

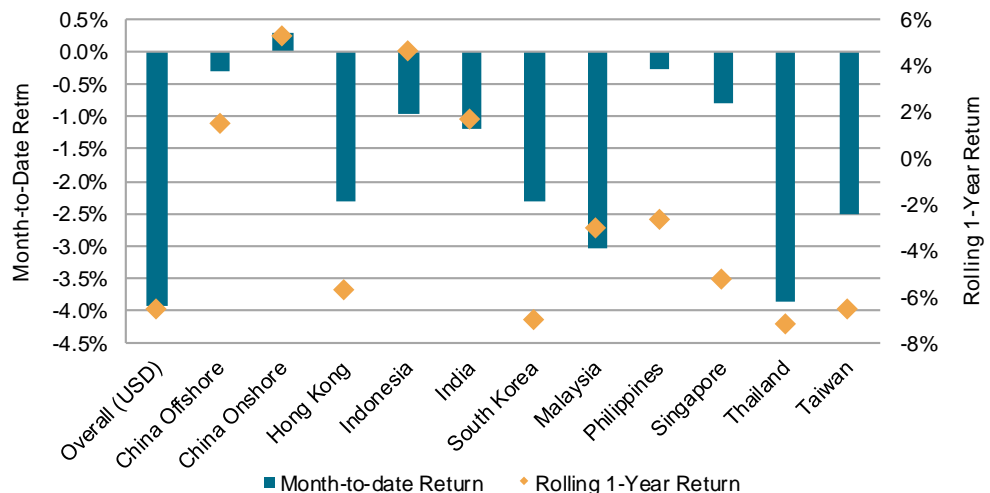
# iBoxx ALBI Monthly Commentary

## Contributor

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## April 2022 Commentary

**Exhibit 1: iBoxx ALBI Overall and Single Market Returns**



Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

As the Omicron wave of COVID-19 subsided in most parts of the world, border restrictions were either relaxed or removed in a number of countries, and businesses and individuals began to look forward to lives that may somewhat resemble pre-COVID-19 days. This said, global markets did not have the best month in April due to a slew of reasons—including the ongoing Russia-Ukraine conflict, global supply chain disruptions, tightening COVID-19 restrictions in China and inflationary pressures.

Global equities were down 8.15% (as per the EMIX All World Index). U.S. Treasuries fared slightly better but still ended the month down 3.23%. In Asian fixed income, the iBoxx Asian Local Bond Index

(ALBI) (unhedged in USD) was also in the red, losing 3.92%, as all eligible markets except China Onshore (up 0.29%) lost ground. The worst-performing markets were Thailand (-3.86%) and Malaysia (-3.05%). Apart from China Onshore and the Philippines, all other markets recorded losses (in local currency terms) across the yield curve. The largest losses were concentrated in the long end. Of these, Thailand 10+ (-7.12%) and Hong Kong 10+ (-6.97%) were notable. On the bright side, China Onshore saw modest gains across all maturity bands.

Through April, the overall index yield increased by 26 bps to 3.99%. Excluding China Onshore (-1 bp), all other underlying markets saw yield increases, with Hong Kong climbing 56 bps to 3.51%—exceeding 3.5% for the first time since index inception. India remained the highest-yielding bond market in the index, offering 7.19%, while Singapore (2.79%) was the lowest-yielding market.<sup>1</sup>

## Exhibit 2: iBoxx ALBI Overall and Single Market Returns

Market	April 2022 Index Level	Returns (%)		
		Month-to-Date	YTD	Three-Year
Overall (USD)	115.36	-3.92	-6.41	6.17
China Offshore	141.75	-0.29	-0.08	9.90
China Onshore	145.83	0.29	0.89	14.52
Hong Kong	116.00	-2.30	-6.10	2.03
India	209.34	-1.19	-1.18	24.83
Indonesia	180.38	-0.96	-1.27	30.58
South Korea	118.76	-2.31	-7.00	-6.22
Malaysia	136.63	-3.05	-4.14	7.04
Philippines	137.91	-0.28	-3.00	15.28
Singapore	115.87	-0.80	-5.28	2.68
Taiwan	113.63	-2.51	-3.91	-1.56
Thailand	130.90	-3.86	-7.10	2.19

Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Overall index performance based on total return in USD. All others based on total return in local currency. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

