

# iBoxx Asian Local Currency Indices

## iBoxx ALBI, iBoxx ABF and iBoxx SGD

### Contributor

**Kangwei Yang**  
Director  
Fixed Income Indices  
Asia Pacific  
[kangwei.yang@spglobal.com](mailto:kangwei.yang@spglobal.com)

### March 2024 Commentary

One of the key highlights in March was the decision from the Bank of Japan to increase short-term interest rates for the first time in 17 years, bringing the key rate up from -0.1% to 0%-0.1% and ending 8 years of negative interest rates. Japan was the final central bank to move away from negative rates. Japanese government bonds—as represented by iBoxx Global Government Japan—ended the month down 1.26% (in USD Unhedged terms).

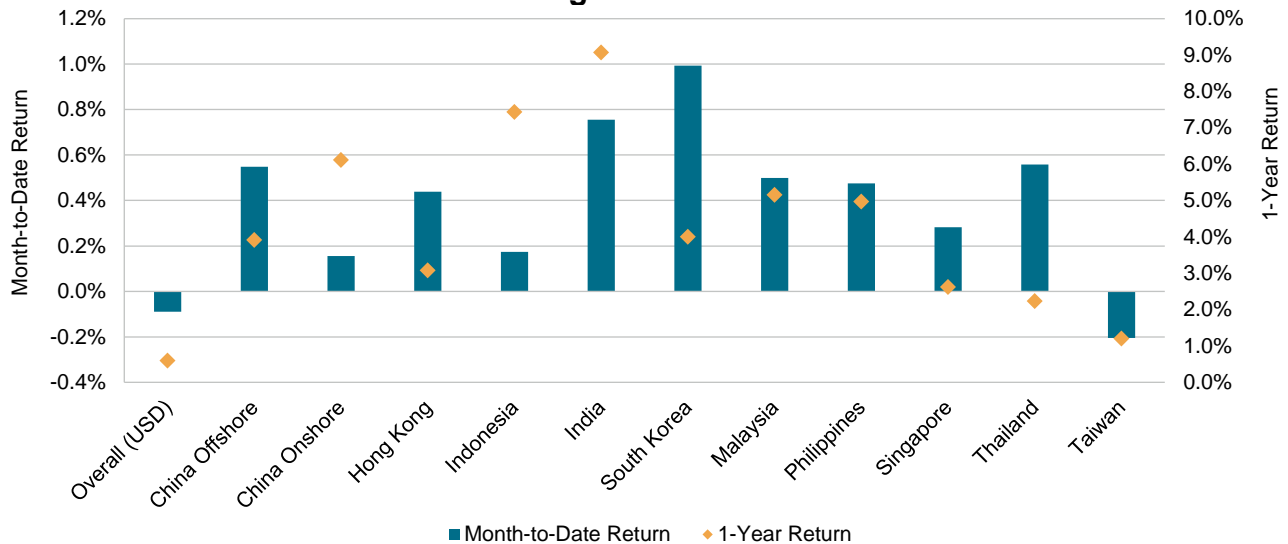
In the same month, the U.S. Federal Reserve decided to keep rates unchanged for the fifth straight meeting, backed by higher-than-expected inflation data and a strong labor market. U.S. Treasuries—as represented by the iBoxx \$ Treasuries—reversed losses in January and February and posted a modest gain of 0.62% in March. The overall index yield tightened by 4 bps to 4.44%.

On the equities front, the [S&P 500<sup>®</sup>](#) continued its positive performance in March, posting 3.10% to reach another record high, having accumulated gains of more than 10% since the start of this year. Chinese equities—as represented by the [S&P China 500 \(USD\)](#)—posted marginal returns of 0.58%, while the broader Asian equity market—as represented by the S&P Pan Asia Ex-Japan LargeMidCap (USD) fared better at 2.11%.

# iBoxx Asian Local Bond Index (ALBI)

## March 2024 Commentary

**Exhibit 1: iBoxx ALBI Overall and Single Market Returns**



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In Asian fixed income, despite gains in local markets, the overall iBoxx Asian Local Bond Index (ALBI) (USD Unhedged) retreated 0.09% due to the relative strength of the U.S. dollar against local currencies this month.

