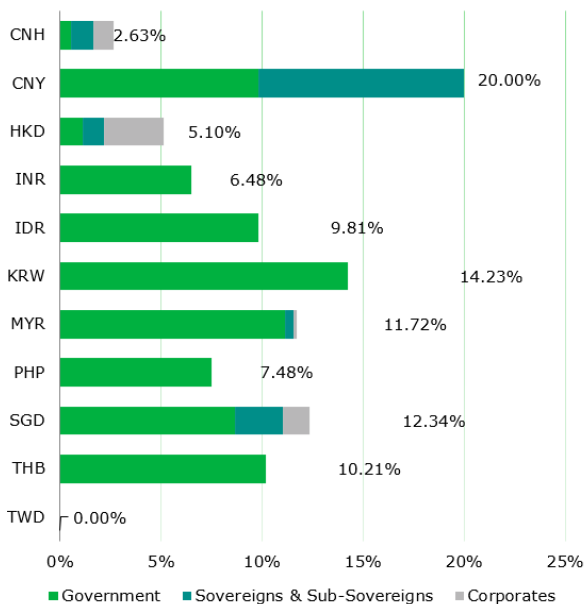


## iBoxx ALBI Monthly Commentary

### October 2021 Rebalance

#### Market Breakdown



#### iBoxx ALBI Duration Changes

	30-Sep-21	1-Oct-21
Overall	6.76	6.89
China Offshore	2.96	3.01
China Onshore	5.82	5.85
Hong Kong	4.54	4.60
India	6.81	6.87
Indonesia	6.22	6.25
South Korea	8.99	9.10
Malaysia	6.89	6.94
Philippines	5.18	5.22
Singapore	7.40	7.90
Thailand	8.56	8.62
Taiwan	9.23	9.39

\*Semi-Annual Modified Duration

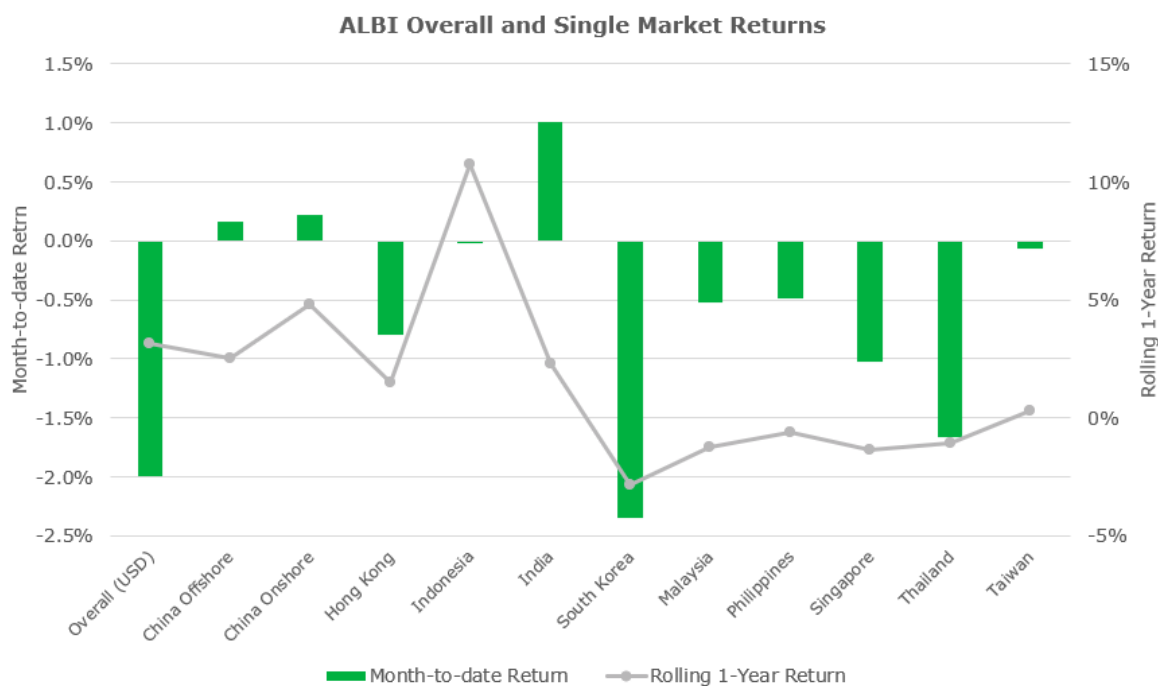
The latest rebalance saw 29 bonds entering and 37 bonds leaving the overall index. Please refer to the Appendix for a detailed breakdown of insertions and deletions.

