

# S&P Dow Jones Indices

A Division of **S&P Global**

## iBoxx Asia-Pacific Annual Index Review 2023 Results

**LONDON, SEPTEMBER 29, 2023:** Following consultations with clients and market participants, as well as the conclusion of the public consultation for methodology changes on iBoxx Asian indices, IMBA UK is pleased to announce the results of the 2023 iBoxx Asia-Pacific Annual Index Review.

All changes, including the 2023 market weight changes have been reviewed by the iBoxx Asia-Pacific General Advisory Committee.

### IBOXX ASIAN LOCAL BOND INDEX (IBOXX ALBI)

#### 2023 Market Weights

IMBA UK has calculated the 2023 target weights of the following markets eligible for iBoxx ALBI. The target market weights are:

Market	2022 weights	2023 target weights	Annual change
China Onshore	20.00%	20.00%	-
China Offshore	3.52%	3.11%	-0.41%
Hong Kong	4.78%	4.53%	-0.25%
India	6.22%	12.40%	+6.18%
Indonesia	10.38%	9.61%	-0.77%
Malaysia	11.55%	10.52%	-1.03%
Philippines	7.42%	6.46%	-0.96%
Singapore	12.59%	11.65%	-0.94%
South Korea	13.77%	12.85%	-0.92%
Taiwan	0.00%	0.00%	0.00%
Thailand	9.77%	8.87%	-0.90%

The increase in the weight of India is driven by an improvement of the GEMLOC securities market access score for India from 50 to 62.5 in Aug 2023, which triggered the removal of the 50% capital controls cap imposed on the Indian market. For further details, please refer to the index methodology [here](#).

According to the index methodology, the maximum permissible change for any market weight change is 50bps per quarter. Therefore, the proposed market weight changes will take place over several quarters. The following table shows the weight changes over the next four quarters, starting from November 30, 2023.

Market	Current weight	Nov 30, 2023	Feb 29, 2024	May 31, 2024	Aug 31, 2024
China Onshore	20.0000%	20.0000%	20.0000%	20.0000%	20.0000%
China Offshore	3.5200%	3.4868%	3.4537%	3.4205%	3.3873%
Hong Kong	4.7800%	4.7598%	4.7395%	4.7193%	4.6991%

India	6.2200%	6.7200%	7.2200%	7.7200%	8.2200%
Indonesia	10.3800%	10.3177%	10.2554%	10.1931%	10.1308%
Malaysia	11.5500%	11.4667%	11.3833%	11.3000%	11.2167%
Philippines	7.4200%	7.3423%	7.2647%	7.1870%	7.1093%
Singapore	12.5900%	12.5139%	12.4379%	12.3618%	12.2858%
South Korea	13.7700%	13.6956%	13.6211%	13.5467%	13.4723%
Taiwan	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Thailand	9.7700%	9.6972%	9.6244%	9.5516%	9.4787%

The values for each of the factors used in the calculation of the market weights are:

Market	Index market cap (US\$ bn)	GEMLOC Investability Indicator	GEMLOC Securities Market Access	1+ Government bond market size (US\$ bn)
China Onshore	5673	67	87.5	2919
China Offshore	43	77	87.5	8
Hong Kong	48	91	100	9
India	1076	61	62.5	1076
Indonesia	226	71	87.5	226
Malaysia	232	79	87.5	222
Philippines	141	44	75	141
Singapore	149	94	100	107
South Korea	673	83	100	673
Thailand	186	66	75	196

## IBOXX ABF PAN-ASIA (IBOXX ABF)

### 2023 Market Weights

IMBA UK has calculated the 2023 target weights of the following markets eligible for iBoxx ABF indices. The new weights are effective from October 31, 2023.

Market	2022 weights	2023 target weights	Annual change
China	25.00%	25.00%	-
Hong Kong	8.07%	8.26%	+0.19%
Indonesia	8.37%	8.47%	+0.10%
Malaysia	11.45%	11.31%	-0.14%
Philippines	6.58%	6.21%	-0.37%
Singapore	16.07%	16.16%	+0.09%
South Korea	15.01%	15.32%	+0.31%
Thailand	9.45%	9.27%	-0.18%

The values for each of the factors used in the calculation of the market weights are:

Market	Bond market size (US\$ bn)	Credit Rating	GEMLOC Investability Indicator	1+ Government bond market size (US\$ bn)
China	18,325	A+	67	2,919
Hong Kong	366	AA+	91	9
Indonesia	409	BBB	71	226
Malaysia	419	A	79	222
Philippines	212	BBB+	44	141
Singapore	504	AAA	94	107
South Korea	2,347	AA	83	673
Thailand	459	A-	66	186

## IBOXX ASIA

### 2023 Market Weights

IMBA UK has calculated the 2023 target weights of the following markets eligible for iBoxx Asia indices. The new weights are effective from October 31, 2023.

