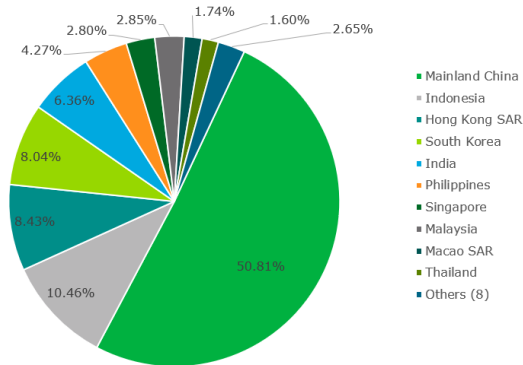


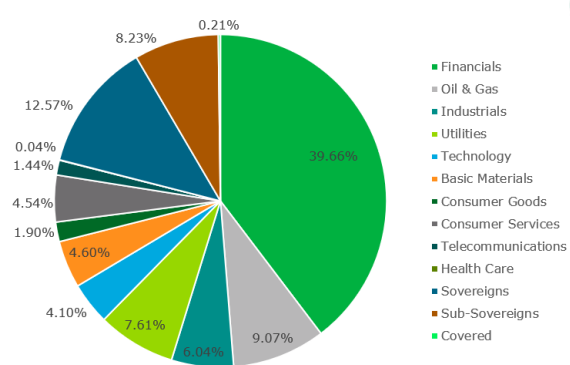
iBoxx USD Asia ex-Japan Monthly Commentary

August 2021 Rebalance

iBoxx USD Asia ex-Japan Market Breakdown



iBoxx USD Asia ex-Japan Sector Breakdown



Duration Changes

	31 Jul 21	02 Aug 21
Overall	4.49	4.55
Cambodia	2.57	2.56
China	3.53	3.57
Hong Kong	4.49	4.52
India	3.78	3.84
Indonesia	8.09	8.18
Macao	3.69	3.62
Malaysia	8.30	8.34
Mongolia	2.19	3.45
Pakistan	4.20	4.50
Papua New Guinea	5.18	5.18
Philippines	6.66	7.12
Singapore	4.97	4.97
South Korea	3.60	3.66
Sri Lanka	3.15	3.16
Taiwan	5.18	5.18
Thailand	7.08	7.15
Vietnam	3.25	3.24

* Duration is semi-annual modified duration.

Post rebalance, the overall index duration rose 0.06 to 4.55 years. Markets with the most noticeable change in duration were Mongolia (+1.26 years) and the Philippines (+0.46 years).

The Mongolian government repurchased a short-dated bond in July, while issuing a 5-year and a 10-year bond, each with a notional of USD 500 million. Meanwhile, the government of the Philippines added two very long-dated bonds to its notional base, with a combined notional of USD 3 billion.

In accordance with the U.S. Executive Order 13959, a total of 4 bonds (2 issued by Proven Glory Capital Ltd and 2 by Proven Honour Capital Limited) are excluded from the Restricted version of the index in August. The issuers of these bonds are offshore financing vehicles of the Huawei Technologies Co. Ltd.

Sixty-one new bonds entered the index in August. Mainland China, Hong Kong SAR and South Korea added 53 new issuances, making up over USD 223 billion (or 78%) of the new notional.

Of the 30 bonds removed from the rebalance:

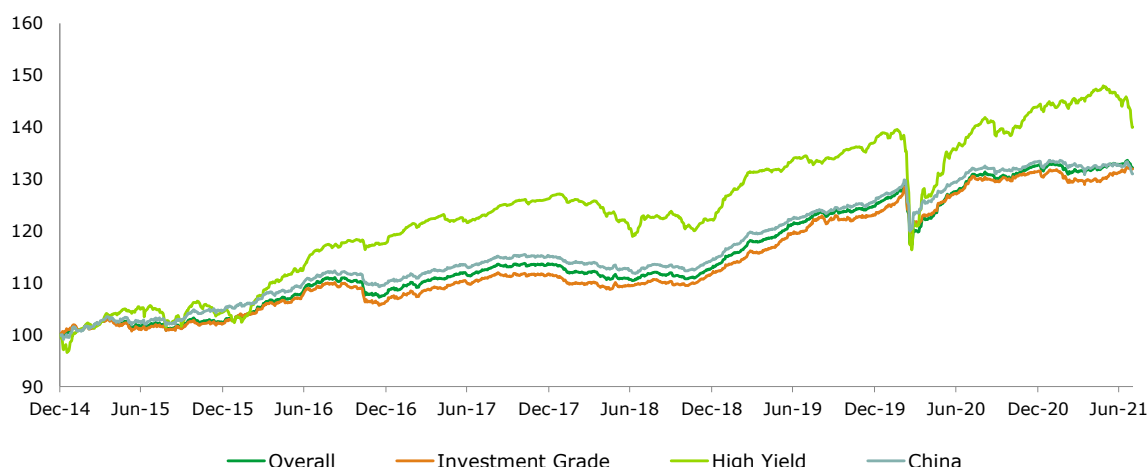
- three (2 from China and 1 from India) were traded flat
- two were called
- six were either exchanged, redeemed or repurchased, and became ineligible for the index