The weights of individual markets in the index will remain consistent until 30 Nov 2021 when an annual weight change is applied to the eligible markets.

The index duration lengthened by 0.23 to 6.89 years after the recent rebalance. All markets saw their duration increase this month, with the largest increase coming from Singapore (+0.50 years) – as maiden 30-year green bonds totalling SGD 1.65 bn in notional entered the index. Currently, South Korea has the longest duration (9.10 years<sup>1</sup>) while China Offshore remains the least sensitive market to interest rates with a duration of 3.01 years.

<sup>1</sup> Taiwan is not mentioned as it has 0% weight in the index

## September 2021 EOM Commentary



Data as of 30 September 2021

Markets across equities and fixed income took a turn for the worse in September after a slew of market events hit the streets. In Asia, news on the likely inability of China Evergrande Group to pay its debt obligations broke mid-September, causing contagion fears in the Chinese property market as well as in global markets. In the US, treasury yields rose after a hawkish stance was presented in the latest FOMC meeting. The yield of the iBoxx \$ Treasuries index closed at 1.59% at September-end, up 17 bps month-on-month.

Asian local currency bond markets were not spared as the iBoxx ALBI lost 1.99% over the month with most markets in the red. The only exceptions were India (+1.01%), China Onshore (+0.22%) and China Offshore (+0.17%). South Korea and Thailand led the losses and returned -2.35% and -1.66%, respectively.

While most markets saw red throughout the yield curve, the highest gains and losses were concentrated in 10+ segment. India 10+ led the gains, returning 1.65%. Conversely, South Korea 10+ (-4.66%) posted the worst loss. Please note that the US dollar strengthened against all eligible local currencies this month.

The overall index yield gained 15 bps and registered at 3.22% at month end, contributed to by an increase in yield in all eligible markets except India. Thailand (2.24%) had a 20 bps increase in yield, while India (6.50%) dropped 6 bps. Despite the decline, India continues to be the highest yielding bond market in the index offering 6.50%, while Hong Kong, at 1.77%, remains the lowest yielding market<sup>2</sup> in the index.

<sup>2</sup> Taiwan is not mentioned as it has 0% weight in the index

**iBoxx ALBI Overall and Single Market Returns**

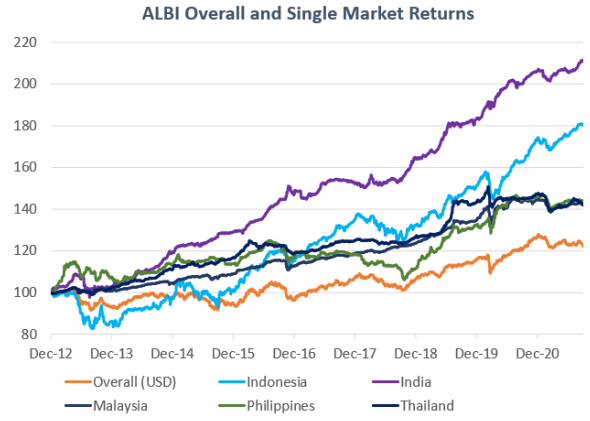
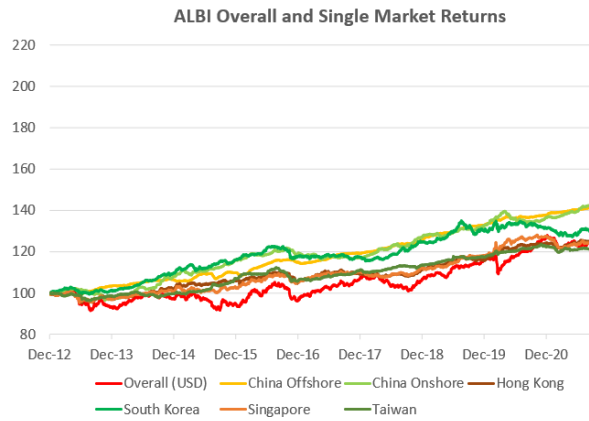
	Sep 21	MTD	YTD	3Y
Overall	122.19	-1.99%	-4.03%	18.58%
China Offshore	141.36	0.17%	2.67%	14.00%
China Onshore	142.50	0.22%	4.24%	15.99%
Hong Kong	124.04	-0.79%	-0.17%	14.36%
India	210.82	1.01%	2.17%	36.50%
Indonesia	180.18	-0.02%	3.38%	40.22%
South Korea	127.89	-2.35%	-2.59%	5.68%
Malaysia	142.06	-0.52%	-1.79%	16.09%
Philippines	143.42	-0.49%	-1.83%	29.18%
Singapore	123.04	-1.03%	-3.50%	12.51%
Taiwan	121.39	-0.07%	-0.81%	7.34%
Thailand	141.85	-1.66%	-3.71%	14.31%

