

2012.06.15

王卫 (Steve Wang)

+ (852) 3988-6925

steve.wang@bocigroup.com

吴琼 (Qiong Wu), CFA

+ (852) 3988-6926

qiong.wu@bocigroup.com

张威 (Vivian Zhang)

+ (86) 10-66229195

vivian.zhang@bocigroup.com

刘溪 (Lucy Liu)

+ (86) 21-20328025

xi.liu@bocigroup.com

殊途同归的境内、境外人民币债收益率**The on-going yield convergence between off-shore and onshore RMB bonds**

- 在境外人民币债券收益率上升、境内债券收益率下降的背景下，境内外人民币债之间的收益率差距已经缩小或甚至消失。/ The yield gaps between offshore and onshore RMB bonds have been narrowing or even disappeared in some cases, as offshore yields are on the rise while onshore yields are on the way down.
- 这两个市场间的汇合在银行和投资级企业债部分相当显著，但高收益债板块中境外的债券收益率仍比境内同业高出许多。/ This offshore and onshore convergence is more prominent for bank and IG corporate names than HY names, where offshore yield concessions are still significant.
- 两个市场间的接近或许标志着人民币国际化过程中的新进展，但它们各自的驱动因素有所不同。/ This market convergence probably marks a progress in the development of RMB internationalization, but the underlining drivers are somewhat different between the markets.
- 中国政府向宽松货币政策的转向是推动境内收益率下降的源动力，而欧元区债务危机的负面冲击以及人民币升值预期的消失造成了境外收益率的上升。但我们对香港近来人民币存款的下滑是主要原因的说法不尽苟同。/ The shift of Chinese government stance toward a more accommodative monetary policy has been driving the onshore yield decline, while the negative impact from the Eurozone debt crisis and the diminished RMB appreciation expectation have caused the offshore yield rise. But we are less concerned of the argument that the recent slide of HK's RMB deposits was a main cause for the rising bond yields.

If one of the benchmarks for measuring the internationalization of RMB is the ultimate merge between the offshore and onshore RMB bond market, the recent fast convergence between onshore and offshore RMB bond yields is surely in the right direction, despite of happening sooner than the market probably had anticipated.

The converging onshore and offshore RMB bond yields

RMB bond yields have been converging between the offshore and onshore markets since the second half last year. This can be illustrated by the 10-year Chinese government bonds (CGBs) as shown in Fig.1. After hitting the widest gap of 210bps in June 2011, the gap between the two markets has since narrowed down to about 30bps today. In fact, the convergence has come from both fronts. RMB bond yield has been moving up offshore, while yields have been moving down onshore.

In the corporate credit space, we can also see similar yield convergence. As shown in Fig. 2, we find the offshore-onshore yield gaps have become smaller for investment-grade bank and corporate names, in the range of 2-90bps. In a few cases, the gaps are very small (such as China Development Bank, COFCO and Sinochem). This is in a sharp contrast to the early days of the market when offshore bank and IG corporate RMB bonds were mostly yielding 100-250bps lower than their onshore counterparts.

But HY names continued to see significant higher yield concessions

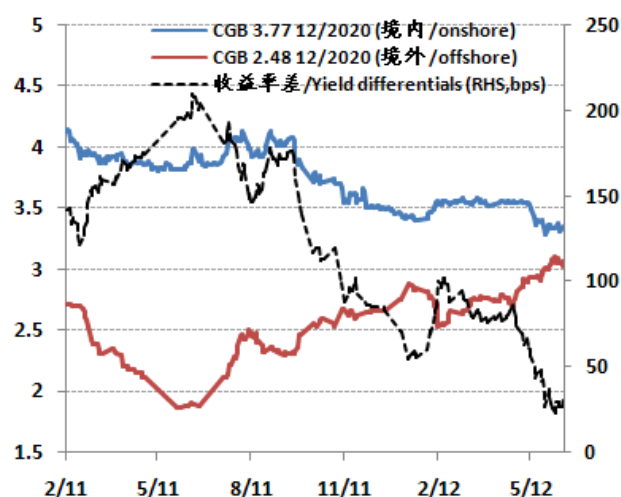
However, HY names continued to see significant offshore yield concessions to onshore. As Fig. 2 shows, the yield differentials between the two markets are in the range of 150-860bps. The offshore yield concession is particularly large for the property sector, marked by the Guangzhou R&F case whose offshore 2-year RMB bond is yielding 862bps higher than its onshore 2-year bond. The China Power International case has one of the lowest offshore-onshore yield gaps in the HY space, at a 156bps offshore concession for a 3-year bond.