<sup>1</sup> Taiwan has 0% weight in the index

**Exhibit 3: iBoxx ALBI Returns Attribution – April 2022**

Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-2.53	0.30	-1.73
China Offshore	-4.19	0.27	-0.55
China Onshore	-3.87	0.27	0.02
Hong Kong	-0.22	0.19	-2.49
India	-0.87	0.58	-1.77
Indonesia	-0.93	0.57	-1.53
Malaysia	-3.40	0.33	-3.38
Philippines	-0.89	0.31	-0.59
Singapore	-2.02	0.21	-1.01
South Korea	-3.50	0.19	-2.50
Taiwan	-2.80	0.11	-2.62
Thailand	-2.73	0.21	-4.07

Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: iBoxx ALBI Countries Heatmap – April 2022**

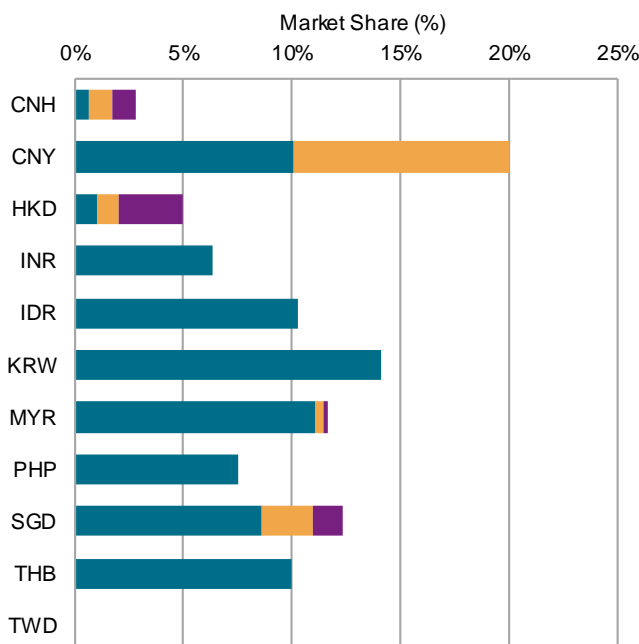
Market	Yield (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-2.97	-3.18	-3.45	-3.96	-5.45
Overall (Local Currency)	-0.25	-0.66	-1.07	-1.44	-3.13
China Offshore	-0.15	-0.43	-0.23	-0.64	-1.83
China Onshore	0.24	0.25	0.25	0.18	0.68
Hong Kong	-0.81	-1.85	-2.79	-4.16	-6.84
India	-0.44	-1.15	-1.29	-1.45	-1.25
Indonesia	-0.65	-1.80	-1.42	-1.15	-0.49
Malaysia	-0.68	-1.43	-2.31	-3.57	-5.09
Philippines	0.39	0.02	0.04	-1.37	-1.16
Singapore	-0.11	-0.15	-0.49	-0.96	-1.79
South Korea	-0.39	-0.92	-1.16	-1.73	-4.97
Taiwan	-0.10	-0.47	-1.18	-2.16	-4.89
Thailand	-0.66	-2.27	-2.98	-3.30	-7.12

Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

# May 2022 Rebalance

## Exhibit 5: Market Breakdown and iBoxx ALBI Duration Changes

■ Government ■ Sovereigns & Sub-Sovereigns ■ Corporates



Market	Duration (Years)*	
	April 30, 2022	May 2, 2022
Overall (USD)	6.51	6.56
China Offshore	2.80	2.84
China Onshore	5.79	5.86
Hong Kong	4.36	4.35
India	6.57	6.62
Indonesia	5.95	5.98
South Korea	8.51	8.54
Malaysia	6.66	6.76
Philippines	5.02	5.11
Singapore	7.49	7.44
Thailand	7.64	7.66
Taiwan	9.01	9.00