**iBoxx ALBI Returns Attribution - Sep 2021**

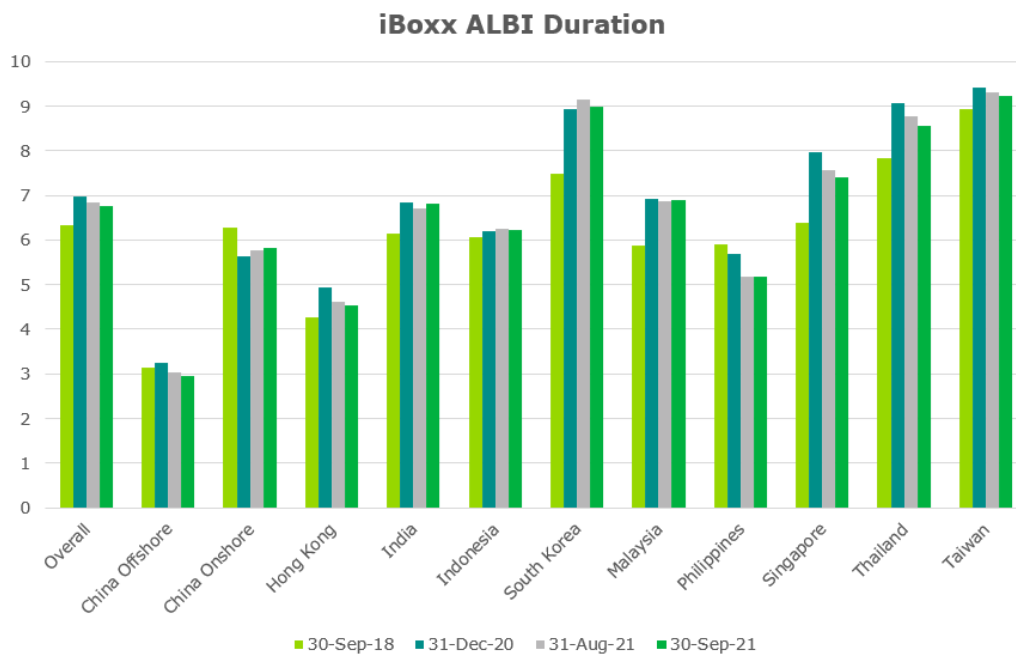
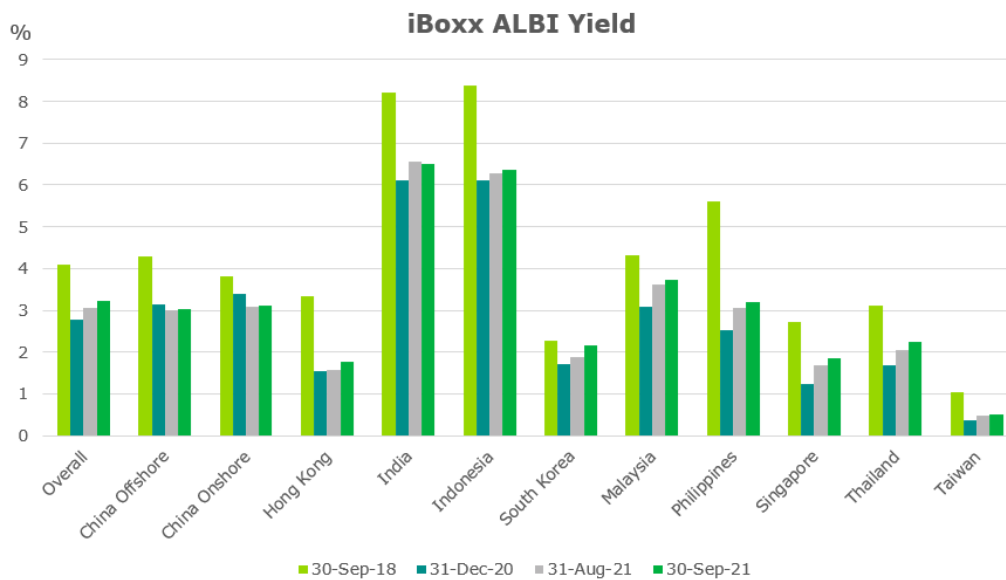
	FX Return	Accrual Return	Capital Return
Overall	-1.35%	0.29%	-0.95%
China Offshore	-0.18%	0.26%	-0.10%
China Onshore	-0.04%	0.27%	-0.05%
Hong Kong	-0.07%	0.17%	-0.97%
India	-1.49%	0.57%	0.45%
Indonesia	-0.28%	0.55%	-0.57%
Malaysia	-0.75%	0.32%	-0.84%
Philippines	-2.43%	0.29%	-0.78%
Singapore	-1.32%	0.20%	-1.23%
South Korea	-2.07%	0.17%	-2.52%
Taiwan	-0.53%	0.11%	-0.17%
Thailand	-4.76%	0.20%	-1.87%