如果说境内与境外人民币债的收益率最终趋同是衡量人民币国际化的标尺之一的话,最近境内外的人民币债收益率的快速趋近确实与之方向一致,尽管其发生快于市场可能的预期。

境内和境外人民币债券的收益率日益趋同

自从去年下半年以来,境外人民币债和境内人民币债的收益率已经开始融合。这可以通过图 1 中的 10 年期中国国债来说明。在 2011 年 6 月收益率差达到最高 210 基点以后,两个市场的收益率差距已经缩窄至目前的约 30 基点。事实上,这一融合来自两方面的力量,境外人民币债的收益率上升,而境内的收益率下降。

图 1: CGB 3.77 12/2020 与 CGB 2.48 12/2020 的收益率比较(%) / Fig. 1: Yield comparison(%): CGB 3.77 12/2020 vs. CGB 2.48 12/2020



数据来源: 彭博, 中银国际/Sources: Bloomberg, BOCI

在企业债方面,我们也能看到同样的收益率融合。如图 2 所示,我们发现境外和境内人民币债的收益率差对于投资级别的银行和企业而言均变小,大致在 2-90 基点。在少数情况下,收益率差已经非常小(如国开行、中粮、中化)。这与市场早期的情况形成了鲜明对比,当时银行和投资级企业在境外发行的人民币债较境内人民币债低 100-250 基点。

高收益名字境外人民币债的收益率仍然高于境内人民币债

然而,高收益名字境外人民币债的收益率仍显著高

图 2: 境内外人民币债收益率比较/ Fig. 2: Yield comparison: offshore vs. onshore RMB bonds

境外债券 Offshore bond	中间收 益率 M YTM	境内债券 Onshore bond	中债估值收益率 ChinaBond esti- mated YTM	境外-境内收益率差 Offshore-Onshore yield difference
银行/Bank				
ADB 3.2 15	3.15	ADB 3.62 15	3.26	-0.12
CDB 3.1 15	3.12	CDB 5.14 15	3.33	-0.21
投资级企业/IG Corp				
Beijing Enterprises Water Group 5 16	4.59	Beijing Enterprises Group 5.2 15	5.20	-0.62
China Merchants Holdings 2 14	3.81	China Merchants Group 3.85 14	3.49	0.32
CNPC Finance HK Ltd 2.95 14	3.06	CNPC 4.82 14	3.77	-0.71
COFCO HK Ltd 1.85 14	3.85	COFCO Corp 5.12 14	3.72	0.13
China Resources Power Holdings 3.75 15	3.86	China Resources National Corp 5.05 15	3.83	0.03
Sinochem HK Group 1.8 14	3.67	Sinochem Corp 3.75 14	3.65	0.02
Shanghai Baosteel Group 3.675 15	3.52	SH Meishan Iron & Steel 5.11 15	4.13	-0.61
China Datang Corp 4.5 15	4.50	China Datang Corp 3.72 14	3.70	0.80
Beijing Capital Land Ltd 4.25 14	5.53	Beijing Capital Land Ltd 6.5 14	4.67	0.86
高收益企业/HY Corp				
China Power Int'l Development 3.2 15	5.41	China Power Investment Corp 4.98 15	3.84	1.56
Shougang Holding HK Ltd 4.875 13	5.41	Shougang Corp 3.85 14	3.72	1.69
Guangzhou R&F Properties 7 14	12.56	Guangzhou R&F Properties 6.85 14	3.93	8.62
China Shanshui Cement Group 6.5 14	8.35	Shandong Shanshui Cement Group 5.78 14	4.40	3.95
Chenming HK Ltd 2.95 14	8.38	Shandong Chenming Paper Holdings 5.95 16	4.62	3.75
Hainan Airlines HK Co Ltd 6 14	7.34	Hainan Airlines Co Ltd 5.6 16	5.08	2.26

数据来源: 彭博, 万德, 中银国际/Sources: Bloomberg, Wind, BOCI

Global risk aversion remains the key factor

All the moves in both offshore and onshore RMB bond markets can ultimately be attributed to the on-going global risk aversion.

