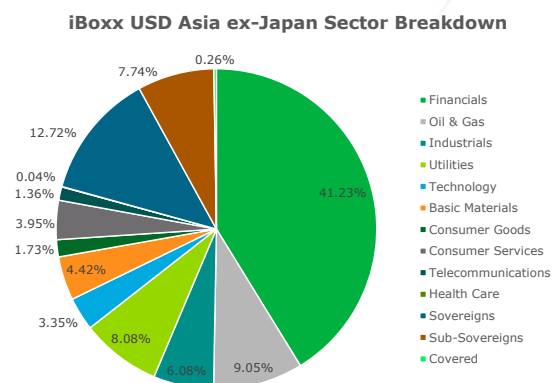
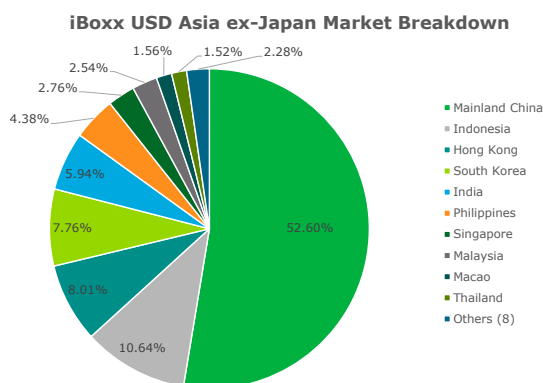


iBoxx USD Asia ex-Japan Monthly Commentary

December 2020 Rebalance



Duration Changes

	30 Nov 20	01 Dec 20
Overall	4.47	4.45
Cambodia	1.87	1.87
China	3.50	3.49
Hong Kong	4.43	4.41
India	3.84	3.83
Indonesia	8.23	8.24
Macao	3.83	3.79
Malaysia	7.91	7.85
Maldives	1.24	1.26
Mongolia	2.63	2.63
Pakistan	3.46	3.46
Papua New Guinea	5.62	5.62
Philippines	6.69	6.68
Singapore	5.33	5.29
South Korea	3.52	3.52
Sri Lanka	3.28	3.26
Taiwan	5.05	5.04
Thailand	7.47	7.41
Vietnam	3.35	3.35

* Duration is semi-annual modified duration.

The December rebalance added 32 bonds to the index. Mainland China and Hong Kong accounted for 29 bonds, making up over USD 13 billion (or 92.7%) of the new notional.

Of the bonds removed from the index, four were redeemed in full, three had defaulted in November (all issued by Tsinghua Unigroup) and three were partially repurchased thus becoming ineligible for the index.

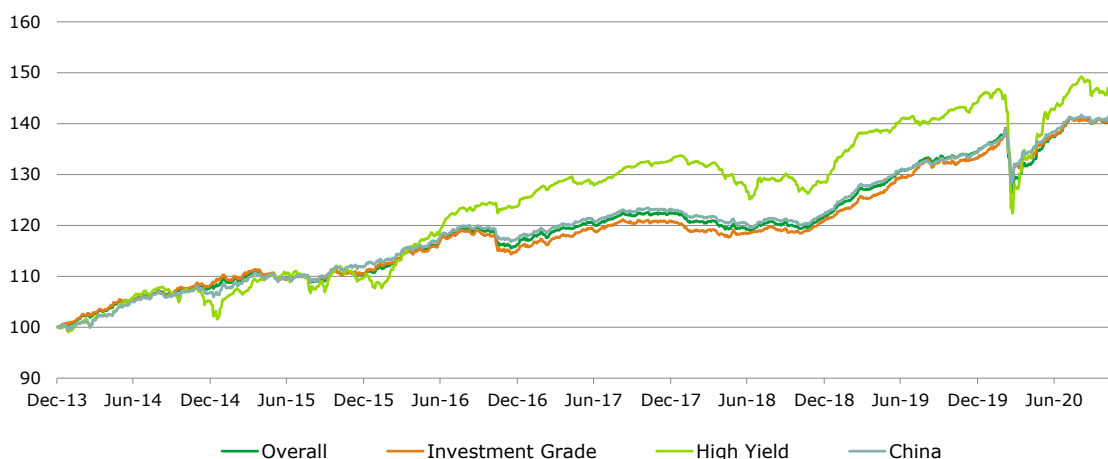
Only one fallen angel was captured this month.

