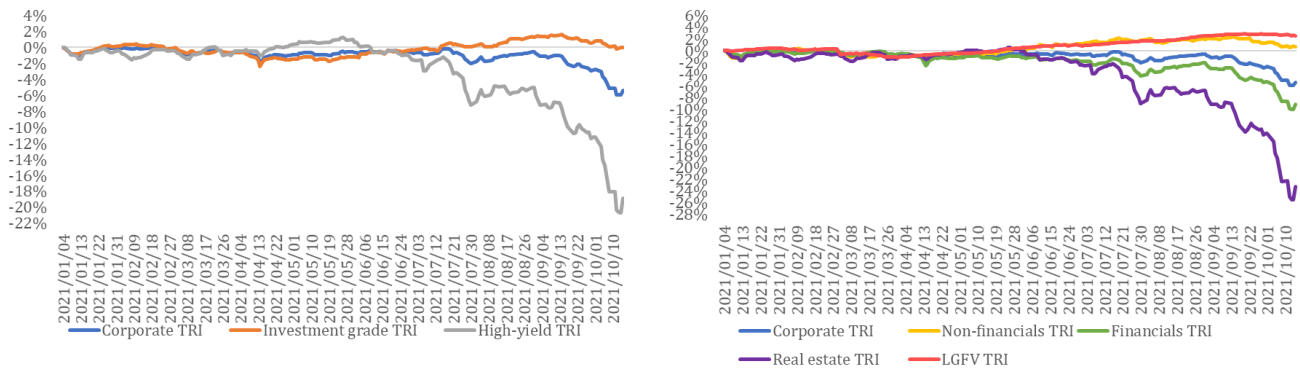
Pricing date	Obligor	Currency	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating (Moody's/S&P/Fitch)	Issue Rating (Moody's/S&P/Fitch)
2021/10/12	Industrial & Commercial Bank of China Ltd/Sydney	AUD	12 (reoffered 3)	1.39	2026/9/25	5.25	Banks	A1/A/A	-/-/-
2021/10/13	Xinhu Zhongbao Co.,Ltd	USD	5 (reoffered 2.5)	11	2024/9/28	3	Real estate	-/B/B-	-/-/-

Sources: Bloomberg, CCX research

Secondary Market: Returns on Chinese USD bonds decreased, real estate bonds had the largest drop

As of October 15, the YTD return¹ on Chinese USD corporate bond index decreased by 28bp from October 8 to -5.40%. The return on investment-grade bond decreased by 8bp to 0.03%, and the return on high-yield bond decreased by 79bp to -18.87%. In terms of sector indices, the returns on financial, non-financial, real estate and Chengtou bonds closed at -9.15%, 0.70%, -23.26% and 2.60%, decreasing by 43bp, 4bp, 93bp and 12bp from October 8, respectively.