**iBoxx ALBI Countries Heatmap - Sep 2021**

	1-3	3-5	5-7	7-10	10+
Overall (USD)	-1.31%	-1.37%	-1.49%	-2.08%	-3.16%
Overall (Local Currency)	0.00%	-0.22%	-0.43%	-0.92%	-1.64%
China Offshore	0.14%	0.18%	0.15%	0.30%	0.48%
China Onshore	0.21%	0.35%	0.31%	0.06%	0.17%
Hong Kong	-0.07%	-0.53%	-1.16%	-1.58%	-2.73%
India	0.04%	0.35%	0.57%	0.81%	1.65%
Indonesia	0.27%	0.11%	0.24%	-0.15%	-0.17%
Malaysia	-0.04%	-0.60%	-0.88%	-1.03%	-0.34%
Philippines	0.06%	-0.15%	-0.36%	-1.95%	-0.78%
Singapore	-0.08%	-0.41%	-0.64%	-1.19%	-2.33%
South Korea	-0.20%	-0.75%	-1.37%	-2.29%	-4.66%
Taiwan	-0.03%	-0.03%	-0.01%	-0.08%	-0.10%
Thailand	-0.14%	-0.82%	-1.45%	-2.02%	-2.79%



Total Return Index Levels. Data as of 30 Sep 2021



Semi-annual yield and semi-annual duration. Data as of 30 Sep 2021.

