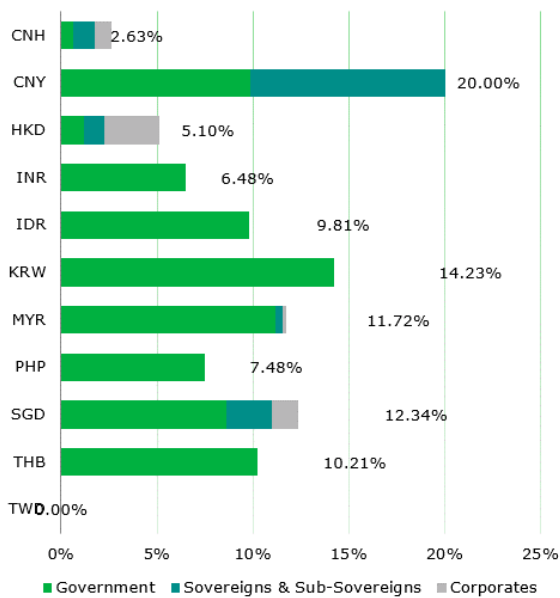


iBoxx ALBI Monthly Commentary

November 2021 Rebalance

Market Breakdown



iBoxx ALBI Duration Changes

	31-Oct-21	1-Nov-21
Overall	6.75	6.83
China Offshore	2.93	2.99
China Onshore	5.76	5.82
Hong Kong	4.50	4.57
India	6.77	6.80
Indonesia	6.21	6.22
South Korea	8.78	8.97
Malaysia	6.84	6.92
Philippines	5.14	5.14
Singapore	7.75	7.88
Thailand	8.44	8.39
Taiwan	9.28	9.27

*Semi-Annual Modified Duration

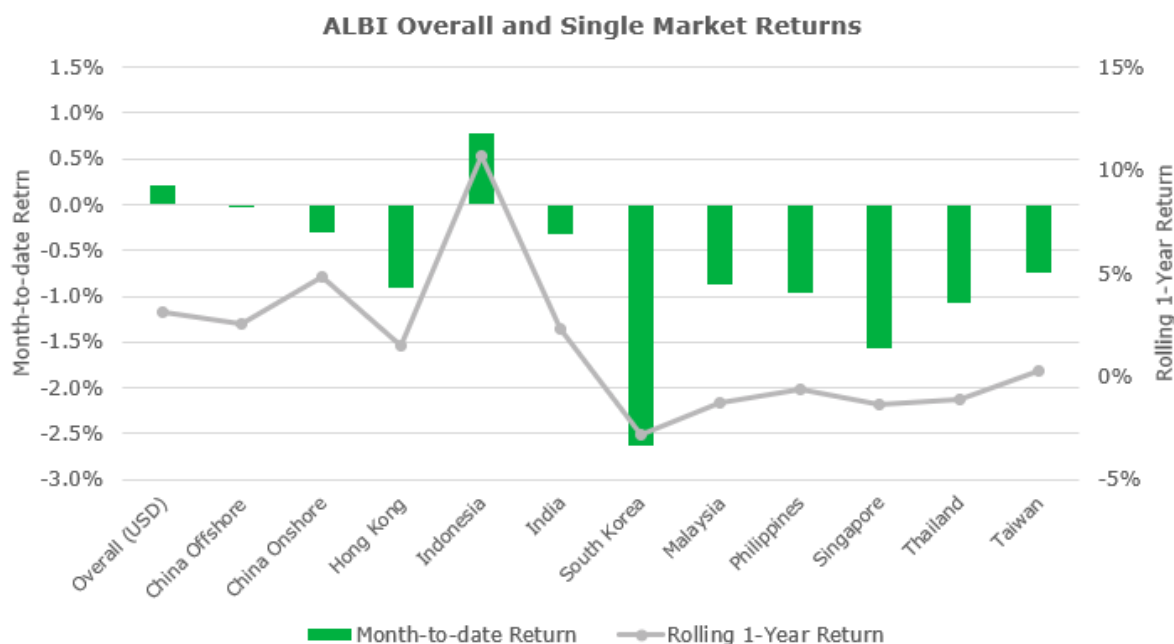
The latest rebalance saw 25 bonds entering and 24 bonds leaving the overall index. Please refer to the Appendix for a detailed breakdown of insertions and deletions.

As announced in the [2021 Asian Annual Index Review results](#), an annual weight change will be applied to the individual markets in the index on 30 November 2021.

