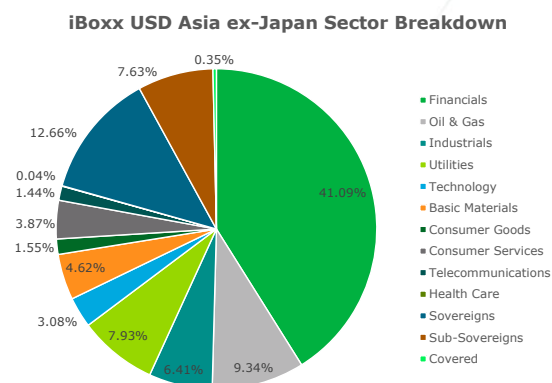
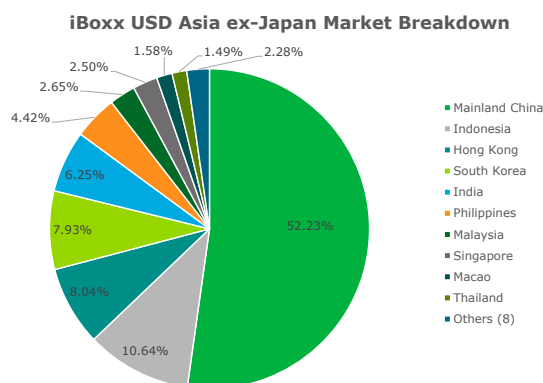


iBoxx USD Asia ex-Japan Monthly Commentary

October 2020 Rebalance



Duration Changes*

	30-Sep-20	01-Oct-20
Overall	4.39	4.43
Cambodia	1.96	1.95
China	3.44	3.50
Hong Kong	4.34	4.49
India	3.81	3.82
Indonesia	8.18	8.17
Macao	4.38	4.39
Malaysia	7.60	7.59
Maldives	1.38	1.38
Mongolia	2.11	2.34
Pakistan	3.53	3.53
Papua New Guinea	5.53	5.52
Philippines	6.85	6.84
Singapore	4.15	4.18
South Korea	3.43	3.51
Sri Lanka	3.26	3.25
Taiwan	3.66	5.20
Thailand	7.35	7.24
Vietnam	3.76	3.75

* Duration is semi-annual modified duration.

The October rebalance added 57 bonds to the index. Mainland China, Hong Kong and South Korea combined accounted for 50 bonds, adding over USD 28 billion (or 77%) of the new notional.

Of the bonds removed from the index this month, two were redeemed in full, one was refinanced, and one was partially repurchased and became ineligible for the index.

There are six fallen angels captured this month, five of them coming from the banking sector in India and the remaining one from the insurance sector in Hong Kong.

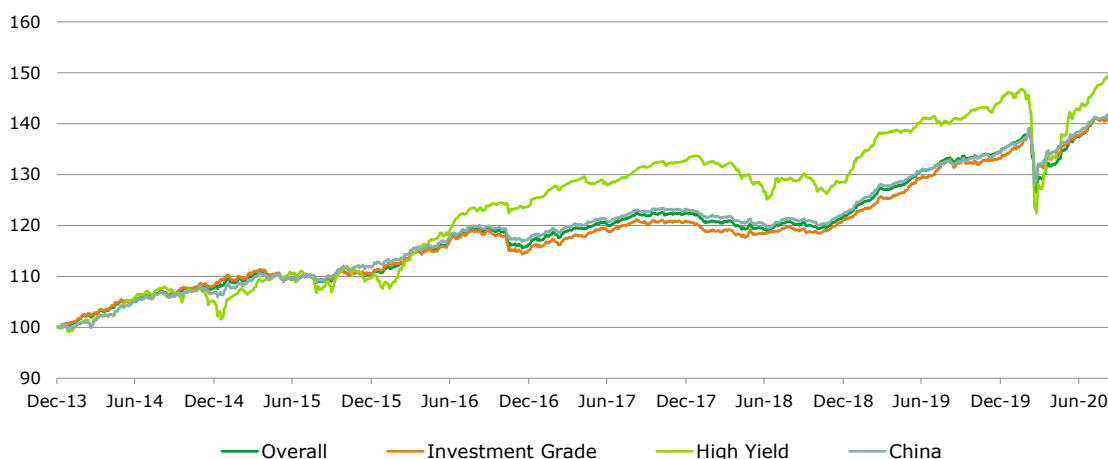
For a detailed breakdown of insertions and deletions, and a list of fallen angels recognised in 2020, please refer to the Appendix.