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

Post rebalance, the overall index duration decreased by 0.02 to 4.45 years. Indonesia and Malaysia continue to be the most interest rate sensitive markets in the index with durations of 8.24 years and 7.85 years, respectively.

November 2020 Performance

iBoxx USD Asia ex-Japan Total Return Index Levels



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

News of vaccine breakthroughs propelled the rally in global equity markets this month, overshadowing the impact of renewed virus outbreaks in many countries. The OECD¹ lifted its global economic outlook given the progress on vaccine development, projecting global GDP to rise by just over 4% in 2021 with China accounting for over one-third of the world's estimated pick-up in economic activities.

With over 50% regional exposure to China, the USD Asia overall index closed out the month at new index high of 227.31 (a monthly return of +1.35%). Index yield fell 29 bps to 3.09% while the index credit spread narrowed 27 bps to 230 bps. In the same period, the iBoxx \$ Treasuries index gained 0.39% with yield dropping 3 bps to 1.03%.

In November, USD Asia high yield bonds (+2.21%) outperformed USD Asia high grade bonds (+1.09%) and the broad index (+1.35%). For high yield, strong outperformance was observed across the curve except for B-rated & 0-1yr and CCC-rated & 1-3yr buckets, which were dragged down by the TSINGH defaults. For high grade, gains were heavily concentrated in 10yr+ bucket.

Sector Month-to-Date Performance

Sovereigns 2.46%	Financials 1.00%	Utilities 1.40%		
Sub-sovereigns 1.08%	Oil & Gas 2.10%	Technology 0.94%	Consumer Goods 1.29%	Telecom 1.49%
Covered 0.14%	Industrials 0.08%	Basic Materials 1.11%	Consumer Services 2.93%	Health Care 0.74%

The top 7 markets in the index by market value all recorded gains, but only China (+0.61%) and South Korea (+0.63%) finished below 1%.

All corporate sectors closed higher with Industrials, Health Care and Technology being the laggards. Oil & Gas and Consumer Services advanced the most.

Among the China USD bonds (+0.61%), high yield bonds (+1.29%) outperformed high grade bonds (+0.35%) by a wide margin.

China Sector Month-to-Date Performance

Sovereigns 0.32%	Non-Sovereigns 0.62%			
	Sub-sovereigns 0.47%	Corporates 0.63%		
		Non-Financials 0.17%	Financials 0.91%	
			Real Estate 1.55%	ex-Real Estate 0.40%

The China Real Estate sector continued to rebound after September's loss (-1.35%), delivering 1.55% in November and 5.94% year to date.

China LGFVs (-0.15%) fell and underperformed the China sector (+0.61%) this month.

¹ OECD Economic Outlook, [Volume 2020 Issue 2](#)

Key Index Analytics*

By Rating

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	227.31	1.35%	1304.99	3.09	230	4.47	2037
AAA	213.12	1.41%	11.00	1.95	71	8.98	14
AA	197.46	0.59%	74.26	1.28	65	4.30	123
A	214.42	0.71%	390.28	2.18	133	5.24	540
BBB	233.14	1.44%	526.75	2.89	201	5.21	773
BB	259.32	1.00%	169.61	5.20	492	2.07	330
B	297.51	3.86%	126.65	10.79	1047	2.07	235
CCC	99.89	1.69%	5.69	31.55	3133	1.33	19

By Maturity

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	227.31	1.35%	1304.99	3.09	230	4.47	2037
Year 0-1	162.34	0.10%	138.94	5.17	508	0.48	292
Year 1-3	194.60	0.74%	410.14	4.00	385	1.71	730
Year 3-5	229.76	1.25%	321.44	3.12	283	3.52	487
Year 5-7	244.79	1.86%	116.39	2.68	220	4.99	165
Year 7-10	256.41	2.04%	177.56	2.62	187	7.15	230
Year 10+	321.01	3.49%	140.52	3.11	167	14.81	133

