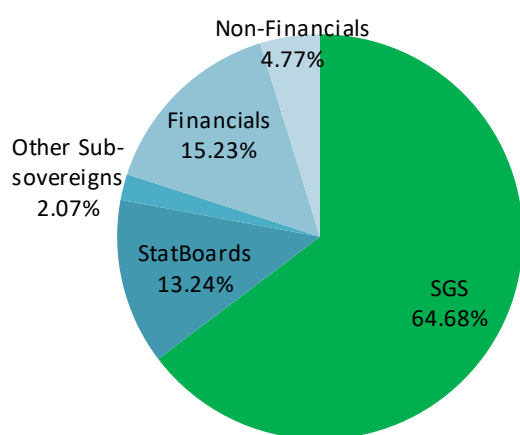


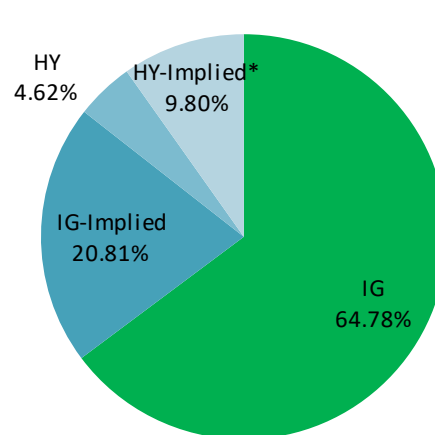
## iBoxx SGD Monthly Commentary

### July 2021 Rebalance

**iBoxx SGD Overall Breakdown**



**iBoxx SGD Non-Sovereigns Breakdown**



**IBOXX SGD Overall – July 2021 Insertions**

Issue	Rating	Notional (MM)
UOBSP 2.55% Perp	BBB	600
AIA 2.9% Perp	A	500
NUSSP 1.62% 2031-06-04	AAA	300
SCISP 2.45% 2031-06-09	BBB*	200
KITSP 4.3% Perp	BB*	150
MAGIC 3.5% Perp	BBB*	125
LREIT 4.2% Perp	A*	100
OUECT 3.95% 2026-06-02	A*	75
SUNSP 4.25% Perp	BB*	75
CRCTSP 2.4% 2028-06-29	BBB*	75

**IBOXX SGD Overall – July 2021 Deletions**

Issue	Rating	Notional (MM)
HSBC 4.7% Perp	BBB	1000
NUSSP 1.855% 2022-06-02	AAA	250
AREIT 3.2% 2022-06-03	A	150
KPLDSP 3.8% 2022-06-08	BBB*	100
STHSP 3.95% Perp	BB*	100
WINGTA 4.08% Perp	BB*	75

Ten new corporate bonds added a combined notional of S\$ 2.2 billion to the overall index during this rebalance. These insertions mainly added risk to the intermediate part of the curve.

Six corporate bonds were removed from the index (due to each of their expected remaining lives falling below 1 year) resulting in S\$ 1.675 billion of notional leaving the index.