Figure 5 : YTD return on Markit IBoxx Chinese USD bond index

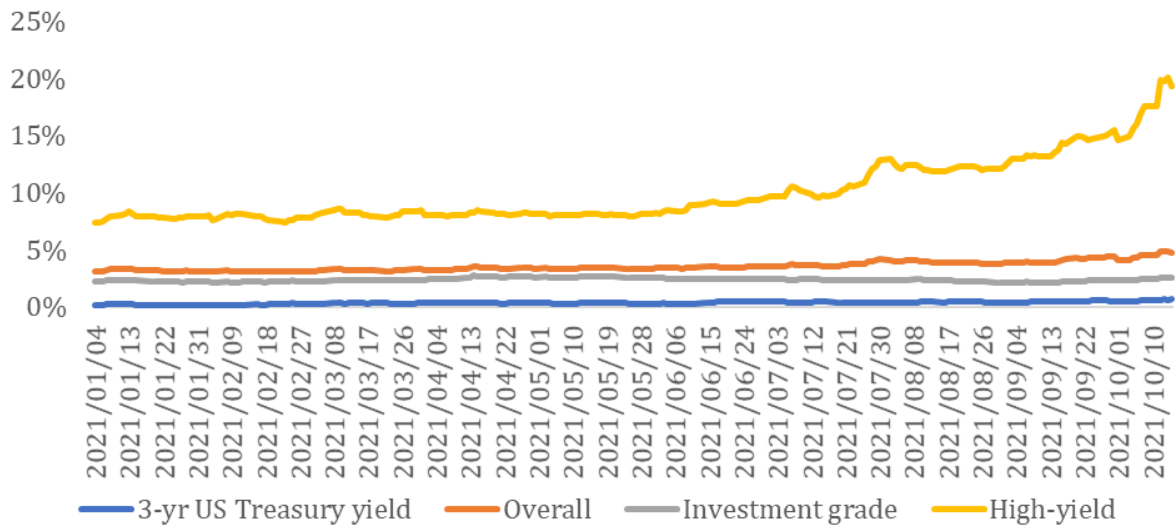


Sources: Bloomberg, CCX research

As of October 15, the yield-to-worst of Chinese dollar bonds rose by 19bp to 4.77% from October 8, of which investment grade bond index rose by 8bp to 2.55% and high-yield bond index rose by 178bp to 19.32% significantly.

¹ Year-to-date return measures the return since January 4, 2021

Figure 6 : Yield-to-worst of Bloomberg Barclays Chinese USD bond index



Sources: Bloomberg, CCX research

Rating Actions: Credit ratings of several real estate companies were downgraded

From October 11 to October 15, the rating agencies took positive rating actions on 1 Chinese issuer and took negative rating actions on 15 Chinese real estate issuers.

Table 3 : Credit rating changes of cross-border bond market (20211011-20211015)

	Entity	Sector	Current Rating			Previous Rating			Rating Agency	Reason of Change
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
International Rating:										
Upgra	Zhoushan City Investment Group Corporation Limited	Chengtou	BBB	STABLE	2021/10/14	BBB-	STABLE	2020/10/22	Fitch	zhoushan city government rating upgraded
	Modern Land (China) Co., Limited	Real Estate	Caa2	RWN	2021/10/11	B2	STABLE	2020/11/2	Moody's	defer the repayment of part of its USD notes
Downgrade	Jiangsu Zhongnan Construction Group Co.,Ltd	Real Estate	B	STABLE	2021/10/12	B+	STABLE	2020/10/9	S&P	Weak Sales Prospects, Tightening Financing Channels
	E-House (China) Enterprise Holdings Limited	Real Estate	B	NEG	2021/10/13	B+	STABLE	2021/8/9	S&P	Tough Operating Conditions and Tightening Liquidity
	Greenland Holdings Corporation Limited	Real Estate	B+	NEG	2021/10/13	BB	STABLE	2021/5/11	S&P	Impaired Funding and Weak Operating Conditions
	Greenland Hong Kong Holdings Limited	Real Estate	B	NEG	2021/10/13	BB-	STABLE	2021/5/11	S&P	Impaired Funding and Weak Operating Conditions

Sinic Holdings (Group) Company Limited	Real Estate	Ca	NEG	2021/10/13	Caa2	RWN	2021/9/28	Moody's	likely default on its USD bond
Modern Land (China) Co., Limited	Real Estate	C	-	2021/10/14	B	STABLE	2021/1/6	Fitch	Distressed Debt Exchange
BCG Chinastar International Investment Ltd	Real Estate	BBB	NEG	2021/10/15	BBB	STABLE	2021/1/6	Fitch	Pressure on real estate sales
Hopson Development Holdings Limited	Real Estate	B2	NEG	2021/10/15	B2	STABLE	2021/9/2	Moody's	Contract sales will decline in the next 6 to 12 months
Beijing Capital Group Co.,Ltd.	Real Estate	BBB	NEG	2021/10/15	BBB	STABLE	2020/10/21	Fitch	Pressure on real estate sales
China Aoyuan Group Limited	Real Estate	B	NEG	2021/10/15	B+	STABLE	2021/4/15	S&P	Elevated Leverage and Tightened Liquidity
Jingrui Holdings Ltd	Real Estate	B2	NEG	2021/10/15	B2	STABLE	2021/9/2	Moody's	Contract sales will decline in the next 6 to 12 months
Leading Holdings Group Limited	Real Estate	B3	NEG	2021/10/15	B3	STABLE	2021/9/9	Moody's	Contract sales will decline in the next 6 to 12 months
RiseSun Real Estate Development Co.,Ltd.	Real Estate	B1	NEG	2021/10/15	Ba3	NEG	2021/9/2	Moody's	tight funding conditions and large debt maturity
Zensun Group Limited	Real Estate	B2	NEG	2021/10/15	B2	STABLE	2021/2/10	Moody's	Contract sales will decline in the next 6 to 12 months

Sources: Bloomberg, Wind, CCX research

Risk Event: Increased default risk on real estate companies

On October 11, Modern Land (China) Co., Ltd ("Modern Land") announced a solicitation of consents to extend its USD250 million senior notes due on October 25, 2021 for three months to January 25, 2022. On October 21, Modern Land announced that it would terminate the consent solicitation for senior notes due in 2021.

