



CENTRAL BANK SEMINAR

ASIA (CHINA AND JAPAN) FIXED INCOME

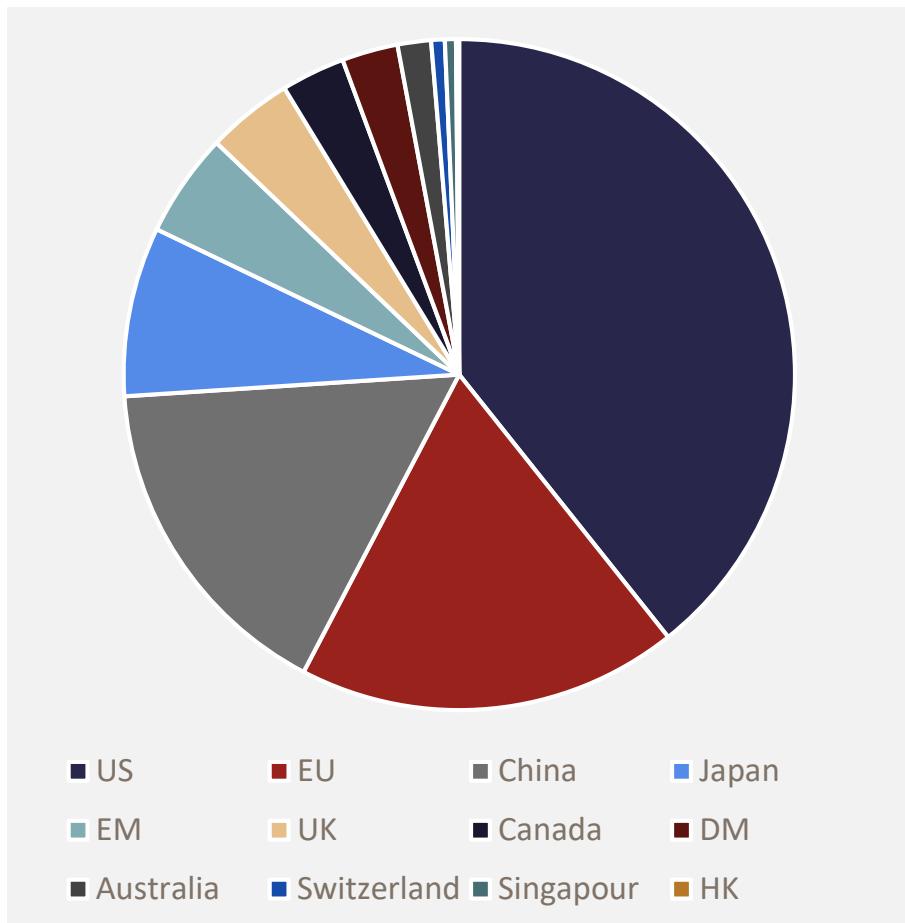
OCTOBER 2025

MARKET OVERVIEW

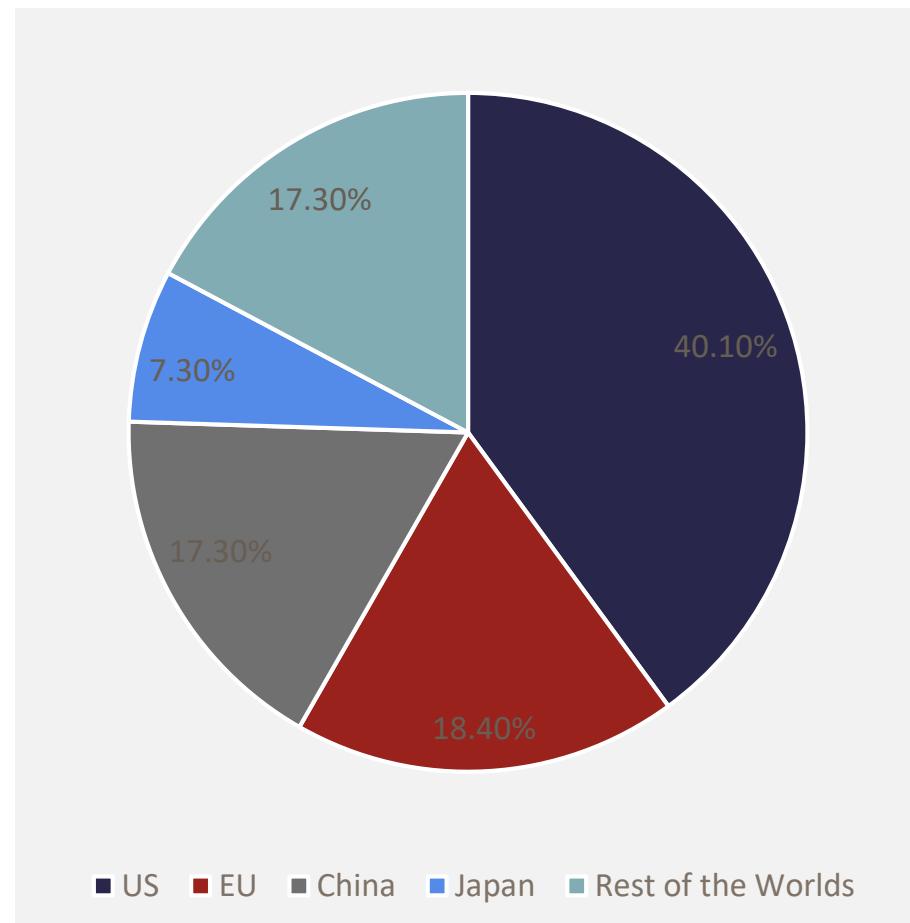
GLOBAL FIXED INCOME MARKET OUTSTANDING

As of the end of 2024 the size of the global fixed income market exceeded \$145tn growing by over \$65tn over the 2013-2024 period

The size of the US part has grown to over \$60.1tn



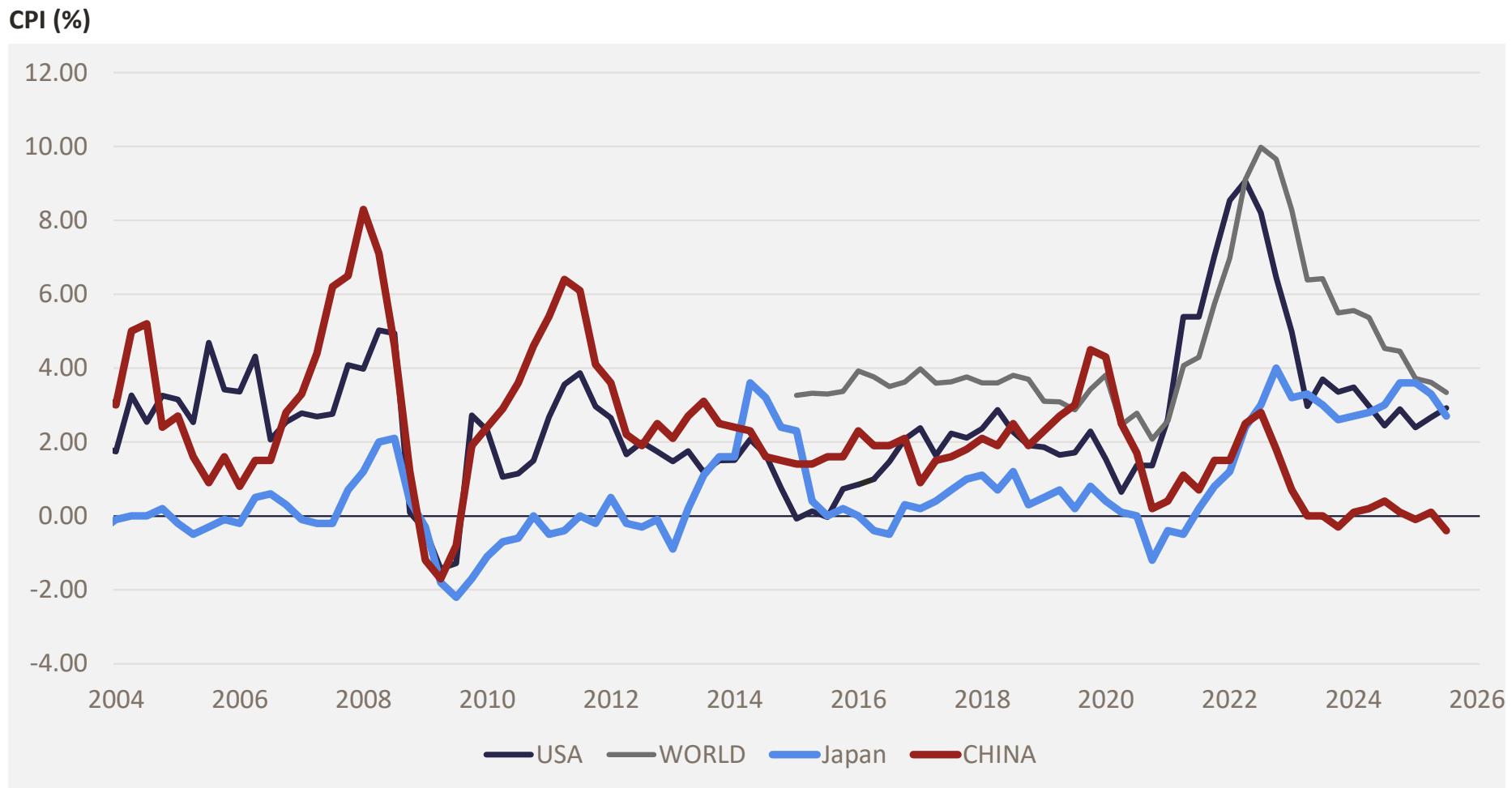
US accounts to 40.1% whilst China accounts for 17.10% and Japan 7.30%



Source: BIS,SIFMA, September 2025

INFLATION

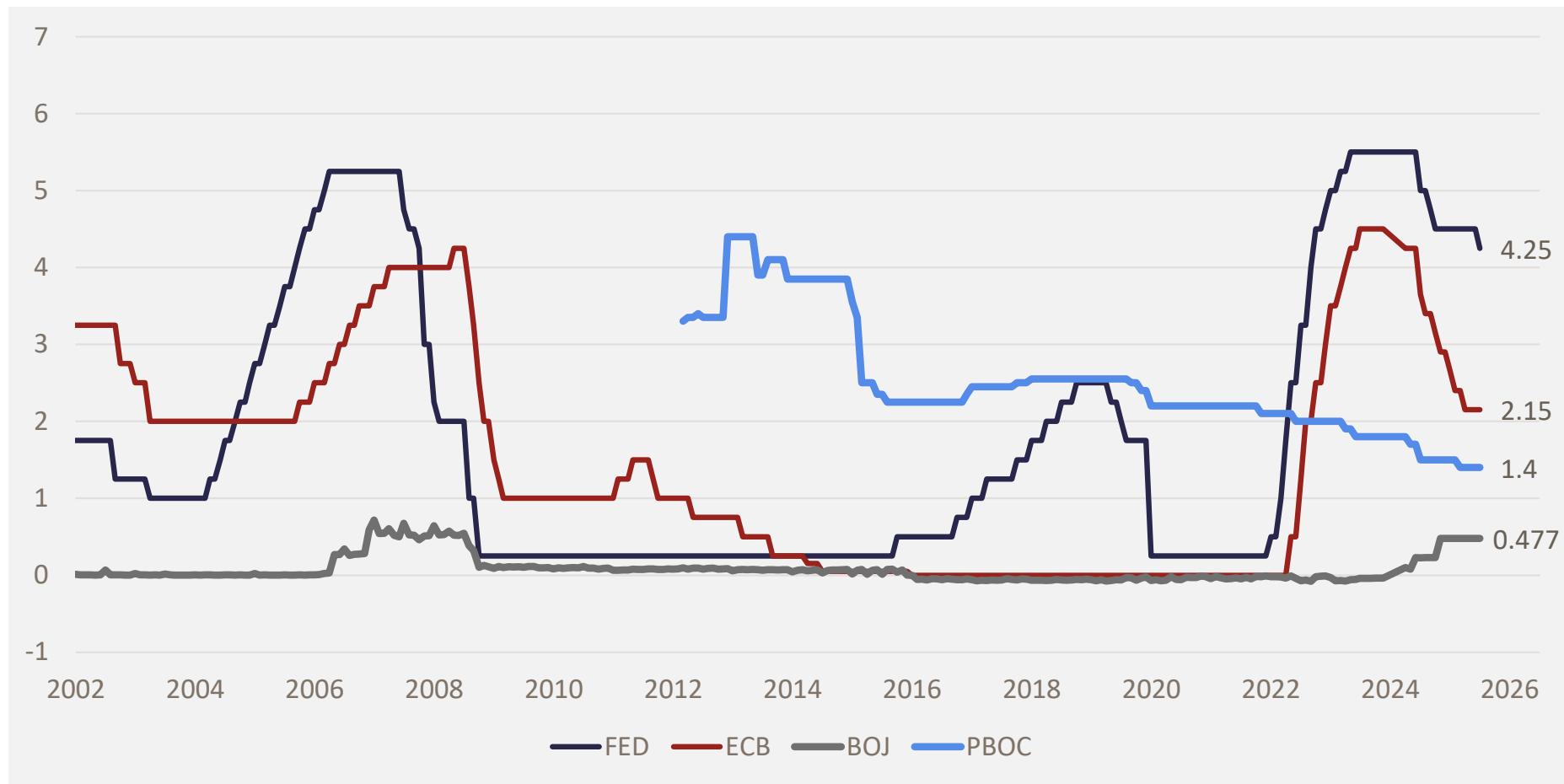
Geopolitics (tariffs) fixing long-term positive correlations