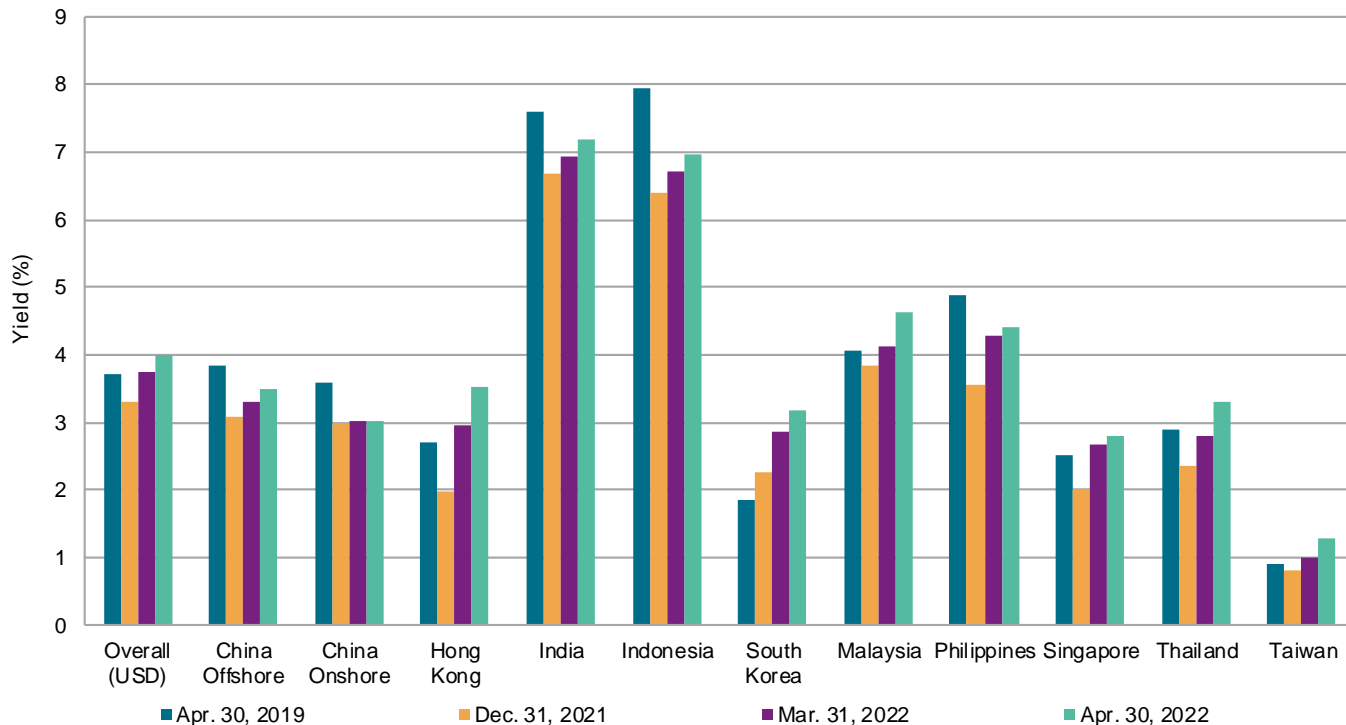
Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes. \*Semiannual modified duration.

The latest rebalance saw 31 bonds entering and 20 bonds leaving the overall index (please refer to the Appendix for a detailed breakdown of insertions and deletions).

A weight change on the eligible markets will be reviewed and applied annually, and the next change is expected on Nov. 30, 2022. The latest weight updates are reflected in Exhibit 7.

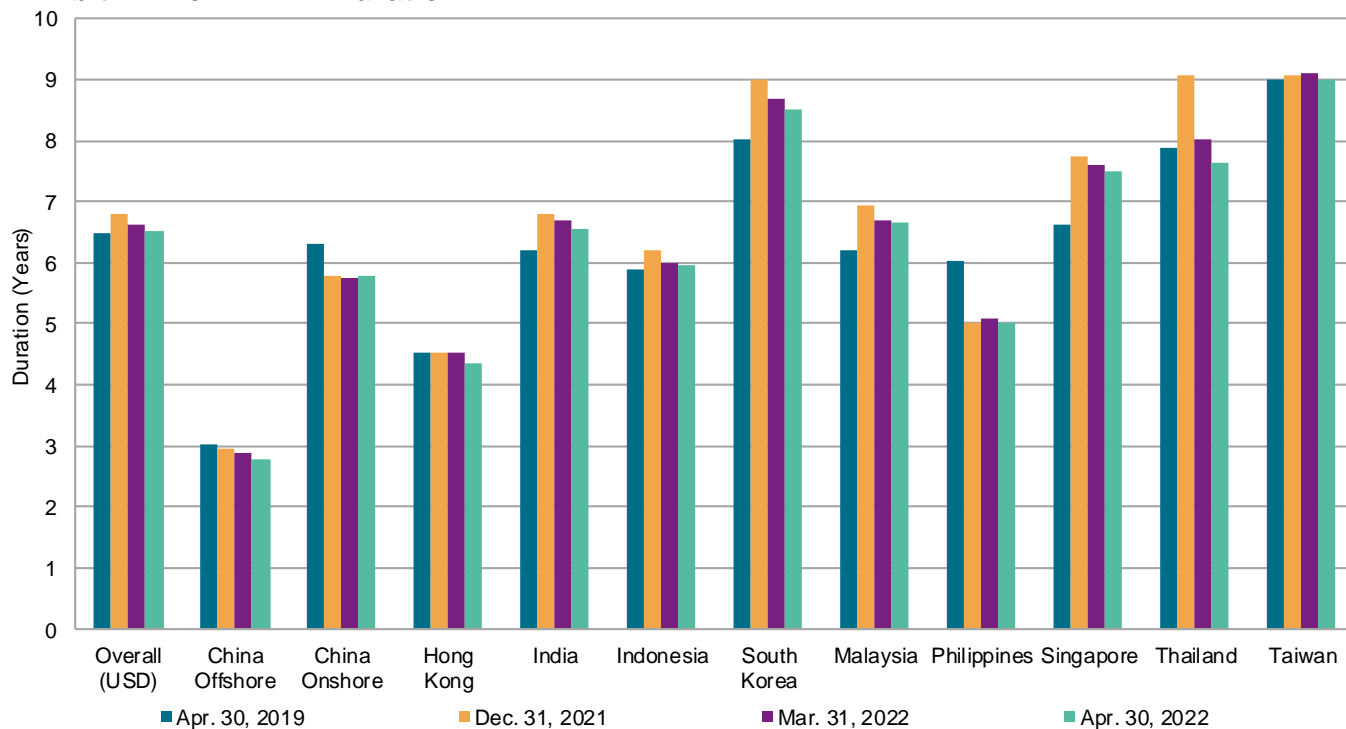
The index duration lengthened by 0.05 to 6.56 years after the recent rebalance. All markets except Singapore (-0.04 years) saw their duration increase this month, with the largest increase coming from Malaysia (up 0.11 years). Among eligible markets, South Korea currently has the longest duration (8.54 years) while China Offshore remains the least sensitive market to interest rates, with a duration of 2.84 years.