The overall index duration increased by 0.04 to 4.43 years to begin the final quarter of the year.

Taiwan had the largest duration increase of 1.54 years post rebalance. This market added three new medium-dated bonds with an aggregated issuance size of USD 3 billion from TSMC Global Ltd, a subsidiary of TSMC.

September 2020 Performance

iBoxx USD Asia ex-Japan Total Return Index Levels



* Total return index level is rebased to 100 on 31 Dec 2013. Data as of 30 September 2020.

The rally in Asia USD bonds that began in late March and carried over into summer months took a breather in September. The overall index slipped -0.60% this month, marking the end of a five-month rally and the second month this year with a negative performance.

The overall index yield rose 0.18% to 3.35% while the index spread widened 20 bps to 268 bps. The yield of iBoxx \$ Treasuries index fell 0.02% to 0.92% in the same period.

Non-sovereign bonds outperformed this month, down only -0.48% compared to decline of -1.43% for the sovereigns. In the credit space, high grade bonds drifted lower by -0.23% but high yield bonds surrendered -1.78%. The AAA rated segment recorded the highest gain this month, while BB and B segments registered losses across all maturity buckets.

Sector Month-to-Date Performance

Sovereigns -1.43%	Financials -0.50%	Utilities -0.13%		
Sub-sovereigns -0.04%	Oil & Gas -0.75%	Technology -0.71%	Consumer Goods 0.32%	Telecom -0.45%
Covered 0.06%	Industrials -0.40%	Basic Materials -1.06%	Consumer Services -0.87%	Health Care 0.13%

China Sector Month-to-Date Performance

Sovereigns 0.52%	Non-Sovereigns -0.61%			
	Sub-sovereigns 0.07%	Corporates -0.64%		
		Non-Financials -0.53%	Financials -0.70%	
			Real Estate -1.35%	ex-Real Estate -0.13%

Asia USD corporates were dragged lower (-0.53%) this month, with eight of the ten sectors in negative territory. Basic Materials (-1.06%) took the biggest hits, while Consumer Goods (+0.32%) and Health Care (+0.13%) sectors were the only gainers.

Within the top 7 markets in the index by market value, only Hong Kong (+0.07%) and South Korea (+0.15%) finished higher.

For China USD bonds, investment grade recorded smaller losses compared to high yield, returning -0.22% compared to -1.46%.

Within China USD corporates, Non-Financials posted -0.53%, while Financials returned -0.70%. China Real Estate returned -1.35% this month and currently has a yield of 7.15%.

After a strong performance of 6.19% in Q2, the latest quarter saw the overall index continue to set new highs in the first two months of 2H 2020 before a reverse trend in a turbulent September. Overall, the index was up 2.05% in Q3 and returned 4.32% year-to-date. It currently has a yield of 3.35%.