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	0.14%	0.19%	0.63%	1.23%	1.74%	3.49%	1.09%
AAA	0.08%	0.20%	0.39%	0.00%	0.78%	3.72%	1.41%
AA	0.07%	0.25%	0.53%	0.84%	1.00%	2.02%	0.59%
A	0.12%	0.22%	0.42%	0.67%	0.91%	2.60%	0.71%
BBB	0.18%	0.16%	0.80%	1.80%	2.54%	4.07%	1.44%
High Yield	0.02%	1.78%	3.18%	5.71%	6.46%	4.19%	2.21%
BB	-0.35%	0.70%	1.77%	2.73%	4.21%	3.36%	1.00%
B	0.30%	3.65%	5.07%	8.39%	7.70%	5.15%	3.86%
CCC	1.88%	-2.65%	20.03%	1.21%	0.00%	0.00%	1.69%

Top 7 Largest Markets Month-to-Date Change

	Δ MTD	Δ Yield (%)	Δ Spread (bps)	Δ Duration
Mainland China	0.61%	-0.21%	-19	0.06
Hong Kong	1.02%	-0.16%	-14	0.02
India	2.82%	-0.62%	-60	0.01
Indonesia	3.14%	-0.32%	-29	0.13
Singapore	1.49%	-0.23%	-47	1.23
South Korea	0.63%	-0.15%	-13	0.03
Philippines	1.31%	-0.14%	-11	-0.07

By Mainland China Breakdown

	Nov 2020	Δ MTD	Δ YTD	Δ 3Y	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
China	246.84	0.61%	5.35%	15.19%	686.45	3.28	265	3.50	1143
Sovereigns	164.06	0.32%	8.25%	19.32%	17.96	1.35	53	6.36	13
Non-sovereigns	247.50	0.62%	5.30%	15.13%	668.49	3.38	275	3.42	1130
Sub-sovereigns	200.98	0.47%	5.92%	16.29%	24.61	1.83	115	4.10	36
Corporates	252.36	0.63%	5.27%	15.05%	643.88	3.45	283	3.39	1094
Financials	310.52	0.91%	5.40%	16.67%	399.57	4.49	412	2.42	735
Real Estate	353.65	1.55%	5.94%	18.34%	177.13	6.90	653	2.15	352
Non-Financials	221.26	0.17%	4.90%	12.92%	244.30	2.62	179	4.99	359
Investment Grade	219.48	0.35%	5.70%	16.04%	493.21	2.42	172	4.21	765
High Yield	328.60	1.29%	4.78%	13.18%	193.25	8.72	852	1.66	378
China LCFV	122.62	-0.15%	4.22%	13.49%	50.48	4.17	397	1.64	134
Investment Grade	121.64	-0.14%	3.91%	12.90%	38.75	3.40	317	1.72	102
High Yield	122.42	-0.19%	5.26%	16.06%	11.72	7.40	726	1.35	32

* Data as of 30 November 2020.

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

Spread (bps) refers to semi-annual spread to benchmark curve in basis point. **Duration** refers to semi-annual modified duration.

Appendix

iBoxx USD Asia ex-Japan Overall - December 2020 Insertions

Issue	MKT	Rating	Notional (MM)
BOCOM 3.8% Perp	CHN	BB	2,800
CDBALF 1.5% 2023-11-04	CHN	A	500
CENCHI 7.75% 2024-05-24	CHN	BB	300
CHINSC 7% 2025-05-02	CHN	B	500
CIFIHG 5.25% 2026-05-13	CHN	BB	350
CNBG 3.88% Perp	CHN	BBB*	300
CONSON 2.8% 2023-11-04	CHN	BBB	500
GSHIAV 3.25% 2023-11-03	CHN	BBB	300
GXFING 3.6% 2023-11-18	CHN	BBB	400
GZRFPR 12.38% 2022-11-18	CHN	B	360
HEROAS 1.5% 2023-11-18	CHN	BBB	300
IMYLIG 1.63% 2025-11-19	CHN	A	500
INDUBK 1.13% 2023-11-06	CHN	BBB	450
JIAYUA 12.5% 2023-04-08	CHN	B	300
KWGPRO 6.3% 2026-02-13	CHN	BB	400
LENOVO 3.42% 2030-11-02	CHN	BBB	1,000
ORIEAS 2.75% 2030-11-17	CHN	A	300
ORIEAS 1.88% 2025-11-17	CHN	A	450
POLHON 4% 2025-11-10	CHN	BBB*	500
REDPRO 9.9% 2024-02-17	CHN	B	266
SDIC 1.5% 2025-11-05	CHN	A	300
SHDOIS 6.5% 2023-11-05	CHN	BB*	500
SUNSHI 7.5% 2025-02-17	CHN	B	270
WHSTAS 2.7% 2023-11-23	CHN	BBB	300
XZETDZ 4.5% 2023-11-12	CHN	BB*	400
YZCOAL 3.5% 2023-11-04	CHN	BB	500
ZHHFGR 2.8% 2025-11-04	CHN	BBB	250
HXCEME 2.25% 2025-11-19	HKG	BBB	300
SDEXPR 2.44% 2023-11-19	HKG	A	400
ACNRGY 5.1% Perp	PHL	BBB*	300
CITNAT 2.5% 2030-11-04	KOR	BBB	500
KOLAHO 0.63% 2023-11-03	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 - December 2020 Deletions