South Korea and India were on top of the pile, in local currency terms, increasing 0.99% and 0.76%, respectively. China Onshore (up 0.16%) and Indonesia (up 0.17%) ranked the lowest (excluding Taiwan, which has 0% weight in the index) from a return perspective. As the first quarter of 2024 ends, India and Thailand stood out with year-to-date gains of 3.18% and 2.60%, respectively.

Among eligible markets, positive returns were observed throughout the range of maturities except for China Onshore 10+ (down 0.78%) and Indonesia 7-10 (down 0.02%). Investors favored longer-dated debt in the Offshore RMB market and South Korea, as China Offshore 10+ and South Korea 10+ posted 2.75% and 1.67% upticks, respectively.

As of the end of March, the overall index yield decreased marginally by 1 bp to 3.89%. India remained the highest-yielding bond market in the index, posting 7.11%, while China Onshore (2.42%) represented the lowest-yielding market.<sup>1</sup>

<sup>1</sup> Taiwan has 0% weight in the index.

**Exhibit 2: iBoxx ALBI Overall and Single Market Returns**

Market	Yield (%)	Duration (Years)	Returns (%)		
			Month-to-Date	YTD	Three-Year
Overall (USD)	3.89	6.65	-0.09	-1.89	-2.38
China Offshore	3.01	2.49	0.55	1.55	9.28
China Onshore	2.42	5.86	0.16	1.86	15.78
Hong Kong	4.49	3.70	0.44	-0.61	-1.17
India	7.11	6.87	0.76	3.18	18.62
Indonesia	6.74	5.90	0.17	1.37	22.94
South Korea	3.34	8.97	0.99	-1.15	-2.15
Malaysia	3.95	7.18	0.50	1.14	11.67
Philippines	4.99	4.77	0.47	0.25	4.72
Singapore	3.21	7.31	0.28	-0.92	-1.83
Taiwan	1.31	8.40	-0.20	0.10	-3.32
Thailand	2.88	8.60	0.56	2.60	3.41

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Overall index performance based on total return in USD. All others based on total return in local currency. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 3: iBoxx ALBI Returns Attribution – March 2024**

Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-0.54	0.32	0.13
China Offshore	-0.72	0.27	0.28
China Onshore	-0.46	0.24	-0.09
Hong Kong	0.00	0.28	0.16
India	-0.56	0.61	0.15
Indonesia	-0.88	0.58	-0.41
Malaysia	0.61	0.34	0.16
Philippines	0.00	0.38	0.09
Singapore	-0.44	0.22	0.06
South Korea	-1.09	0.24	0.75
Taiwan	-1.23	0.11	-0.32
Thailand	-1.69	0.24	0.32

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

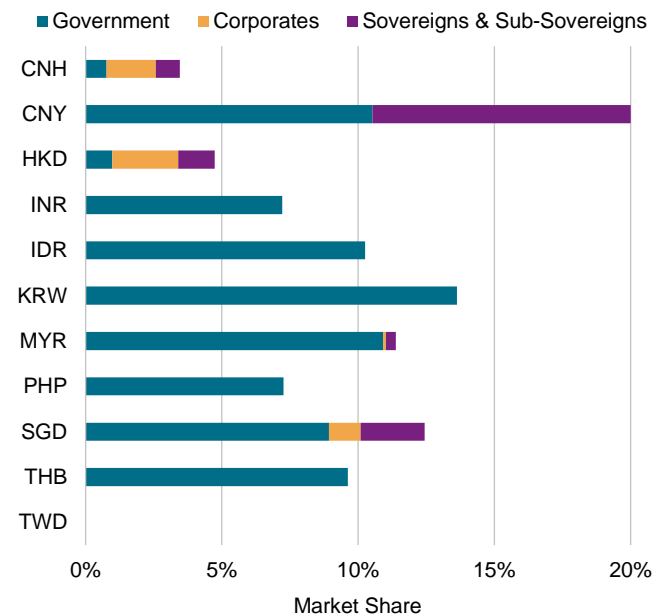
### Exhibit 4: iBoxx ALBI Returns by Maturity – March 2024

