

# iBoxx Asian Local Currency Indices

## iBoxx ALBI, iBoxx ABF and iBoxx SGD

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## April 2024 Commentary

The wait for the next change in U.S. Fed funds rate continues. As widely predicted by market analysts, the latest FOMC meeting that ended on May 1 concluded with no change in the key rate, which remained at its 5.25%-5.50% range, citing sticky inflation data and resilient economic growth. As April 2024 ended, U.S. Treasuries—as represented by the iBoxx \$ Treasuries—lost 2.39%, giving up the small gains seen in March.

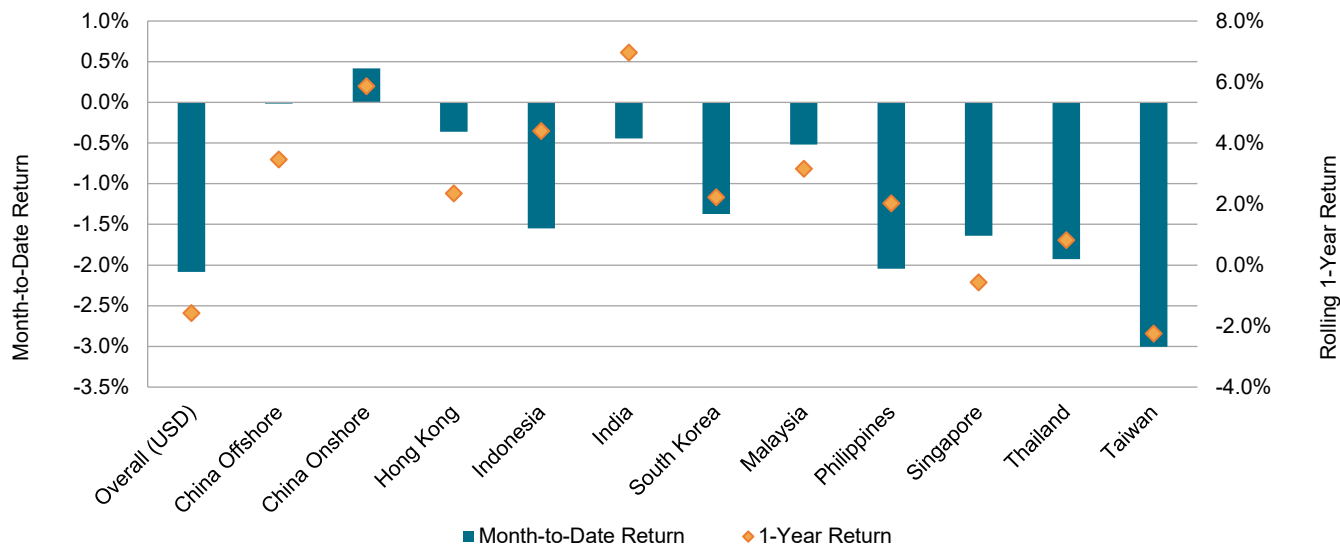
In Asia, Bank Indonesia surprised the markets by raising its key seven-day reverse repo rate by 25 bps to 6.25% to provide support for the Indonesian rupiah.

This month, we also had a look into the YTD performance of USD corporate markets. Broadly speaking, Asian USD bonds performed better than broad USD indices across both investment grade and high yield segments. The outperformance was more pronounced in high yield bonds, with the Asian USD high yield segment—as represented by iBoxx USD Asia ex-Japan High Yield—up 5.24% YTD, compared to 0.47% in broad USD high yield markets—as represented by iBoxx USD High Yield Developed Markets. One of the key contributors was China-issued USD high yield bonds, which have returned 7.29% so far this year, a stark contrast to a loss of 14.58% in 2023.

# iBoxx Asian Local Bond Index (ALBI)

## April 2024 Commentary

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



Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Most Asian markets represented in the iBoxx Asian Local Bond Index (ALBI) retreated in April. Additionally, most local currencies (except the Hong Kong dollar and offshore RMB) depreciated against the greenback. As a result, the overall index—in USD unhedged terms—lost 2.08%.

In local currency terms, China Onshore was the only market that recorded gains last month, up 0.42%. All other markets pulled back, with the Philippines (down 2.05%) and Thailand (down 1.93%) being the worst-performing markets in the index (excluding Taiwan as it has 0% weight in the index).

