

iBoxx Asian Local Currency Indices

iBoxx ALBI, iBoxx ABF and iBoxx SGD

November 2024 Commentary

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In November, Trump's victory in the presidential elections, along with the Republican party winning majorities in Congress, has positioned the president-elect favorably to advance his economic agenda, which is believed to focus on trade tariffs, immigration controls and tax cuts. It remains to be seen how these developments will unfold in the months ahead. Adjacent to the presidential elections, the U.S. Federal Reserve also announced a rate cut of 25 bps, which had been anticipated by market observers.

In the immediate aftermath, the [S&P 500[®]](#) soared to new heights, rising 5.73% in November. Bitcoin also experienced a significant surge, climbing nearly 40% during the same month, as represented by the [S&P Bitcoin Index](#). In the bond markets, U.S. Treasuries—as represented by the iBoxx \$ Treasuries—edged up by 0.91%, while U.S. corporate bonds—as represented by iBoxx \$ Corporates—saw an increase of 1.27%, both reversing losses from the previous month.

There were notable actions taken by central banks in other markets, including the Bank of England, which decided to lower its key interest rate by 25 bps. Meanwhile, in the Asia Pacific region, the Bank of Korea announced a 25 bps reduction toward the end of November, while the Reserve Bank of New Zealand remained committed to lowering its policy rate by implementing a 50 bps rate cut for the second month in a row to 4.25%.

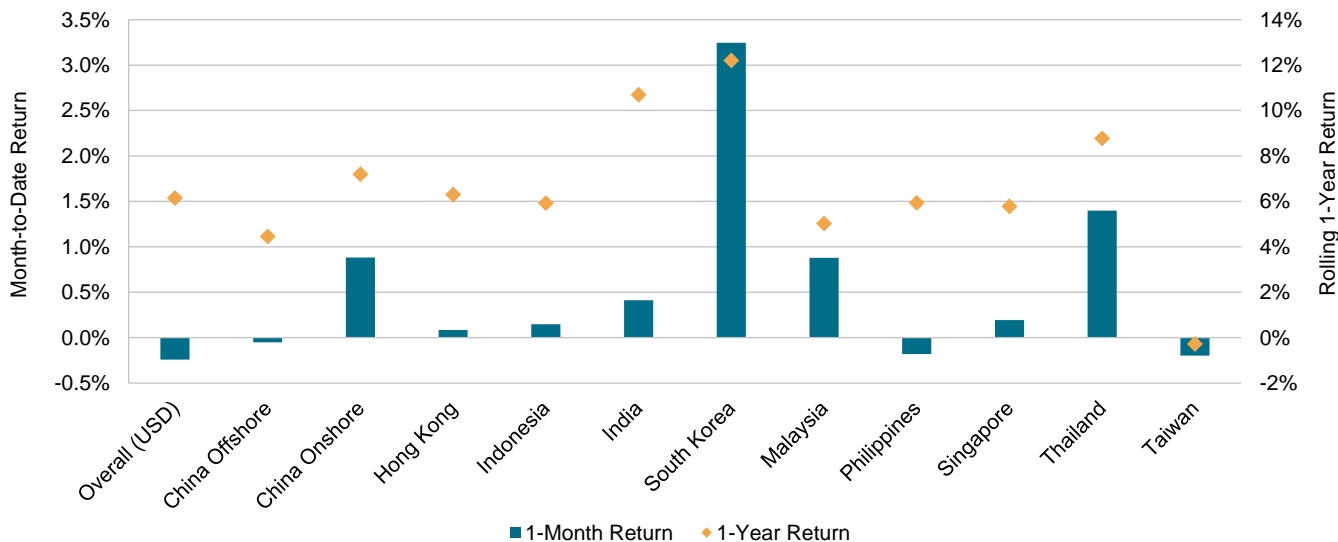
In Asia, stock markets experienced a decline of 2.20% in November, as indicated by the S&P Pan Asia Ex-Japan LargeMidCap (USD). This drop was influenced by Chinese stocks, the largest market in the index, as the [S&P China 500](#) (USD) fell by 3.13%.

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iBoxx Asian Local Bond Index (ALBI)

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Exhibit 1: iBoxx ALBI Overall and Single Market Returns



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

While most underlying local markets in Asia recorded modest gains in the penultimate month of 2024, the overall Asian Local Bond Index (ALBI) measured in USD unhedged terms pulled back by 0.24%. This was primarily attributed to the ongoing appreciation of the U.S. dollar against all ALBI local currencies this month. Notably, the renminbi and offshore renminbi experienced declines of 1.50% and 1.46%, respectively, against the greenback, placing them at the lower end of the spectrum.