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-0.18	-0.09	-0.15	-0.16	0.06
Overall (Local Currency)	0.34	0.37	0.38	0.39	0.70
China Offshore	0.45	0.78	0.40	0.97	2.75
China Onshore	0.33	0.36	0.26	0.21	-0.78
Hong Kong	0.29	0.39	0.58	0.71	1.05
India	0.61	0.69	0.62	0.76	0.86
Indonesia	0.51	0.20	0.21	-0.02	0.14
Malaysia	0.31	0.38	0.41	0.36	0.72
Philippines	0.49	0.46	0.46	0.51	0.47
Singapore	0.17	0.17	0.31	0.31	0.45
South Korea	0.40	0.57	0.72	0.87	1.67
Taiwan	0.05	-0.09	-0.22	-0.29	-0.33
Thailand	0.17	0.25	0.31	0.43	0.95

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## March Month-End Rebalance

### Exhibit 5: Market Breakdown and iBoxx ALBI Duration Changes



Market	Duration (Years)*	
	March 31, 2024	April 1, 2024
Overall (USD)	6.65	6.76
China Offshore	2.49	2.58
China Onshore	5.86	5.99
Hong Kong	3.70	3.74
India	6.87	6.87
Indonesia	5.90	5.93
South Korea	8.97	9.26
Malaysia	7.18	7.34
Philippines	4.77	4.81
Singapore	7.31	7.37
Thailand	8.60	8.57
Taiwan	8.40	8.52

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024 (and April 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

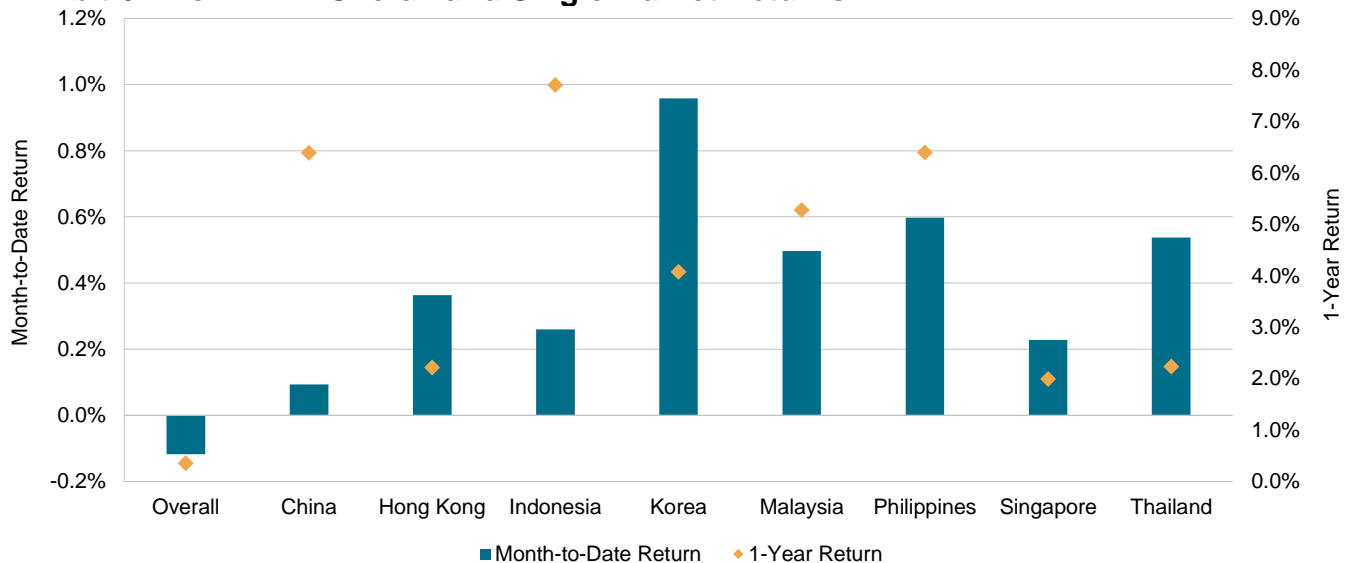
The latest rebalance saw 61 bonds entering and 34 bonds leaving the overall index. The existing underlying market weights are reflected in Exhibit 5. Note that the underlying market weights were updated at the February 2024 month-end index rebalance, and the next change will be at month-end May 2024. For more details, please refer to the [iBoxx Asia-Pacific Annual Index Review 2023 Results](#).