Across the yield curve, most markets observed gains at the short end, with India 1-3 the highest with a modest 0.37% uptick. In the 10+ segment, most markets (except China Onshore and China Offshore) posted losses, with the Philippines 10+ (down 5.20%) and Singapore 10+ (down 4.25%) faring the worst. China Onshore was the only market with gains across maturities.

As of the end of April, the overall index yield decreased marginally by 17 bps to 4.06%. India remained the highest-yielding bond market in the index, posting 7.26%, while China Onshore (2.38%) 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)	4.06	6.60	-2.08	-3.94	-5.99
China Offshore	3.12	2.51	-0.02	1.54	9.00
China Onshore	2.38	5.93	0.42	2.28	15.58
Hong Kong	4.68	3.64	-0.36	-0.97	-2.43
India	7.26	6.75	-0.44	2.72	17.08
Indonesia	7.10	5.83	-1.55	-0.20	19.00
South Korea	3.52	9.01	-1.37	-2.51	-2.96
Malaysia	4.07	7.26	-0.52	0.62	9.93
Philippines	5.52	4.65	-2.05	-1.80	2.12
Singapore	3.48	7.13	-1.64	-2.54	-4.18
Taiwan	1.68	8.27	-3.00	-2.90	-7.24
Thailand	3.14	8.35	-1.93	0.62	0.44

Source: S&P Dow Jones Indices LLC. Data as of April 30, 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 – April 2024**

Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-1.18	0.32	-1.23
China Offshore	0.07	0.41	-0.43
China Onshore	-0.23	0.24	0.18
Hong Kong	0.04	0.27	-0.63
India	-0.14	0.58	-1.03
Indonesia	-2.61	0.56	-2.11
Malaysia	-0.75	0.33	-0.85
Philippines	-2.52	0.37	-2.42
Singapore	-0.84	0.22	-1.86
South Korea	-2.59	0.24	-1.61
Taiwan	-1.72	0.11	-3.11
Thailand	-1.52	0.23	-2.16

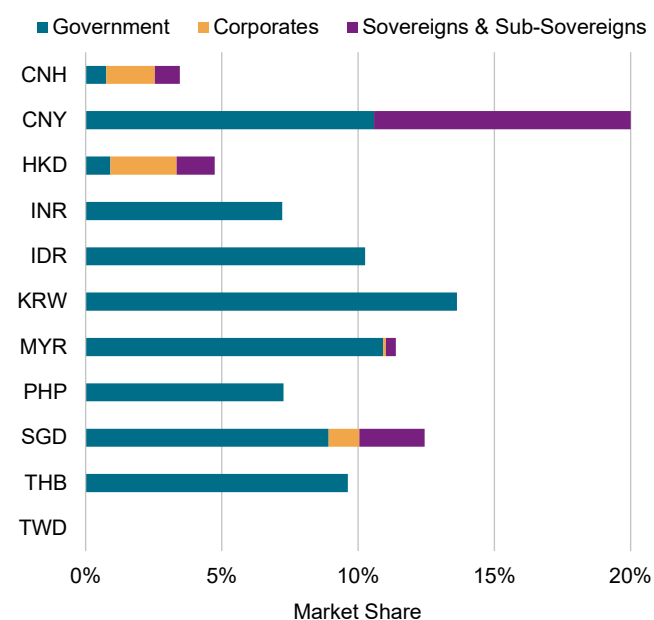
Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: iBoxx ALBI Returns by Maturity – April 2024**

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-0.95	-1.56	-1.76	-2.30	-3.52
Overall (Local Currency)	0.04	-0.40	-0.64	-1.05	-2.17
China Offshore	0.04	-0.22	-0.44	-0.01	0.31
China Onshore	0.25	0.40	0.52	0.53	0.53
Hong Kong	0.05	-0.40	-0.68	-1.25	-1.58
India	0.37	0.07	-0.03	-0.29	-1.01
Indonesia	-0.43	-1.11	-1.84	-1.77	-1.88
Malaysia	0.06	-0.22	-0.35	-0.46	-0.97
Philippines	-0.23	-1.22	-2.04	-3.25	-5.20
Singapore	0.08	-0.48	-1.19	-1.92	-4.25
South Korea	0.01	-0.50	-0.90	-1.33	-2.70
Taiwan	-0.48	-1.04	-1.81	-2.72	-5.80
Thailand	-0.26	-0.95	-1.48	-1.96	-3.20