The index duration lengthened by 0.08 to 6.83 years after the recent rebalance. All markets except Thailand (-0.04 years) saw their duration increase this month, with the largest increase coming from South Korea (+0.19 years). Currently, South Korea has the longest duration (8.97 years¹) while China Offshore remains the least sensitive market to interest rates with a duration of 2.99 years.

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

October 2021 EOM Commentary



Data as of 31 October 2021

Gains were seen across major stock markets globally, spurred by strong results in the latest corporate earnings season. Several major US banks contributed to the cause as their latest report cards surpassed market expectations. However, US GDP slowed sharply from 6.7% in Q2 to 2% in Q3, well below market consensus, sending mixed signals to investors.

In Asia, the Chinese property market continued to be distressed as more real estate developers fell into liquidity woes after Evergrande had begun to trade flat in late September.

The iBoxx Asian Local Bond Index (unhedged in USD) – mostly Asian local currency government bonds exposure (79.6%) – gained 0.21% in October despite most local markets ending the month in the red. This was due to the weakening of the US dollar against all but one (Indian Rupee) of the currencies represented in the index, which made up ground for capital losses in the overall index return. Indonesia was the only market (in local currency terms) that had a positive month, returning 0.78% month-on-month. South Korea and Singapore led the losses with returns of -2.63% and -1.57%, respectively.

Most markets were in negative territory across the yield curve and the largest losses were concentrated in the 10+ segment. South Korea 10+ (which was the worst performer last month) carried its poor performance into October as it returned -4.65%. Indonesia was the only market that saw a sea of green across the yield curve.

The overall index yield rose 16 bps and closed the month at 3.38%. All markets except Indonesia (-4 bps) contributed to the increase in yield. The largest yield upticks came from South Korea (+32 bps) and Singapore (+25 bps). India continues to be the highest yielding bond market in the index offering 6.63%, while Hong Kong, at 1.99%, 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

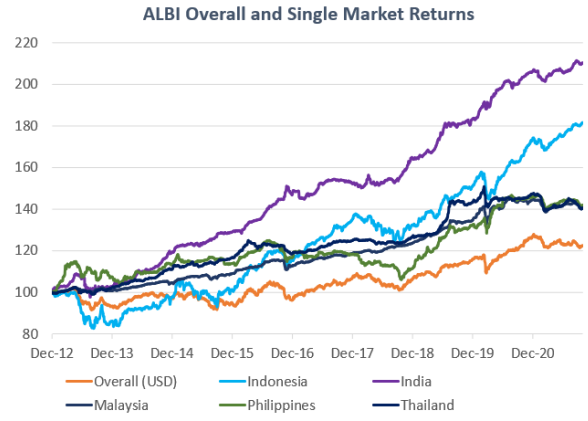
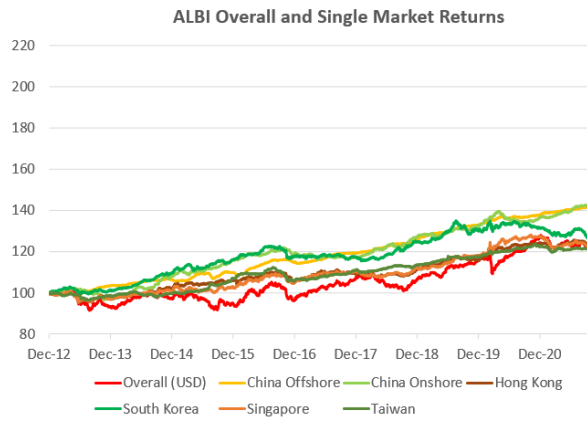
	Oct 21	MTD	YTD	3Y
Overall	122.44	0.21%	-3.83%	20.55%
China Offshore	141.31	-0.03%	2.63%	13.91%
China Onshore	142.07	-0.30%	3.92%	14.47%
Hong Kong	122.92	-0.90%	-1.07%	13.08%
India	210.13	-0.33%	1.84%	33.89%
Indonesia	181.59	0.78%	4.19%	43.63%
South Korea	124.53	-2.63%	-5.15%	1.74%
Malaysia	140.82	-0.87%	-2.65%	15.02%
Philippines	142.05	-0.95%	-2.76%	31.67%
Singapore	121.11	-1.57%	-5.01%	10.91%
Taiwan	120.49	-0.74%	-1.55%	6.75%
Thailand	140.32	-1.08%	-4.75%	13.23%