Following the recent rebalance, the index duration increased by 0.11 years to 6.76 years. All markets (except Thailand) saw duration increases this month, with the largest increase coming from South Korea, up 0.29 years. Among the eligible markets, South Korea continued to have the longest duration (9.26 years), while China Offshore (2.58 years) remained the least sensitive to interest rates.

## iBoxx Asian Bond Fund (ABF) Pan-Asia

### March 2024 Commentary

**Exhibit 6: iBoxx ABF Overall and Single Market Returns**



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Similar to the iBoxx ALBI, returns of local markets in the iBoxx ABF were dragged down by foreign exchange losses of local currencies against the U.S. dollar. At the end of the month, the iBoxx ABF Pan-Asia (USD Unhedged) decreased by 0.12%. Year-to-date, the index retreated by 2.20%.

In local currency terms, South Korea was the best-performing market in the index, up 0.96%, while China (up 0.09%) ranked last on the table despite posting gains. Despite this, China was the second-best-performing market YTD, up 1.96%, only surpassed by Thailand (up 2.55%).

Diving into performance by market and maturity segments, it was largely gains across all local markets, except for China 10+ which lost 0.89% in March. South Korea 10+ posted the highest return of 1.73% and was the only segment that posted gains of more than 1%.

### Exhibit 7: iBoxx ABF Overall and Single Market Returns

Market	Yield (%)	Duration (Years)	Returns (%)		
			Month-to-Date	YTD	Three-Year
Overall (USD)	3.64	6.74	-0.12	-2.20	-2.77
China	2.43	6.26	0.09	1.96	16.28
Hong Kong	3.95	3.75	0.36	-0.73	-2.22
Indonesia	6.75	5.91	0.26	1.45	22.76
South Korea	3.37	7.86	0.96	-0.78	-1.63
Malaysia	3.96	7.28	0.50	1.18	11.97
Philippines	6.24	5.09	0.60	0.20	5.80
Singapore	3.15	7.71	0.23	-1.23	-2.73
Thailand	2.88	8.42	0.54	2.55	3.31

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Overall index performance based on total return in USD. All others based on total return in local currency. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

### Exhibit 8: iBoxx ABF Returns Attribution – March 2024

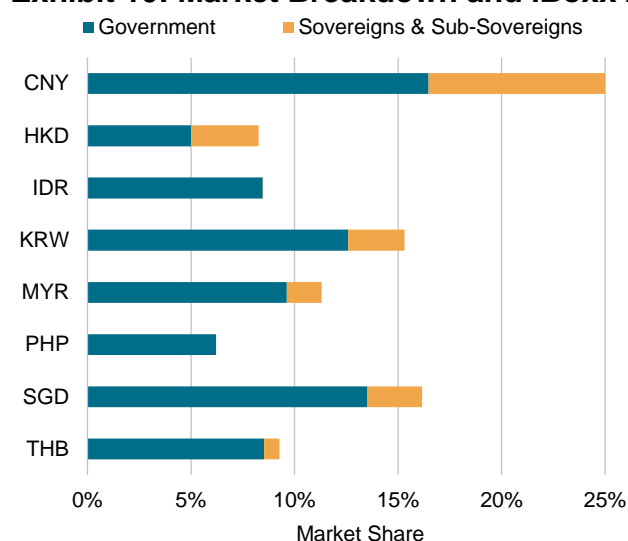
Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-0.52	0.29	0.11
China	-0.46	0.24	-0.15
Hong Kong	0.00	0.23	0.13
Indonesia	-0.88	0.57	-0.31
South Korea	-1.09	0.24	0.71
Malaysia	0.61	0.34	0.16
Philippines	0.00	0.50	0.10
Singapore	-0.44	0.22	0.01
Thailand	-1.69	0.24	0.30