Source: Bloomberg, September 2025

CENTRAL BANKS WHO 'GO' THE OTHER WAY

.. however, this yet must be reflected in monetary policies



Source: CAIM, Bloomberg, September 2025

COMPLEX GLOBAL FINANCIAL SYSTEM

Negatively correlated assets welcomed

Monthly returns and proportional price changes, last three years

	UST	US IG Corps	US IG 5y CDS	US HY 5y CDS	SP500	TOPIX	MSCI World	CNY	JPY	MXN	ZAR
UST	1	0.98	0.00	0.05	0.07	0.22	0.04	-0.29	-0.30	-0.02	-0.11
US IG Corps		1	0.04	0.01	0.03	0.21	-0.01	-0.35	-0.36	-0.06	-0.15
US IG 5y CDS			1	-0.95	-0.92	-0.67	-0.94	-0.33	-0.43	-0.56	-0.33
US HY 5y CDS				1	0.91	0.65	0.93	0.38	0.50	0.48	0.34
SP500					1	0.67	0.99	0.34	0.34	0.46	0.39
TOPIX						1	0.68	0.02	-0.07	0.45	0.14
MSCI World							1	0.41	0.41	0.51	0.43
CNY								1	0.73	0.11	0.54
JPY									1	0.17	0.43
MXN										1	0.22
ZAR											1

Daily returns and proportional price changes, 2024

	UST	US IG Corps	US IG 5y CDS	US HY 5y CDS	SP500	TOPIX	MSCI World	CNY	JPY	MXN	ZAR
UST	1	0.97	-0.07	0.14	0.11	-0.16	0.14	0.31	0.55	0.14	0.26
US IG Corps		1	-0.23	0.29	0.24	-0.03	0.30	0.26	0.52	0.20	0.30
US IG 5y CDS			1	-0.90	-0.73	-0.21	-0.76	0.08	0.00	-0.35	-0.27
US HY 5y CDS				1	0.81	0.21	0.83	-0.06	0.02	0.43	0.34
SP500					1	0.32	0.96	-0.17	-0.11	0.35	0.21
TOPIX						1	0.44	-0.40	-0.29	0.06	0.06
MSCI World							1	-0.14	-0.05	0.37	0.27
CNY								1	0.54	-0.03	0.22
JPY									1	-0.02	0.23
MXN										1	0.21
ZAR											1

Sources: ICE, S&P Global, Bloomberg, CAIM, August 2024. Indices based at 100 on 31st December 2023.

Post covid era of excessive risk culture reflected in growing inter-asset correlations. Risk appetite ‘promoted’ by extremely loose monetary policies and supported by central banks’ growing balance sheet.

The aggressive normalisation in rates applied by some key central banks (the FED, the ECB, the BoE and BoC) left the JPY as the main funding currency.

Market used the interest differential as a key argument to run unhedged funding strategies. The August aggressive JPY repricing turned long-term inter-assets correlations upside down.

NOT RISK FREE

Credit premia remain stable

	N	Name (5Y CDS)	Spread	Change	#SD	Low	♦ Avg	● Now	High	Avg	+/-	Chg	
Americas													
9)	N	United States	44.01	+0.27	+0.9	34.5	—	●	—	59.0	40.9	+3.1	+9.4
10)	N	Brazil	136.04	+0.10	--	123.9	●	●	—	332.5	196.3	-60.2	-32.6
11)	N	Colombia	193.89	-0.58	-0.2	133.8	—	●	—	397.4	222.5	-28.6	+55.6
12)	N	Mexico	89.05	-0.25	-0.1	81.7	●	●	—	207.3	118.7	-29.7	-6.0
13)	N	Canada	21.71	-0.05	-0.1	20.4	●	●	—	41.6	28.2	-6.5	-0.1
EMEA													
19)	N	United Kingdom	23.11	+0.09	+0.2	11.9	—	●	—	26.7	21.2	+1.9	+11.1
20)	N	France	42.23	-0.05	-0.1	19.8	—	●	—	47.3	29.6	+12.7	+19.5
21)	N	Germany	9.86	+0.08	+0.3	8.2	●	●	—	30.7	14.3	-4.4	-1.3
22)	N	Italy	40.52	+0.11	+0.1	36.1	●	●	—	181.6	86.3	-45.8	-34.4
23)	N	Spain	26.89	-0.02	--	25.0	●	●	—	41.9	33.8	-6.9	-5.3
24)	N	Portugal	22.58	+0.15	+1.9	20.9	●	●	—	31.3	27.3	-4.7	-6.3
25)	N	Sweden	10.43	-0.06	-0.3	10.2	●	●	—	13.3	11.4	-1.0	--
26)	N	Netherlands	10.79	+0.13	+0.9	10.4	●	●	—	13.7	12.7	-1.9	+0.4
27)	N	Switzerland	9.75	-0.02	-0.1	5.7	●	●	—	28.0	11.1	-1.4	+2.9
28)	N	Greece	42.68	+0.11	+0.3	39.1	●	●	—	62.9	56.8	-14.1	-17.0
Asia/Pacific													
29)	N	Japan	19.50	-0.03	-0.1	16.3	●	●	—	34.0	22.1	-2.6	+0.9
30)	N	Australia	12.45	-0.04	-0.1	10.8	●	●	—	39.3	19.9	-7.5	-2.3
31)	N	New Zealand	13.26	-0.05	-0.2	11.1	●	●	—	40.2	21.3	-8.0	-5.1
32)	N	South Korea	24.02	-0.05	-0.1	17.6	●	●	—	76.1	34.8	-10.8	+5.6
33)	N	China	38.81	-0.09	-0.1	32.8	●	●	—	136.5	63.9	-25.1	+1.9

Source: Bloomberg LLP, October 2025

*Bloomberg function 'SOVR'



JAPAN'S FIXED INCOME MARKET – THE TRADITIONAL MODEL DOESN'T WORK

Bank of Japan

Policy	Latest BOJ Decision	Next BOJ Decision	Toolbox
Policy	September 19, 2025	October 30, 2025	BOJ Policy Rate
Members			ECFC Analyst Forecasts
Contact BOJ			WIRP Implied Probability
Activity			AVAT BE Spectrometer
Latest BOJ Decision			
Monetary Base (Yen tn)	623.332	Overnight Call Rate	0.477
Monetary Base (yoy %)	-6.20	3M Euro-Yen Rate	0.386
Past Decisions		Futures Implied Rate	
Statements		December 2025	--
Minutes		March 2026	--
Release Calendar		June 2026	--
Website		BE Japan Primer	
Operations		XLTP OIS Implied Probability Calcula...	
News from BOJ		BE Global Stimulus Measures	
Monthly Report			
Schedule			
Aggregates			
Money Stock		FX Rates	
Bank Lending		ALLX FX Volume	
BOJ Reserves		ALLX Effective Exchange Rates	
Flow of Funds, Households		ALLX BOJ Tokyo Spot	
Repo Rate		ALLX BOJ Recommended Exchange R...	
Gov't Debt			
BOJ Accounts		Leading Indicators	
BOJ Asset Purchase Program		GP Consumer Sentiment DI	
		GP MOF BSI Manufacturing	
		ECST ESRI Eco Watch Survey	
		ECST BOJ Tankan Survey	
		CN Senior Loan Officer Survey	
		HTTP ESRI Bus. Cycles	
		HTTP Economic Outlook	
		HTTP Regional Economic Report	

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News

- [101] Yen Carry Trade Is Back on Radar as Takaichi Jolts Markets (1) BN 10:40
- [102] Yen Gains From BOJ Hikes Are Increasingly More Distant BW 09:24
- [103] Takaichi Adviser Says October Too Early for BOJ Rate Hike (2) BN 02:11
- [104] Global Forex and Fixed Income Roundup: Market Talk DJ 10:57
- [105] Yen Carry Trade Is Back on Radar as Takaichi Jolts Markets (1) BN 10:40
- [106] Japan's Takaichi Overcomes Early Test: Evening Briefing Asia BN 10:31
- [107] Kyodo: FOCUS: Takaichi's LDP win may send Nikkei to 50,000, but ... KYW 10:19
- [108] Nikkei Could Hit 50000 as Japan Stays Attractive Under Takaichi -- DJ 09:39
- [109] Yen Gains From BOJ Hikes Are Increasingly More Distant BW 09:24
- [110] Japan 30-Year Bond Sale Demand Calms Nerves After Market Jolt BN 09:20
- [111] 30-Year JGB Sale Eases Jitters; Yen Edges Lower: Inside Japan BW 06:41
- [112] Japan's stock market powers to a fresh record on a new leader, b BN 06:39

BOJ Monetary Policy Board (July 2025)

SUSTAINABLE INFLATION

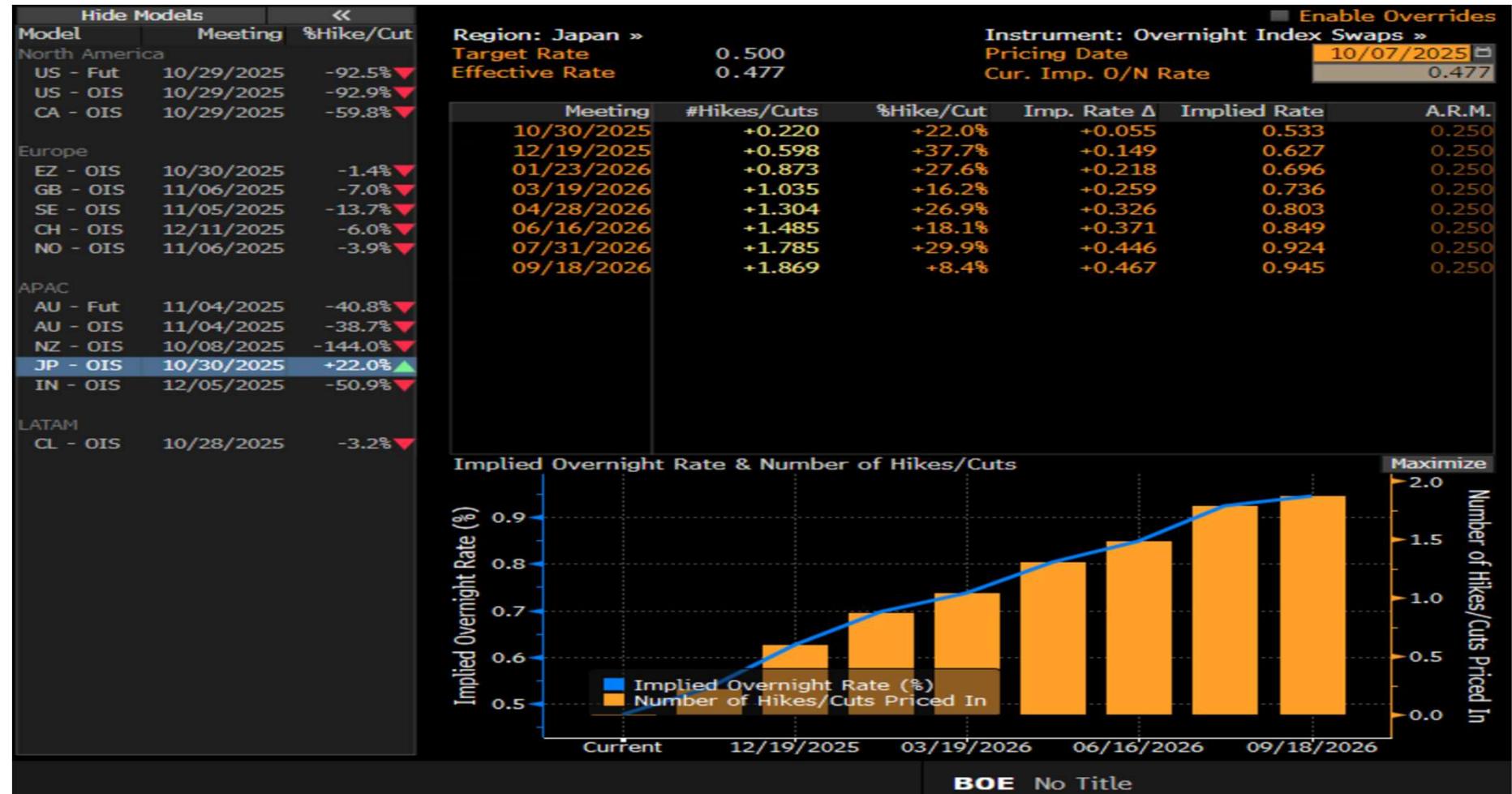


Source: Bloomberg LLP, CAIMI, , October 2025

*Bloomberg function 'BOJ' & 'AVAT'

