

iBoxx SGD Monthly Commentary

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April 2022 Performance

Shorter- and longer-term interest rates in developed markets moved higher in April. The broad increase in rates reflected a progressing inflationary environment stemming from hot headline inflation, the impact of the pandemic and the ongoing Russia-Ukraine conflict. Global equities declined and fixed income underperformed, as the abrupt lift-off in rates prompted markets to adjust to new valuations. The U.S. dollar surged to a recent high on the back of aggressive U.S. rate hike forecasts, and commodity prices remained at elevated levels supported by supply dislocations.

In Singapore, the MAS raised the core inflation forecast for 2022 and adopted a tighter monetary policy to slow inflation momentum and maintain price stability. The iBoxx Singapore Dollar (SGD) Overall Index fell 0.76% in April, after the worst monthly loss of -3.03% since inception over the preceding month.

Exhibit 1: iBoxx SGD Rating and Maturity Month-to-Date Returns

Index/Rating	Overall	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10+ Years
iBoxx SGD Investment Grade	-0.80%	-0.10%	-0.19%	-0.54%	-1.02%	-1.89%
iBoxx SGD AAA	-0.86%	-0.12%	-0.19%	-0.58%	-1.05%	-1.89%
iBoxx SGD AA	-0.61%	-0.26%	-0.24%	-0.96%	-0.15%	-0.93%
iBoxx SGD A	-1.34%	-0.29%	-1.57%	-0.85%	-1.61%	-2.30%
iBoxx SGD BBB	-0.12%	0.08%	0.01%	-0.29%	-0.64%	-0.78%
iBoxx SGD High Yield	0.15%	-	-	-	-	-

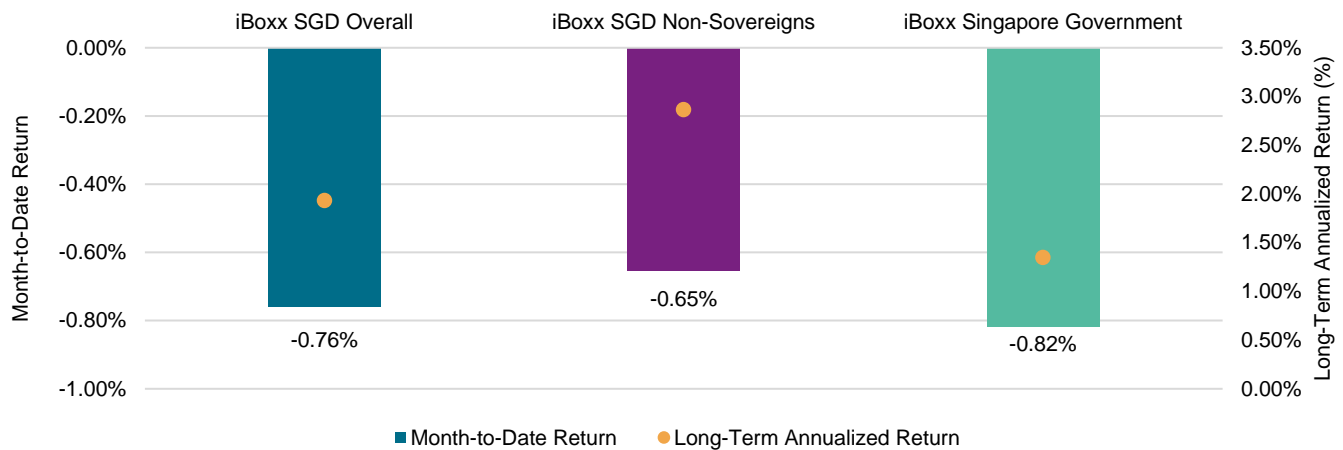
Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

All investment grade (IG) subindices fell in the red, with the A sector registering the best performance and the BBB sector the worst. In general, SGD IG bonds endured losses across the curve and faced sharp declines in longer-dated maturity buckets.

With lower duration and higher yield, the non-sovereigns sub-index outperformed both the overall index and government subindex. Temasek and LTA bonds had the longest duration among the worst performers.