In local markets, measured in local currencies, South Korea was the standout performer in November, returning 3.25%. Coming in second was Thailand (up 1.40%), while China Onshore and Malaysia were tied at third place (up 0.88%). The Philippines and China Offshore were at the bottom of the ladder, losing 0.18% and 0.05%, respectively.¹

The majority of gains (in local currency terms) were observed in the long end of the yield curve. In particular, South Korea 10+ year (up 5.62%), South Korea 7-10 year (up 2.59%) and Thailand 10+ year (up 2.44%) segments recorded the biggest gains. Additionally, several markets experienced upticks across all maturity segments of the curve, including China Onshore, Hong Kong, India, Malaysia, South Korea and Thailand.

¹ Taiwan has 0% weight in the index.

As of the end of November 2024, the overall index yield decreased by 11 bps to 3.59%. Indonesia overtook India as the highest-yielding bond market, posting 6.97%, while China Onshore (2.01%) remained the lowest-yielding market.

Exhibit 2: iBoxx ALBI Overall and Single Market Returns

Market	Yield (%)	Duration (Years)	Returns (%)		
			1-Month	YTD	3-Year
Overall (USD)	3.59	7.00	-0.24	3.42	1.90
China Offshore	3.01	2.87	-0.05	4.09	10.16
China Onshore	2.01	6.32	0.88	6.05	15.60
Hong Kong	3.93	3.54	0.08	3.89	2.24
India	6.93	6.99	0.41	9.35	20.53
Indonesia	6.97	5.85	0.15	4.67	17.78
South Korea	2.69	9.96	3.25	7.40	6.38
Malaysia	3.94	7.48	0.88	3.98	12.62
Philippines	4.81	4.93	-0.18	4.53	8.82
Singapore	2.84	7.63	0.19	3.86	1.89
Taiwan	1.55	7.99	-0.20	-0.96	-4.35
Thailand	2.67	8.63	1.40	6.74	6.46

Source: S&P Dow Jones Indices LLC. Data as of Nov. 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 – November 2024

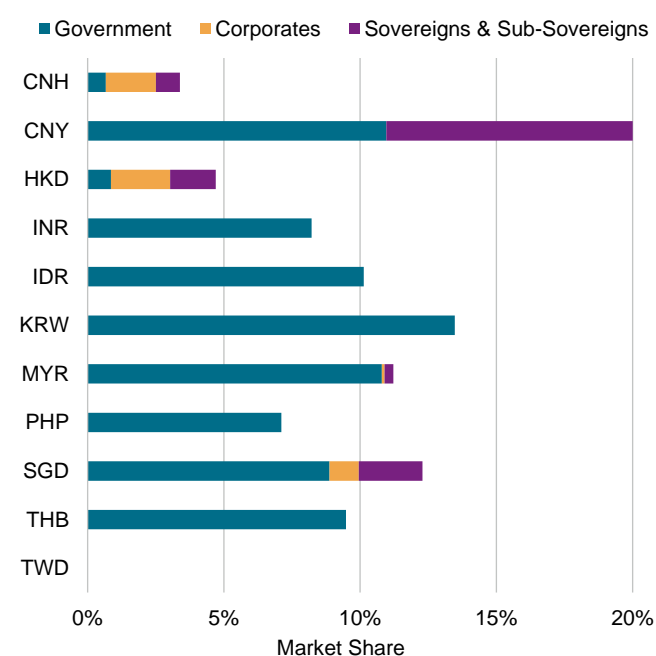
Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-1.14	0.31	0.60
China Offshore	-1.46	0.27	-0.33
China Onshore	-1.50	0.22	0.66
Hong Kong	-0.14	0.27	-0.18
India	-0.48	0.58	-0.17
Indonesia	-0.95	0.57	-0.42
Malaysia	-1.27	0.33	0.55
Philippines	-0.90	0.39	-0.57
Singapore	-1.26	0.21	-0.02
South Korea	-1.08	0.23	3.01
Taiwan	-1.36	0.11	-0.31
Thailand	-1.46	0.23	1.17

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

Exhibit 4: iBoxx ALBI Returns by Maturity – November 2024

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-0.86	-0.76	-0.51	-0.28	0.73
Overall (Local Currency)	0.28	0.40	0.64	0.87	1.89
China Offshore	-0.06	-0.06	0.30	0.05	-0.22
China Onshore	0.28	0.61	0.86	1.12	2.15
Hong Kong	0.11	0.02	0.13	0.05	0.03
India	0.58	0.72	0.58	0.74	0.10
Indonesia	0.65	0.35	0.04	-0.15	0.09
Malaysia	0.41	0.54	0.82	1.12	1.15
Philippines	-0.13	-0.20	-0.24	-0.16	-0.19
Singapore	0.09	-0.04	0.09	0.49	0.38
South Korea	0.73	1.39	1.95	2.59	5.62
Taiwan	0.03	-0.07	-0.18	-0.34	-0.31
Thailand	0.35	0.59	0.86	1.11	2.44

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

November Month-End Rebalance**Exhibit 5: Market Breakdown and iBoxx ALBI Duration Changes**