One fallen angel from India and one rising star from Singapore were captured this month.

Please refer to the Appendix for a breakdown of this month's insertions and deletions, and a list of fallen angels and rising stars recognised in 2021.

July 2021 Performance

iBoxx USD Asia ex-Japan Total Return Index Levels



* Total return index level is rebased to 100 on 31 December 2014. Data as of 31 July 2021.

China’s unexpected move to ease monetary policy in July fueled concern on the loss of momentum in the economy. With the government’s continued regulatory probe on mega-cap technology companies, and recently on the private education sector, cautious sentiment clouded the Chinese market. The China USD bonds in the index declined -1.22%, the most since the beginning of the pandemic in 2020.

With over 50% exposure to China, the USD Asia overall index fell (-0.47%) in July, and was down more than 1% in the last two weeks of the month. The index yield and spread widened by 9 bps and 27 bps, respectively. In contrast, the U.S. 10-year treasury yield[†] had dropped steadily over the month, falling 21 bps to 1.24%.

This month, Asia USD sovereigns outperformed credits by 1.14%. High grade (+0.52%) delivered gains across the curve in general, but high yield suffered significant losses (-3.81%) with major causalities recorded across the entire B-rated segment.

Sector Month-to-Date Performance

Sovereigns 0.41%	Sub-sovereigns 0.64%	Covered 0.04%	Corporates -0.73%	
Financials -1.78%	Oil & Gas 0.66%	Industrials 0.50%	Utilities 0.38%	Technology 0.48%
Basic Materials -0.12%	Consumer Goods 0.39%	Consumer Services -0.22%	Telecom 0.73%	Health Care 0.35%

China Sector Month-to-Date Performance

Sovereigns 1.09%	Non-Sovereigns -1.28%			
Sub-sovereigns 0.79%	Corporates -1.36%			
	Non-Financials 0.54%	Financials -2.55%		
		Real Estate -6.69%	ex-Real Estate 0.51%	

Within the top 7 markets (by market value) in the index, only China (-1.22%) and India (-0.13%) registered losses while all other markets were in the green.

In the corporate space, Financials was the worst returning laggard, followed by Consumer Services and Basic Materials. All other sectors recorded gains.

With over 20% weight (by market value) in the China USD space, the China Real Estate sector sank -6.69% in July, largely contributing to the fall of the overall index (-0.47%) and its China sub-index (-1.22%).

Conversely, China LGFV (+0.70%) outperformed this month, with both its high grade (+0.43%) and high yield (+1.44%) segments yielding positive returns.

[†] 10-year treasury constant maturity yield data from FRED database

Key Index Analytics

By Rating

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	228.01	-0.47%	1357.62	3.36	225	4.49	2157
AAA	211.74	0.40%	10.77	2.15	58	8.51	14
AA	198.53	0.76%	86.33	1.48	50	4.64	143
A	214.58	0.72%	402.12	2.32	112	5.26	568
BBB	235.87	0.35%	559.89	3.08	189	5.06	840
BB	262.61	-0.80%	175.77	5.21	471	2.27	334
B	275.59	-8.86%	106.06	14.20	1365	2.04	227
CCC	122.91	-1.00%	16.09	18.42	1777	2.50	28