### Exhibit 6: iBoxx ALBI Yield



Source: IHS Markit, part of S&P Global. Data as of April 30, 22. Semiannual yield. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

### Exhibit 7: iBoxx ALBI Duration



Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Semiannual yield. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

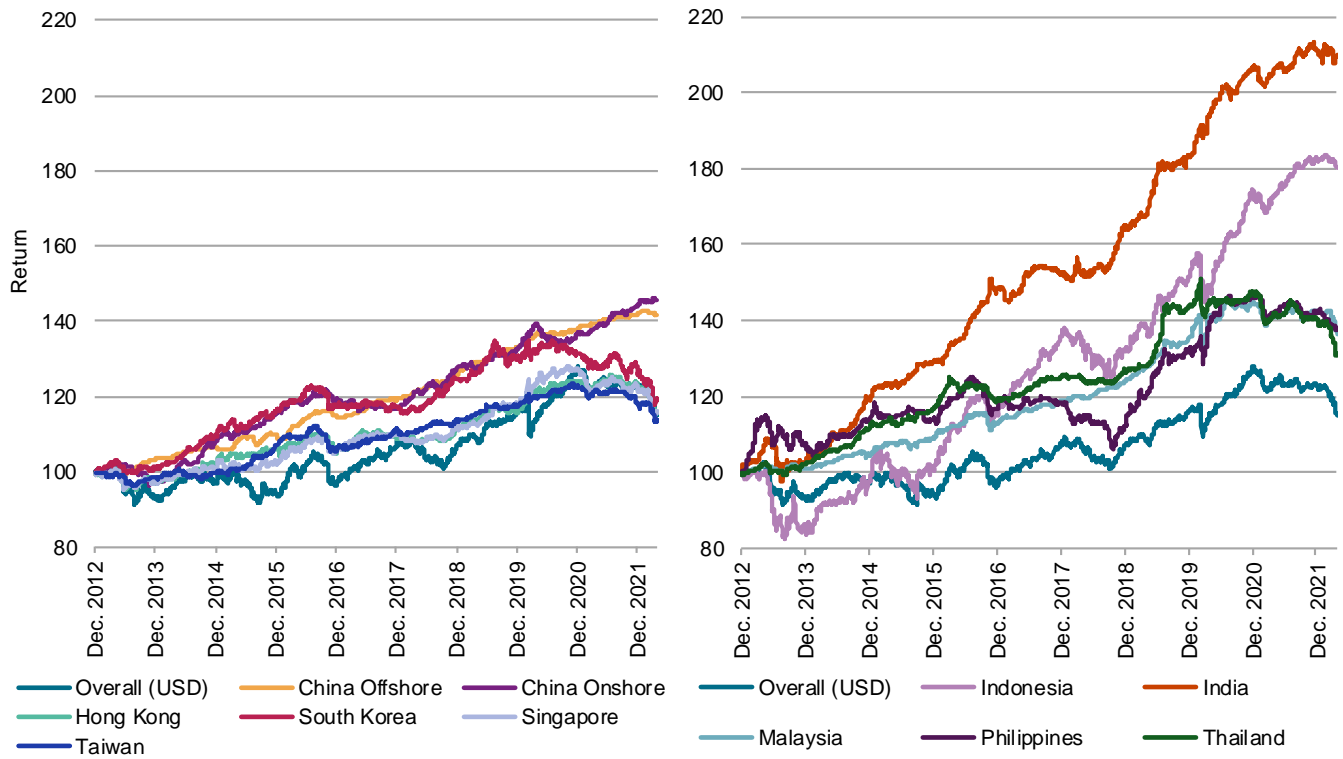
# Appendix

## Exhibit 8: iBoxx ALBI Overall – May 2022 Insertions and Deletions

Insertions				Deletions			
Issue	Ccy	Rating	Notional (MM)	Issue	Ccy	Rating	Notional (MM)
AIIB 2.5% 2025-3-24	CNH	AAA	590	CCB 2.85% 2023-4-22	CNH	A	2,000
BACR 4% 2025-4-6	CNH	A*	635	BCHINA 2.85% 2023-4-28	CNH	A	1,350
BNS 3.54% 2029-4-5	HKD	A	451	AIIB 1.64% 2023-4-15	CNH	AAA	1,200
CGB 2.48% 2027-4-15	CNY	A	77,160	LBANK 1.81% 2023-4-11	CNH	AA	1,000
CGB 3.32% 2052-4-15	CNY	A	20,000	AGRBK 2.6% 2023-4-26	CNH	A	870
CLIVSG 3.33% 2027-4-12	SGD	A*	400	CGB 3.17% 2023-4-19	CNY	A	123,150
EXIMCH 2.5% 2024-3-7	CNY	A	22,070	SDBC 1.86% 2023-4-9	CNY	A	121,640
FABUH 3.05% 2025-4-20	HKD	AA	300	ADBCH 2.2% 2023-4-1	CNY	A	112,700
GBHK 1.79% 2025-4-14	HKD	AA	4,000	EXIMCH 2.17% 2023-4-7	CNY	A	91,890
GPTAU 3.31% 2032-4-4	HKD	A	740	ADBCH 3.54% 2023-4-22	CNY	A	71,000
HANSEN 2.04% 2023-5-2	HKD	AA	400	SDBC 4.15% 2023-4-11	CNY	A	30,000
HKMTGC 1.9% 2023-5-2	HKD	AA	340	BNCHIL 3.23% 2023-4-24	HKD	A	700