YEN RATES - TRAJECTORY DIVERGENCE

The BoJ has been the only central bank in developed world expected to increase rates



Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'WIRP'

Foreign investors monitoring the government bond market but focused more on the IRS market

In transition. Moving from Z-Tibor to TONA

JGBs			JPY OIS		OSE TONA Futures			JPY Deposits		YEN CDs				
1Y	0.733	+0.005	1Y	0.74073	+0.00198	JOA1	99.493	+0.000	1W	0.290	0.490			
2Y	0.913	+0.008	2Y	0.91000	+0.00250	JOA2	99.335	-0.005	2W	0.300	0.500			
3Y	1.011	+0.013	3Y	1.02125	-0.00075	TFX TONA Futures			1M	0.320	0.520			
4Y	1.151	+0.013	4Y	1.10000	+0.00000	YP01	99.445	+0.000	2M	0.350	0.550			
5Y	1.219	+0.015	5Y	1.16625	-0.00275	YP02	99.309	+0.000	3M	0.400	0.600			
7Y	1.477	-0.001	7Y	1.30100	-0.00950	O/N Call (MUTAN)			6M	0.560	0.750			
10Y	1.685	-0.007	10Y	1.51875	-0.02125	BID/ASK	0.4770	0.5000	9M	0.620	0.820			
20Y	2.705	-0.001	20Y	2.23000	-0.03125	LAST/CHG	0.4750	+0.0000	1Y	0.760	0.960			
30Y	3.298	-0.008	30Y	2.56750	-0.03850	TORF		JPY OIS <1Y		JGBs Compound				
40Y	3.527	-0.017	40Y	2.70000	-0.04000	1M	0.490	+0.000	1M	0.49493	1Y	0.727	-0.052	
D TIBOR		Spot FOREX		ISDA Fallback LIBOR		3M	0.545	-0.048	2M	0.51300	2Y	0.906	-0.036	
1W	0.49636	JPY	150.7800	0/N	0.45208	6M	0.654	+0.000	3M	0.54136	3Y	0.987	-0.028	
1M	0.61182	EUR	1.1669	1W	0.45067				6M	0.61800	4Y	1.118	-0.027	
3M	0.81909	GBP	1.3441	1M	0.44132	Equity Indices					5Y	1.201	-0.020	
6M	0.88091	SFS	0.7978	2M	0.46619	NKY	47950.88	+6.12			7Y	1.421	+0.007	
1Y	0.85727	€/JPY	175.9500	3M	0.47923	TPX	3227.91	+1.85			10Y	1.686	-0.006	
JGB Futures		AUD	0.6596	6M	0.52913	Crude Oil					20Y	2.674	+0.072	
JBA	135.79	-0.08	AUD/JPY	99.4450	1Y	0.56169	NYM WTI	61.64	-0.05			30Y	3.197	+0.108
JJAA	104.87	+0.09									40Y	3.440	+0.114	
Forward Rates - LECO														

Source: Bloomberg, CAIM, , October 2025

*Bloomberg function 'BTMM JN'

JGB OWNERSHIP STRUCTURE

The ownership structure should offer BoJ a fair amount of monetary independence.

'One man show'

Managing Firm Name	Held Amount (M)	% of Tot	# Securities
1) BANK OF JAPAN/THE	3,725,409,712.50	87.98	328
2) GOVT PENSION INVST FUND JAPAN	389,142,297.01	9.19	340
3) VANGUARD GROUP	33,615,786.20	.79	321
4) BLACKROCK	9,620,973.75	.23	353
5) HSBC	5,434,789.15	.13	307
6) ALLIANZ SE	5,239,873.24	.12	112
7) STATE STREET CORP	4,019,517.47	.09	308
8) MIZUHO FINANCIAL GROUP INC	3,760,782.87	.09	309
9) SUMITOMO MITSUI FINANCIAL GROUP	3,420,287.91	.08	285
10) FMR LLC	3,406,422.35	.08	146
11) CAPITAL GROUP COMPANIES INC	3,111,772.77	.07	59
12) JP MORGAN CHASE & CO	2,995,539.28	.07	210
13) UBS AG	2,939,812.31	.07	305
14) ROYAL BANK OF CANADA	2,732,745.49	.06	252
15) CREDIT AGRICOLE GROUP	2,524,709.28	.06	335
16) AVIVA GROUP	2,510,833.25	.06	288
17) NOMURA	2,142,852.80	.05	325
18) CREDIT SUISSE GROUP AG	2,007,883.73	.05	264
19) ZURCHER KANTONALBANK (ZURICH CAN	1,904,160.26	.04	306
20) ABERDEEN GROUP PLC	1,396,372.73	.03	107
21) DIMENSIONAL FUND ADVISORS LP	1,265,853.86	.02	81

Source: Bloomberg LLP, CAIM, , October 2025

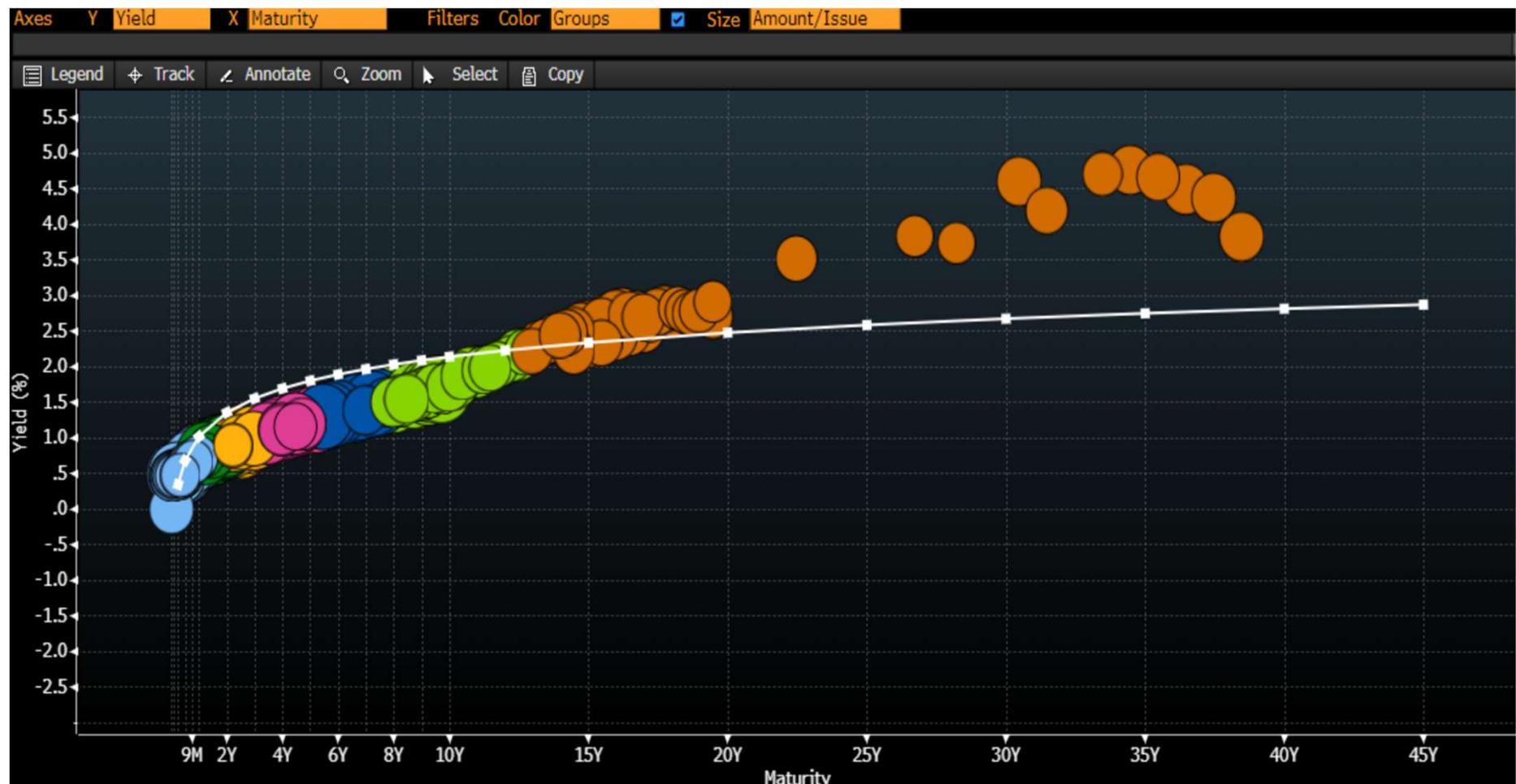
*Bloomberg function 'DEBT'

The BoJ Maturity distribution



JGB THE STEEPEST CURVE IN YEARS

Despite domestic ownership the upward pressure on yields persists



Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'FIW'

INTEREST RATE DIFFERENTIAL ROLLER COASTER

The 2 year UST versus the 2 year JGB differential over the last decade



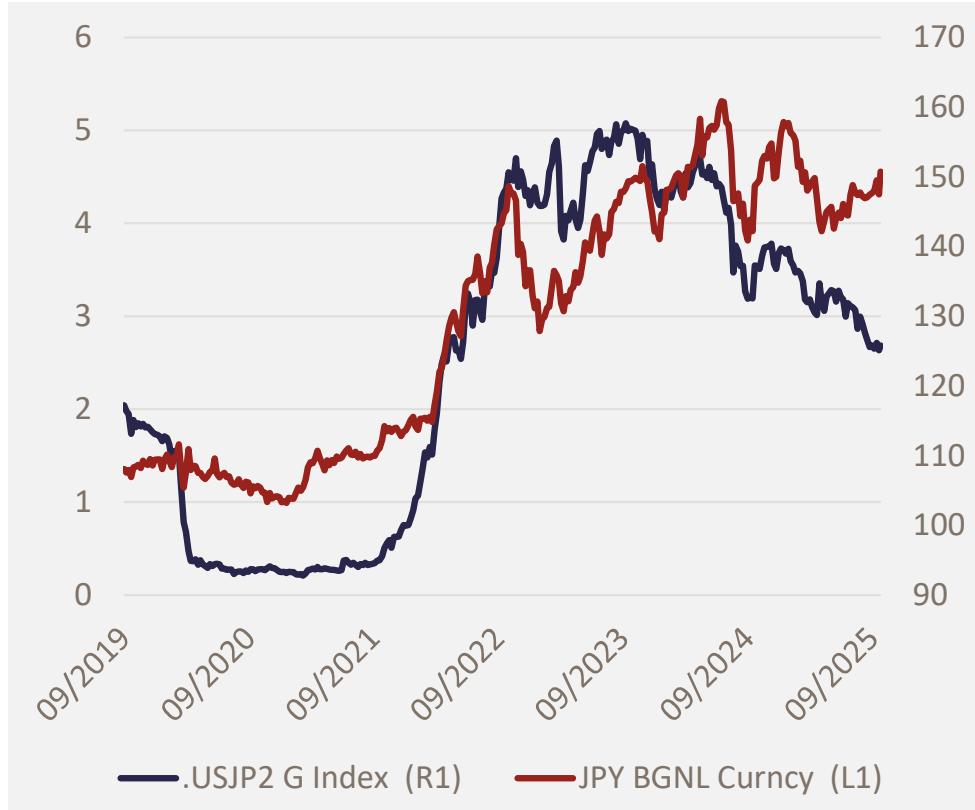
Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'ISIN 1 + ISIN 2 + HS'