iBoxx ALBI Returns Attribution - Oct 2021

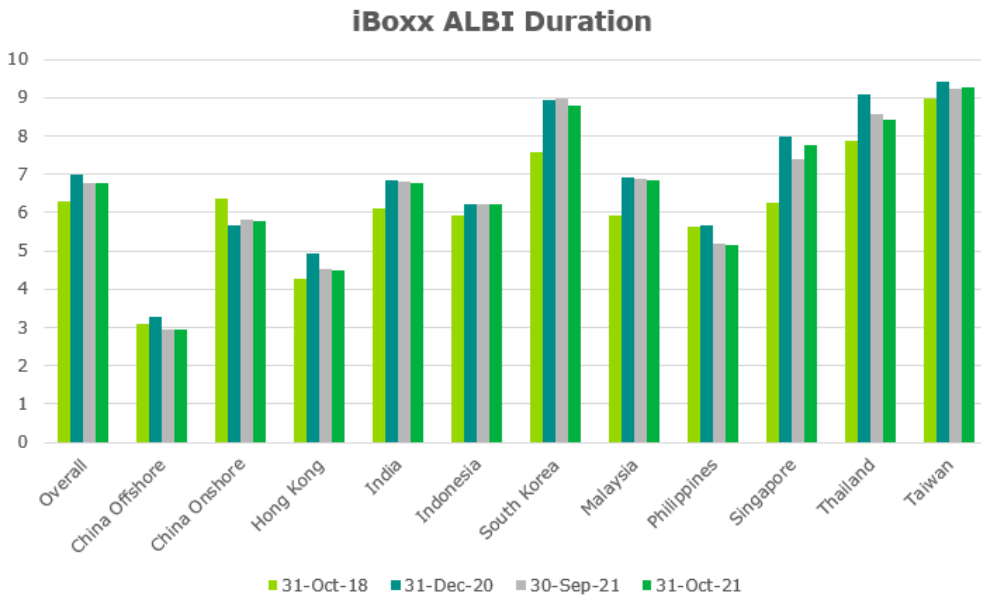
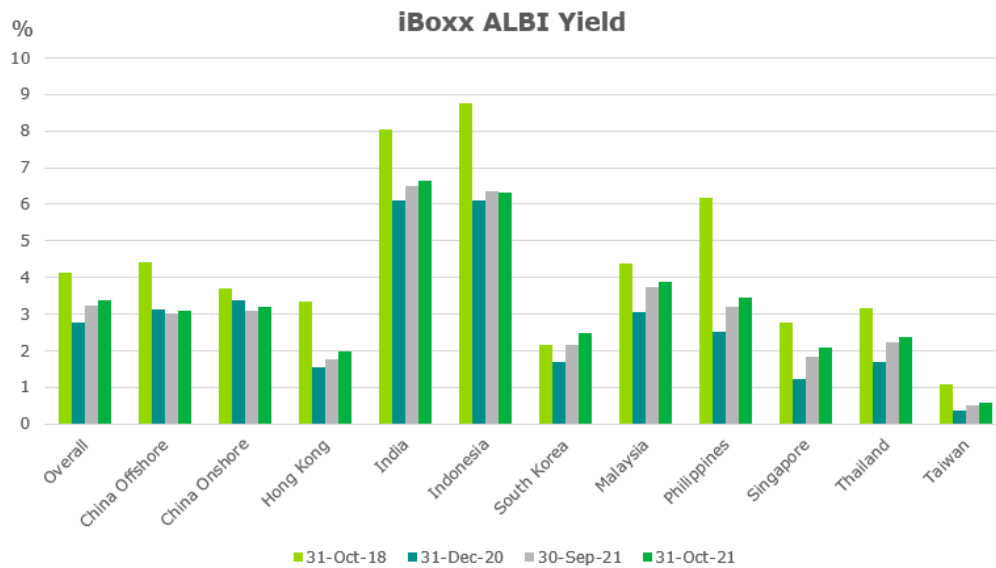
	FX Return	Accrual Return	Capital Return
Overall	1.12%	0.30%	-1.20%
China Offshore	1.35%	0.27%	-0.31%
China Onshore	1.17%	0.28%	-0.59%
Hong Kong	0.15%	0.18%	-1.08%
India	-0.75%	0.56%	-0.89%
Indonesia	1.09%	0.58%	0.20%
Malaysia	1.07%	0.33%	-1.20%
Philippines	1.19%	0.30%	-1.25%
Singapore	1.26%	0.21%	-1.77%
South Korea	1.32%	0.18%	-2.81%
Taiwan	0.19%	0.11%	-0.85%
Thailand	2.27%	0.21%	-1.29%