For the offshore RMB bonds (dim-sum bonds), the rising yields were a response to the overall risk rise in the global credit market amid the escalating Eurozone debt crisis. If the dim-sum bond market had a considerable decoupling from the global market in the early days when this new investment product had attracted a one-sided demand, the market has become much more correlated with the global credit market since last summer. The sentiment of risk aversion and quality bias have also spread to the dim-sum bond market.

For the onshore bond market, the falling yields are mainly due to the Chinese government's shift towards a more accommodative monetary

于境内债券。如图 2 所示, 两个市场的收益率差约在 150-860 基点。房地产板块的境外债较境内债的折让尤其多, 广州富力地产 2 年期境外人民币债较境内 2 年期债券的收益率高 862 个基点。在高收益板块, 中电投的境外境内收益率差是最小的之一, 3 年期境外债收益率较境内债高 156 基点。

全球风险规避仍是关键因素

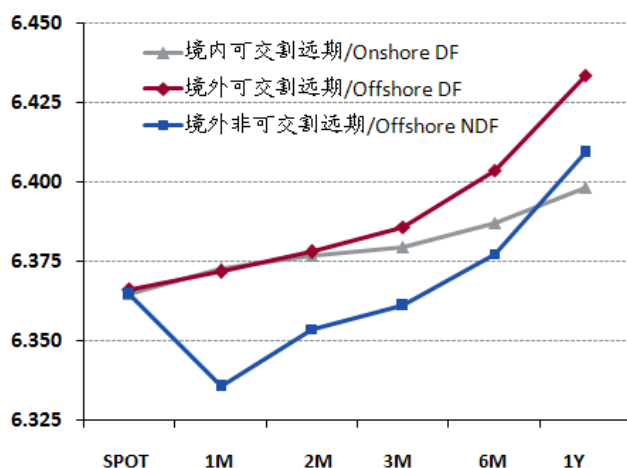
境外和境内人民币债券市场的走势最终可以归结到正持续的全球风险规避。

就境外人民币债(点心债)而言, 面对不断升级的欧债危机所导致的全球信用市场整体风险的升高, 点心债收益率也在不断上升。如果说初期作为新的投资产品所带来的强烈单边市场需求

policy stance to combat a slowing economy. The trend has accelerated recently, which was manifested by the first interest rate cut (25bps) by the Chinese central bank last week, following a series of hikes for a total of 125bps rise since Oct. 19, 2010.

There are a number of more acute evidences reflecting the negative sentiment in the offshore RMB bond market. With the global backdrop, we saw a waning enthusiasm on the RMB. As shown by Fig. 3, the NDF curve implies a 0.7% depreciation of RMB in one year. Other forward curves also suggest a downward pressure on the currency. With this outlook, offshore investors are naturally demanding higher yields now.

图 3: 境内外可交割远期及境外非可交割远期/
Fig. 3: Onshore/offshore DF and offshore NDF



数据来源: 彭博, 中银国际/Sources: Bloomberg, BOCI

A shrinking RMB pool in Hong Kong is another negative factor. Hong Kong's RMB deposits have been experiencing a decline over five consecutive months after a period of sharp growth (see Fig. 4). This was generally attributed to a slower RMB appreciation expectation and the increased channels allowing offshore RMB to flow back onshore, such as RMB FDI, RMB QFII and other onshore bond investments from permitted offshore insurance companies, cross-border RMB settlement participating banks and foreign central banks.

The shrinking RMB deposits could also be attributed in some extent to the increasing issuance of CD products by banks. Fig. 4 shows the total amount of RMB CDs outstanding has been on a rise, which may have draw down

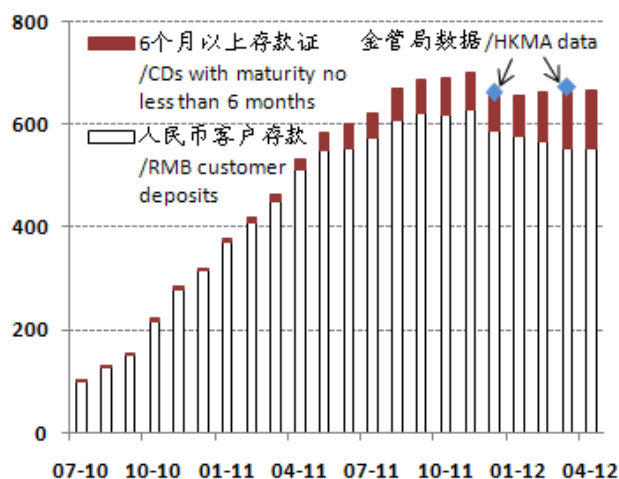
使得点心债市场和全球市场的表现脱节, 那么自去年夏天以来, 情况有所改变, 该市场和全球信用市场的相关性变得越来越紧密。风险规避情绪和信用质量差异化也渗透到点心债市场。