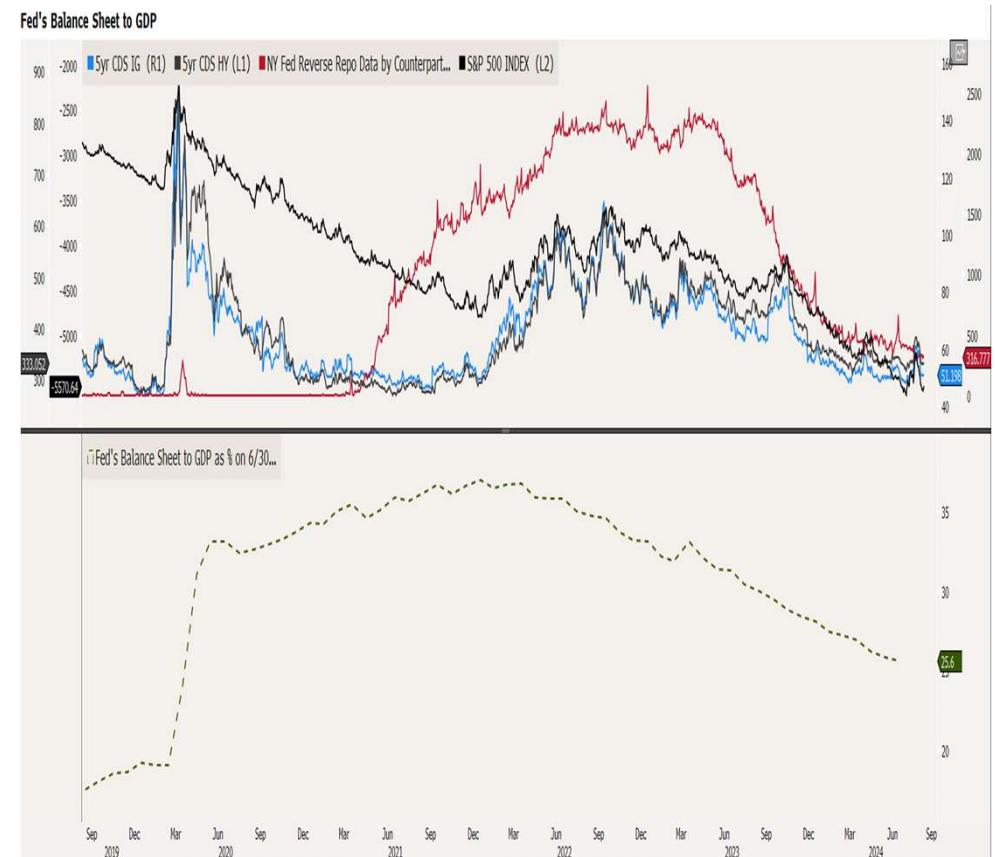
INTEREST RATE DIFFERENTIAL TOO BIG TO IGNORE

The FED applied one of the most aggressive monetary policy normalisations in history but policed risk through the balance sheet

US-Japan interest rate differential ballooned



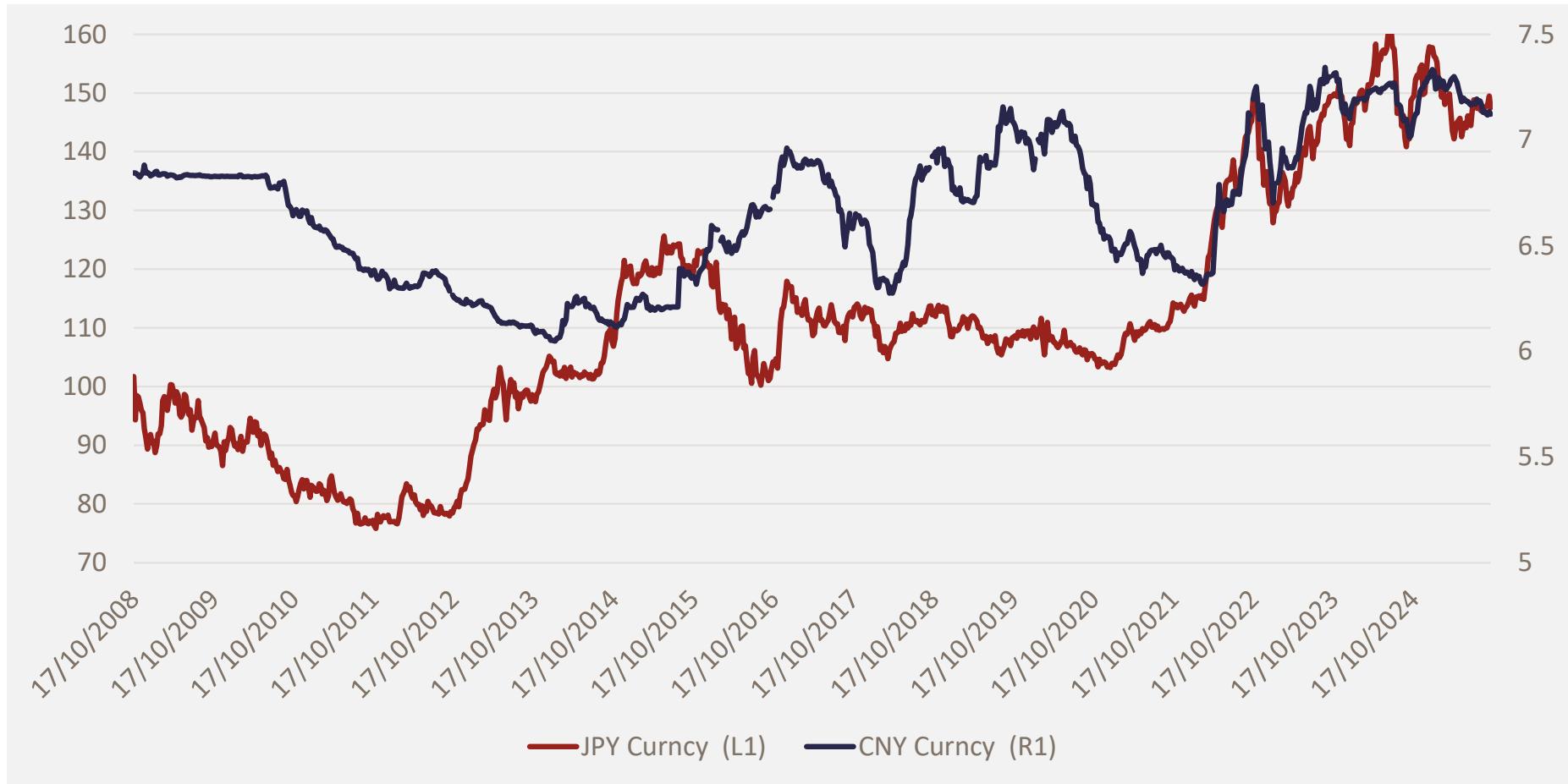
While CBs balance sheets have promoted risk taking culture



Source: Bloomberg LLP, CAIM October 2025

FX – THE WEAK AND THE WEAKER

And the price BOJ pays is the FX stability



Source: Bloomberg LLP, September 2025

FX – STABILITY DOES MATTER

FX rate behaviour one of the key measures of investors' confidence



Source: Bloomberg LLP, September 2025



CHINA'S FIXED INCOME MARKET – THE TRADITIONAL MODEL STILL WORKS

PBOC AND OLD CENTRAL BANK MODEL

PBoC remains in full control

Policy		Latest PBOC Decision		Next PBOC Decision	
Policy	Members	May 07, 2025		--	
 Contact PBoC		Announced Res. Req.	9.00 (50 bp Cut)	Deposit Rate	1.50
PBoC Activity		Reserve Req. Ratio	9.00	1Y Prime Rate	3.00
PBoC Decisions		FX Rate (USDCNY)	7.1214	5Y Prime Rate	3.50
Statements		Daily CNY Fixing Mid Rate	7.1055	7-Day Repo Rate	1.4376
Release Calendar					
Website					
Operations					
TOP PBOC News					
Aggregates					
Money Supply					
Reserve Money					
Foreign Reserves					
Loans					
Deposits					
Gov't Auctions					
PBoC Auction					
Repo Rates					
Repurchase Notes					
Gov't Debt					

Inflation Target (3%)

Inflation Rate (%)	BE China Primer
-0.40	BE PBOC Primer

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News

- 100) China's Central Bank Extends Gold-Buying Streak to 11 Months BN 03:13
- 101) China Official Reserves Rise to Highest Since July 2015 BFW 03:05
- 102) Fed Set to Drive Global Rate Cuts as Europe Shifts to Pause BN 10/06
- 103) US Stock Futures Waver; Gold Retreats From Record: Markets Wrap BN 10:21
- 104) China's Forex Reserves Rose for Second Straight Month in Septemb... DJ 03:34
- 105) *China End-Sep Foreign Exchange Reserves Rose \$16.5B on Month DJ 03:15
- 106) *China End-Sep Foreign Exchange Reserves \$3.339T vs \$3.322T at ... DJ 03:15
- 107) China's Central Bank Extends Gold-Buying Streak to 11 Months BN 03:13
- 108) China's End-September Forex Reserves at \$3.3387 Tln (Table) BN 03:07
- 109) China End-Sept. Forex Reserves at \$3.3387T; Est. \$3.3320T BFW 03:07
- 110) China Official Reserves Rise to Highest Since July 2015 BFW 03:05
- 111) *CHINA ADDS TO STATE GOLD RESERVES FOR 11TH STRAIGHT MONTH BN 03:05
- 112) Fed Set to Drive Global Rate Cuts as Europe Shifts to Pause BN 10/06

Forecast	2021	2022	2023	2024	2025	2026	2027
Real GDP (yoy%)	8.40	3.10	5.40	5.00	4.80	4.20	4.00
CPI (yoy%)	0.92	1.96	0.24	0.24	0.05	0.80	1.25
Unemployment (%)	3.96	--	--	--	5.20	5.10	5.10

Toolbox

China Interest Rates

ALLX PBOC Deposit Rates

BTMM China Bond Mkt.

ALLX SHIBOR Fixings

INBK CHIBOR

CG Government Bond Curve

CG Onshore OIS Curve

CG NDIRS Swap Curve

FWCM Forward Curve Matrix

FX Market

CFET CFETS Rates

Leading Indicators

GP Leading Indicator

GP OECD Index

GP OECD Index (yoy%)

ECST Business Climate

ECST Entrepreneur Climate Index

ECST Manuf. PMI

ECST Bankers' Confidence and Banki...

ECST Urban Confidence on Income an...

ECST Consumer Confidence

ECST Inventory & Order Index

ECST Industrial Production

Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function "

CHINESE SOPHISTICATED 'HYBRID'

A journey to a 'free market' model

1) Foreign Exchange		2) RMB Overview		3) CNH		4) Money Markets		5) IRS		6) Fixed Income		7) Commodities					
MM	SHIBOR	Repo	NCD Curve	Onshore Money Markets	Onshore Repo Markets	CMPN						CFETS-NEX		CFETS-NEX			
Repo Rates		Bid	Ask	PBOC Monthly		Current		Last				CFETS-NEX		CFETS-NEX			
1D	1.5500	1.6000	1Y Savings			1.5000	7D	1.40				ON	1.8800	1.9800	ON	4.0000	4.0700
7D	1.4413	1.4413	1Y Lending			4.35	14D					1W	2.0000	2.1000	1W	4.0000	4.0800
14D	1.6700	1.6700	CNY Reserve			37185.60	PBOC Repo Vol					2W	2.0200	2.1200	2W	4.0000	4.0800
3W	1.6200	1.6200	Gold			74.06	7D	242.20				1M	1.9000	2.0000	1M	4.0500	4.1200
1M	1.9500	2.0500	Foreign FX			3338.66	14D	600.00				2M	1.9200	2.0200	2M	4.0500	4.1000
2M			Loan Prime Rate				CFETS Key Rates					3M	1.9500	2.0500	3M	4.0000	4.0500
3M			LPR 1Y			3.0000	FX Swap 1Y	-1318.5100				6M	1.8500	1.9500	6M	3.9500	4.0000
4M												9M			9M	3.9000	4.0000
												1Y			1Y	3.8500	3.9600
PBOC Repo		Last		CFETS Key Rates		Current	Time	Current				B & L Rate					
In Flow	242.20			AA- YTM								ON	1.3800	1.4300			
Net Flow	-33.90			1D	1.5500	09/30		1D	1.4200			1W	1.4100	1.4700			
Out Flow	-2063.30			1W	1.5500	09/30		14D				2W	1.7000	1.7700			
Wgt Avg	1.40			1M	1.6300	09/30		1M				3W	1.6400	1.7100			
PBOC OMO				3M	1.6655	09/30		3M				1M	1.5700	1.6500			
In Flow	242.20			6M	1.8000	09/30		6M	1.8500			2M	1.5800	1.6800			
Net Flow	-33.90			9M	1.8550	09/30		9M	1.8200			3M	1.5800	1.7000			
Out Flow	-700.00			1Y	1.9250	09/30		1Y	1.8800			4M	1.6100	1.7500			
Wgt Avg	1.86			AA- Spot								6M	1.6400	1.7900			
Lend Facilities				1D	1.5500	09/30						9M	1.6700	1.8500			
Otstand	1.60			1W	1.5500	09/30						1Y	1.6800	1.8800			
O/N	2.25			1M	1.6300	09/30											
O/N Vol	0.00			3M	1.6655	09/30											
7D	2.40			6M	1.8000	09/30											
7D Vol	1.40			9M	1.8550	09/30											

Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'OTC China'

THE SECOND LARGEST FIXED INCOME MARKET

A journey into a developed market format

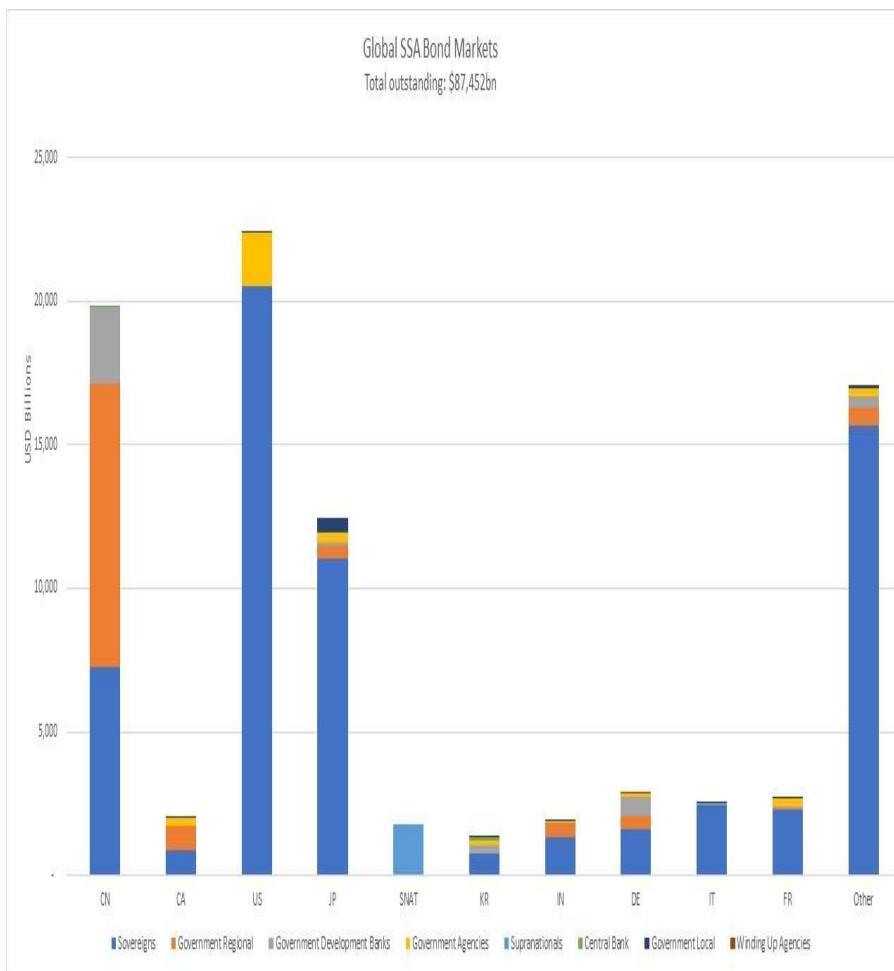
SHIBOR		SSE Repo Rates		CNY Forwards		NDF Swaps		Spot FOREX	
1D	1.3790	1D	1.5000	+0.1600	1W	7.1174	1Y	EUR	1.167
7D	1.4050	3D	1.4900	+0.0800	1M	7.1060	2Y	JPY	150.810
14D	1.7020	4D	1.4650	+0.0050	3M	7.0809	3Y	GBP	1.342
1M	1.5700	7D	1.5050	+0.0200	6M	7.0504	4Y	CAD	1.395
3M	1.5800	14D	1.5500	-0.0050	9M	7.0181	5Y	CNY	7.121
6M	1.6400	28D	1.5150	-0.0150	Lending Rates		7Y	CNH	7.147
9M	1.6700	91D	1.4650	-0.0100	12M	4.3500	10Y	Stock Indices	
12M	1.6800				1-5Y	4.7500	CNY CIRS		SHCOMP 3882.78
Deposits		PBOC Bill Yields		5+Y	4.9000	3M	1.6174	HSI	26957.77
Demand	0.3500	3M				1Y	1.5700	SICOM	13526.51
3M	1.1000	6M				2Y	1.5750	CSI 300	4640.69
6M	1.3000	Interbank Repo Rates		PBOC Loans to FI		3Y	1.6050	HSCEI	9573.38
1Y	1.5000	0/N	1.3500	+0.0500	<20D	3.2500	5Y	1.6650	Metals
2Y	2.1000	1W	1.4500	-0.4500	<3M	3.5500	7Y	1.7175	Gold 3960.610
3Y	2.7500	2W	1.6700	-0.2800	<6M	3.7500	10Y	1.7650	Silver 48.494
Req Reserve Ratio		3W	1.6200	-0.1800	1Y	3.8500	Reserve Interest Rate		Copper 10654.500
Req Dep Res	9.00	1M	1.7000	-0.1000	PBOC Repurchase		CHIRRR	1.6200	Platinum 1616.980
CFETS Loan Prime Rate		2M	1.7800	-0.0200	28D Rate		CHIRER	0.3500	Repo Rate Fix
1Y	3.0000	3M	1.6600	+0.0100	91D Rate		Rediscount Rate		1 day 1.620
5Y	3.5000	4M	1.7000	+0.0200	182D Rate			1.7500	7 day 1.650

Source: Bloomberg LLP, CAIM, , October 2025

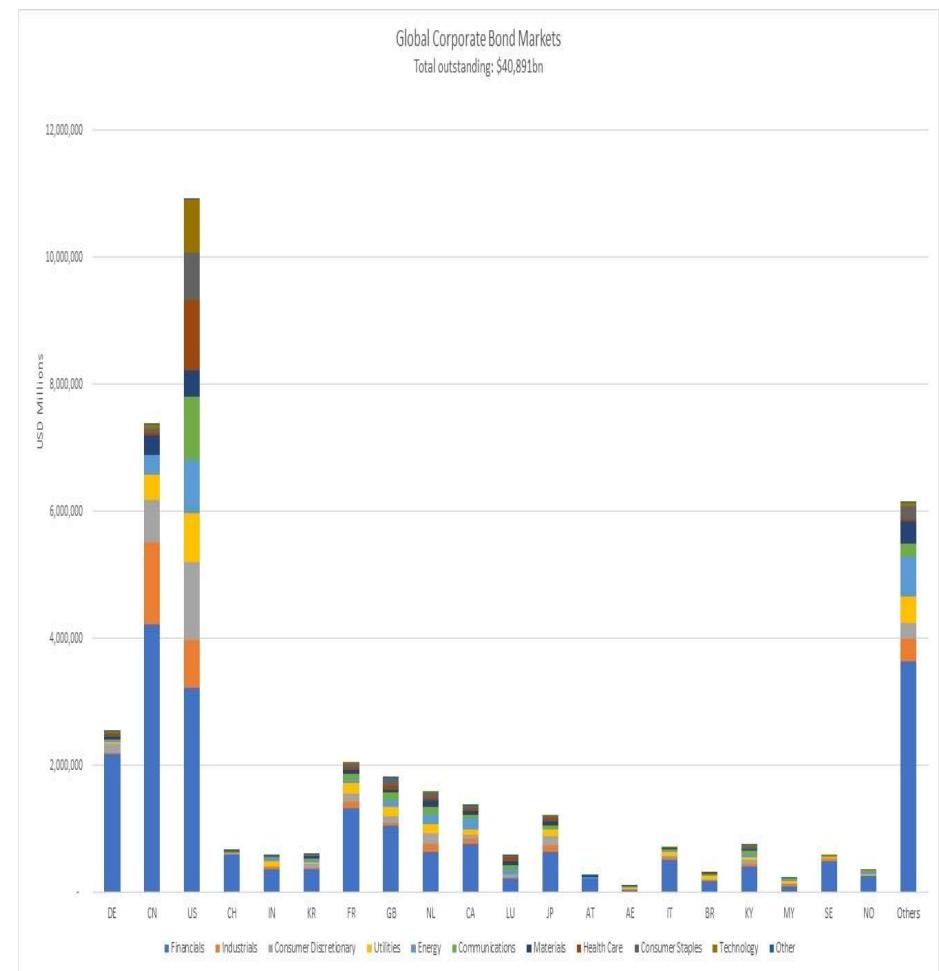
*Bloomberg function 'BTMM China'

