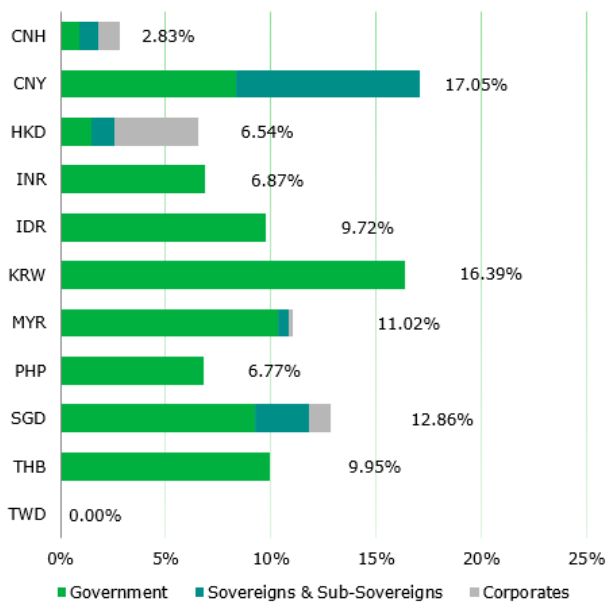


iBoxx ALBI Monthly Commentary

October 2020 Rebalance

Oct 2020 ALBI Breakdown



iBoxx ALBI Duration Changes

	30-Sep-20	1-Oct-20
Overall	6.98	7.04
China Offshore	3.18	3.24
China Onshore	5.59	5.67
Hong Kong	5.12	5.18
India	6.75	6.78
Indonesia	6.02	6.03
South Korea	9.19	9.26
Malaysia	6.96	7.02
Philippines	5.88	5.86
Singapore	7.71	7.73
Thailand	8.90	9.10
Taiwan	9.24	9.32

*Semi-Annual Modified Duration

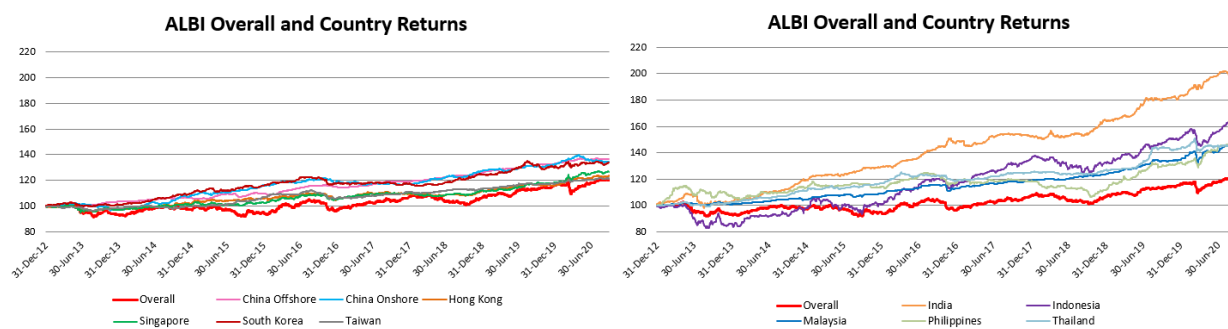
The latest rebalance saw 33 bonds entering and 22 bonds leaving the overall index. For a detailed breakdown of insertions and deletions, please refer to the Appendix.

The individual market weights of iBoxx ALBI are reflected in the chart above and the next scheduled change will be on 30th November 2020 (the December rebalance).

The index duration increased by 0.06 years to 7.04 years post rebalance. Most markets saw their duration increase this month, apart from the Philippines (-0.02 years). After the rebalance, South Korea continues to have the longest duration at 9.26 years¹ while China Offshore remains the least sensitive to interest rates with a duration of 3.24 years.

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

September 2020 EOM Commentary



^Total Return Index Levels. Data as of 30 September 2020

September saw a dovish guidance on core inflation from the Federal Reserve and an indication that it would keep interest rates at near zero levels until the end of 2022. With low yields likely to persist, the hunt for yield brought investors to look beyond government debt for additional income.