By Maturity

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	228.01	-0.47%	1357.62	3.36	225	4.49	2157
Year 0-1	163.09	-0.38%	176.18	7.16	711	0.47	343
Year 1-3	194.69	-1.54%	389.96	4.54	433	1.76	701
Year 3-5	231.77	-0.71%	339.97	3.19	266	3.54	540
Year 5-7	247.54	0.21%	129.72	2.97	212	5.07	190
Year 7-10	257.94	0.62%	171.04	2.80	166	7.16	231
Year 10+	315.44	0.97%	150.75	3.37	156	14.86	152

Rating & Maturity Month-to-Date Performance

	0-1 Yr	1-3 Yrs	3-5 Yrs	5-7 Yrs	7-10 Yrs	10+ Yrs	Overall
Investment Grade	0.34%	0.22%	0.45%	0.67%	0.78%	0.99%	0.52%
AAA	0.03%	0.11%	0.58%	1.06%	1.60%	-0.25%	0.40%
AA	0.07%	0.18%	0.76%	0.94%	1.60%	1.90%	0.76%
A	0.12%	0.23%	0.65%	1.04%	1.34%	1.39%	0.72%
BBB	0.60%	0.22%	0.23%	0.32%	0.27%	0.72%	0.35%
High Yield	-1.91%	-5.21%	-3.92%	-1.88%	-1.46%	-1.66%	-3.81%
BB	0.03%	-0.73%	-1.20%	-1.59%	-0.76%	-0.45%	-0.80%
B	-6.15%	-10.89%	-9.85%	-3.48%	-1.80%	-2.16%	-8.86%
CCC	5.82%	-2.73%	-3.11%	0.08%	-2.09%	0.00%	-1.00%

Top 7 Largest Markets Month-to-Date Change

	Δ MTD	ΔYield (%)	ΔSpread (bps)	ΔDuration
Mainland China	-1.22%	0.26%	43	0.02
Hong Kong SAR	0.68%	-0.09%	10	0.08
India	-0.13%	0.04%	22	0.03
Indonesia	0.27%	0.00%	19	0.12
Singapore	0.48%	-0.01%	18	0.04
South Korea	0.57%	-0.11%	4	0
Philippines	0.34%	0.00%	20	-0.03

By Mainland China Breakdown

	Jul 2021	Δ MTD	Δ YTD	Δ 3Y	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Mainland China	244.29	-1.22%	-1.80%	16.00%	689.81	3.88	294	3.53	1185
Sovereigns	164.81	1.09%	0.23%	21.61%	17.82	1.43	30	5.77	13
Non-sovereigns	244.85	-1.28%	-1.85%	15.89%	671.99	3.99	306	3.47	1172
Sub-sovereigns	204.36	0.79%	1.44%	19.43%	25.34	1.75	81	3.99	39
Corporates	249.39	-1.36%	-1.98%	15.76%	646.65	4.09	316	3.45	1133
Financials	300.74	-2.55%	-4.25%	14.34%	390.15	6.05	548	2.38	764
Real Estate	328.58	-6.69%	-8.86%	12.70%	157.82	9.80	920	2.37	351
Non-Financials	225.67	0.54%	1.71%	18.02%	256.51	2.67	148	5.08	369
Investment Grade	220.56	0.48%	0.18%	17.86%	512.36	2.66	163	4.16	804
High Yield	311.47	-5.77%	-7.06%	11.08%	177.45	12.08	1171	1.72	381
Mainland China LGFV	125.01	0.70%	1.69%	18.12%	53.16	3.99	367	1.51	142
Investment Grade	123.14	0.43%	0.90%	16.36%	38.92	3.02	266	1.67	102
High Yield	127.35	1.44%	4.08%	24.23%	14.24	7.94	779	1.09	40

Data as of 31 July 2021.

MV (Bn) refers to market value in billion. **Yield (%)** refers to semi-annual yield in percent.

Spread (bps) refers to semi-annual spread to benchmark curve in basis point. **Duration** refers to semi-annual modified duration.