IBRD 3.25% 2025-4-28	CNH	AAA	1,000	SDBC 2.95% 2023-4-19	HKD	A	407
IGB 7.1% 2029-4-18	INR	BBB	70,000	EIBKOR 3.13% 2023-4-26	HKD	AA	325
KORMSB 2.78% 2024-4-2	KRW	AA	1,410,000	KDB 2.1% 2023-4-14	HKD	AA	300
KTB 0% 2025-6-10	KRW	AA	1,028,000	IGB 7.37% 2023-4-16	INR	BBB	356,428
KTB 0% 2032-6-10	KRW	AA	1,445,000	IGB 6.3% 2023-4-9	INR	BBB	127,100
MGII 4.193% 2032-10-7	MYR	A	4,500	KORMSB 0.905% 2023-4-2	KRW	AA	11,010,000
MGS 4.696% 2042-10-15	MYR	A	5,000	MGS 3.757% 2023-4-20	MYR	A	8,900
PSASP 2.88% 2027-4-27	SGD	AA	650	RPGB 2.8% 2023-4-21	PHP	BBB	181,772
RPGB 3.4% 2025-4-7	PHP	BBB	25,791				
SCISP 3.735% 2029-4-20	SGD	BBB*	300				
SDBC 2.35% 2024-4-26	HKD	A	700				
SDBC 2.5% 2025-4-1	CNY	A	11,950				
SDBC 2.98% 2032-4-22	CNY	A	20,000				
STANLN 4.15% 2025-4-19	CNH	A	600				
STANLN 4.18% 2025-4-1	CNH	A	1,000				
STSP 3.75% 2032-4-9	HKD	A	750				
THAIGB 2.75% 2052-6-17	THB	A	21,480				
VW 3.52% 2025-4-14	HKD	A	303				
WREICL 2.85% 2024-4-20	HKD	A	400				

Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Table is provided for illustrative purposes. \*Implied Rating.

**Exhibit 9: iBoxx ALBI Overall and Single Market Returns**



Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Total return index levels since index inception. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

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