Key Index Analytics*

By Rating

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	224.45	-0.60%	1260.19	3.35	268	4.39	1956
AAA	211.17	0.11%	8.76	1.57	82	4.86	12
AA	196.71	0.12%	69.53	1.34	81	4.15	114
A	213.22	-0.26%	371.34	2.24	151	5.15	507
BBB	229.26	-0.26%	511.14	3.11	235	5.17	747
BB	254.75	-0.47%	165.73	5.89	567	2.15	320
B	292.66	-3.29%	126.75	10.96	1070	2.20	231
CCC	97.35	-3.94%	6.45	34.79	3461	1.28	23

By Maturity

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	224.45	-0.60%	1260.19	3.35	268	4.39	1956
1-3 Yrs	192.70	-0.39%	410.20	4.36	423	1.71	739
3-5 Yrs	226.86	-0.63%	308.70	3.45	324	3.50	459
5-7 Yrs	241.32	-0.79%	112.90	2.90	253	5.05	156
7-10 Yrs	252.74	-0.92%	165.74	2.86	227	7.10	220
10+ Yrs	312.03	-1.15%	134.60	3.27	198	14.47	129

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	0.15%	0.11%	-0.08%	-0.11%	-0.51%	-1.15%	-0.23%
AAA	0.05%	0.11%	0.13%	0.00%	0.10%	0.17%	0.11%
AA	0.04%	0.05%	0.10%	0.17%	-0.03%	0.76%	0.12%
A	0.13%	0.06%	-0.11%	-0.23%	-0.65%	-1.01%	-0.26%
BBB	0.19%	0.15%	-0.08%	-0.13%	-0.45%	-1.34%	-0.26%
High Yield	-0.52%	-1.27%	-2.32%	-4.68%	-5.38%	-2.03%	-1.78%
BB	-0.16%	-0.29%	-0.94%	-0.16%	-1.68%	-0.04%	-0.47%
B	-0.94%	-2.24%	-4.23%	-9.50%	-7.12%	-4.16%	-3.29%
CCC	-0.62%	-7.85%	1.99%	1.24%	0.00%	0.00%	-3.94%

Top 7 Largest Markets Month-to-Date Change

	Δ MTD	Δ Yield (%)	Δ Spread (bps)	Δ Duration
Mainland China	-0.59%	0.23%	25	-0.01
Hong Kong	0.07%	0.03%	4	0.08
India	-0.61%	0.31%	33	-0.07
Indonesia	-0.83%	0.13%	15	-0.13
Singapore	-0.01%	0.06%	7	-0.07
South Korea	0.15%	-0.01%	0	-0.03
Philippines	0.41%	-0.02%	0	-0.09

By Mainland China Breakdown

	Sep 2020	Δ MTD	Δ YTD	Δ 3Y	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
China	245.14	-0.59%	4.63%	14.59%	658.11	3.47	293	3.44	1082
China Sovereigns	163.96	0.52%	8.19%	19.25%	12.05	1.36	67	6.04	9
Non-sovereigns China	245.76	-0.61%	4.56%	14.51%	646.06	3.54	301	3.39	1073
China Sub-sovereigns	200.02	0.07%	5.42%	15.63%	25.67	1.91	134	3.71	36
China Corporates	250.57	-0.64%	4.52%	14.45%	620.39	3.62	308	3.38	1037
China Financials	306.94	-0.70%	4.19%	15.69%	384.20	4.82	452	2.40	700
China Real Estate	347.55	-1.35%	4.11%	17.09%	177.95	7.15	685	2.22	348
China Non-Financials	221.29	-0.53%	4.92%	13.04%	236.19	2.66	194	4.98	337
China Investment Grade	218.65	-0.22%	5.29%	15.66%	465.08	2.45	184	4.16	708
China High Yield	323.79	-1.46%	3.25%	12.31%	193.04	9.31	914	1.71	374

* Data as of 30 September 2020.

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

Spread refers to semi-annual spread to benchmark curve. Duration refers to semi-annual modified duration.