## Appendix

iBoxx ALBI Overall – September 2021 Insertions

Issue	Ccy	Rating	Notional (MM)
BCHINA 2.75% 2023-9-29	CNH	A	1,000
CGB 2.41% 2023-9-27	CNH	A	5,000
CGB 2.5% 2026-9-27	CNH	A	2,000
CGB 2.47% 2024-9-2	CNY	A	58,000
SDBC 2.83% 2026-9-10	CNY	A	21,070
SDBC 3.12% 2031-9-13	CNY	A	55,000
ASIA 0.395% 2024-9-29	HKD	AAA	300
BCLMHK 1.07% 2024-9-27	HKD	A	775
C 1% 2025-9-7	HKD	A	400
C 1.2% 2026-7-23	HKD	A	356
DBSSP 1.074% 2026-9-23	HKD	AA	1,400
EBIUH 2.1% 2028-9-27	HKD	A	376
EIB 0.533% 2025-9-29	HKD	AAA	300
HKCGAS 0.7% 2024-9-24	HKD	A	320
IFC 0.535% 2025-9-10	HKD	AAA	300
KBN 0.44% 2024-9-28	HKD	AAA	400
QNBK 1.13% 2024-9-1	HKD	A	780
QNBK 1.95% 2028-9-30	HKD	AA	309
SUNHUN 0.82% 2024-9-17	HKD	A	500
SUNHUN 0.82% 2024-9-23	HKD	A	300
SUNHUN 1.87% 2028-9-16	HKD	A	390
SUNHUN 1.87% 2028-9-20	HKD	A	300
UOBSP 0.705% 2024-9-16	HKD	AA	400
UOBSP 0.71% 2024-9-9	HKD	AA	850
KORMSB 1.51% 2024-9-3	KRW	AA	1,000,000
KTB 1.25% 2023-9-10	KRW	AA	1,367,000
NEASP 1.67% 2031-9-15	SGD	AA*	350
NEASP 2.5% 2051-9-15	SGD	AA*	1,300
TGB 0.5% 2041-9-29	TWD	AA	35,000

iBoxx ALBI Overall – September 2021 Deletions

Issue	Ccy	Rating	Notional (MM)
BCHINA 3.15% 2022-9-21	CNH	A	3,000
DAIGR 3.45% 2022-9-27	CNH	A	500
EBRD 2.32% 2022-9-3	CNH	AAA	700
EIB 2.35% 2022-9-26	CNH	AAA	800
EIB 2.43% 2022-9-26	CNH	AAA	500
KFW 2.5% 2022-9-23	CNH	AAA	500
ADBCH 3.02% 2022-9-5	CNY	A	11,000
ADBCH 3.25% 2022-9-10	CNY	A	49,600
CGB 4.55% 2022-9-29	CNY	A	36,320
CGB 4.68% 2022-9-18	CNY	A	31,970
SDBC 4.29% 2022-9-17	CNY	A	32,000
AIIB 0.51% 2022-9-3	HKD	AAA	500
AIIB 0.51% 2022-9-8	HKD	AAA	500
ANZ 2.065% 2022-9-26	HKD	AA	500
ASIA 0.48% 2022-9-9	HKD	AAA	300
CBAAU 2.1% 2022-9-25	HKD	AA	300
CBAAU 2.15% 2022-9-27	HKD	AA	300
CHINLP 2.83% 2022-9-20	HKD	A	450
CHINLP 2.9% 2022-9-26	HKD	A	400
EIB 0.32% 2022-9-25	HKD	AAA	300
IBRD 0.32% 2022-9-21	HKD	AAA	500
KFW 0.395% 2022-9-3	HKD	AAA	400
MUFG 2.33% 2022-9-23	HKD	A	400
NAB 2.07% 2022-9-20	HKD	AA	300
NIB 0.425% 2022-9-3	HKD	AAA	400
NIB 0.46% 2022-9-4	HKD	AAA	400
ULFP 2.74% 2026-11-27	HKD	A	500
ULFP 3.095% 2025-11-17	HKD	A	750
ULFP 3.28% 2025-3-26	HKD	A	585
IGB 8.13% 2022-9-21	INR	BBB	638,068
KTB 2% 2022-9-10	KRW	AA	9,626,000
KLKMK 4% 2022-9-2	MYR	AA	1,000
RPGB 3.8% 2022-9-13	PHP	BBB	22,945
LTAZSP 2.57% 2022-8-31	SGD	AA*	600
SIGB 3.125% 2022-9-1	SGD	AAA	9,200
BOTGB 1.44% 2022-9-16	THB	A	110,774
TGB 1.125% 2022-9-24	TWD	AA	75,000

\*Implied Rating

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