Issue	MKT	Rating	Notional (MM)
AGILE 9.5% 2020-11-23	CHN	BB	400
AVIILC 3% 2020-11-16	CHN	A	300
BINHIN 4.45% 2020-11-30	CHN	BB	300
CHCONS 2.95% 2020-11-19	CHN	A	500
CHIMIN 2.88% 2020-11-15	CHN	BBB	250
CHINSC 8.75% 2021-01-15^	CHN	B	500
CHIOLI 5.5% 2020-11-10	CHN	BBB	1,000
CIFIHG 5.38% Perp	CHN	B	300
CIFIHG 7.63% 2021-03-02	CHN	BB	400
GRAMIT 2.75% 2020-11-02	CHN	A	500
GUAHDG 8.5% 2020-11-26	CHN	BB*	310
HRINTH 3.75% 2020-11-19	CHN	A	500
ICBCAS 2.91% 2020-11-13	CHN	A	700
ICBCIL 3.2% 2020-11-10	CHN	A	700
JINGRU 9.45% 2021-04-23	CHN	B	350
KWGPRO 9.85% 2020-11-26	CHN	BB	550
LENOVO 5.38% Perp	CHN	BB*	1,000
SINOCH 4.5% 2020-11-12	CHN	A	1,500
TPHL 10.95% 2020-11-27	CHN	B	300
TSINGH 4.75% 2021-01-31#	CHN	B*	1,050
TSINGH 5.38% 2023-01-31#	CHN	CCC*	750
TSINGH 6% 2020-12-10#	CHN	BB*	450
XIN 8.88% 2020-11-22	CHN	CCC	263
YGCZCH 4.75% 2020-11-30	CHN	BB	700
YUNAEN 3.75% 2020-11-14	CHN	BBB	300
ICBCAS 5.13% 2020-11-30	HKG	BBB	500
MTPLLG 5.5% 2022-11-21^	HKG	BB	534
SUNHUN 4% 2020-11-02	HKG	A	300
ICICI 5.75% 2020-11-16	IND	BBB	1,000
IDBI 4.25% 2020-11-30	IND	BB	350
ASRIIJ 6.63% 2022-04-24	IDN	CC	370
BSDEIJ 7.25% 2021-04-26	IDN	BB	300
INDYIJ 6.88% 2022-04-10^	IDN	BB	265
INDYIJ 6.38% 2023-01-24^	IDN	BB	285
AXIATA 3.47% 2020-11-19	MYS	BBB	500
EIBKOR 2.5% 2020-11-01	KOR	AA	400
KHFC 2.5% 2020-11-15	KOR	AA	500
KORGAS 4.25% 2020-11-02	KOR	AA	500