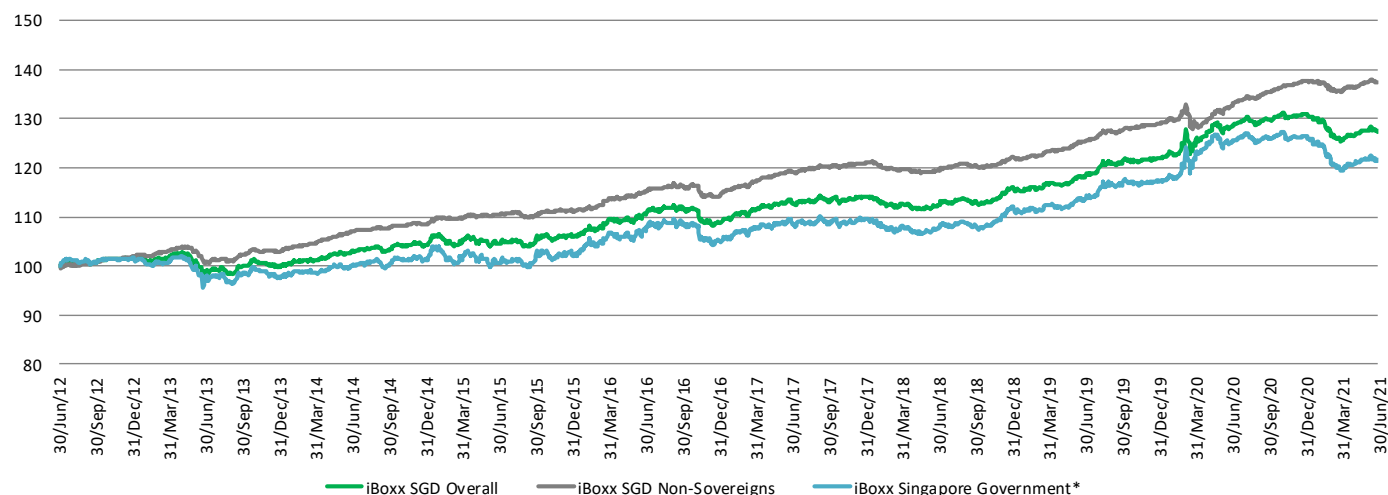
Please refer table below for rating changes observed at the July rebalance.

**Rating changes**

Issue	Jun 21	Jul 21
CAPLSP 2.9% 2032-09-21	A*	BBB*
CAPLSP 3.08% 2027-10-19	A*	BBB*
CAPLSP 3.15% 2029-08-29	A*	BBB*
CAPLSP 3.8% 2024-08-28	A*	BBB*
CAPLSP 3.65% Perp	BBB*	BB*
AGSP 3.15% 2025-01-16	BBB*	BB*
MAPLSP 3.95% Perp	BBB*	BB*
OUESP 3.55% 2023-05-10	BBB*	BB*
TSHSP 2.8% 2022-10-18	BBB*	BB*

\*Implied rated bonds are included in the index at 50% of their full market notional amounts

## Total Return Levels



\*iBoxx Singapore Government level is rebased to 100 on 30 Jun 2012 to reconcile with iBoxx SGD Overall and iBoxx SGD Non-Sovereigns levels. Data as of 30 June 2021.

## June 2021 Performance

June saw the Fed acknowledge inflation and convey a more hawkish tone at its mid-month meeting. Whilst it still sees inflation as mostly temporary, it has raised its outlook for prices as reflected in its forecasted “dot plots” for future short-term US interest rates. This led to the US Treasuries 2s10s curve flattening somewhat over June, breaking its steepening trend that began at the start of the year.

In Singapore, whilst SGS yields rose in June, the government 2s10s curve spread has remained fairly stable in recent months having also steepened significantly earlier in the year\*. On the economic front, the IHS Markit Singapore PMI data has been encouraging with the latest survey readings showing business conditions have improved for the 6th straight month. This month, Singapore also eased Covid-19 related restrictions in a staggered two phased re-opening, providing much relief to consumer and travel related sectors.

With the rise in government yields and only a partial offset from non-Sovereigns, the iBoxx SGD Overall index made a loss of -0.10% over June. Returns were mixed across maturity and rating buckets but higher credit quality bonds underperformed across much of the curve and longer dated A and BBB sectors made gains, as did the High Yield sub-index. The overall index closed the month yielding 1.79% with a duration of 6.95 years.

\*On the 30th of June, MAS Managing Director, Mr Ravi Menon, gave a statement reminding markets that the authority is closely watching global and domestic inflation (“alert to any indications of accelerations or persistence in inflation”) but retains its accommodative monetary policy stance. He also re-iterated the positive outlook for the economies of China and the US, two of Singapore’s main trading partners.