On October 15, Xinyuan Real Estate Co., Ltd ("Xinyuan Real Estate") announced that it had completed the exchange offer, and 91% (USD 208 million) of its USD229 million notes due on October 15, 2021 were exchanged for new notes of USD205 million due on October 15, 2023 and USD19 million in cash, at the same time, it also repaid the remaining USD21 million maturing notes.

International rating agencies regarded the tenor extension of Modern Land and exchange offer of Xinyuan Land as Distressed Debt Exchange and downgraded their ratings, because they constituted material reduction in terms and were conducted to avoid a default.

Panda Bond Market: China Power and Poland issued 2 new bonds altogether this week

On October 13, the second tranche of 2021 China Power International Development Limited medium-term notes were successfully issued on the China Interbank Market. China Power raised RMB2 billion through the bond, with a tenor of 3 years and the coupon rate at 3.47 %.

On October 15, the 2021 Series I RMB Bonds (Bond Connect) of the State Treasury of the Republic of Poland were successfully issued on the China Interbank Market. Poland raised RMB3 billion with a tenor of 3 years, at the coupon rate of 3.20%. CCXI assessed AAA to both the bond and its issuer.

Table 4 : New issuance of Panda Bond in 2021 (20210101-20211015)

Issuer	Amount (RMB billion)	Coupon (%)	Issue date	Maturity	Tenor	Bond Type	Issue Market	Local Rating Agency
Republic of Poland	3	3.20	2021/10/15	2024/10/15	3	International Institution Bond	China Interbank Market	China Chengxin
China Power International Development Limited	2	3.47	2021/10/13	2024/10/13	3	MTN	China Interbank Market	Golden Credit Rating
China Mengniu Dairy Company Limited	1.5	2.55	2021/9/28	2021/12/22	0.23	SCP	China Interbank Market	China Chengxin
Daimler International Finance BV	2	3.1	2021/9/27	2023/9/27	2	MTN	China Interbank Market	--
Daimler International Finance BV	2	3.1	2021/9/27	2024/9/27	3	MTN	China Interbank Market	--
New Development Bank	2	3.02	2021/9/17	2026/9/17	5	International Institution Bond	China Interbank Market	China Chengxin
Crédit Agricole S.A.	1	3.14	2021/9/17	2024/9/17	3	Financial Bond	China Interbank Market	S&P China
BMW Finance N.V	2	3.15	2021/9/16	2024/9/16	3	MTN	China Interbank Market	China Chengxin
BMW Finance N.V	1.5	3.1	2021/9/16	2023/9/16	2	MTN	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2.5	2.55	2021/8/30	2021/11/19	0.22	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2.5	2.55	2021/8/30	2021/11/26	0.24	SCP	China Interbank Market	China Chengxin
Far East Horizon Limited	0.7	3.78	2021/8/30	2023/8/30	2	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited	1.2	4.30	2021/8/23	2026/8/23	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Everbright Water Limited	0.8	2.40	2021/8/10	2021/12/8	0.33	SCP	China Interbank Market	Shanghai Brilliance Rating
China Mengniu Dairy Company Limited	0.5	2.50	2021/8/4	2021/10/29	0.24	SCP	China Interbank Market	China Chengxin
China Power International Development Limited	0.5	2.63	2021/8/3	2022/3/1	0.58	SCP	China Interbank Market	China Chengxin
China Everbright Greentech Limited	1	3.50	2021/7/28	2026/7/28	5	MTN	China Interbank Market	Lianhe Credit