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 9: iBoxx ABF Returns by Maturity – March 2024**

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-0.20	-0.11	-0.14	-0.15	-0.01
Overall (Local Currency)	0.31	0.36	0.35	0.38	0.56
China	0.32	0.37	0.24	0.15	-0.89
Hong Kong	0.20	0.26	0.49	0.96	0.91
Indonesia	0.54	0.22	0.23	0.01	0.28
South Korea	0.43	0.63	0.77	0.93	1.73
Malaysia	0.31	0.38	0.41	0.37	0.70
Philippines	0.61	0.58	0.57	0.63	0.58
Singapore	0.11	0.15	0.25	0.30	0.33
Thailand	0.18	0.25	0.33	0.45	0.91

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**March Month-End Rebalance****Exhibit 10: Market Breakdown and iBoxx ABF Duration Changes**

Market	Duration (Years)*	
	March 31, 2024	April 1, 2024
Overall	6.74	6.86
China	6.26	6.43
Hong Kong	3.75	3.83
Indonesia	5.91	5.95
South Korea	7.86	8.09
Malaysia	7.28	7.43
Philippines	5.09	5.16
Singapore	7.71	7.78
Thailand	8.42	8.41

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024 (and April 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

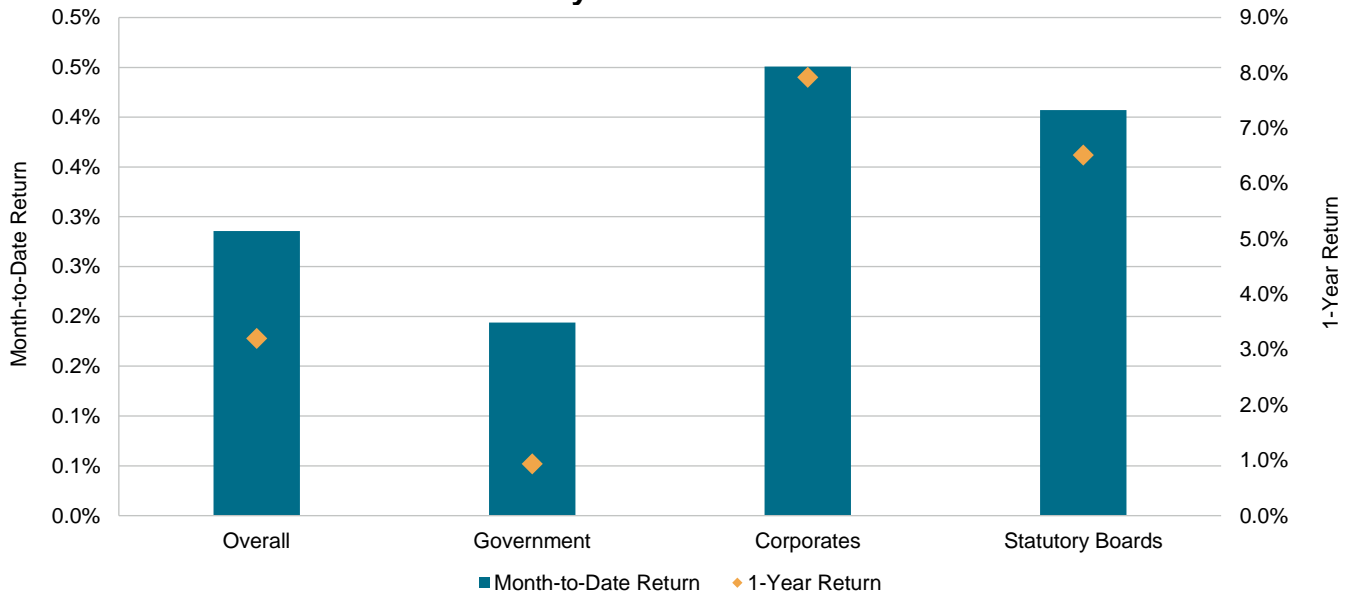
The latest rebalance saw 51 bonds entering and 53 bonds leaving the overall index. The annual weight change for the underlying markets was implemented at the October 2023 month-end rebalance as per the [iBoxx Asia-Pacific Annual Index Review 2023 Results](#). The latest weights are reflected in Exhibit 10.