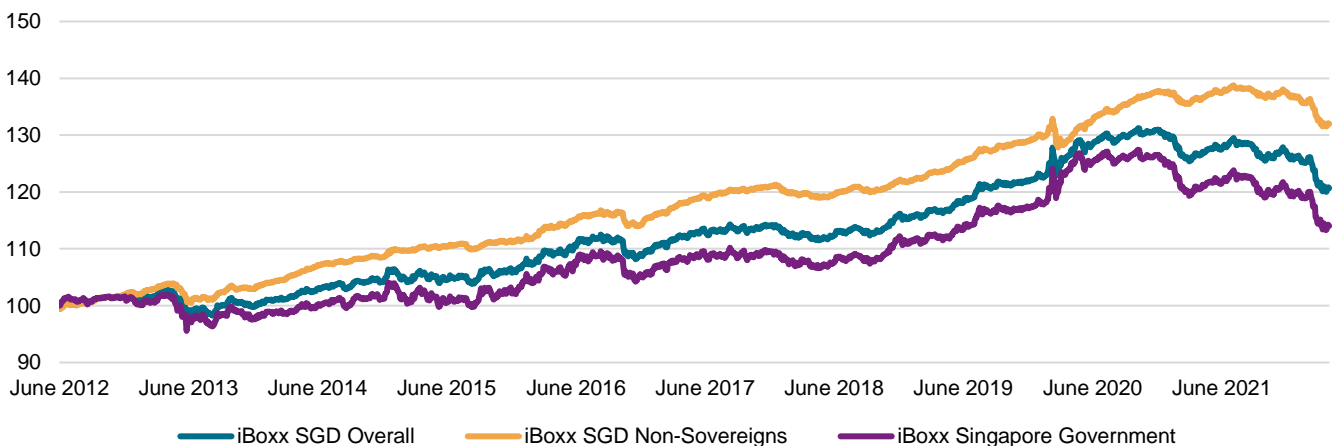
By the end of the month, the overall index offered a yield of 2.83% with a duration of 6.93 years.

Exhibit 2: Recent and Long-Term Index Performance



Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Index performance based on total return in SGD. Long-term annualized return is based on index performance from June 30, 2012, to April 30, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 3: Total Index Level Returns



Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Index performance based on total return in SGD. iBoxx Singapore Government level is rebased to 100 on June 30, 2012, to match the other two indices' levels. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 4: Best and Worst Bond Performers in the Index

Top Performers	Yield	Return (%)	Worst Performers	Yield	Return (%)
HPLSP 4.4% Perp	5.87	4.46	TEMASE 2.8% 2071-08-17	3.62	-6.99
SUNSP 4.25% Perp	5.03	2.49	OCBCSP 3% Perp	3.93	-4.47
ARASP 5.6% Perp	5.76	1.99	LTAZSP 3.38% 2059-01-30	3.65	-3.75
KEPSP 2.9% Perp	4.32	1.83	LTAZSP 3.45% 2058-07-30	3.63	-3.49
OHLSP 6.9% 2024-07-08	8.06	1.34	CHIEAS 2% 2026-07-15	3.51	-3.08

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

Exhibit 5: Key Index Analytics

iBoxx SGD Overall							
	April 2022	March 2022	Dec. 2021	April 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	120.69	121.61	126.77	116.73	-0.76%	-4.80%	3.39%
Market Value (Billions)	203.55	202.65	221.08	178.84	0.91	-17.52	24.72
Yield	2.83	2.69	2.04	2.55	0.13	0.79	0.28
Duration	6.93	7.03	7.18	5.98	-0.10	-0.25	0.95
Nominal (Billions)	205.78	202.66	210.29	173.48	3.13	-4.51	32.31
Number of Bonds	243	245	251	249	-	-	-
iBoxx SGD Government							
	April 2022	March 2022	Dec. 2021	April 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	147.94	149.16	156.18	145.44	-0.82%	-5.28%	1.72%
Market Value (Billions)	129.27	127.53	142.31	107.42	1.74	-13.04	21.85
Yield	2.59	2.46	1.81	2.29	0.13	0.78	0.30
Duration	7.66	7.78	7.77	6.79	-0.12	-0.11	0.87
Nominal (Billions)	130.10	127.00	134.30	103.40	3.10	-4.20	26.70
Number of Bonds	19	19	20	20	-	-	-
iBoxx SGD Non-Sovereigns							
	April 2022	March 2022	Dec. 2021	April 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	132.01	132.88	137.47	123.69	-0.65%	-3.97%	6.73%
Market Value (Billions)	74.29	75.12	78.76	71.42	-0.83	-4.48	2.87
Yield	3.38	3.23	2.55	3.11	0.15	0.83	0.28
Duration	5.67	5.76	6.12	4.75	-0.10	-0.46	0.91
Nominal (Billions)	75.68	75.66	75.99	70.08	0.03	-0.31	5.61
Number of Bonds	224	226	231	229	-	-	-