iBoxx ALBI Countries Heatmap - Oct 2021

	1-3	3-5	5-7	7-10	10+
Overall (USD)	0.99%	0.45%	0.23%	0.21%	-0.64%
Overall (Local Currency)	-0.21%	-0.67%	-0.88%	-0.94%	-1.85%
China Offshore	0.03%	0.01%	-0.14%	-0.16%	-1.39%
China Onshore	0.08%	-0.37%	-0.44%	-0.38%	-0.73%
Hong Kong	-0.42%	-1.06%	-1.16%	-1.46%	-1.46%
India	0.02%	0.08%	0.11%	-0.34%	-0.66%
Indonesia	0.59%	0.65%	0.82%	0.78%	0.89%
Malaysia	-0.11%	-0.41%	-0.78%	-1.32%	-1.32%
Philippines	-0.27%	-1.67%	-1.46%	-1.37%	-0.65%
Singapore	-0.42%	-1.11%	-1.71%	-2.00%	-2.42%
South Korea	-0.62%	-1.73%	-2.17%	-2.41%	-4.65%
Taiwan	-0.15%	-0.33%	-0.48%	-0.80%	-1.14%
Thailand	-0.14%	-0.58%	-0.87%	-0.30%	-2.17%



Total Return Index Levels. Data as of 31 October 2021



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

Appendix

iBoxx ALBI Overall – November 2021 Insertions

Issue	Ccy	Rating	Notional (MM)
SHENZH 2.9% 2026-10-19	CNH	AA*	2,400
SHENZH 2.7% 2024-10-19	CNH	AA*	1,500
SHENZH 2.6% 2023-10-19	CNH	AA*	1,100
KFW 2.7% 2024-3-25	CNH	AAA	500
CGB 2.91% 2028-10-14	CNY	A	68,120
CGB 2.56% 2023-10-21	CNY	A	67,290
CGB 3.53% 2051-10-18	CNY	A	26,000
EXIMCH 2.63% 2023-10-11	CNY	A	11,000
HKMTGC 0.74% 2023-10-30	HKD	AA	1,000
HKMTGC 0.83% 2024-10-7	HKD	AA	1,000
LINREI 1.48% 2026-10-15	HKD	A	800
LINREI 2.23% 2031-10-7	HKD	A	782
HKMTGC 0.8% 2024-10-4	HKD	AA	662
KIWI 1.91% 2028-10-6	HKD	A	586
IGB 6.67% 2035-12-15	INR	BBB	390,811
KORMSB 1.56% 2023-10-2	KRW	AA	2,280,000
KTB 1.875% 2041-9-10	KRW	AA	1,230,000
SIGB 1.875% 2051-10-1	SGD	AAA	2,600
HDBSP 1.54% 2028-10-12	SGD	AAA	900
SCISP 2.66% 2032-4-6	SGD	BBB*	675
NTUSP 2.185% 2036-10-20	SGD	AAA	650
FPLSP 3% 2028-10-9	SGD	BB*	300
GUOLSP 3.29% 2026-10-26	SGD	BB*	300
THAIGB 0.75% 2024-9-17	THB	A	35,000
TGB 0.5% 2031-10-22	TWD	AA	30,000

iBoxx ALBI Overall – November 2021 Deletions

Issue	Ccy	Rating	Notional (MM)
EDC 2.45% 2022-10-11	CNH	AAA	1,110
AFDB 2.38% 2022-10-18	CNH	AAA	700
LBANK 2.335% 2022-10-25	CNH	AA	700
SDBC 2.97% 2022-10-25	CNY	A	132,960
CGB 3.05% 2022-10-22	CNY	A	104,010
CGB 3.73% 2022-10-19	CNY	A	95,210
SDBC 3.59% 2022-10-22	CNY	A	52,000
AGRBK 1% 2022-10-22	HKD	A	5,000
C 0% 2024-5-28	HKD	A	2,150
MIZUHO 2.25% 2022-10-25	HKD	A	800
MAYMK 2.4% 2022-10-3	HKD	A	624
HKMTGC 0.67% 2022-10-21	HKD	AA	500
MTRC 2.25% 2022-10-12	HKD	AA	500
RABOBK 2.293% 2022-10-25	HKD	AA	453
KBN 0.44% 2024-9-28	HKD	AAA	400
MTRC 1.92% 2022-10-26	HKD	AA	400
TOYOTA 2.13% 2022-10-20	HKD	A	400
BCHINA 2.59% 2022-10-17	HKD	A	324
HKLSP 3% 2022-10-26	HKD	A	305
ASIA 0.395% 2024-9-29	HKD	AAA	300
KORMSB 0.82% 2022-10-4	KRW	AA	10,740,000
MGS 3.795% 2022-9-30	MYR	A	11,000
OLAMSP 6% 2022-10-25	SGD	BB*	485
IOCLIN 4.1% 2022-10-15	SGD	BBB	400

*Implied Rating

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