Luso International Limited	Banking	1.5	3.28	2021/7/27	2024/7/27	3	Financial Bond	China Interbank Market	Lianhe Credit
China Mengniu Dairy Company Limited		2	2.60	2021/7/27	2021/12/9	0.37	SCP	China Interbank Market	China Chengxin
Beijing Enterprises Water Group Limited		1	3.27	2021/7/14	2026/7/14	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Beijing Enterprises Water Group Limited		1	3.64	2021/7/14	2026/7/14	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Far East Horizon Limited		0.5	3.98	2021/7/12	2023/7/12	2	MTN	China Interbank Market	China Chengxin
Bank of China Group Investment Limited		2.5	3.64	2021/6/24	2024/6/24	3	MTN	China Interbank Market	China Chengxin / Lianhe Credit
China Mengniu Dairy Company Limited		1.2	2.50	2021/6/24	2021/9/17	0.23	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited		0.8	2.65	2021/6/22	2021/12/16	0.48	SCP	China Interbank Market	China Chengxin
China Everbright Limited		4	3.70	2021/6/18	2024/6/18	3	MTN	China Interbank Market	China Chengxin
China Everbright Environment Group Limited		2	3.60	2021/6/15	2024/6/15	3	MTN	China Interbank Market	Lianhe Credit Rating
BMW Finance N.V.		1.5	3.03	2021/6/15	2022/6/15	1	CP	China Interbank Market	China Chengxin
BMW Finance N.V.		2	3.44	2021/6/15	2024/6/15	3	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited		2	4.30	2021/6/11	2026/6/11	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Traditional Chinese Medicine Holdings Co. Limited		1	2.65	2021/5/31	2022/2/25	0.74	SCP	China Interbank Market	--
Hengan International Group Company Limited		1	2.90	2021/5/25	2021/11/23	0.5	CP	China Interbank Market	China Chengxin
Daimler International Finance BV		2	3.77	2021/5/21	2024/5/21	3	PPN	China Interbank Market	--
Daimler International Finance BV		2	3.60	2021/5/21	2023/5/21	2	PPN	China Interbank Market	--
Yuexiu Transport Infrastructure Limited		0.5	3.84	2021/5/13	2028/5/13	7	Corporate Bond	Shanghai Exchange Market	China Chengxin
Yuexiu Transport Infrastructure Limited		1	3.48	2021/5/13	2026/5/13	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
Hengan International Group Company Limited		1	2.90	2021/4/26	2021/10/23	0.5	SCP	China Interbank Market	China Chengxin
Beijing Enterprises Water Group Limited		1.5	3.98	2021/4/23	2029/4/23	8	MTN	China Interbank Market	Shanghai Brilliance Rating
China Power International Development Limited		2	3.54	2021/4/23	2024/4/23	3	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited		1.5	4.40	2021/4/22	2026/4/22	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Mengniu Dairy Company Limited		1	2.50	2021/4/19	2021/6/25	0.18	SCP	China Interbank Market	China Chengxin

Hengan International Group Company Limited	1	3.00	2021/4/15	2021/10/12	0.5	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	1	2.50	2021/4/8	2021/6/25	0.21	SCP	China Interbank Market	China Chengxin
Hengan International Group Company Limited	1	3.08	2021/3/26	2021/9/23	0.5	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2	2.50	2021/3/26	2021/6/24	0.25	SCP	China Interbank Market	China Chengxin
New Development Bank	5	3.22	2021/3/25	2024/3/25	3	International Institution Bond	China Interbank Market	Lianhe Credit Rating
GLP China Holdings Limited	1.5	4.40	2021/3/25	2024/3/25	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Daimler International Finance BV	2	3.80	2021/3/19	2024/3/19	3	PPN	China Interbank Market	--
Daimler International Finance BV	2	3.70	2021/3/19	2023/3/19	2	PPN	China Interbank Market	--
Crédit Agricole S.A.	1	3.50	2021/3/18	2024/3/18	3	Financial Bond	China Interbank Market	S&P China
GLP China Holdings Limited	1.5	4.40	2021/3/18	2024/3/18	3	MTN	China Interbank Market	Shanghai Brilliance Rating
SHC Environment Holdings Ltd.	1.5	3.89	2021/3/15	2026/3/15	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
Asian Development Bank	2	3.20	2021/3/11	2026/3/11	5	International Institution Bond	China Interbank Market	--
GLP China Holdings Limited	1.7	4.37	2021/3/8	2024/3/8	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Power International Development Limited	0.5	3.20	2021/2/8	2021/8/6	0.5	SCP	China Interbank Market	Golden Credit Rating
Yuexiu Transport Infrastructure Limited	1	3.78	2021/1/28	2026/1/28	5	MTN	China Interbank Market	China Chengxin
Yuexiu Transport Infrastructure Limited	1	3.63	2021/1/25	2026/1/25	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
GLP China Holdings Limited	0.7	3.98	2021/1/25	2024/1/25	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Everbright Water Ltd	1	3.75	2021/1/15	2024/1/15	3	MTN	China Interbank Market	Shanghai Brilliance Rating