Appendix

iBoxx USD Asia ex-Japan Overall - October 2020 Insertions

Issue	MKT	Rating	Notional (MM)
ABCIHL 1.65% 2025-09-03	CHN	A	800
BCHINA 0.95% 2023-09-21	CHN	A	500
BEIJHK 1% 2023-09-10	CHN	A	650
BOCAVI 2.63% 2030-09-17	CHN	A	750
BOCOM 1.2% 2025-09-10	CHN	A	800
CATIC 3.3% 2030-09-23	CHN	A	300
CDBFLC 2.88% 2030-09-28	CHN	BBB	700
CHFOTN 8.75% 2022-09-28	CHN	BB	330
CHINAM 1.2% 2025-09-10	CHN	A	800
CHINAM 0.95% 2023-09-25	CHN	A	300
CHPWCN 3.45% Perp	CHN	BBB	300
CONAMP 1.88% 2025-09-17	CHN	BBB	1,000
CONAMP 2.63% 2030-09-17	CHN	BBB	500
CSCHCN 10.75% 2023-04-11	CHN	B	250
GUAMET 1.51% 2025-09-17	CHN	A	500
GUAMET 2.31% 2030-09-17	CHN	A	330
HAOHUA 3.35% Perp	CHN	BBB	600
HAOHUA 2% 2025-09-22	CHN	BBB	600
HAOHUA 3% 2030-09-22	CHN	BBB	1,000
HEFIND 2.95% 2023-09-24	CHN	BBB	300
HENANG 2.8% 2025-09-18	CHN	A	500
HRINTH 4.25% Perp	CHN	BBB	250
HRINTH 2.13% 2023-09-30	CHN	A	600
HRINTH 3.63% 2030-09-30	CHN	A	350
ICBCAS 1% 2025-09-09	CHN	A	1,000
ICBCAS 1.2% 2023-09-09	CHN	A	800
ICBCAS 3.58% Perp	CHN	BB	2,900
LYURBN 3% 2023-09-16	CHN	BBB	300
PWRLNG 6.25% 2024-08-10	CHN	B	350
ROADKG 6% 2025-09-04	CHN	BB	300
TINGYI 1.63% 2025-09-24	CHN	BBB	500
TME 1.38% 2025-09-03	CHN	A	300
TME 2% 2030-09-03	CHN	A	500
TPHL 6.2% 2026-03-22	CHN	B	350
XIN 14.5% 2023-09-17	CHN	B	300
XINAOG 2.63% 2030-09-17	CHN	BBB	750
YANTZE 1.3% 2025-09-22	CHN	A	500
YANTZE 2.15% 2030-09-22	CHN	A	500
ZHONAN 3.5% 2026-03-08	CHN	BBB	300
ZHPRHK 7.35% 2025-02-05	CHN	B	350
AIA 3.2% 2040-09-16	HKG	A	1,750

iBoxx USD Asia ex-Japan Overall - October 2020 Insertions

Issue	MKT	Rating	Notional (MM)
BOSBVI 1.25% 2023-09-10	HKG	A	300
CKPH 3.8% Perp	HKG	A	300
EMPINT 4.5% 2023-09-03	HKG	BB	250
NANFUN 5% Perp	HKG	BBB	500
FIRPAC 4.38% 2027-09-11	IDN	BBB	350
OCBCSP 1.83% 2030-09-10	SGP	A	1,000
UOBSP 1.75% 2031-03-16	SGP	A	600
EIBKOR 0.75% 2025-09-21	KOR	AA	400
EIBKOR 1.25% 2030-09-21	KOR	AA	500
KOREA 1% 2030-09-16	KOR	AA	625
KOREAT 1% 2025-09-01	KOR	A	400
TYANLI 5.25% Perp	KOR	BBB	300
TAISEM 0.75% 2025-09-28	TWN	AA	1,000
TAISEM 1% 2027-09-28	TWN	AA	750
TAISEM 1.38% 2030-09-28	TWN	AA	1,250
BBLTB 5% Perp	THA	BB	750

