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Bloomberg

Morning Briefing

Asia Edition

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Bloomberg's Morning Briefing Asia will resume publication on Dec. 27.

Good morning. Bond traders are facing 2025 with great trepidation. China's property debt crisis enters its fifth year. And a Chinese EV maker attempts to take on the likes of Porsche and Mercedes-Benz. [Listen to the day's top stories.](#)

Bond traders are limping into [2025 prepared for another year of disappointment](#). In a year of sharp ups and downs, US Treasury 10-year yields have marked the biggest jump in the first three months of a rate-cutting cycle since 1989—a counterintuitive, loss-inducing response that reflects stubborn inflation and elevated borrowing costs.

Donald Trump had a busy weekend. On Saturday, the president-elect said the Panama Canal should [lower fees on American naval and merchant ships or be returned to the US](#). He also took a shot at China, suggesting the canal was in danger

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of falling into the wrong hands, hinting at a Hong Kong-based company that controls two of the five ports adjacent to the canal. In other headlines, Trump [downplayed criticism that he's ceded the presidency to Tesla Chief Executive Officer Elon Musk](#), calling it a hoax. He also nominated [Stephen Miran to lead his Council of Economic Advisers](#).



Elon Musk's Role in US Government

Watch the Video

As for the current occupant of the White House, Joe Biden was helping put out fires. The president [averted a year-end government shutdown](#) by signing [funding legislation](#) that would keep things running until March 14, handing future spending decisions to Trump. Biden's team is also considering [exempting Mexico from tariffs on solar-equipment imports](#), people familiar said.

North of the border, calls for Canadian Prime Minister Justin Trudeau to step down

are reaching a fever pitch. More than 50 Liberal Party members of parliament, about a third of the caucus, came to [a “consensus” that the PM must step down](#), Canadian Broadcasting Corp. reported. Nothing is set in stone yet, as there’s no formal mechanism for Liberal lawmakers to eject their leader or trigger a contest.

Hillhouse Investment Management and CPE—the Chinese firm formerly known as Citic Private Equity—have held [early-stage talks on setting up offices in Abu Dhabi](#), people familiar said. The Middle East has been gaining favor with Asian investment firms thanks to the region’s tax-free status, favorable time zones and bevy of deep-pocketed sovereign wealth funds.

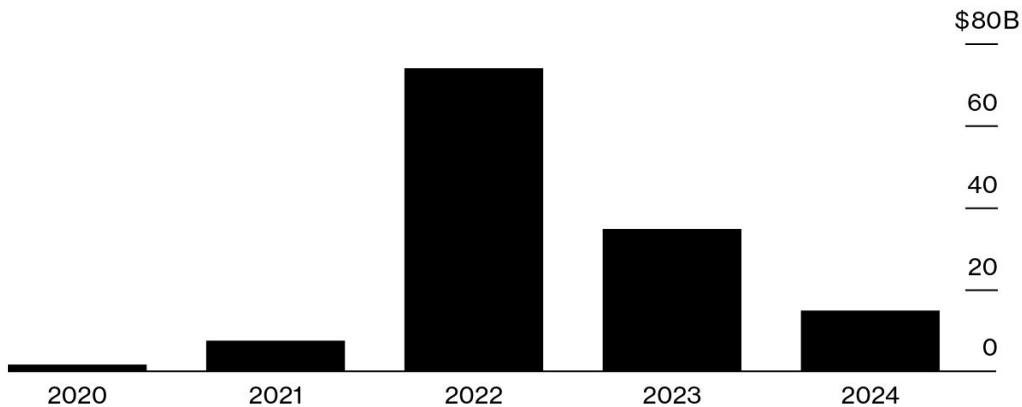
Deep Dive: China’s Property Crisis

China’s property crisis has shown little signs of stopping as it enters its fifth year, with [developers still struggling to repay debt](#) amid [slumping home sales](#). For many, their dollar bonds continue to trade at deeply distressed levels, their debt issuance has nearly dried up and the sector is lagging behind in stock markets.

Chinese Builders Defaulted on \$15 Billion Dollar Bonds in 2024

Since the property crisis began, the total is more than \$130 billion

■ Amount defaulted



Source: Bloomberg

Note: 2024 is from Jan. 1 to Dec. 19

Bloomberg

- **Alarm bells went off** again in recent weeks, when the country's banking regulator told its biggest [insurers to report their financial exposure to China Vanke](#), in a bid to assess how much support the developer needs to avoid default.
- **For more than two decades**, real estate was the growth engine that drove China's unparalleled economic success story, but over the past three years, the government's campaign to rein in the debt-laden sector has had drastic consequences, [upending the lives of tens of thousands](#).
- **The effects have rippled beyond China's borders**, with a batch of overseas assets acquired in a decade-long Chinese expansion spree hitting the market as landlords and developers decide they want cash now to shore up domestic operations and pay off debts—even if that means taking a financial hit.

More on China Property



China's 60 Million Homes Are Hard to Sell Even in Big Cities



How Country Garden Plays Into China's Property Mess



China's Regulators Vow to Stabilize Property, Stock Markets

Opinion

Musk has emerged as an [unexpected, unelected and uncontrollable political powerhouse](#), writes Nia-Malika Henderson. The billionaire derailed the bipartisan plan to keep the government open with several posts about the stopgap funding bill. The unnecessary chaos Trump and the Tesla boss wreaked on the budget deal is an unfortunate preview of the next four years.

More Opinions



Lionel Laurent

Ozempic Maker Novo Nordisk's Plunge Echoes Nokia Risk



David Fickling

The Year's Worst Climate News You Haven't Heard About

Before You Go



The Nio ET9. Source: Nio

Chinese electric-vehicle maker Nio launched the flagship ET9 sedan at its annual customer event in Guangzhou. The [executive four-seater sports a 788,000 yuan](#) (\$108,000) price tag and is set to take on luxury rivals Porsche and Mercedes-Benz. Deliveries will start as soon as March.

One More



Apple Explores a Face ID Doorbell and Lock Device in Smart Home Push

Bloomberg House at Davos: Against the backdrop of the World Economic Forum on Jan. 20-23, Bloomberg House will be an unparalleled hub where global leaders converge to chart a path forward. Join us for breakfast, afternoon tea or a cocktail.

Meet thought leaders, listen to newsmakers, sit in on a podcast taping, have a candid conversation with our journalists and help us identify the trends that will impact the year ahead. Request an invite [here](#).

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