The overall ALBI index was little changed month-on-month, gaining 0.22% in September. Specifically, the credit segment of the index returned 0.60%, outperforming government debt (+0.15%). Performance across Asian fixed income markets was varied. Markets that made gains were led by South Korea (+1.10%) and Singapore (+0.87%). On the other side of the distribution, the Philippines and Malaysia posted -0.91% and -0.45%, respectively.

The highest gains and losses across ALBI markets were concentrated in the long-end segment of the curve. The 10+ segments of China Offshore (2.04%) and South Korea (1.97%) posted the highest gains, while the same maturity bucket of the Philippines (-2.22%) and China Onshore (-1.47%) saw the worst returns.

From a yield perspective, the overall index yield fell 3 bps to 2.81%. This was led by yield declines in South Korea (-10 bps) and Singapore (-10 bps) to 1.45% and 1.27%, respectively. Indonesia remains the highest yielding bond market in the index offering 6.95%. Singapore, on the other hand, is the lowest².

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

iBoxx ALBI Overall and Single Market Returns

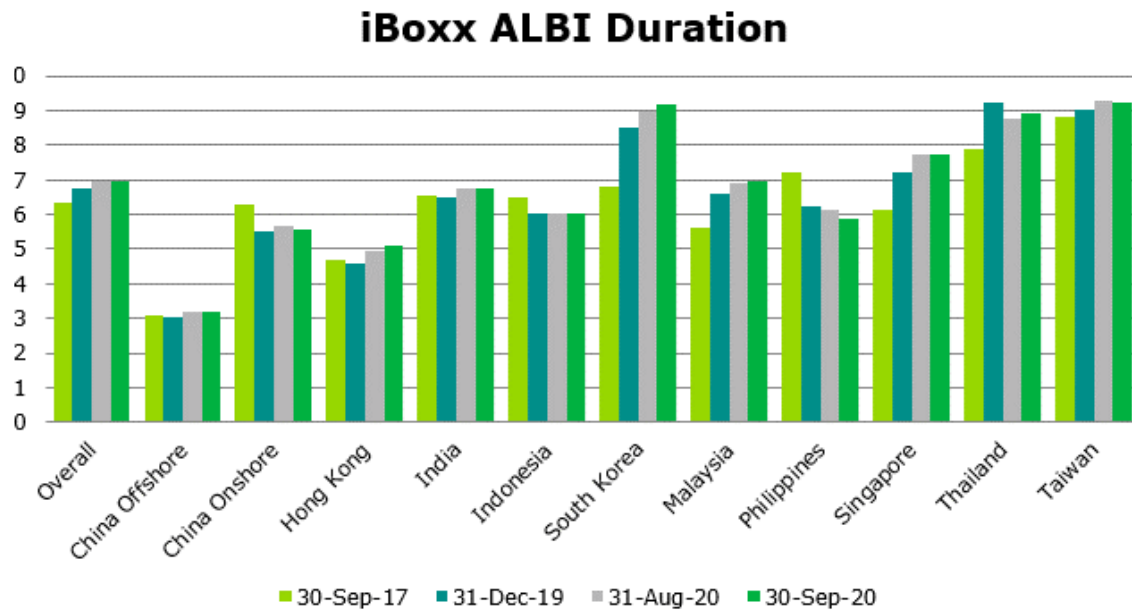
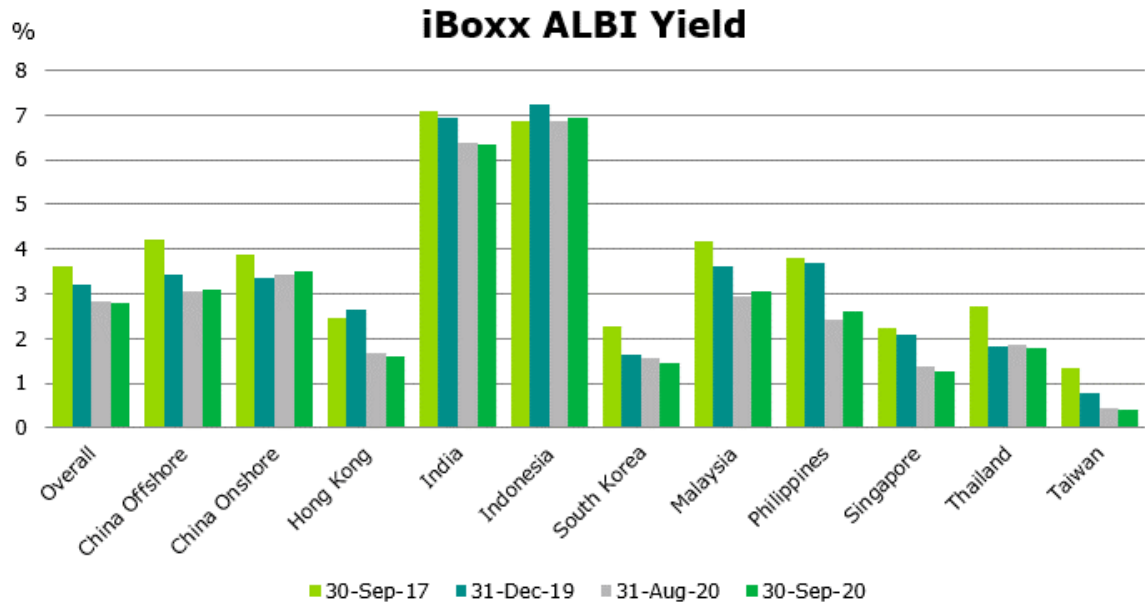
	Sep 20	MTD	YTD	3Y
Overall	120.55	0.22%	3.73%	15.89%
China Offshore	136.96	0.19%	3.02%	15.10%
China Onshore	134.49	-0.24%	1.25%	14.30%
Hong Kong	123.63	0.70%	6.79%	12.48%
India	199.95	0.79%	9.12%	29.83%
Indonesia	162.63	0.03%	7.40%	23.61%
South Korea	133.91	1.10%	3.03%	13.54%
Malaysia	143.61	-0.45%	6.57%	21.72%
Philippines	144.64	-0.91%	9.08%	20.96%
Singapore	126.63	0.87%	7.12%	15.67%
Thailand	145.19	0.66%	1.38%	16.79%
Taiwan	121.68	0.15%	3.76%	11.70%