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## April Month-End Rebalance

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

Market	Duration (Years)*	
	April 30, 2024	May 1, 2024
Overall (USD)	6.60	6.65
China Offshore	2.51	2.56
China Onshore	5.93	6.03
Hong Kong	3.64	3.70
India	6.75	6.76
Indonesia	5.83	5.83
South Korea	9.01	9.09
Malaysia	7.26	7.24
Philippines	4.65	4.74
Singapore	7.13	7.10
Thailand	8.35	8.35
Taiwan	8.27	8.24

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024 (and May 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

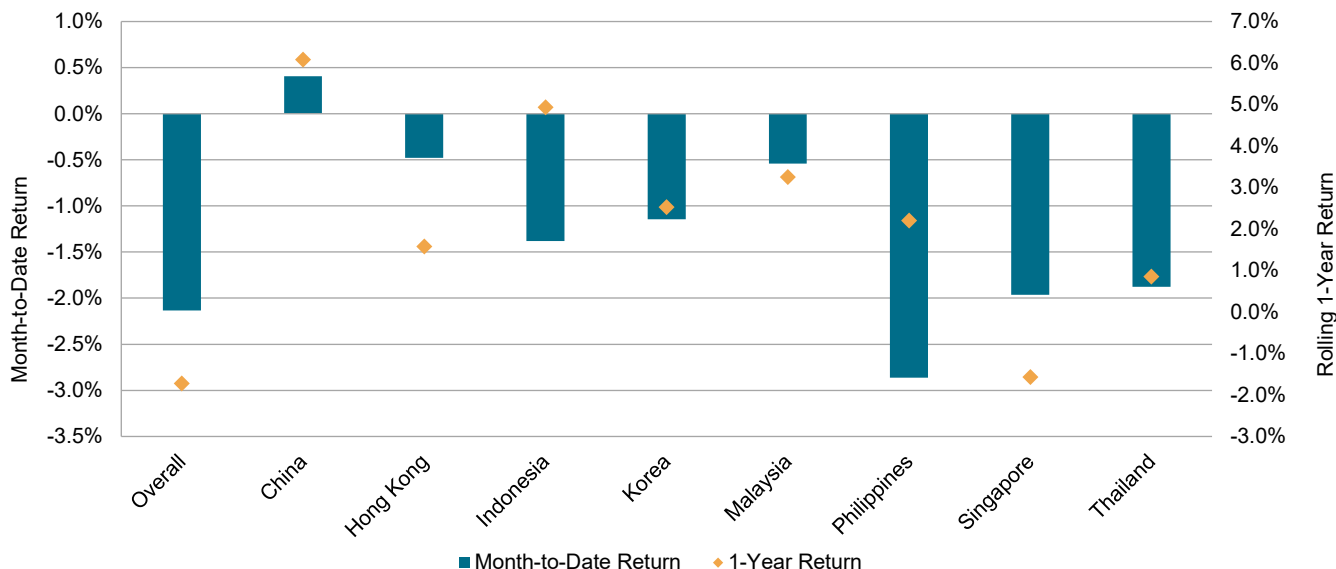
The latest rebalance saw 56 bonds entering and 32 bonds leaving the overall index. The existing underlying market weights are reflected in Exhibit 5. Note that the underlying market weights were updated at the February 2024 month-end index rebalance, and the next change will be at month-end May 2024. For more details, please refer to the [iBoxx Asia-Pacific Annual Index Review 2023 Results](#).

Following the recent rebalance, the index duration increased by 0.05 years to 6.65 years. Most markets saw duration increases this month, with the largest increase coming from China Onshore, up 0.10 years. Among the eligible markets, South Korea continued to have the longest duration (9.09 years), while China Offshore (2.56 years) remained the least sensitive to interest rates.

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

### April 2024 Commentary

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



Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

It was a similar story in iBoxx ABF, as the overall index (in USD unhedged terms) lost 2.13% in April. Index performance was dragged down by both capital (except China) and FX losses (except Hong Kong dollars). Year-to-date, the index retreated 4.29%.

In local currency terms, the only market in the index that was positive this month—China—gained 0.41%. It was also the best-performing market in the index so far this year (up 2.38%). On the other hand, the Philippines saw the largest decline in April (down 2.86%) while Singapore ranked last in the YTD performance (down 3.17%).