The duration of the [iBoxx ABF](#) increased by 0.12 years to 6.86 years following the recent rebalance. The largest increase in February was South Korea, up 0.23 years. After the index rebalance, Thailand had the longest duration (8.41 years), while Hong Kong was the least sensitive to interest rates, with a duration of 3.83 years.

# iBoxx SGD

## March 2024 Commentary

**Exhibit 11: iBoxx SGD Overall and Key Sector Returns**



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

SGD bonds, as represented by the iBoxx SGD, inched up by 0.29% in March, with investors leaning toward credit exposure rather than rates. The corporates segment was up 0.45%, while Singapore Government Securities (SGS) and Statutory Boards returned 0.19% and 0.41%, respectively. Year-to-date, SGD corporate bonds gained 1.53%, outperforming SGS bonds, which retreated 1.72%.

Gains were observed across the rating and maturity buckets, except for AA 3-5 years with a small loss of 0.31%. Additionally, credit spread continued to tighten in March for SGD high yield bonds (down 18 bps), while it was flat for SGD investment grade securities. Year-to-date, the spread for SGD high yield bonds contracted by 92 bps, while investment grade bonds narrowed by 27 bps.



**Exhibit 12: iBoxx SGD Overall and Key Sector Returns**

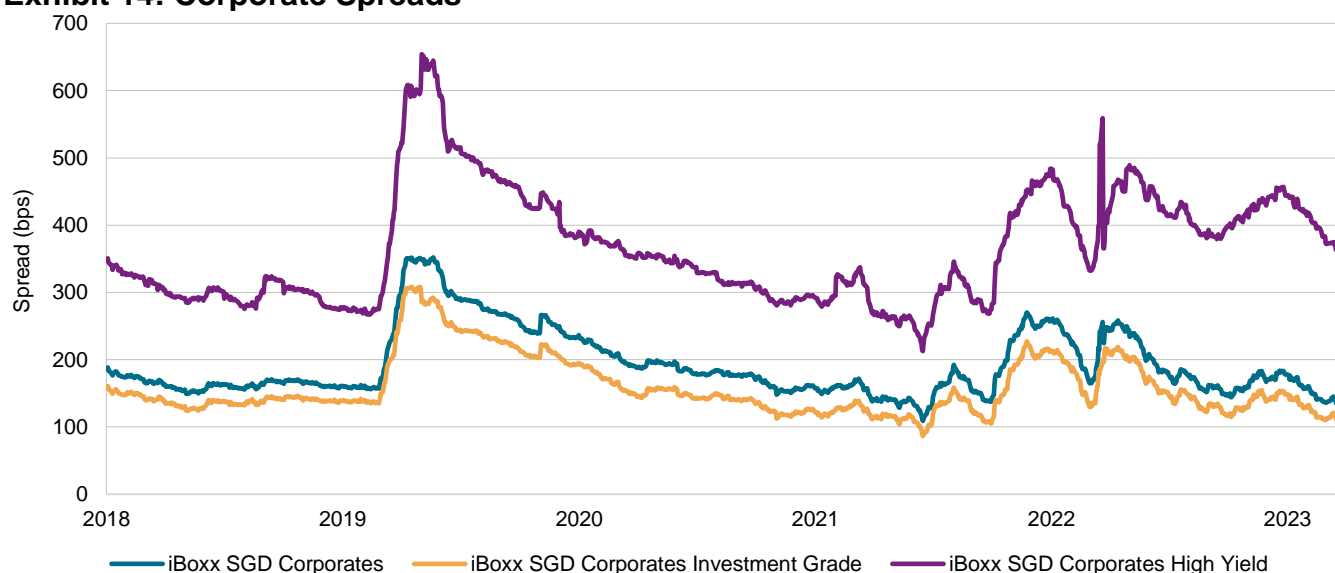
Market	Yield (%)	Duration (Years)	Returns (%)		
			Month-to-Date	YTD	Three-Year
Overall	3.29	6.77	0.29	-0.69	-1.15
Government	3.08	7.66	0.19	-1.72	-2.53
Statutory Boards	3.45	6.15	0.41	0.47	-1.90
Corporates	4.43	3.68	0.45	1.53	4.29
Financials	4.52	3.43	0.38	1.28	4.47
Non-Financials	4.16	4.73	0.77	2.59	3.95