iBoxx USD Asia ex-Japan Overall - October 2020 Deletions

Issue	MKT	Rating	Notional (MM)
AGRBK 2.5% 2020-09-19	CHN	A	500
BEIJHK 2.75% 2020-09-26	CHN	A	700
EXIMCH 2.85% 2020-09-16	CHN	A	500
FUTLAN 6.5% 2020-09-12	CHN	BB	300
LGUANG 11% 2020-09-20	CHN	B	400
ROADKG 7.75% 2021-04-18	CHN	BB	385
SINOPE 2.25% 2020-09-13	CHN	A	700
SUNCHN 8.5% 2020-09-27	CHN	CCC	399
^TEWOOG 3.15% 2020-12-01	CHN	A	500
WEICHA 4.13% 2020-09-30	CHN	BBB	400
XIN 7.75% 2021-02-28	CHN	CCC	264
YANGOG 11.88% 2020-09-21	CHN	B	299
CKHH 2.25% 2020-09-29	HKG	A	1,000
FIRPAC 6.38% 2020-09-28	HKG	*BBB	252
^HTGLOB 7% 2021-07-14	IND	B	368
MPEL 5.75% 2028-07-21	MAC	BB	350
MONGOL 10.88% 2021-04-06	MNG	B	500
HYNMTR 2.75% 2020-09-18	KOR	BBB	300
HYUCAP 2.63% 2020-09-29	KOR	BBB	400
LOTTE 2.38% 2020-09-05	KOR	AA	300

Issue was either defaulted or traded flat of accrued

^ Issue was redeemed in full

* Implied rating

iBoxx USD Asia ex-Japan Overall – Fallen Angels in 2020

Index Rebalance	Issue	MKT	Past Rating	Current Rating
12/31/2019	CITPAK 6.1% 2025-03-05	CHN	*BBB	*BB
12/31/2019	REGH 3.88% 2021-07-20	HKG	*BBB	*BB
2/29/2020	NANFUN 5.5% Perp	HKG	BBB	BB
2/29/2020	ZYRDBG 8% 2022-02-01	CHN	*BBB	*BB
4/30/2020	ADAABB 4.45% 2022-12-15	IND	BBB	BB
4/30/2020	BBLTB 3.73% 2034-09-25	THA	BBB	BB
4/30/2020	FRESHK 4.35% Perp	CHN	BBB	BB
4/30/2020	FRESHK 3.38% 2025-02-18	CHN	BBB	BB
4/30/2020	KBANK 3.34% 2031-10-02	THA	BBB	BB
6/30/2020	ARENRJ 4.63% 2039-10-15	IND	BBB	BB
6/30/2020	AXSBIN 2.88% 2021-06-01	IND	BBB	BB
6/30/2020	AXSBIN 3% 2022-08-08	IND	BBB	BB
6/30/2020	CHOHIN 3.88% 2027-07-26	HKG	BBB	BB
6/30/2020	FAEACO 3.75% 2021-09-08	HKG	*BBB	*BB
6/30/2020	IIBIN 3.88% 2022-04-15	IND	BBB	BB
7/31/2020	VLLPM 7.38% 2022-06-18	PHL	*BBB	*BB
7/31/2020	ZJMGCL 5.28% 2021-10-18	CHN	BBB	BB
8/31/2020	ZJSOAM 7% 2021-12-11	CHN	BBB	BB
8/31/2020	SHDCOM 8.5% 2021-12-31	CHN	*BBB	*BB
8/31/2020	YUNMET 5.5% 2022-04-08	CHN	*BBB	*BB
9/30/2020	PCGIIN 4.75% 2024-10-28	HKG	*BBB	*BB
9/30/2020	CBKIN 3.25% 2022-08-10	IND	BBB	BB
9/30/2020	CBKIN 3.875% 2024-03-28	IND	BBB	BB
9/30/2020	BOBIN 3.5% 2022-04-04	IND	BBB	BB
9/30/2020	BOBIN 3.875% 2024-04-04	IND	BBB	BB
9/30/2020	BOIIN 6.25% 2021-02-16	IND	BBB	BB

* Implied rating

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