iBoxx ALBI Returns Attribution - Sep 2020

	FX Return	Accrual Return	Capital Return
Overall	-0.09%	0.30%	0.02%
China Offshore	0.52%	0.29%	-0.10%
China Onshore	0.63%	0.28%	-0.53%
Hong Kong	0.00%	0.20%	0.50%
India	-0.19%	0.57%	0.21%
Indonesia	-2.25%	0.59%	-0.56%
Malaysia	0.10%	0.31%	-0.75%
Philippines	0.01%	0.31%	-1.21%
Singapore	-0.65%	0.20%	0.67%
South Korea	1.57%	0.18%	0.92%
Taiwan	1.31%	0.12%	0.02%
Thailand	-1.67%	0.22%	0.45%

iBoxx ALBI Countries Heatmap - Sep 2020

	1-3	3-5	5-7	7-10	10+
Overall (USD)	0.18%	0.12%	0.16%	0.29%	0.31%
Overall (Local Ccy)	0.13%	0.14%	0.25%	0.34%	0.57%
China Offshore	0.09%	0.12%	0.52%	-0.42%	2.04%
China Onshore	0.19%	0.08%	-0.26%	-0.42%	-1.47%
Hong Kong	0.18%	0.58%	0.80%	1.15%	1.57%
India	0.36%	0.58%	1.07%	1.01%	0.76%
Indonesia	0.15%	-0.53%	0.44%	0.39%	-0.03%
Malaysia	-0.07%	-0.40%	-0.49%	-0.40%	-0.67%
Philippines	0.01%	-0.14%	-0.37%	-1.41%	-2.22%
Singapore	0.20%	0.42%	0.58%	1.08%	1.69%
South Korea	0.20%	0.62%	0.85%	0.94%	1.97%
Taiwan	0.06%	0.10%	0.26%	0.20%	0.14%
Thailand	-0.01%	0.02%	0.32%	0.54%	1.39%