Looking deeper into performance by market and maturity sleeves, we can see that it was mixed in the short end (1-3 years) while the largest losses were concentrated in the long end, especially so for the Philippines 10+ (down 5.87%) and Singapore 10+ (down 4.49%). China was the only market with gains across the yield curve.

Looking into local market yield, the highest-yielding bond market in the index is Indonesia (7.08%) while China represented the lowest-yielding market (2.40%). The overall index yield was 3.81% as of the end of April.

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

Market	Yield (%)	Duration (Years)	Returns (%)		
			Month-to-Date	YTD	Three-Year
Overall (USD)	3.81	6.71	-2.13	-4.29	-6.52
China	2.40	6.36	0.41	2.38	16.07
Hong Kong	4.17	3.73	-0.48	-1.20	-3.25
Indonesia	7.08	5.85	-1.38	0.05	19.09
South Korea	3.55	7.87	-1.15	-1.92	-2.27
Malaysia	4.08	7.34	-0.54	0.63	10.17
Philippines	6.92	4.98	-2.86	-2.67	2.06
Singapore	3.45	7.51	-1.96	-3.17	-5.48
Thailand	3.14	8.20	-1.88	0.63	0.40

Source: S&P Dow Jones Indices LLC. Data as of April 30, 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 – April 2024

Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-1.19	0.28	-1.24
China	-0.23	0.24	0.17
Hong Kong	0.04	0.23	-0.71
Indonesia	-2.61	0.56	-1.94
South Korea	-2.59	0.24	-1.38
Malaysia	-0.75	0.33	-0.87
Philippines	-2.52	0.48	-3.35
Singapore	-0.84	0.21	-2.18
Thailand	-1.52	0.23	-2.10

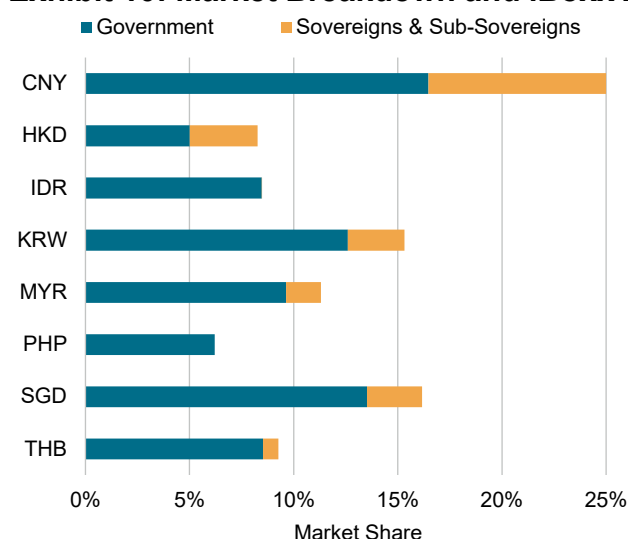
Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-1.02	-1.46	-1.81	-2.43	-3.69
Overall (Local Currency)	0.04	-0.39	-0.70	-1.21	-2.35
China	0.25	0.37	0.52	0.53	0.51
Hong Kong	-0.02	-0.55	-0.77	-1.68	-1.50
Indonesia	-0.26	-1.08	-1.75	-1.62	-1.72
South Korea	0.02	-0.43	-0.88	-1.31	-2.66
Malaysia	0.07	-0.21	-0.34	-0.45	-1.01
Philippines	-0.17	-1.41	-2.42	-3.83	-5.87
Singapore	0.02	-0.74	-1.50	-2.31	-4.49
Thailand	-0.25	-0.93	-1.47	-1.94	-3.16

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## April Month-End Rebalance

**Exhibit 10: Market Breakdown and iBoxx ABF Duration Changes**

Market	Duration (Years)*	
	April 30, 2024	May 1, 2024
Overall	6.71	6.75
China	6.36	6.44
Hong Kong	3.73	3.86
Indonesia	5.85	5.86
South Korea	7.87	7.94
Malaysia	7.34	7.33
Philippines	4.98	5.11
Singapore	7.51	7.46
Thailand	8.20	8.21

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024 (and May 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