在境内债券市场, 收益率的下降主要是由于中国政府向宽松货币政策的转向, 以避免经济放缓。最近该趋势有所加速, 特别是中国央行上周宣布减息 25 个基点, 这是自 2010 年 10 月 19 日, 多次加息总计 125 个基点后的第一次减息。

还有一些突出的现象反映了境外人民币债券市场的负面情绪。在当前全球背景下, 市场对人民币热情有所减弱。由图 3 所示, 非交割远期曲线隐含一年内人民币将贬值 0.7%。其它远期曲线也表明人民币有贬值压力。有了这个预期, 目前海外投资者自然要求更高的人民币债收益率。

香港人民币存款的萎缩是另一个不利因素。在经历大幅增长后, 目前香港人民币存款已连续 5 个月下滑 (见图 4)。普遍认为这种情况出现的原因是人民币升值预期的减缓和境外人民币回流渠道的增多, 例如人民币外商直接投资、人民币 QFII 以及获得批准的境外保险公司、参与跨境贸易人民币结算的银行和外国央行投资中国境内债券市场。

图 4: 境外人民币存款和期限不短于 6 个月的人民币存款证余额(十亿人民币) /Fig. 4: Offshore RMB deposits and outstanding RMB CDs with maturity no less than 6 months (RMB bn)



数据来源: 金管局, 中银国际/Sources: HKMA, BOCI

some of the regular RMB deposits (RMB customer deposits). It's interesting to note, if adding the outstanding RMB CDs to the RMB customer deposit pool, we find the total RMB pool has remained relatively stable over the past five report months. This figure actually helps to ease some of our concern on the implication of a decreasing RMB customer deposits in HK.

(We have only counted CDs with terms of 6 months or longer for our study due to data limitations. As a comparison, the total outstanding CD amount from our study was RMB 72.3bn at the end of 2011 and 108.7bn at the end of March 2012, both of which are respectively close to the official figures of RMB 73.1bn and 118.1bn in a Hong Kong Monetary Authority report.)

在一定程度上，人民币存款萎缩的另外一个原因是银行发行的存款证产品的增多。图 4 显示人民币存款证余额一直在上升，这可能降低了一些人民币（客户）存款。非常有趣的是，如果加上人民币存款证余额和人民币客户存款，我们发现在过去的 5 个已公布数据的月份中，总的人民币额度一直保持相对稳定。这实际上有助于舒缓我们对香港人民币客户存款下降隐含意味的担心。

（在研究中，由于数据的局限性，我们只统计了 6 个月或更长期限的存款证。作为比较，在我们的研究中，2011 年底和 2012 年 3 月底的人民币存款证余额，分别为 723 亿和 1,087 亿，这都很接近香港金管局公布的官方数据 731 亿和 1,181 亿。）

DISCLOSURE

The views expressed in this report accurately reflect the personal views of the analysts. Each analyst declares that neither he/she nor his/her associate serves as an officer of nor has any financial interests in relation to the listed corporation reviewed by the analyst. None of the listed corporations reviewed or any third party has provided or agreed to provide any compensation or other benefits in connection with this report to any of the analysts, BOCI Research Limited and BOCI Group. Member companies of BOCI Group confirm that they, whether individually or as a group (i) do not own 1% or more financial interests in any of the listed corporations reviewed; (ii) are not involved in making a market in the securities reviewed; (iii) do not have any individual employed by or associated with any member companies of BOCI Group serving as an officer of any of the listed corporation reviewed; and (iv) do have investment banking relationship with China National Petroleum Corp, CNPC Finance HK Ltd, China Shanshui Cement Group Co Ltd and COFCO Corp within the preceding 12 months.

This disclosure statement is made pursuant to paragraph 16 of the “Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission” and is updated as of 13 June 2012. Waiver has been obtained by BOC International Holdings Limited from the Securities and Futures Commission of Hong Kong to disclose any interest the Bank of China Group may have in this research report.

DISCLAIMER



This report was originally prepared and issued by BOCI Research Limited for distribution to their professional, accredited and institutional investor customers. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject BOCI Research Limited, BOC International Holdings Limited and its subsidiaries and affiliates (collectively "BOCI Group") to any registration or licensing requirement within such jurisdictions. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of BOCI Group. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of BOCI Group.