Appendix

iBoxx USD Asia ex-Japan Overall – August 2021 Insertions

Issue	MKT	Rating	Notional (MM)
AGILE 5.5% 2025-04-21	CHN	BB	314
BCDHGR 3.25% 2026-07-15	CHN	BBB	517
BJCONS 2.22% 2026-07-02	CHN	BBB	600
CCBL 1.8% 2026-07-22	CHN	A	600
CHALHK 1.55% 2024-07-28	CHN	A	500
CHALHK 2.1% 2026-07-28	CHN	A	500
CNBG 3.1% Perp	CHN	BBB	400
CNMDHL 2.13% 2026-07-14	CHN	BBB	500
CSSSHI 2.1% 2026-07-27	CHN	A	500
FTLNHD 4.63% 2025-10-15	CHN	BB	300
GZINFU 2.85% 2026-07-28	CHN	A	300
HNYUZI 3.2% 2026-07-06	CHN	A	300
ICBCIH 1.1% 2024-07-26	CHN	A	600
LOGPH 4.7% 2026-07-06	CHN	BB	300
LYURBN 2.6% 2024-07-06	CHN	BBB	300
PINGRE 3.45% 2026-07-29	CHN	BBB	300
PINGRE 2.75% 2024-07-29	CHN	BBB	300
REDPRO 11% 2022-08-06	CHN	B	321
ROADKG 5.13% 2026-07-26	CHN	BB	500
SHANPU 0.88% 2024-07-13	CHN	BBB	700
SHDOIS 4.8% 2024-07-28	CHN	BB*	500
SINOCE 2.7% 2025-01-13	CHN	BBB	320
SUNAC 6.8% 2024-10-20	CHN	BB	400
SWHYSE 1.8% 2026-07-14	CHN	BBB	500
SZEXPR 1.75% 2026-07-08	CHN	BBB	300
WESCHI 4.95% 2026-07-08	CHN	BB	600
WHREST 2.25% 2024-07-09	CHN	BBB	500
XIAOMI 2.88% 2031-07-14	CHN	BBB	800
XIAOMI 4.1% 2051-07-14	CHN	BBB	400
YGCZCH 3.4% 2028-03-31	CHN	BB	550
ZJEXPR 1.64% 2026-07-14	CHN	A	470
BOCOHK 2.3% 2031-07-08	HKG	BBB	1,000
CHINLP 2.25% 2031-07-21	HKG	A	300
CINDBK 3.25% Perp	HKG	BB	600
CKINF 4% Perp	HKG	BBB	300
CSIPRO 5.45% 2025-07-21	HKG	BB*	300
FAEACO 5.1% 2024-01-21	HKG	BB*	385
HKLSP 2.25% 2031-07-15	HKG	A	500
LASUDE 5% 2026-07-28	HKG	BB*	250
MINMET 4.95% 2026-07-22	HKG	BBB	300
ZJENGI 1.74% 2026-07-20	HKG	A	500

iBoxx USD Asia ex-Japan Overall – August 2021 Insertions

Issue	MKT	Rating	Notional (MM)
ADANEM 3.87% 2031-07-22	IND	BBB	300
RECLIN 2.75% 2027-01-13	IND	BBB	400
INDON 2.15% 2031-07-28	IDN	BBB	600
SSW 5.5% 2029-08-01	MH	BB	750
MONGOL 3.5% 2027-07-07	MNG	B	500
MONGOL 4.45% 2031-07-07	MNG	B	500
PHILIP 1.95% 2032-01-06	PHL	BBB	750
PHILIP 3.2% 2046-07-06	PHL	BBB	2,250
DAESEC 1.38% 2024-07-07	KOR	BBB	300
DFHOLD 1.38% 2024-07-19	KOR	BBB	300
DFHOLD 2.13% 2026-07-19	KOR	BBB	300
HYNMOT 1.63% 2026-07-12	KOR	BBB	300
KOREAT 1.38% 2027-01-21	KOR	A	300
KORGAS 1.13% 2026-07-13	KOR	AA	450
KORGAS 2% 2031-07-13	KOR	AA	350
LGCHM 1.38% 2026-07-07	KOR	BBB	500
LGCHM 2.38% 2031-07-07	KOR	BBB	500
NACF 0.88% 2024-07-28	KOR	A	300
NACF 1.25% 2026-07-28	KOR	A	300
MINTTB 2.7% Perp	THA	BBB	300