Market	2022 weights	2023 target weights	Annual change
China	20.00%	20.00%	-
Hong Kong	8.57%	8.27%	-0.30%
India	4.23%	8.39%	4.16%
Indonesia	8.21%	7.85%	-0.36%
Malaysia	11.48%	10.71%	-0.77%
Philippines	6.49%	5.79%	-0.70%
Singapore	16.39%	15.59%	-0.80%
South Korea	15.21%	14.67%	-0.54%
Taiwan	0.00%	0.00%	-
Thailand	9.42%	8.73%	-0.69%

The increase in the weight of India is driven by an improvement of the GEMLOC securities market access score for India from 50 to 62.5 in Aug 2023, which triggered the removal of the 50% capital controls cap imposed on the market. For further details, please refer to the index methodology [here](#).

The values for each of the factors used in the calculation of the market weights are:

Market	Bond market size (US\$ bn)	Credit Rating	GEMLOC Investability Indicator	1+ Government bond market size (US\$ bn)
China	18,325	A+	67	2919
Hong Kong	366	AA+	91	9
India	2,204	BBB-	61	1076
Indonesia	409	BBB	71	226
Malaysia	419	A	79	222
Philippines	212	BBB+	44	141
Singapore	504	AAA	94	107
South Korea	2,347	AA	83	673
Thailand	459	A-	66	186

As per [announcement](#) on September 13, 2023, the distribution of quarterly weight changes for iBoxx Asia will be increased from 0.50% to 1.00%, effective with the change on October 31, 2023.

The table below details the expected changes in the underlying market weights with the increased quarterly weight change limit:

Market	Current weight	Oct 31, 2023	Jan 31, 2024	Apr 30, 2024	Jul 31, 2024
China	20.0000%	20.0000%	20.0000%	20.0000%	20.0000%
Hong Kong	8.5700%	8.4979%	8.4258%	8.3537%	8.2815%
India	4.2300%	5.2300%	6.2300%	7.2300%	8.2300%
Indonesia	8.2100%	8.1235%	8.0369%	7.9504%	7.8638%
Malaysia	11.4800%	11.2949%	11.1098%	10.9247%	10.7396%
Philippines	6.4900%	6.3217%	6.1535%	5.9852%	5.8169%
Singapore	16.3900%	16.1977%	16.0053%	15.8130%	15.6209%

<b>South Korea</b>	15.2100%	15.0802%	14.9504%	14.8206%	14.6908%
<b>Taiwan</b>	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
<b>Thailand</b>	9.4200%	9.2541%	9.0883%	8.9224%	8.7565%

Once India has reached its new target weight, the maximum permitted weight change per quarter will be reset to 0.50%.

## **OTHER INDEX FAMILIES**

### **iBoxx USD Asia-Pacific, iBoxx USD Asia ex-Japan and iBoxx ADBI Indices**

No changes.

### **iBoxx SGD Indices and Hang Seng Markit iBoxx Offshore RMB Bond Indices**

In order to align the index methodology across the Asian iBoxx indices, IMBA UK proposes to make zero coupon bonds and covered bonds eligible for the iBoxx SGD Overall and Hang Seng Markit iBoxx Offshore RMB Bond indices. This proposal would also be implemented in custom indices that are based off these index families. As of data from August 31, 2023, there was no impact on the existing index membership as there were no eligible bonds that fulfilled the criteria in either index family.

A public consultation on this change is currently open and will close on October 11, 2023. Please refer to this [link](#) for more details of the public consultation. A final announcement will be published upon the close of the consultation. If adopted, the change will be implemented in conjunction with the October 2023 month-end rebalancing, which takes effect prior to the market open on November 1, 2023.

### **iBoxx ChinaBond Government and Policy Bank Bond Indices**

No changes.

### **iBoxx AUD Large Cap Indices**

No changes.

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