GLOBAL FIXED INCOME MARKET

The Sovereign allocation is twice that of the corporate allocation

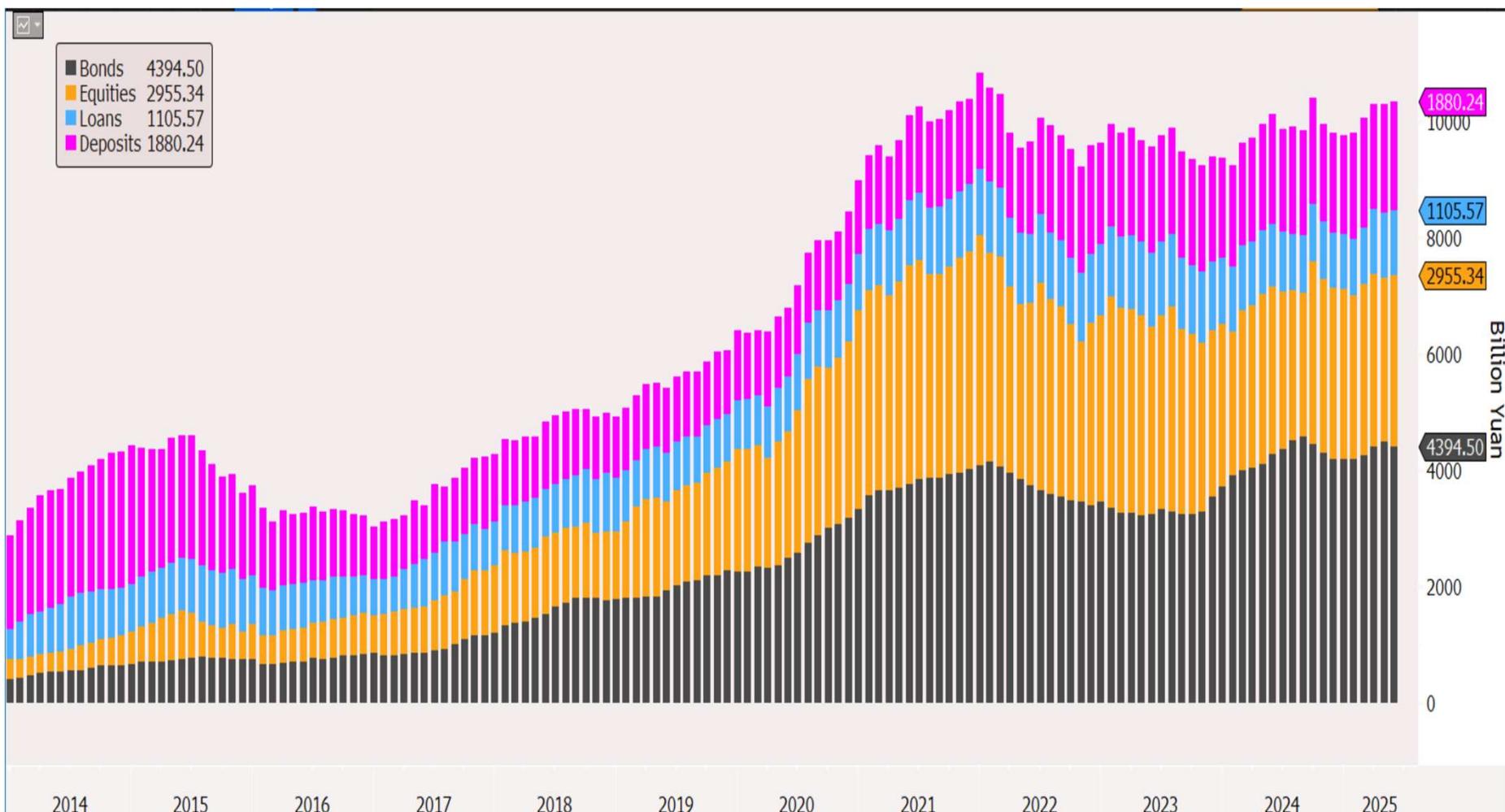


Source; Fitch, August 2024



CHINA – TOO BIG TO IGNORE

China Domestic Assets held by Overseas Entities

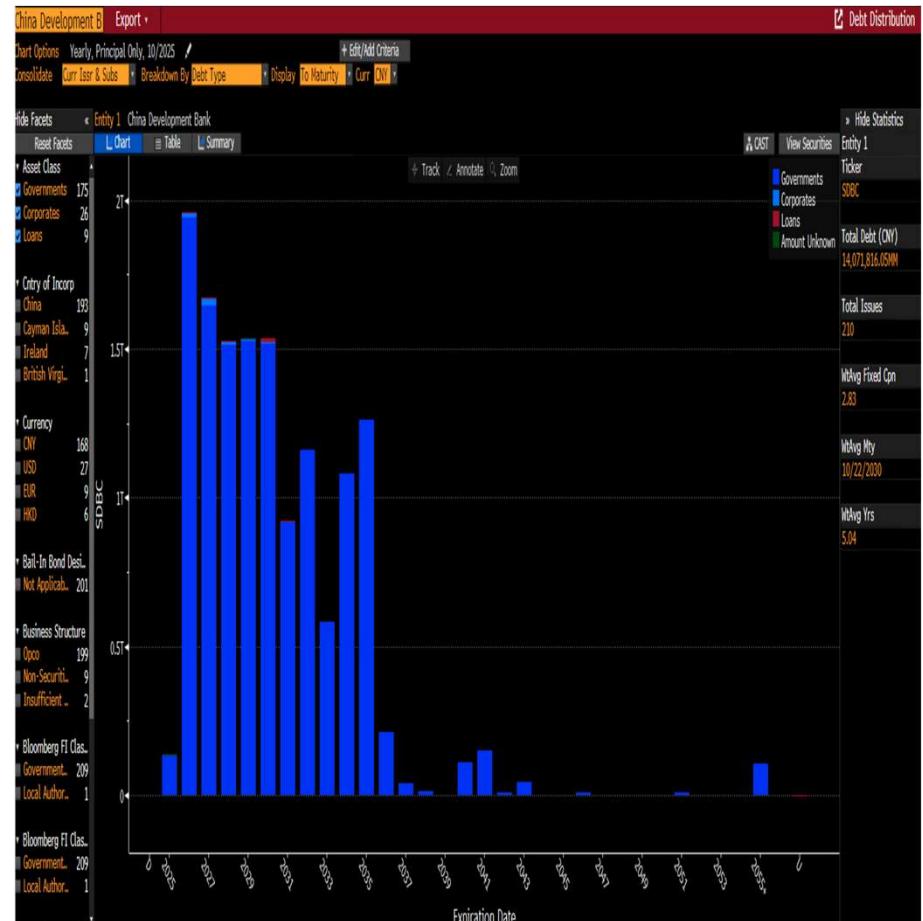
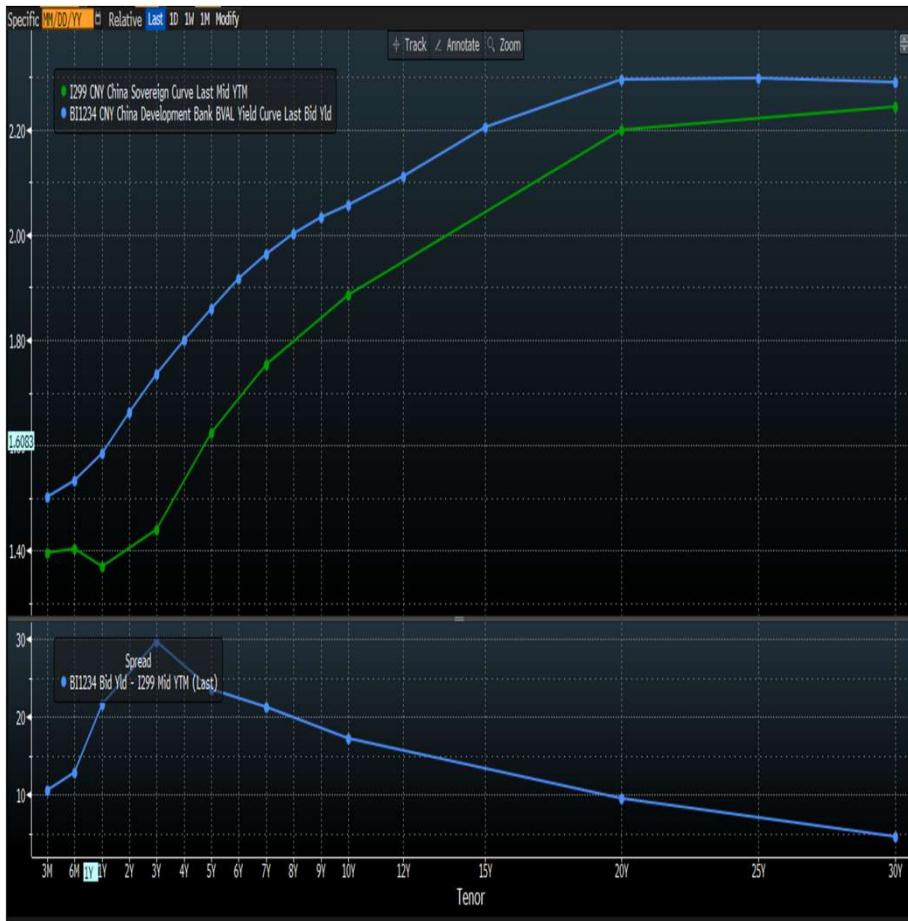


Source Bloomberg LLP, PBOC, September 2025

ONSHORE MARKET

Policy Banks bonds trading volumes often exceed CGBs volumes.

There are three Policy Banks. China Development Bank is the largest issuer = the benchmark



Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'GC ' 'DDIS'

ONSHORE VS 'ONSHORE' MARKET

Dim-Sum offers yield enhancement, but it come at a price...

CGB – the current 10yr ‘on the run’

25) Bond Description	26) Issuer Description	27) Insights
Pages	Issuer Information	
11) Bond Info	Name CHINA GOVERNMENT BOND	
12) Addtl Info	Industry Treasury (BCLASS)	
13) Reg/Tax	Security Information	
14) Covenants	Mkt Iss DOMESTIC	
15) Guarantors	Ctry/Reg CN	Currency CNY
16) Bond Ratings	Rank Unsecured	Series INBK
17) Identifiers	Coupon 1.830000	Type Fixed
18) Exchanges	Cpn Freq S/A	
19) Inv Parties	Day Cnt ACT/ACT	Iss Price 100.0000
20) Fees, Restrict	Maturity 08/25/2035	
21) Schedules	BULLET	
22) Coupons	Iss Yield 1.830	
23) Sustainability	Calc Type (852)CHINESE GOVT BONDS	
Quick Links	Auction Date 08/22/2025	10,000.00/ 10,000.00
32) ALLQ Pricing	Interest Accrual Date 08/25/2025	Par Amount 100.00
33) QRD Qt Recap	1st Settle Date 08/25/2025	Book Runner
34) TDH Trade Hist	1st Coupon Date 02/25/2026	Exchange CHTNA INTERBANK
35) CACS Corp Action		
36) CF Filings		
37) CN Sec News		
38) HDS Holders		

China Development Bank

11) SDBC 1.87 09/05/35	98.52	2.04	29	-40	-40	-26	-32	-8	-1.9
Avg of Comparables		2.43	69	-40	-40	-26	-32	-8	-1.9
13) EXIMCH 2.17 08/16/34	101.23	2.02	29	0	-4	7	3	-3	-1.0
14) ADBCH 3.95 02/26/36	117.73	2.04	29	0	-3	7	3	-3	-0.9
15) EXIMCH 2.85 07/07/33	105.99	2.01	30	-1	-2	10	4	-5	-1.3
16) ADBCH 2.85 10/20/33	106.10	2.02	30	-1	-2	9	3	-4	-1.3
17) ADBCH 2.09 09/26/34	100.60	2.02	28	1	-3	7	3	-2	-0.7
18) ADBCH 1.82 08/07/35	97.96	2.05	30	-1	-5	5	2	-3	-1.2
19) ADBCH 1.78 05/15/35	97.96	2.02	27	2	-4	5	3	-1	-0.2
20) MIRAIL 3.88 12/08/36	115.60	2.28	52	-23	-23	-14	-18	-5	-2.1
21) MIRAIL 3.31 10/17/36	109.97	2.28	52	-23	-23	-13	-18	-5	-2.1
22) AGRBK 2.18 09/19/35	98.93	2.30	55	-26	-29	-18	-21	-5	-1.3
23) MIRAIL 4.73 04/26/38	125.97	2.32	55	-26	-26	-16	-21	-5	-1.8
24) MIRAIL 4.16 10/24/39	121.53	2.34	56	-27	-34	-17	-25	-2	-0.4
25) CCB 2.37 07/08/39	98.90	2.46	68	-39	-39	-24	-31	-8	-2.3
26) CCB 2.13 07/25/40	95.82	2.47	68	-39	-42	-27	-35	-4	-0.9
27) ICBCAS 2.4 08/29/39	99.11	2.48	69	-40	-40	-26	-33	-7	-1.7
28) SINOPC 1.96 01/14/35	96.05	2.44	70	-41	-41	-27	-34	-7	-1.6
29) CHGRID 2.27 03/26/35	98.58	2.44	70	-41	-42	-27	-34	-7	-1.6
30) CHGRID 2.27 03/26/35	98.59	2.44	70	-41	-43	-30	-34	-7	-1.7
31) CHGRID 2.12 04/23/35	97.28	2.44	70	-41	-44	-27	-35	-6	-1.4
32) AGRBK 2.06 06/30/36	96.21	2.47	71	-42	-43	-29	-35	-7	-1.8
33) AGRBK 2.15 08/05/36	97.00	2.47	71	-42	-43	-26	-34	-8	-1.7
34) AGRBK 2.49 04/25/39	99.87	2.50	72	-43	-45	-27	-33	-10	-1.8
35) BCHINA 3.34 10/26/37	105.68	2.45	75	-46	-50	-24	-34	-12	-1.5
36) BCHINA 3.53 10/23/38	107.57	2.48	76	-47	-48	-24	-34	-13	-1.8
37) ICBCAS 3.18 08/30/38	104.99	2.48	76	-47	-48	-26	-33	-14	-1.9
38) AGRBK 3.34 09/23/37	105.52	2.47	77	-48	-48	-24	-33	-15	-1.9
39) BCHINA 3.37 12/05/38	106.42	2.49	77	-48	-48	-26	-34	-14	-1.9
40) BCHINA 3.37 09/21/38	106.34	2.48	77	-48	-49	-25	-33	-15	-2.0

Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function ‘ISIN + DES’ ‘ISIN + COMB

OFFSHORE VS ONSHORE MARKET

Dim-Sum (Offshore) – yield and credit enhancement, but it come at a price...