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 13: iBoxx SGD Rating and Maturity Month-to-Date Performance**

Index/Rating	Overall (%)	1-3 Years (%)	3-5 Years (%)	5-7 Years (%)	7-10 Years (%)	10+ Years (%)
iBoxx SGD Investment Grade	0.27	0.15	0.18	0.29	0.35	0.42
iBoxx SGD AAA	0.22	0.11	0.15	0.24	0.28	0.34
iBoxx SGD AA	0.52	0.15	-0.31	0.44	0.86	0.91
iBoxx SGD A	0.59	0.10	0.30	0.63	0.89	1.89
iBoxx SGD BBB	0.37	0.44	0.30	0.31	0.66	1.40
iBoxx SGD High Yield	1.00	-	-	-	-	-

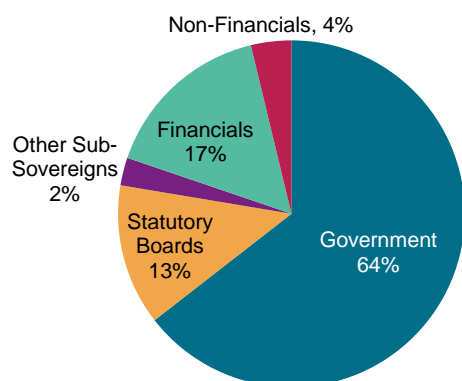
Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 14: Corporate Spreads**

Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2018, to March 31, 2024. Spread refers to semiannual spread to benchmark curve in basis points. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

## March Month-End Rebalance

### Exhibit 15: Sector Breakdown, Duration and Rating Changes



Sector	Duration (Years)*	
	March 31, 2024	April 1, 2024
Overall	6.77	6.84
Government	7.66	7.72
Corporates	6.15	6.15
Statutory Boards	3.68	3.76
Financials	3.43	3.54
Non-Financials	4.73	4.73

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024 (and April 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

This rebalance, six bonds entered the index, adding over SGD 2.3 billion. Meanwhile, four bonds totaling SGD 1.175 billion left the index. Additionally, the rating changes are shown in Exhibit 16.

### Exhibit 16: iBoxx SGD Overall – Rating Changes

Issue	Feb. 29, 2023	March 31, 2024
STHSP 3.55% 2026-06-08	A*	BBB*
SIASP 3.13% 2026-11-17	A*	AA*
SIASP 3.035% 2025-04-11	A*	AA*
SIASP 3.13% 2027-08-23	A*	AA*
SIASP 3.5% 2030-12-02	A*	AA*
STHSP 2.48% 2031-01-08	A*	BBB*
NTUCFP 3.46% 2029-05-24	A*	AA*
ANZ 4.5% 2032-12-02	BBB	A

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2024. Table is provided for illustrative purposes.

## General Disclaimer

© 2024 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US 500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, DIVIDEND MONARCHS, BUYBACK ARISTOCRATS, SELECT SECTOR, S&P MAESTRO, S&P PRISM, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, MBX, MCDX, PRIMEX, HHPI and SOVX are trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Index performance does not reflect trading costs, management fees or expenses. S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.