Charting the Growth of Kungfu Bonds

**Kungfu Bonds take up the fight**

An offshore USD-denominated bond issued by Chinese financial institutions and corporations

Tight regulations and rising funding costs in China have pushed many Chinese firms to shift their fund-raising activities from the onshore to offshore market in the past year

Chinese issuance of dollar bonds make up nearly 70% of corporate dollar bonds in Asia ex-Japan

**2018 Kungfu Bond Issuances by Industry**

- **Financials**: 56%
- **Technology**: 18%
- **Materials**: 8%
- **Utilities**: 5%
- **Energy**: 3%

**Other Foreign Currency Bonds in Asia**

- **Kungfu**: An offshore USD-denominated bond issued by Chinese financial institutions and corporations
- **Dim Sum**: A Chinese renminbi-denominated bond issued in offshore China markets
- **Panda**: A Chinese renminbi-denominated bond issued by a non-Chinese entity in the People’s Republic of China market
- **Samurai**: A yen-denominated debt instrument traded in the Japanese domestic market but issued by a non-Japanese entity
- **Kimchi**: A non-won denominated bond issued in the South Korean market

**Market volume of Kungfu Bond Issuances**

- **2014**: USD 89.9 bn
- **2015**: USD 98.7 bn
- **2016**: USD 121.2 bn
- **2017**: USD 224.1 bn
- **2018**: USD 224.1 bn

**Top Recent Issuers of Kungfu Bonds**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Total Issuance (MM USD)</th>
<th>Company</th>
<th>Total Issuance (MM USD)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Tencent Holdings</td>
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<td>China Petrochemical Corp</td>
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<td>Bank of China</td>
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*Special Drawing Rights (SDRs); RMB is the settlement currency