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

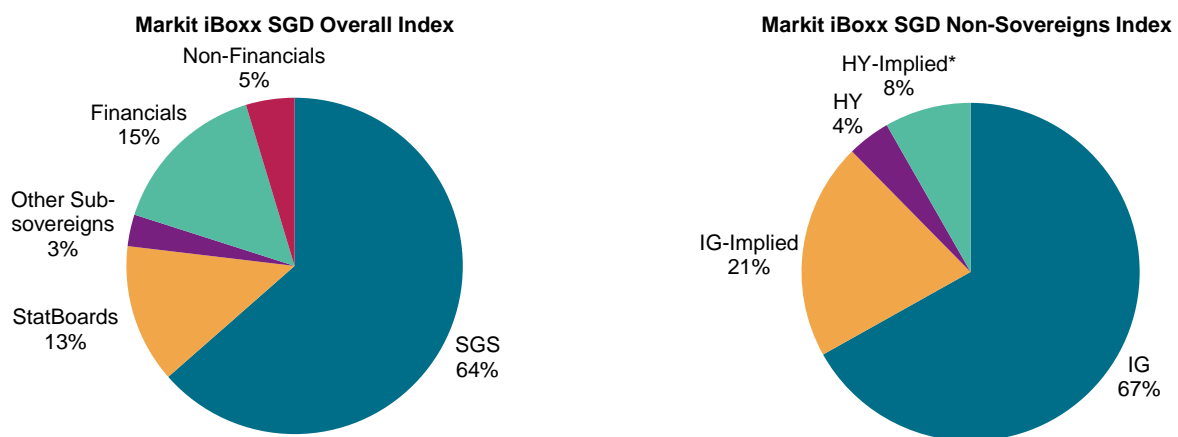
May 2022 Rebalance

This rebalance, SGD 2 billion of new notional was inserted into the iBoxx SGD Overall index via eight bonds.

Concurrently, three bonds left the index, removing SGD 425 million of notional. All departing bonds left the index due to their respective expected remaining lives, falling below one year.

The implied rating of KEPSP has been downgraded to high yield this month.

Exhibit 6: iBoxx SGD Overall and iBoxx SGD Non-Sovereigns Index Breakdown



Source: IHS Markit, part of S&P Global. Data as of April 2022. Index performance based on total return in SGD. Implied rated bonds denoted by (*) are included in the index at 50% of their full market notional amounts. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

Exhibit 7: Index Changes

iBoxx SGD Overall – Insertions		
Issue	Rating	Notional (MM)
PSASP 2.88% 2027-04-27	AA	650
SPOST 4.35% Perp	BBB	250
ACAFP 3.95% 2032-07-22	BBB	250
AREIT 3.468% 2029-04-19	A	208
CLIVSG 3.33% 2027-04-12	A*	200
ARTSP 3.63% 2027-04-20	BBB	200
SCISP 3.735% 2029-04-20	BBB*	150
LREIT 5.25% Perp	BB*	100
iBoxx SGD Overall – Deletions		
Issue	Rating	Notional (MM)
MRTSP 2.59% 2023-04-05	AA	200
KEPSP 3.8% 2027-04-23	BBB*	150
FULIN 3.7% 2023-04-15	BB*	75
iBoxx SGD Overall – Rating Changes		
Issue	April 2022	May 2022
KEPSP 2.9% Perp	BBB*	BB*

Source: IHS Markit, part of S&P Global. Data as of April 30, 2022. Index performance based on total return in SGD. Implied rated bonds denoted by (*) are included in the index at 50% of their full market notional amounts. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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