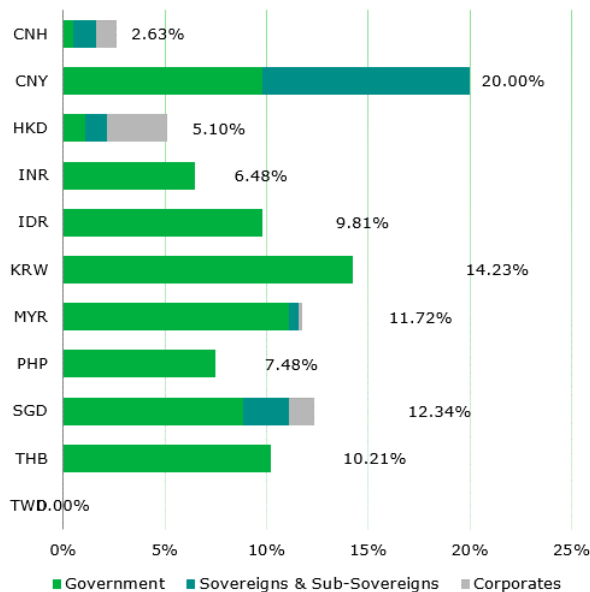


iBoxx ALBI Monthly Commentary

September 2021 Rebalance

Market Breakdown



iBoxx ALBI Duration Changes

	31-Aug-21	1-Sep-21
Overall	6.84	6.90
China Offshore	3.02	3.04
China Onshore	5.76	5.89
Hong Kong	4.63	4.65
India	6.70	6.79
Indonesia	6.24	6.27
South Korea	9.14	9.24
Malaysia	6.86	6.96
Philippines	5.17	5.28
Singapore	7.57	7.55
Thailand	8.78	8.75
Taiwan	9.31	9.31

*Semi-Annual Modified Duration

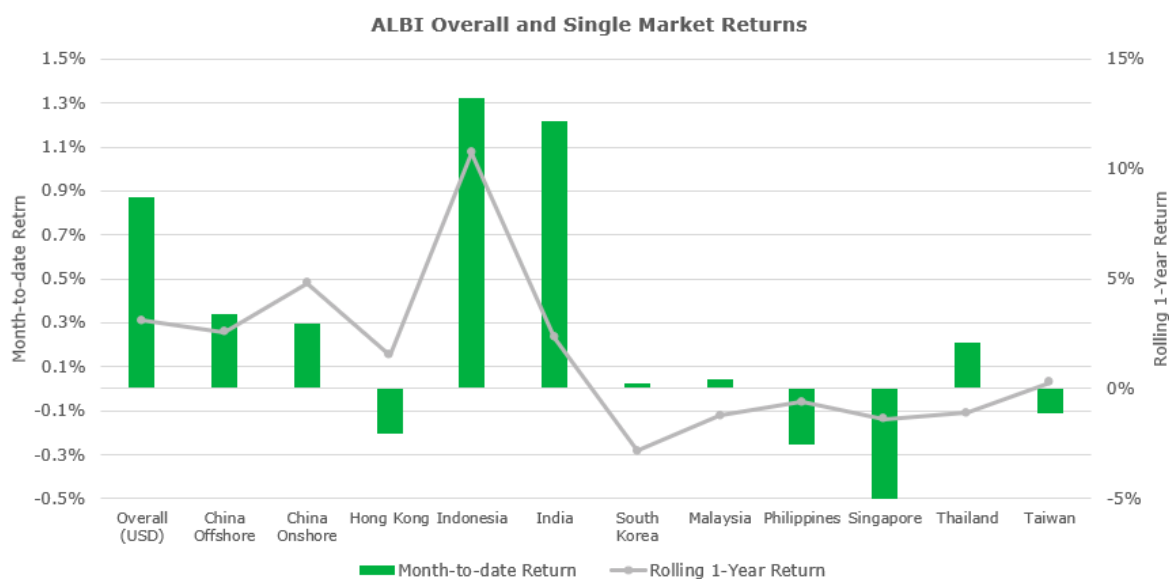
The latest rebalance saw 35 bonds entering and 27 bonds leaving the overall index. Please refer to the Appendix for a detailed breakdown of insertions and deletions.

The weight of individual markets in the index will remain consistent until 31 Nov 2021 when an annual weight change is applied to the eligible markets.

The index duration lengthened by 0.06 to 6.90 years after the recent rebalance. Most markets saw their duration increase this month, with the largest increase coming from China Onshore (+0.13 years) – as two large CGBs above CNY 250 bn entered their final year to maturity and left the index. Thailand (-0.03 years) and Singapore (-0.02 years) are the only markets with decreases in duration. Currently, South Korea has the longest duration (9.24 years¹) while China Offshore remains the least sensitive market to interest rates with a duration of 3.04 years.