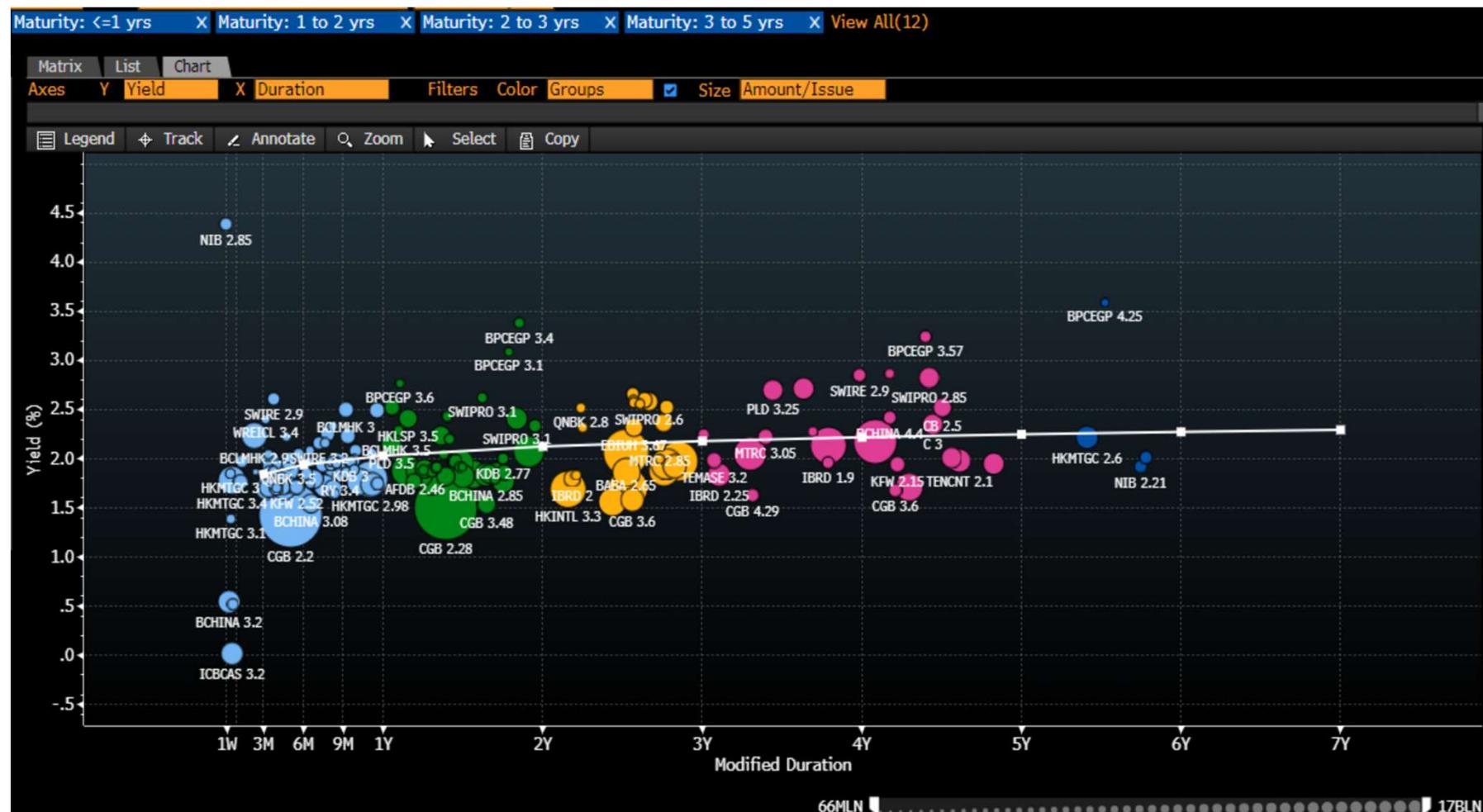


Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'FIW'

OFFSHORE VS ONSHORE MARKET (2)

Panda Market (Onshore) – substantial progress with ‘admin’ hurdles

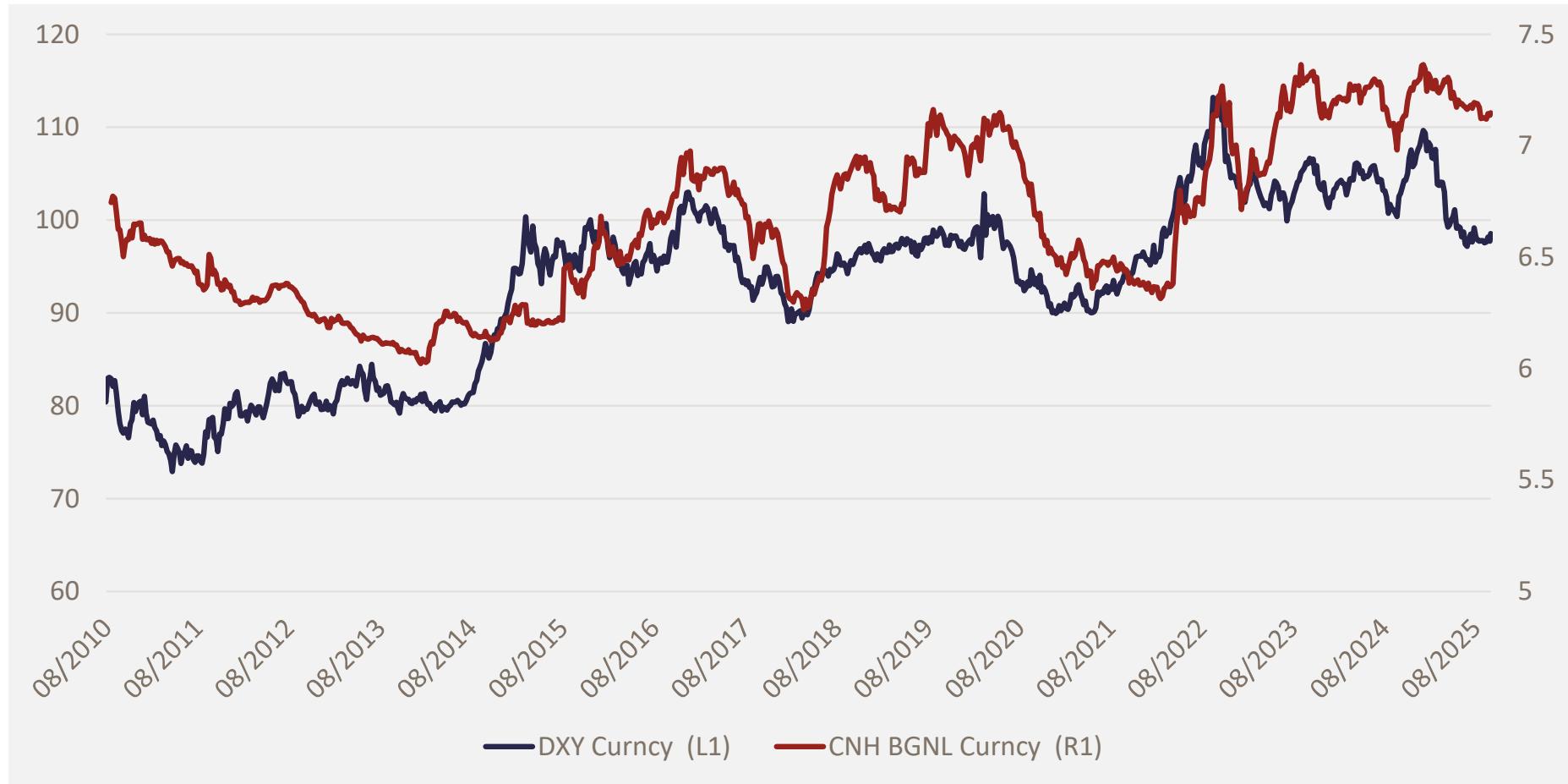


Source: Bloomberg LLP, CAIM, , October 2025

*Bloomberg function 'FIW'

FX – CHALLENGES REMAIN

PBoC are alert to market developments



Source: Bloomberg LLP, September 2025

ONE COUNTRY – ONE CURRENCY?

The CNH/CNY relationship still a good barometer for China's international perception



Source: Bloomberg LLP, CAIM, , October 2025

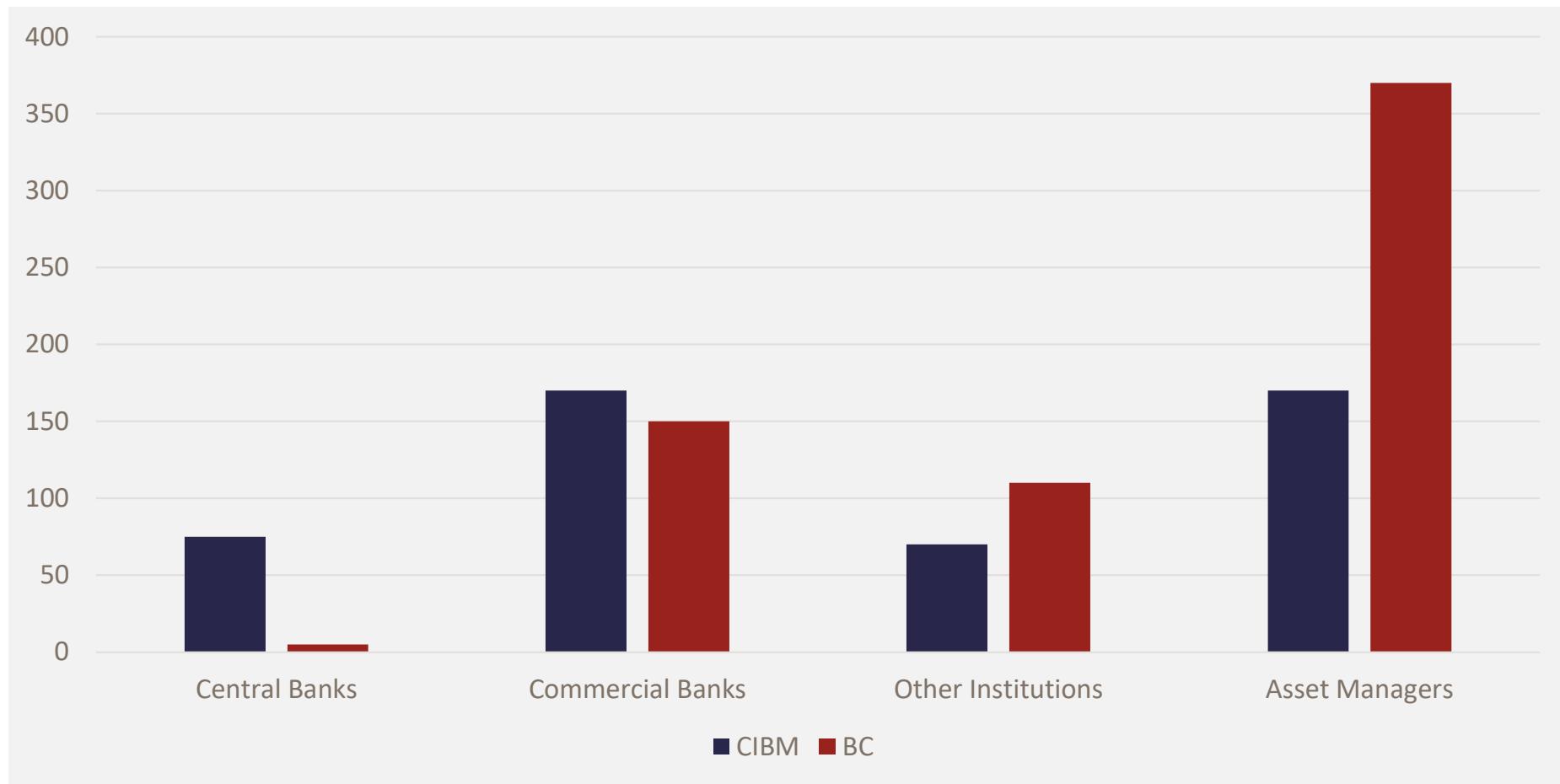
*Bloomberg function 'ISIN 1 + ISIN 2 + HS'

APPENDIX

BOND CONNECT VERSUS CIBM

By the end of August 2023, 736 and 811 FII's registered through CIBM and Bond Connect respectively

Foreign investors transactions per venue as of August 2022



Source CfetsOnline, As of August 2023

CHINA FOREIGN EXCHANGE TRADE SYSTEM

Chinamoney.com.cn is the main page to get information on products/Market Data/Rules and Regulations