## iBoxx SGD Rating &amp; Maturity Index Performance (Month-to-Date)

	Overall	1-3Yrs	3-5Yrs	5-7Yrs	7-10Yrs	10+Yrs
<b>iBoxx SGD Investment Grade</b>	-0.12%	-0.05%	-0.18%	0.07%	0.00%	-0.32%
iBoxx SGD AAA	-0.20%	-0.09%	-0.32%	0.00%	-0.04%	-0.41%
iBoxx SGD AA	0.07%	0.00%	0.36%	0.07%	-0.03%	0.76%
iBoxx SGD A	0.23%	0.02%	-0.05%	0.45%	0.25%	0.90%
iBoxx SGD BBB	0.21%	0.07%	0.23%	0.60%	0.26%	0.11%
<b>iBoxx SGD High Yield</b>	0.32%	-	-	-	-	-

As of 30 June 2021

Top Performers Jun 2021	Yield	Return	Bottom Performers Jun 2021	Yield	Return
HPLSP 4.4% Perp	6.54	3.18%	SIGB 2.75% 2046-03-01	1.91	-0.87%
HRINTH 3.8% 2025-11-07	14.91	2.68%	LTAZSP 3.35% 2048-03-19	2.52	-0.83%
SCISP 3.593% 2026-11-26	2.11	2.66%	HSBC 5% Perp	3.44	-0.78%
HPLSP 3.8% 2025-06-02	3.59	2.13%	KREITS 3.15% Perp	3.83	-0.67%
CMZB 4.2% 2028-09-18	3.62	1.90%	CCTSP 3.327% 2025-03-21	1.88	-0.67%

Top and Bottom Performers data is as of 30 June 2021

## Key Analytics

iBoxx SGD Overall							
	Jun-21	May-21	Dec-20	Jun-18	Δ MTD	Δ YTD	Δ 3Y
Index Level	127.58	127.71	130.95	112.36	-0.10%	-2.57%	13.55%
MV (Bn.)	210.04	207.54	211.15	171.81	2.51	-1.10	38.23
Yield	1.79	1.75	1.27	2.77	0.04	0.52	-0.98
Duration	6.95	6.95	7.10	5.60	0.00	-0.15	1.35
Nominal (Bn.)	195.25	192.38	188.56	168.94	2.88	6.70	26.31
No. of Bonds	244	242	242	235	-	-	-

iBoxx SGD Government							
	Jun-21	May-21	Dec-20	Jun-18	Δ MTD	Δ YTD	Δ 3Y
Index Level	157.73	158.07	164.11	139.60	-0.21%	-3.88%	12.99%
MV (Bn.)	134.66	133.27	136.47	106.14	1.39	-1.81	28.51
Yield	1.58	1.53	0.96	2.56	0.05	0.62	-0.98
Duration	7.77	7.79	7.97	6.31	-0.01	-0.19	1.46
Nominal (Bn.)	123.80	122.10	119.20	104.10	1.70	4.60	19.70
No. of Bonds	18	18	19	21	-	-	-

iBoxx SGD Non-Sovereigns							
	Jun-21	May-21	Dec-20	Jun-18	Δ MTD	Δ YTD	Δ 3Y
Index Level	137.48	137.34	137.74	119.52	0.10%	-0.19%	15.03%
MV (Bn.)	75.39	74.27	74.68	65.67	1.12	0.71	9.72
Yield	2.31	2.31	2.08	3.24	0.00	0.23	-0.94
Duration	5.47	5.45	5.52	4.45	0.03	-0.04	1.02
Nominal (Bn.)	71.45	70.28	69.36	64.84	1.18	2.10	6.61
No. of Bonds	226	224	223	214	-	-	-

Key Analytics Data is as of month-end.

MV refers to Market Value in billions. Yield refers to Semi-Annual Yield in percent. Duration refers to Semi-Annual Modified Duration.

*Disclaimer*

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