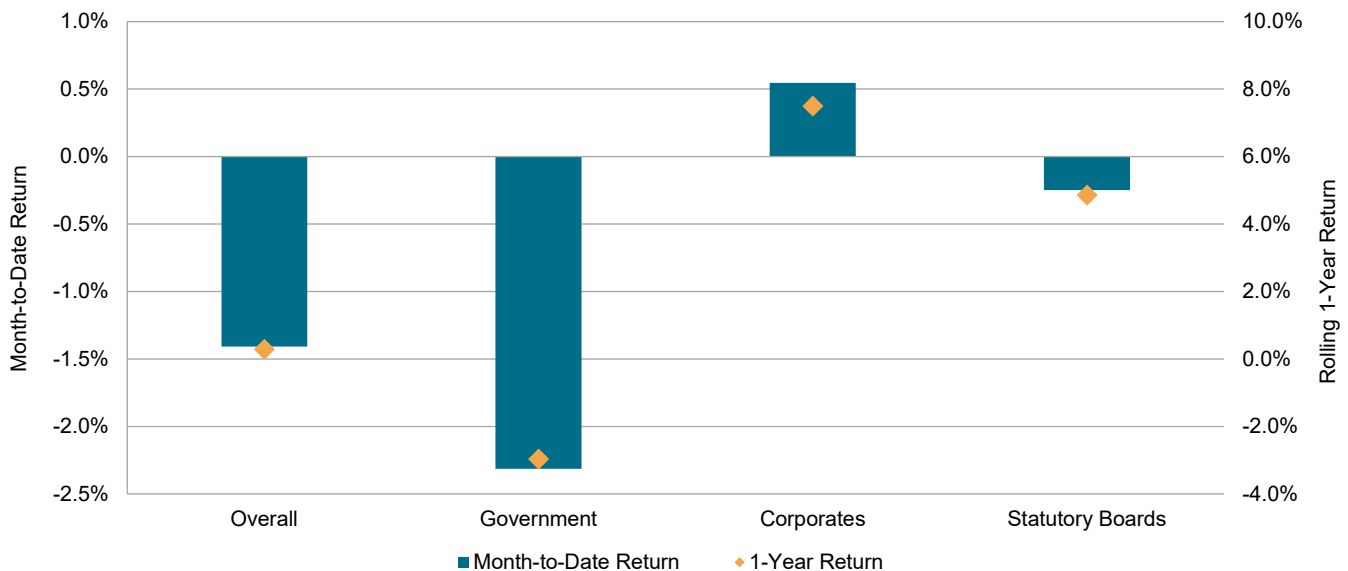
The latest rebalance saw 47 bonds entering and 37 bonds leaving the overall index. The annual weight change for the underlying markets was implemented at the October 2023 month-end rebalance as per the [iBoxx Asia-Pacific Annual Index Review 2023 Results](#). The latest weights are reflected in Exhibit 10.

The duration of the [iBoxx ABF](#) increased by 0.04 years to 6.86 years following the recent rebalance. The largest increase was the Philippines, up 0.14 years. After the index rebalance, Thailand had the longest duration (8.21 years), while Hong Kong remained the least sensitive to interest rates, with a duration of 3.86 years.

# iBoxx SGD

## April 2024 Commentary

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



Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The Asian bond market pull-back was also experienced in Singapore, as the iBoxx SGD retreated 1.41% in April. Overall, investors appeared to prefer credit over rates as the corporates segment inched up by 0.55%, while both Singapore Government Securities (SGS) and Statutory Boards returned -2.31% and -0.25%, respectively. Year-to-date, SGD corporate bonds (up 2.08%) outperformed SGS (down 3.99%).

Within the SGD investment grade segment, gains were observed at the short end of the yield curve across rating buckets, while only A and BBB bonds saw gains in the medium-to-long tenures. Once again, credit spreads tightened, continuing its downward trend since the start of the year. As of the close of April, the credit spread of SGD investment grade bonds tightened by 35 bps to 76 bps, while SGD high yield bonds narrowed by 52 bps to 301 bps.



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

Market	Yield (%)	Duration (Years)	Returns (%)		
			Month-to-Date	YTD	Three-Year
Overall	3.55	6.60	-1.41	-2.08	-3.28
Government	3.43	7.41	-2.31	-3.99	-5.67
Statutory Boards	3.53	6.08	-0.25	0.22	-2.71
Corporates	4.38	3.69	0.55	2.08	4.58
Financials	4.47	3.47	0.53	1.82	4.83
Non-Financials	4.10	4.68	0.62	3.23	4.00