Sources: Bloomberg, CCX research

Special Analysis: The Republic of Poland

Issuer profile: The Republic of Poland is located on the coast of the Baltic Sea, bordering Germany, Czech Republic, Slovakia, Ukraine, Belarus, Lithuania and Russia. It covers an area of 312,696 square kilometers and has a population of approximately 38.5 million people. It is one of the largest countries in Central Europe. Poland is the country with the largest economic volume in Central and Eastern Europe. It joined the OECD and the European Union in 1996 and 2004, respectively. In the view of CCXI, the economic strength of Poland is very strong. Although the Covid-19 epidemic has caused the Polish economy to shrink, the decline of the Polish economy is much lower than the average level of the EU, and the economy will show a rapid rebound trend from 2021, reflecting a strong economic resistance to shocks. Poland has a complete fiscal system with sufficient fiscal space. The debt servicing pressure is still limited when government debt and fiscal deficits are rising, and Poland's current account can achieve a surplus, and the pressure on external debt repayment is limited. At the same time, CCXI is following closely on the impact of the Polish judicial reform and the removal of the Polish Deputy Prime Minister on the Polish political situation, as well as Poland's long-term issues such as labor shortage and regional development imbalance.

Issuance history: The Republic of Poland is a relatively early participant in the Panda Bond market. It altogether issued 2 bonds, on in the August 2016 and the other October 2021. The two bonds share the same tenor, maturity, issue market and bond type: the tenor is 3 years, of which the first bond has already matured in August 2019; the amount is RMB3 billion, making the total amount Poland raised from the Panda Bond market RMB6 billion; issue market is the China Inter-bank Markets, and the bond type is international institution bond. From the perspective of issuance costs, the coupon rates of the two bonds are 3.20% and 3.40%, the issuance spreads are 97BP and 55BP, respectively. The spread of the new bond hit a record low.

Table 5: Historical Issuance of the Republic of Poland in the Panda Bond Market

No.	Issuer	Issue date	Maturity	Tenor	Amount (RMB billion)	Coupon (%)	Spread (BP)	Use of Proceeds	Bond Type	Issue Market
1	The Republic of Poland	2021/10/15	2024/10/15	3	3	3.20	55	The proceeds of the Bonds issued under the Programme will be remitted offshore and converted into EUR to be consolidated into the Issuer's funding and will be used in the interest of the Issuer. In particular, the proceeds of the 2021 Series I RMB Bonds are to finance budgetary expenditures and other outflows stipulated in the Budget Act for 2021.	International Institution Bond	China Interbank Market

2	The Republic of Poland	2016/8/26	2019/8/23	3	3	3.40	97	The proceeds of the Bonds issued under the Programme will be remitted offshore and converted into EUR to be consolidated into the Issuer's funding and will be used in the interest of the Issuer. In particular, the proceeds of the 2016 Series I RMB Bonds are to finance budgetary expenditures and other outflows stipulated in the Budget Act for 2016.	International Institution Bond	China Interbank Market
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中诚信国际信用评级有限责任公司

地址：北京市东城区朝阳门内大街
南竹竿胡同 2 号银河 SOHO6 号楼
邮编：100020
电话：(8610) 6642 8877
传真：(8610) 6642 6100
网址：<http://www.ccxi.com.cn>

China Chengxin International Credit Rating Co., Ltd
Address: Building 6, Galaxy SOHO,
No.2 Nanzhugan hutong, Chaoyangmennei Avenue,
Dongcheng district, Beijing, 100020
Tel: (8610) 6642 8877
Fax: (8610) 6642 6100
Website: <http://www.ccxi.com.cn>



中国诚信(亚太)信用评级有限公司

地址：香港中环康乐广场 1 号
怡和大厦 19 楼 1904-1909 室
电话：(852) 2860 7111
传真：(852) 2868 0656
网址：<http://www.ccxap.com>

China Chengxin (Asia Pacific) Credit Ratings Company Limited
Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong
Tel: (852) 2860 7111
Fax: (852) 2868 0656
Website: <http://www.ccxap.com>