* Implied rating

iBoxx USD Asia ex-Japan Overall – August 2021 Deletions

Issue	MKT	Rating	Notional (MM)
AGILE 8.5% 2021-07-18	CHN	BB	600
ANTOIL 7.5% 2022-12-02 [^]	CHN	B	300
BCHINA 2.25% 2021-07-12	CHN	A	1,000
BJHAIG 4.3% 2022-10-08 [^]	CHN	BBB	490
CQNANA 3.63% 2021-07-19	CHN	BBB	500
FANGYA 7.5% 2021-11-29 [^]	CHN	BB	280
FTHDGR 7.38% 2021-10-04 [^]	CHN	B	400
GRNLHK 6% 2021-07-17	CHN	BB	300
LGUANG 11% 2022-06-04 [†]	CHN	CC	450
LGUANG 10.4% 2023-03-09 [†]	CHN	CC	300
MINMET 3.13% 2021-07-27	CHN	BBB	300
SKYFAM 13% 2022-07-08 [^]	CHN	B	274
SUNAC 7.35% 2021-07-19	CHN	BB	650
SUNCHN 11.5% 2021-07-05	CHN	CCC	293
SZEXPR 2.88% 2021-07-18	CHN	BBB	300
CHINLP 4.75% 2021-07-12	HKG	A	300
ICBCAS 4.25% Perp [^]	HKG	BB	1,000
REGH 3.88% 2021-07-20	HKG	BB*	350
EXIMBK 3.13% 2021-07-20	IND	BBB	500
FRETAI 5.6% 2025-01-22 [†]	IND	CC	500
NTPCIN 5.63% 2021-07-14	IND	BBB	500
MALAYS 4.65% 2021-07-06	MYS	A	800
MONGOL 5.13% 2022-12-05 [^]	MNG	B	799
OLAMSP 5.35% Perp	SGP	BB*	500
KOHNPW 4.75% 2021-07-13	KOR	AA	500
KOMPW 2.5% 2021-07-21	KOR	AA	300
KORGAS 1.88% 2021-07-18	KOR	AA	500
WOORIB 2.63% 2021-07-20	KOR	A	500
SRILAN 6.25% 2021-07-27	LKA	CCC	1,000
MINTTB 4.66% Perp [^]	THA	BBB	300

[^] Issue was either called, exchanged, redeemed, or repurchased

[†] Trading flat

* Implied rating

iBoxx USD Asia ex-Japan Overall – Fallen Angels in 2021

Index Rebalance	Issue	MKT	Past Rating	Current Rating
31/12/2020	HBCITY 5.2% 2021-12-10	CHN	BBB*	BB*
31/12/2020	HZLJDV 5.3% 2022-12-04	CHN	BBB*	BB*
31/12/2020	SZCONS 4.6% 2022-09-05	CHN	BBB*	BB*
31/01/2021	SKENER 4.125% 2023-07-13	KOR	BBB	BB
31/03/2021	YUNINV 6.25% 2022-03-05	CHN	BBB	CCC*
30/04/2021	HRINTH 4.25%	CHIN	BBB	BB
30/06/2021	ZHYUBK 5.6%	CHN	BBB*	B*
30/06/2021	KMCMIN 6.2% 2022-06-27	CHN	BBB	BB
30/06/2021	DLDETA 5.95% 2022-07-29	CHN	BBB	BB
30/06/2021	ZYAMCL 4.2% 2022-11-29	CHN	BBB	BB
31/07/2021	HBSPIN 4.125% 2031-05-18	IND	BBB*	BB

iBoxx USD Asia ex-Japan Overall – Rising Stars in 2021

Index Rebalance	Issue	MKT	Past Rating	Current Rating
31/12/2020	HACWAM 6.2% 2022-04-24	CHN	BB*	BBB*
31/12/2020	TBIGIJ 4.25% 2025-01-21	IDN	BB	BBB
31/07/2021	OLAMSP 4.375% 2023-01-09	SGP	BB*	BBB*

iBoxx USD Asia ex-Japan (Restricted) – Bonds excluded from index due to U.S. Executive Order 13959

Index Rebalance	Issuer	ISIN	Notional (MM)
31/01/2021	Semiconductor Manufacturing International Corp	XS2101828452	600
31/07/2021	Proven Glory Capital Ltd	XS1567423501	1000
31/07/2021	Proven Glory Capital Ltd	XS1567423766	500
31/07/2021	Proven Honour Capital Limited	XS1233275194	1000
31/07/2021	Proven Honour Capital Limited	XS1401816761	2000

* Implied rating