¹ Taiwan is not mentioned as it has 0% weight in the index

August 2021 EOM Commentary



Data as of 31 August 2021

Despite the proliferation of the Covid-19 Delta variant across the world, investors seemed to adopt a risk-on attitude in August. Equity markets rallied and high yield bonds outperformed their investment grade counterparts. Also, the topic of inflation was back on the agenda but more so in Europe this time, as Germany and France saw inflation climbing to 13 and 3-year highs, respectively. Sensitive to both real yields and inflation indexation, the iBoxx Global Inflation-Linked index gained 0.59% in August.

The Asian local currency fixed income market – represented by iBoxx ALBI – is often seen by some as a diversifier to high grade developed markets bonds. Amidst the rally of riskier assets, iBoxx ALBI returned 0.87% in August, led by Indonesia (1.32%) and India (1.22%). The market with the highest credit quality in the index, Singapore, posted the worst result (-0.65%).

Performance along the curve was a mixed bag across the markets in iBoxx ALBI. Some markets – namely, China Offshore, China Onshore, India, Indonesia and Thailand – saw gains across the yield curve, while others – namely, Hong Kong, the Philippines, Singapore and South Korea – saw losses in the long end of the curve. Additionally, for the first time in three months, most local currencies appreciated against the dollar.

The index yield was 3.07% at August end. The Philippines (3.04%) had an 11 bps increase in yield, while Indonesia (6.28%) declined 12 bps. India continues to be the highest yielding bond market in the index offering 6.56%, while Hong Kong, at 1.58%, remains the lowest yielding market² in the index.

² Taiwan is not mentioned as it has 0% weight in the index

iBoxx ALBI Overall and Single Market Returns

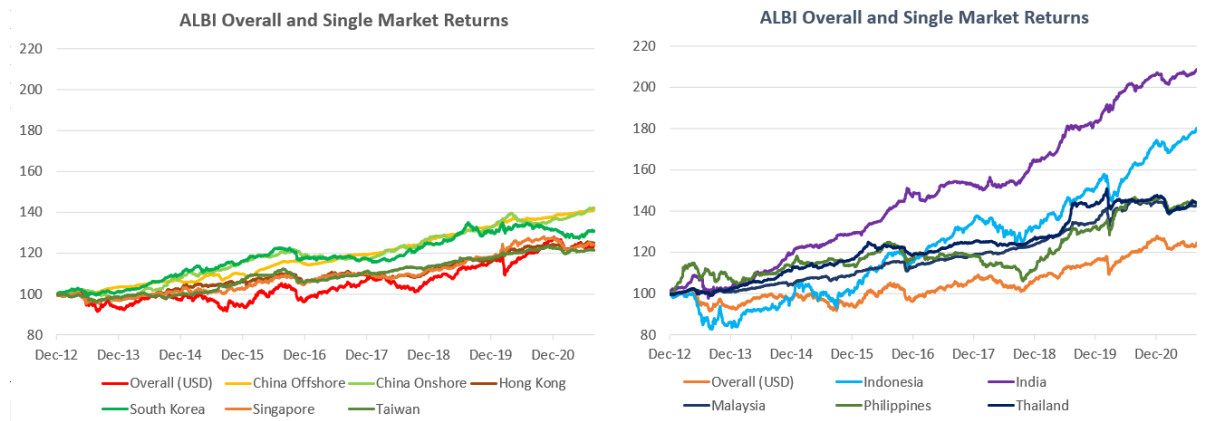
	Aug 21	MTD	YTD	3Y
Overall	124.67	0.87%	-2.08%	20.29%
China Offshore	141.13	0.34%	2.50%	13.86%
China Onshore	142.19	0.30%	4.00%	15.82%
Hong Kong	125.03	-0.21%	0.63%	14.60%
India	208.71	1.22%	1.15%	35.67%
Indonesia	180.21	1.32%	3.40%	40.21%
South Korea	130.97	0.03%	-0.25%	7.94%
Malaysia	142.80	0.04%	-1.28%	17.00%
Philippines	144.12	-0.26%	-1.34%	27.18%
Singapore	124.32	-0.65%	-2.50%	13.06%
Taiwan	121.47	-0.11%	-0.75%	7.33%
Thailand	144.25	0.21%	-2.08%	16.12%