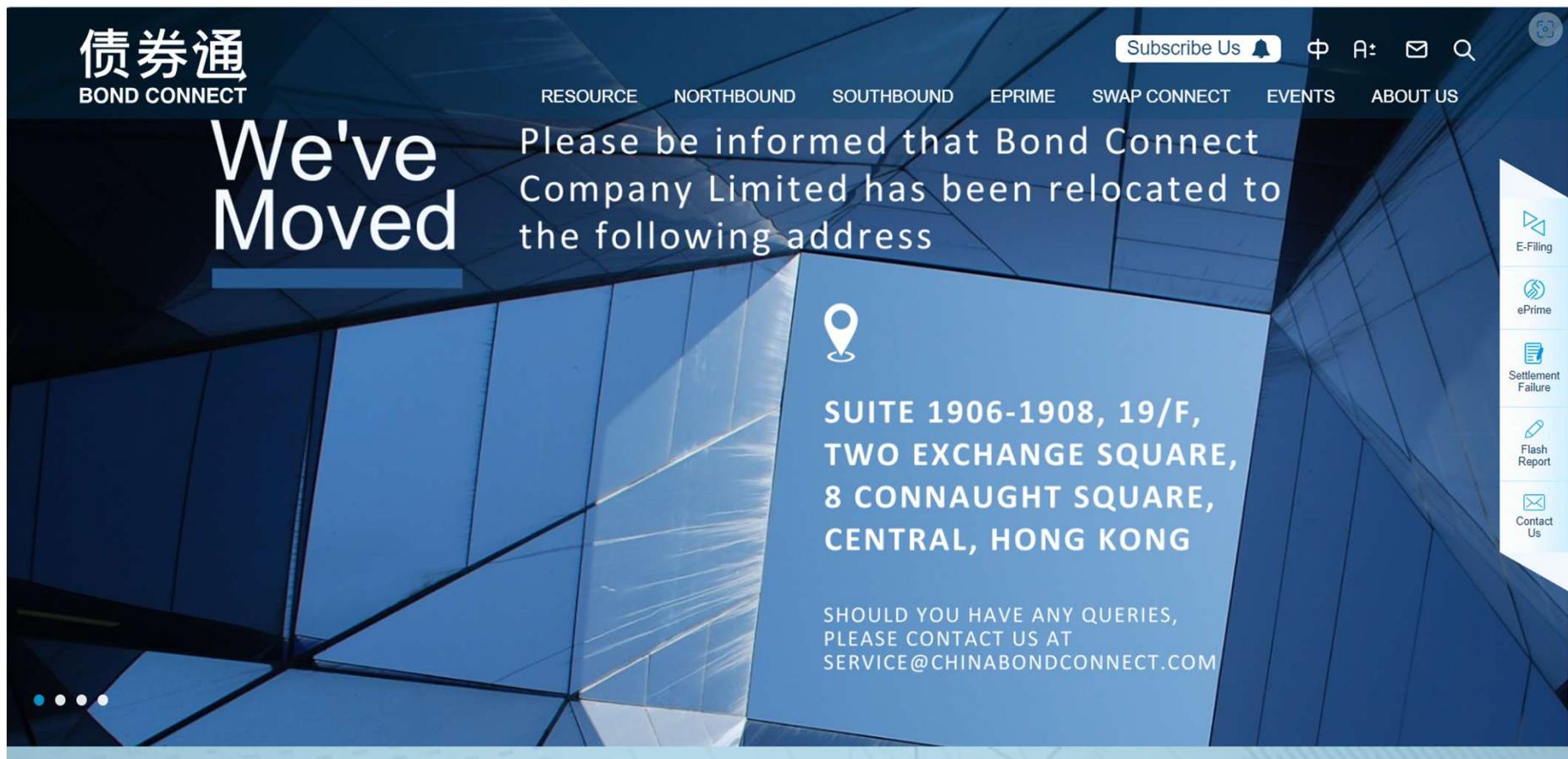
The screenshot shows the homepage of Chinamoney.com.cn in English. At the top, there is a navigation bar with links for Home, Products, Market Data, Benchmarks, Services, CFXC, Rules & Regulations, and About Us. Below the navigation bar, there is a search bar with the placeholder "Input Search Content" and a magnifying glass icon. A language switcher shows "中文". On the left side, there is a table of CNY Central Parity Rates for various currencies, including USD/CNY, EUR/CNY, 100JPY/CNY, HKD/CNY, GBP/CNY, AUD/CNY, NZD/CNY, SGD/CNY, and CHF/CNY. Each row shows the current rate, the previous day's rate, and a change indicator. To the right of the table is a line chart titled "USD/CNY" showing the exchange rate from September 2022 to September 2023. The chart has a light blue background and shows a general upward trend. Below the chart, there are links for "Historical Parity Rate" and "Monthly Average". On the right side of the page, there is a sidebar titled "Interest & Exchange Rates" with a "SDDS" button. The sidebar also contains a "Quick Links" section with icons and links for "For Overseas Participants", "CNY Reference Rate", "RMB Index", "For FX Market Members", and "For RMB Market Members".

Currency Pair	Current Rate	Previous Day Rate	Change
USD/CNY	7.1798	81.00	▲
EUR/CNY	7.5849	439.00	▼
100JPY/CNY	4.8398	109.00	▼
HKD/CNY	0.91763	5.80	▲
GBP/CNY	8.7667	71.00	▼
AUD/CNY	4.5934	312.00	▼
NZD/CNY	4.2929	175.00	▼
SGD/CNY	5.2599	88.00	▼
CHF/CNY	7.8454	403.00	▼

Source CAIM, CFETS, September 2023

BOND CONNECT

www.chinabondconnect.com



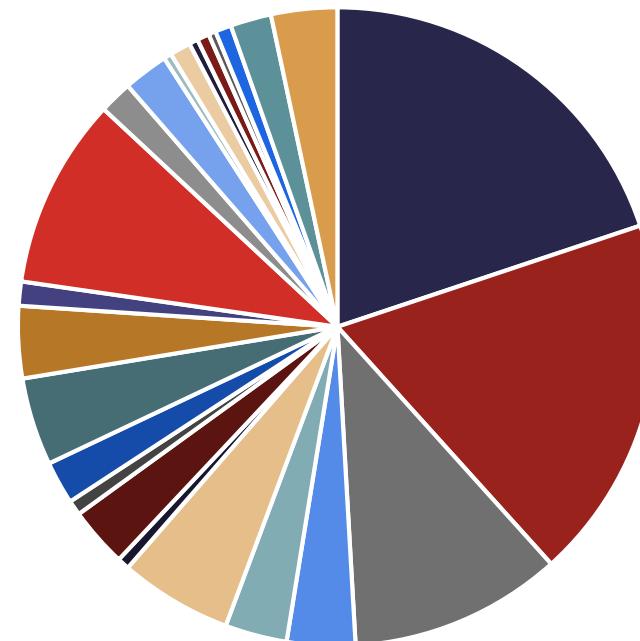
Source:; Bond connect, September 2024

RMB = CNY + CNH ?

The CNY 'World' is defined by 24 currencies

The CNY basket is announced annually, the PBOC announces the fixings each working day 09:15 GMT + 8, allowing 2% deviation

CNY Basket



Top 7 Currencies	
USD	19.83%
EUR	18.20%
JPY	9.75%
KRW	9.50%
AUD	6.07%
MYR	4.64%
RUB	3.85%

- USD ■ EUR ■ JPY ■ HKD ■ GBP ■ AUD ■ NZD ■ SGD ■ CHF ■ CAD ■ MYR ■ RUB
- ZAR ■ KRW ■ AED ■ SAR ■ HUF ■ PLN ■ DKK ■ SEK ■ NOK ■ TRY ■ MXN ■ THB

Source: PBOC, 31 December 2022

CHINA INTERNATIONAL BONDS

China 'maintains' curves in the USD and the EUR

25) Bond Description	26) Issuer Description
Pages	Issuer Information
11) Bond Info	Name CHINA GOVT INTL BOND
12) Addtl Info	Industry Sovereign (BCLASS)
13) Reg/Tax	Security Information
14) Covenants	Mkt Iss EURO-DOLLAR
15) Guarantors	Ctry/Reg CN
16) Bond Ratings	Currency USD
17) Identifiers	Rank Sr Unsecured
18) Exchanges	Series
19) Inv Parties	Coupon 2.125000
20) Fees, Restrict	Type Fixed
21) Schedules	Cpn Freq S/A
22) Coupons	Day Cnt ISMA-30/360
23) Impact	Iss Price 98.99300
Quick Links	Maturity 12/03/2029
32) ALLQ Pricing	Reoffer 98.993
33) QRD Qt Recap	BULLET
34) TDH Trade Hist	Amt Issued/Outstanding
35) CACS Corp Action	USD 2,000,000.00 (M) /
36) CF Filings	USD 2,000,000.00 (M)
37) CN Sec News	Min Piece/Increment
	200,000.00 / 1,000.00
	Par Amount 1,000.00
	1st Settle Date 12/03/2019
	Book Runner JOINT LEADS
	1st Coupon Date 06/03/2020
	Reporting TRACE

1) Yield & Spread	2) Graphs	3) Pricing	4) Description	5) Custom
CHINA 2 1/8 12/03/29 (XS2084425110)			Risk	
Spread -3.10 bp vs 5y T 3 1/2 09/30/29				Workout OAS
Price 92	98-08 1/4 09:24:32	0 M Dur	4.740	4.738
Yield 3.859% WST	3.890% S/A	RISK	4.398	4.397
Wkout 12/03/2029 @ 100.00 Consensus		Convexity	0.257	0.257
Settle 10/17/24	10/16/24	DV 01 on 1MM	440	440
		Benchmark Risk	4.423	4.420
		Risk Hedge	994M	995M
		Proceeds Hedge	943M	
Spreads	Yield Calculations	Invoice		
11) G-Sprd -3.8	Street Convention	3.859 Face		1,000 M
12) I-Sprd 33.1	Equiv 1 /Yr	3.896 Principal		920,000.00
13) Basis 35.8	Mmkt (Act/360)	Accrued (134 Days)		7,909.72
14) Z-Sprd 28.4	True Yield	3.859 Total (USD)		927,909.72
15) ASW 27.4	Current Yield	2.310		
16) OAS -3.7				

Source: Bloomberg, CAIM, , October 2024

*Bloomberg function 'ISIN + DES', YAS

CHINA INTERNATIONAL BONDS

China 'maintains' curves in the USD and the EUR

25) Bond Description		26) Issuer Description	
Pages		Issuer Information	
11) Bond Info		Name CHINA GOVT INTL BOND	
12) Addtl Info		Industry Sovereign (BCLASS)	
13) Reg/Tax			
14) Covenants		Security Information	
15) Guarantors		Mkt Iss EURO NON-DOL...	
16) Bond Ratings		Ctry/Reg CN	Currency EUR
17) Identifiers		Rank Sr Unsecured	Series
18) Exchanges		Coupon 2.500000	Type Fixed
19) Inv Parties		Cpn Freq Annual	
20) Fees, Restrict		Day Cnt ACT/ACT	Iss Price 99.95100
21) Schedules		Maturity 10/09/2027	Reoffer 99.951
22) Coupons		BULLET	
23) Impact		Iss Sprd +23.00bp vs MIDSWAPS	
Quick Links		Calc Type (1)STREET CONVENTION	
32) ALLQ Pricing		Pricing Date 09/25/2024	
33) QRD Qt Recap		Interest Accrual Date 10/09/2024	
34) TDH Trade Hist		1st Settle Date 10/09/2024	
35) CACS Corp Action		1st Coupon Date 10/09/2025	
36) CF Filings			
37) CN Sec News			
M UDC HU...			

99.8/2/100.198	2.545/2.430	BGN @ 0	:34	Notes	Buy	Sell
1) Yield & Spread	2) Graphs	3) Pricing	4) Description	5) Custom		
CHINA 2 1/2 10/09/27 (HK0001058954)	XCCY				Swap Manager	SWPM »
Spread 39.90 bp vs 3y OBL 1.3 27 #186	Currency Pair	EUR/USD				
Price 100.198	Fixed Cpn Eqv (S/A)	4.006 % FX	0.9171			
Yield 2.430 Wst	G-Sprd	9.8	Curve	I25		
Wkout 10/09/2027 @ 100.00 Consensus	ASW A	35.1	Curve	S490		
Settle 10/18/24	Z-Sprd	33.3	Xccy Sprd	24.8		
	Bench Sprd (S/A)	13.65 vs T 3 7/8 10/15/27				
Sprd/Yld		Invoice				
1) G-Sprd 39.7	Street Convention	2.430	Face			1,000 M
12) I-Sprd 8.1	Equiv 2 /Yr	2.415	Principal			1,001,980.00
13) Basis 38.0	Mmkt (Act/360)		Accrued (9 Days)			616.44
14) Z-Sprd 8.5	True Yield	2.423	Total (EUR)			1,002,596.44
15) ASW 8.9	Current Yield	2.495				
SPRD		FPA				
EUR OIS ESTR (S514)		Repo Rate 3.179		Amt (MM)		1
Spre...	Term Rate ...	Security	Fwd Prc 100.204013	Money At		
+20.9	2yr	2.221 EESWE2	Price Drop -0.006013	Settle 1,002,596.44		
+27.7	2.98yr	2.153 0-Sprd (Interpolat	Yld Drop (bp) -0.239	Term 1,002,862.04		
+27.8	3yr	2.152 EESWE3	Constant Price	Carry P&L -60.12		

Source: Bloomberg, CAIM, , October 2024

*Bloomberg function 'ISIN + DES', YAS XCCY

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