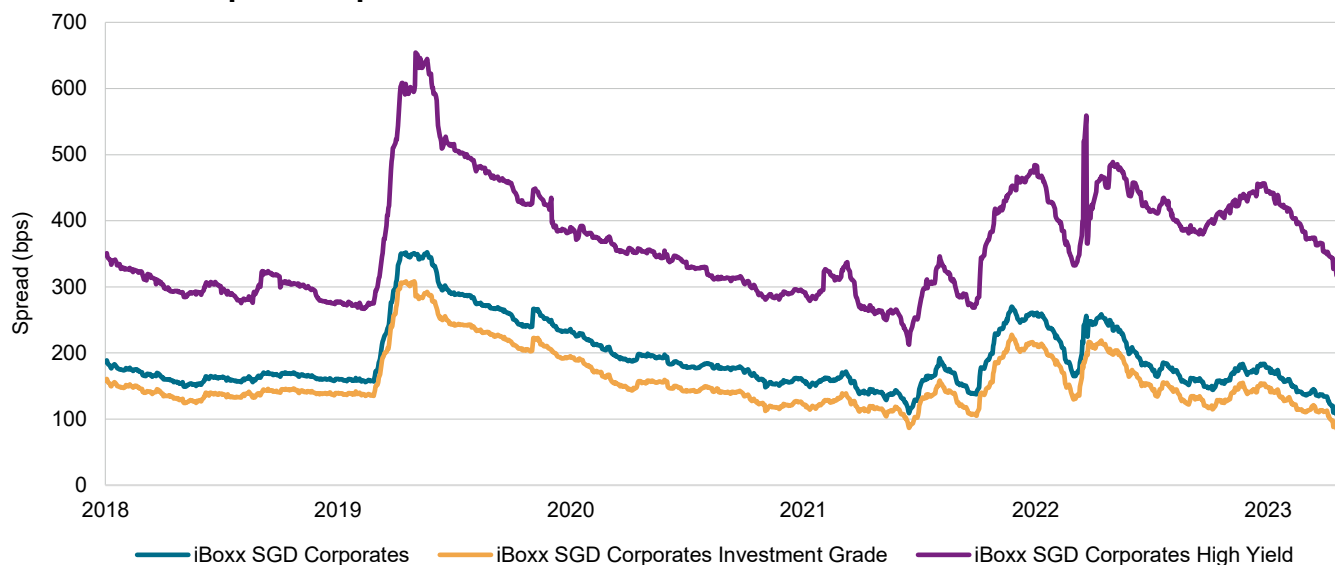
Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

### 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	-1.47	0.09	-0.18	-1.13	-1.80	-4.41
iBoxx SGD AAA	-1.95	0.02	-0.69	-1.48	-2.15	-4.88
iBoxx SGD AA	-0.05	0.25	-0.03	-0.10	-0.41	-0.15
iBoxx SGD A	0.52	0.35	0.42	0.06	1.09	0.70
iBoxx SGD BBB	0.44	0.45	0.52	0.32	0.05	0.06
iBoxx SGD High Yield	1.17	-	-	-	-	-

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

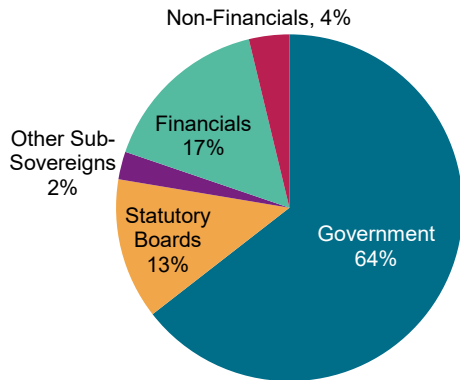
### Exhibit 14: Corporate Spreads



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2018, to April 30, 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)*	
	April 30, 2024	May 1, 2024
Overall	6.60	6.57
Government	7.41	7.36
Corporates	6.08	6.00
Statutory Boards	3.69	3.77
Financials	3.47	3.54
Non-Financials	4.68	4.83

\*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024 (and May 1, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

This rebalance, five bonds entered the index, adding SGD 4.7 billion. Meanwhile, three bonds totaling SGD 600 million left the index. Additionally, the rating changes are shown in Exhibit 16.

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

Issue	March 31, 2024	April 30, 2024
STTGDC 5.7% Perp	BBB*	BB*
WSTP 4.65% 2032-09-07	BBB	A

Source: S&P Dow Jones Indices LLC. Data as of April 30, 2024. Table is provided for illustrative purposes.

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