Appendix

iBoxx ALBI Overall – October 2020 Insertions

Issue	Ccy	Rating	Notional (MM)
AIB 2.5% 2023-9-22	CNH	AAA	700
BCHINA 3.15% 2022-9-21	CNH	A	3,000
EBIUH 4.05% 2025-9-24	CNH	A	850
HYUCAP 3.55% 2023-9-21	CNH	BBB	600
QNBK 3.5% 2026-3-9	CNH	AA	750
QNBK 3.8% 2025-9-15	CNH	AA	750
CGB 3.81% 2050-9-14	CNY	A	59,710
EXIMCH 3.34% 2023-9-4	CNY	A	20,310
SDBC 3.9% 2040-8-3	CNY	A	17,000
AIB 0.51% 2022-9-3	HKD	AAA	500
AIB 0.51% 2022-9-8	HKD	AAA	500
ASIA 0.48% 2022-9-9	HKD	AAA	300
COE 0.54% 2023-9-15	HKD	AAA	400
EIB 0.32% 2022-9-25	HKD	AAA	300
GPTAU 2.15% 2030-8-23	HKD	A	353
HKCGAS 1.98% 2030-9-21	HKD	A	700
HKMTGC 0.74% 2022-3-18	HKD	AA	500
HKMTGC 0.77% 2023-9-1	HKD	AA	300
IBRD 0.32% 2022-9-21	HKD	AAA	500
KFW 0.395% 2022-9-3	HKD	AAA	400
NIB 0.425% 2022-9-3	HKD	AAA	400
NIB 0.46% 2022-9-4	HKD	AAA	400
VPNF 1.18% 2025-9-28	HKD	A	744
IGB 6.8% 2060-12-15	INR	BBB	176,254
KTB 1.5% 2040-9-10	KRW	AA	1,956,000
RPGB 1.9% 2023-9-10	PHP	BBB	45,000
CAPLSP 2.9% 2032-9-21	SGD	A*	800
CCB 1.073% 2023-9-25	SGD	A	500
HDBSP 0.69% 2025-9-15	SGD	AAA	800
BOTGB 0.65% 2023-9-28	THB	A	40,000
THAIGB 0.95% 2025-6-17	THB	A	40,000
TGB 0.25% 2025-7-17	TWD	AA	50,000
TGB 0.5% 2040-9-18	TWD	AA	30,000

iBoxx ALBI Overall – October 2020 Deletions

Issue	Ccy	Rating	Notional (MM)
BMW 4.4% 2021-9-20	CNH	A	1,000
CABEI 4.2% 2021-9-21	CNH	AA	1,000
DAIGR 4.5% 2021-9-21	CNH	A	1,000
FABUH 4.5% 2021-9-10	CNH	AA	650
HITCAP 4.6% 2021-9-27	CNH	A	600
IBRD 3.74% 2021-9-4	CNH	AAA	500
ICBCAS 3.95% 2021-9-23	CNH	A	1,300
EXIMCH 3.74% 2021-9-25	CNY	A	73,110
EXIMCH 4.8% 2021-9-23	CNY	A	18,000
SDBC 3.68% 2021-9-7	CNY	A	122,660
SDBC 4.87% 2021-9-20	CNY	A	18,000
ICBCAS 2.2% 2021-9-16	HKD	A	4,000
MUFG 2.3% 2021-9-10	HKD	A	780
SUNHUN 3.45% 2021-9-27	HKD	A	305
SWIRE 1.95% 2021-9-7	HKD	A	300
SWIRE 2.05% 2021-9-20	HKD	A	500
KTB 1.375% 2021-9-10	KRW	AA	9,553,000
HDBSP 1.95% 2021-9-22	SGD	AAA	650
LLCAU 3.28% 2021-9-3	SGD	BBB*	300
WHEELK 4.5% 2021-9-2	SGD	A*	350
BOTGB 2.09% 2021-9-24	THB	A	81,431
TGB 4% 2021-9-11	TWD	AA	37,000

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