iBoxx ALBI Returns Attribution - Aug 2021

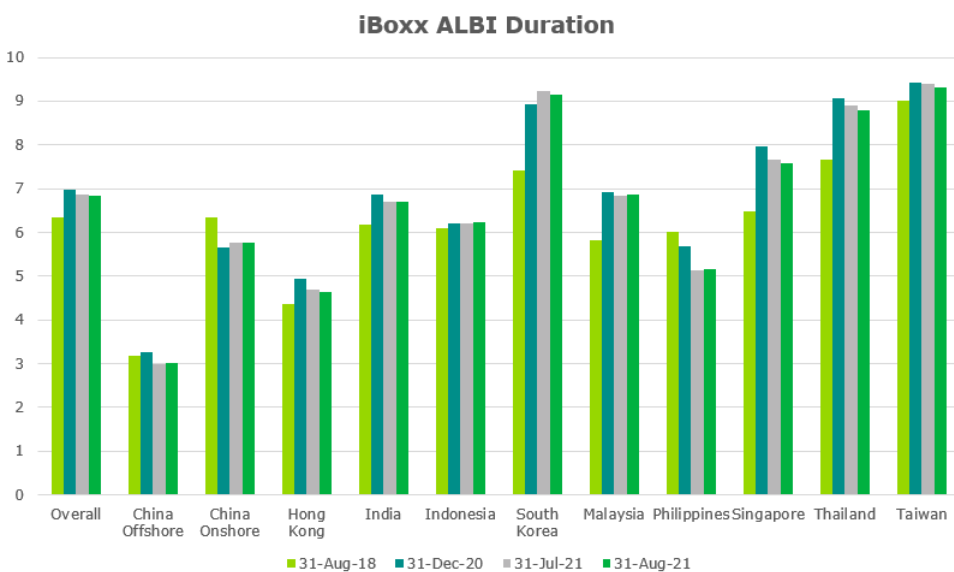
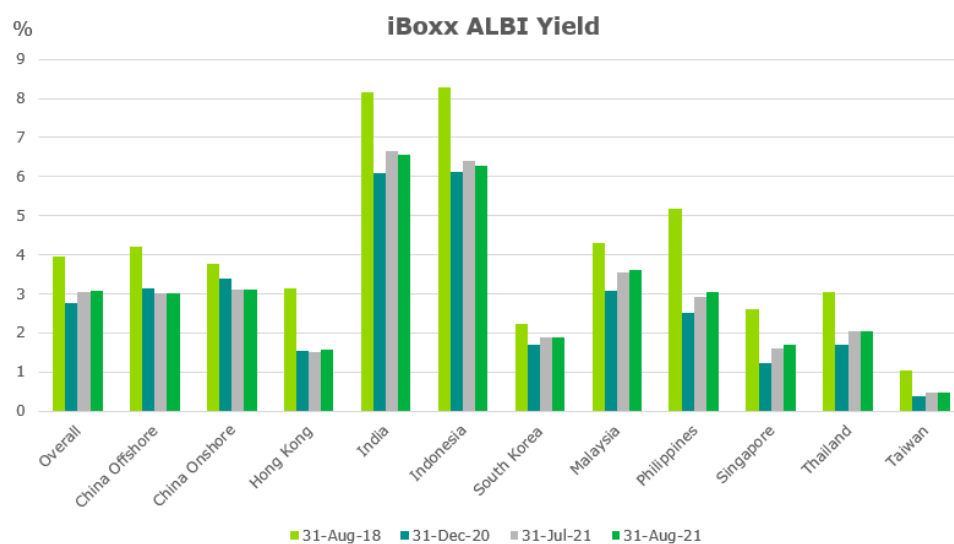
	FX Return	Accrual Return	Capital Return
Overall	0.67%	0.30%	-0.10%
China Offshore	0.08%	0.27%	0.07%
China Onshore	0.00%	0.28%	0.01%
Hong Kong	-0.10%	0.18%	-0.38%
India	1.69%	0.57%	0.65%
Indonesia	1.33%	0.58%	0.75%
Malaysia	1.82%	0.33%	-0.29%
Philippines	0.90%	0.29%	-0.55%
Singapore	0.70%	0.20%	-0.86%
South Korea	-0.79%	0.17%	-0.15%
Taiwan	0.91%	0.11%	-0.23%
Thailand	1.77%	0.21%	0.00%

iBoxx ALBI Countries Heatmap - Aug 2021

	1-3	3-5	5-7	7-10	10+
Overall (USD)	0.68%	0.87%	0.95%	0.92%	0.96%
Overall (Local Currency)	0.18%	0.27%	0.24%	0.21%	0.10%
China Offshore	0.25%	0.36%	0.57%	0.20%	1.44%
China Onshore	0.22%	0.40%	0.31%	0.37%	0.15%
Hong Kong	0.03%	-0.18%	-0.28%	-0.39%	-0.81%
India	0.68%	0.92%	1.22%	1.41%	1.38%
Indonesia	0.50%	0.57%	1.10%	1.47%	1.83%
Malaysia	0.20%	-0.10%	0.06%	0.09%	0.00%
Philippines	0.19%	0.34%	-0.45%	-1.23%	-0.80%
Singapore	0.00%	0.16%	-0.42%	-0.52%	-1.92%
South Korea	0.16%	0.18%	0.18%	-0.15%	-0.10%
Taiwan	-0.08%	-0.12%	-0.08%	-0.09%	-0.14%
Thailand	0.12%	0.43%	0.46%	0.03%	0.21%



Total Return Index Levels. Data as of 31 Aug 2021



Semi-annual yield and semi-annual duration. Data as of 31 Aug 2021.