The information, tools and material presented in this report are provided to you for information purposes only and shall not be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. BOCI Group may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The contents of this report do not constitute investment advice to any person and such person shall not be treated as a customer of BOCI Group by virtue of receiving this report.

Information and opinions presented in this report have been obtained or derived from sources believed by BOCI Group to be reliable, but BOCI Group makes no representation as to their accuracy or completeness and BOCI Group accepts no liability for loss arising from the use of the material presented in this report unless such liability arises under specific statutes or regulations. This report is not to be relied upon in substitution for the exercise of independent judgment. BOCI Group may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. The reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. For the avoidance of doubt, views expressed in this report do not necessarily represent those of BOCI Group.

This report may provide the addresses of, or contain hyperlinks to, various websites. To the extent that this report refers to material outside BOCI Group's own website, BOCI Group has not reviewed the linked sites and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to BOCI Group's own website material) is provided solely for your convenience and information and the content of the linked sites does not in any way form part of this report. Accessing such websites shall be at your own risk.

BOCI Group may, to the extent permitted by law, participate or invest in financing transactions with the issuer(s) of the securities referred to in this report, perform services for or solicit business from such issuers, and/or have a position or effect transactions in the securities or other financial instruments thereon. BOCI Group may, to the extent permitted by law, act upon or use the information or opinions presented herein, or the research or analysis on which they are based, before the material is published. BOCI Group and the analysts preparing this report (each an "analyst" and collectively the "analysts") may have relationships with, financial interests in or business relationships with any or all of the companies mentioned in this report (each a "listed corporation" and collectively the "listed corporations"). See "Disclosure".

Information, opinions and estimates are provided on an "as in" basis without warranty of any kind and may be changed at any time without prior notice. Nothing in this report constitutes investment, legal, accounting or tax advice nor a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Nothing in this report constitutes a personal recommendation to you.

This report has been prepared and issued by BOCI Research Limited. This information is confidential and is intended solely for the use of its recipient. This report is distributed in Hong Kong by BOCI Research Limited and BOCI Securities Limited; in Singapore by BOC International (Singapore) Pte. Ltd. This report and any information, material and contents herein are intended for general circulation only and do not take into account the specific investment objectives, financial situation or particular needs or any particular person. This report and any information, material and contents herein are intended for general circulation only and do not take into account the specific investment objectives, financial situation or particular needs or any particular person. The investment(s) mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a financial adviser regarding the suitability of such investment(s), taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to purchase any of such investment(s). The suitability of any particular investment or strategy whether opined on, described in or referred to in this report or otherwise will depend on a person's individual circumstances and objectives and should be confirmed by such person with his advisers independently before adoption or implementation thereof (either as is or is varied).

Without prejudice to any of the foregoing disclaimers, to the extent that the reader is an accredited or expert investor as defined in Regulation 2 of the Financial Advisers Regulations ("FAR") of the Financial Advisers Act (Cap. 110) of Singapore ("FAA"), BOC International (Singapore) Pte Ltd is in any event exempted (i) by Regulation 34 of the FAR from the requirement to have a reasonable basis for making any recommendation as mandated under Section 27 of the FAA, and (ii) by Regulation 35 of the FAR from the requirements in Section 36 of the FAA mandating disclosure of any interests in securities mentioned in this report, or in their acquisition or disposal, that it or its associated or connected persons may have. The recipient of the analysis or report should contact BOCI in Singapore if they have any queries as to the report/analysis. Copyright 2012 BOCI Research Limited, BOC International Holdings Limited and its subsidiaries and affiliates. All rights reserved.

20/F, Bank of China Tower
1 Garden Road
Hong Kong
Tel: (852) 2867 6333
Fax: (852) 2147 9513

Toll free numbers to Hong Kong:

China North: 10800 8521065

China South: 10800 1521065

Singapore: 800 852 3392

BOCI Securities Limited

20/F, Bank of China Tower
1 Garden Road
Hong Kong
Tel: (852) 2867 6333
Fax: (852) 2147 9513

BOC International (Singapore) Pte. Ltd.

Reg. No. 199303046Z

4 Battery Road
4/F Bank of China Building
Singapore 049908
Tel: (65) 6412 8856 / 6412 8630
Fax: (65) 6534 3996 / 6532 3371