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

Index Rebalance	Issue	MKT	Past Rating	Current Rating
31/12/2019	CITPAK 6.1% 2025-03-05	CHN	BBB*	BB*
31/12/2019	REGH 3.88% 2021-07-20	HKG	BBB*	BB*
29/2/2020	NANFUN 5.5% Perp	HKG	BBB	BB
29/2/2020	ZYRDBG 8% 2022-02-01	CHN	BBB*	BB*
30/4/2020	ADAABB 4.45% 2022-12-15	IND	BBB	BB
30/4/2020	BBLTB 3.73% 2034-09-25	THA	BBB	BB
30/4/2020	FRESHK 4.35% Perp	CHN	BBB	BB
30/4/2020	FRESHK 3.38% 2025-02-18	CHN	BBB	BB
30/4/2020	KBANK 3.34% 2031-10-02	THA	BBB	BB
30/6/2020	ARENRJ 4.63% 2039-10-15	IND	BBB	BB
30/6/2020	AXSBIN 2.88% 2021-06-01	IND	BBB	BB
30/6/2020	AXSBIN 3% 2022-08-08	IND	BBB	BB
30/6/2020	CHOHIN 3.88% 2027-07-26	HKG	BBB	BB
30/6/2020	FAEACO 3.75% 2021-09-08	HKG	BBB*	BB*
30/6/2020	IIBIN 3.88% 2022-04-15	IND	BBB	BB
31/7/2020	VLLPM 7.38% 2022-06-18	PHL	BBB*	BB*
31/7/2020	ZJMGCL 5.28% 2021-10-18	CHN	BBB	BB
31/8/2020	ZJSOAM 7% 2021-12-11	CHN	BBB	BB
31/8/2020	SHDCOM 8.5% 2021-12-31	CHN	BBB*	BB*
31/8/2020	YUNMET 5.5% 2022-04-08	CHN	BBB*	BB*
30/9/2020	PCGIIN 4.75% 2024-10-28	HKG	BBB*	BB*
30/9/2020	CBKIN 3.25% 2022-08-10	IND	BBB	BB
30/9/2020	CBKIN 3.875% 2024-03-28	IND	BBB	BB
30/9/2020	BOBIN 3.5% 2022-04-04	IND	BBB	BB
30/9/2020	BOBIN 3.875% 2024-04-04	IND	BBB	BB
30/9/2020	BOIIN 6.25% 2021-02-16	IND	BBB	BB
30/11/2020	YCDIHT 4.2% 2022-12-03	CHN	BBB*	BB*

* Implied rating

Disclaimer

The index (and any data contained therein) (the “**Index**”) and the information and materials contained and referenced in this document (together with the Index, the “**Information**”) are the property of IHS Markit and/or its affiliates (“**IHS Markit**”). The Index is also calculated and administered by IHS Markit. All trademarks, logos and service marks used herein (whether registered or unregistered) are owned, or used under license by, IHS Markit. No part of the Information may be reproduced, disseminated, stored or redistributed without the prior written consent of IHS Markit. Any use or distribution of the Information, including use of the Information to create financial products, shall require a license from IHS Markit.

The Information is provided for information purposes only. IHS Markit doesn't make any claim, prediction, representation or warranty (express or implied) as to the quality, accuracy, completeness or timeliness of the Information or as to the results to be obtained from the use of the Information or the fitness or suitability of the Information for a particular purpose or use. Nothing contained in this document shall be construed as constituting an offer of services. Any charts or graphs used in this document are for illustrative purposes only.

Nothing in this document should be taken as constituting financial or investment advice or an offer, recommendation or solicitation of an offer to buy, sell or otherwise deal in any assets or investments or securities. A decision to invest in any asset or investment or security should not be made in reliance of this Information. IHS Markit doesn't make any representation whatsoever, whether express or implied, as to the advisability of purchasing or selling any asset, investment or security, the ability of the Index to track relevant markets' performances or accurately represent the asset class or market sector it purports to represent. The Information should not be acted upon without obtaining specific legal, tax and/or investment advice from a licensed professional.

IHS Markit shall not have any liability for any inaccuracies, errors or omissions in connection with the Information (or interruptions of Index) or any loss suffered from use of the Information for any purpose. Further, IHS Markit shall not have any obligation to update, modify or amend the Information or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

All information and performance data for the Index prior to its launch date is based on back-tested data (i.e. calculations of how the Index might have performed prior to the launch date based on the methodology that was in effect as at the launch date and historical constituents). Back-tested performance data is provided for information purposes only and is purely hypothetical, and as such, should not be considered as an indication of actual performance. Past performance, whether actual or based on back-tested data, should not be considered an indication or guarantee of future performance.

Without limiting the foregoing, IHS Markit shall not have any responsibility or liability, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered as a result of or in connection with the Information or any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, whether or not based on the Information.

Copyright © IHS Markit. All rights reserved.