Appendix

iBoxx ALBI Overall – September 2021 Insertions

Issue	Ccy	Rating	Notional (MM)
SINOCH 3.12% 2024-7-23	CNH	A	1,944
HYUCAP 3.2% 2024-8-11	CNH	BBB	700
IBRD 2.45% 2023-12-15	CNH	AAA	650
ADCBUH 3.35% 2026-8-13	CNH	A	550
QNBK 3.301% 2026-8-12	CNH	AA	500
CGB 2.69% 2026-8-12	CNY	A	65,000
ADBCH 2.78% 2024-7-21	CNY	A	29,200
ADBCH 2.58% 2023-7-26	CNY	A	23,420
ADBCH 2.99% 2026-8-11	CNY	A	18,000
ADBCH 3.19% 2028-8-12	CNY	A	15,000
ADBCH 3.92% 2051-6-18	CNY	A	12,000
SDBC 3.09% 2028-8-9	CNY	A	12,000
SDBC 2.28% 2024-7-29	CNY	A	10,000
UOBSP 0.635% 2024-8-16	HKD	AA	1,200
HKGB 1.5% 2023-8-23	HKD	AA	1,200
MAYMK 0.8% 2024-8-18	HKD	A	700
ASBBNK 1.4% 2028-8-2	HKD	A	700
SUNHUN 0.82% 2024-8-23	HKD	A	600
IBRD 0.125% 2023-8-23	HKD	AAA	500
HKMTGC 0.705% 2024-8-26	HKD	AA	480
ASIA 0.325% 2024-8-18	HKD	AAA	380
HKLSP 1.957% 2031-8-12	HKD	A	375
ASIA 0.69% 2026-8-9	HKD	AAA	350
EIBKOR 0.9% 2026-8-13	HKD	AA	345
EIBKOR 0.98% 2026-8-18	HKD	AA	320
EIBKOR 1% 2026-8-19	HKD	AA	320
WREICL 1.5% 2026-8-24	HKD	A	300
AIIB 0.095% 2023-8-16	HKD	AAA	300
LBANK 0.465% 2024-8-19	HKD	AA	300
IFC 0.14% 2023-8-31	HKD	AAA	300
KORMSB 1.27% 2023-8-2	KRW	AA	4,300,000
RPGB 3% 2028-8-12	PHP	BBB	45,000
UOLSP 2.33% 2028-8-31	SGD	BBB*	400
TGB 0.25% 2023-8-26	TWD	AA	35,000
TGB 0.25% 2028-8-20	TWD	AA	32,000

iBoxx ALBI Overall – September 2021 Deletions

Issue	Ccy	Rating	Notional (MM)
IBRD 2.38% 2022-8-28	CNH	AAA	600
KFW 2.55% 2022-8-22	CNH	AAA	500
KFW 2.7% 2024-3-25	CNH	AAA	500
CGB 2.64% 2022-8-13	CNY	A	297,800
CGB 2.75% 2022-8-8	CNY	A	276,610
ADBCH 4.21% 2022-8-23	CNY	A	86,570
CGB 3.39% 2022-8-23	CNY	A	86,470
EXIMCH 2.95% 2022-8-10	CNY	A	73,930
CKPFIN 2.25% 2022-8-25	HKD	A	1,450
HKGB 0.1% 2022-8-22	HKD	AA	1,200
HKMTGC 0.43% 2022-8-25	HKD	AA	1,000
MUFG 2.08% 2022-8-29	HKD	A	822
HKGB 4.65% 2022-8-29	HKD	AA	600
AFDB 1.666% 2031-3-24	HKD	AAA	570
SUMIBK 2.11% 2022-8-9	HKD	A	561
HKMTGC 0.42% 2022-8-22	HKD	AA	500
NDEVBB 1% 2026-7-2	HKD	AA	500
ASIA 0.345% 2022-8-22	HKD	AAA	390
IGB 8.08% 2022-8-2	INR	BBB	639,891
IGB 5.87% 2022-8-28	INR	BBB	87,230
KORMSB 0.71% 2022-8-2	KRW	AA	11,300,000
MGS 3.418% 2022-8-15	MYR	A	10,500
RPGB 3.9% 2022-8-2	PHP	BBB	22,554
RPTB 0% 2022-7-27	PHP	BBB	5,000
HDBSP 1.825% 2022-8-28	SGD	AAA	600
HDBSP 2.088% 2022-8-30	SGD	AAA	500
TGB 3.75% 2022-8-16	TWD	AA	40,000

*Implied Rating

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