Market	Duration (Years)*	
	Nov. 30, 2024	Dec. 2, 2024
Overall (USD)	7.00	7.08
China Offshore	2.87	3.06
China Onshore	6.32	6.37
Hong Kong	3.54	3.57
India	6.99	7.09
Indonesia	5.85	5.86
South Korea	9.96	10.01
Malaysia	7.48	7.47
Philippines	4.93	4.94
Singapore	7.63	8.04
Thailand	8.63	8.74
Taiwan	7.99	7.99

*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2024 (and Dec. 2, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

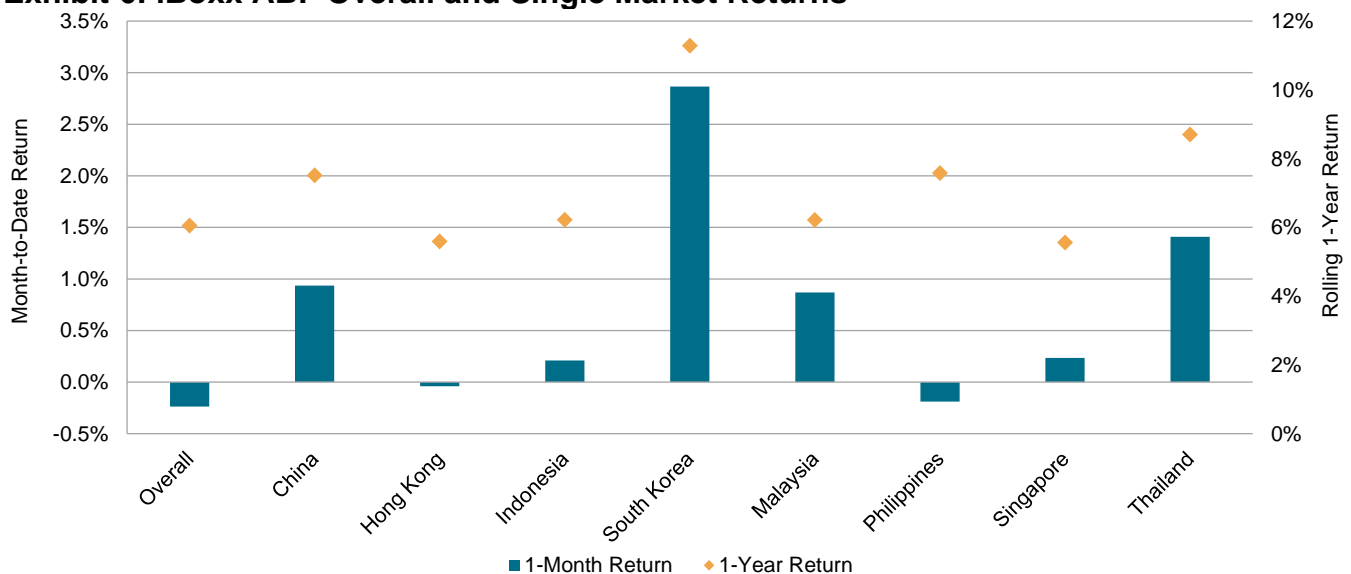
The latest rebalance saw 62 bonds entering and 34 bonds leaving the overall index. The existing underlying market weights are reflected in Exhibit 5. Note that the underlying market weights were updated at the November 2024 month-end index rebalance, and the next update will be at the February 2025 month-end rebalance. For more details, please refer to the [iBoxx Asia-Pacific Annual Index Review 2024 Results](#).

Following the recent rebalance, the index duration increased by 0.08 years to 7.08 years. Most markets saw duration increases this month, except for Malaysia. Among the eligible markets, South Korea continued to have the longest duration (10.01 years), while China Offshore (3.06 years) remained the least sensitive to interest rates.

iBoxx Asian Bond Fund (ABF) Pan-Asia

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Exhibit 6: iBoxx ABF Overall and Single Market Returns



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

In November, the iBoxx ABF posted the same returns as iBoxx ALBI, declining 0.24% in USD unhedged terms, which was predominantly due to the appreciation of the U.S. dollar against all underlying local currencies.

The majority of local markets experienced gains, with the exceptions being the Philippines, which declined by 0.19%, and Hong Kong, which fell by 0.04%. South Korea achieved the highest return at 2.87%, followed by Thailand at 1.41%. The remaining markets recorded modest returns of less than 1%.

As of the end of November, Indonesia remained the highest-yielding local bond market (6.94%), while China remained the lowest-yielding at 2.03%. The overall index yield decreased 8 bps for the month, settling at 3.31%.

Exhibit 7: iBoxx ABF Overall and Single Market Returns

Market	Yield (%)	Duration (Years)	Returns (%)		
			1-Month	YTD	3-Year
Overall (USD)	3.31	7.11	-0.24	3.23	1.69
China	2.03	6.76	0.94	6.35	16.07
Hong Kong	3.53	3.65	-0.04	3.39	1.55
Indonesia	6.94	6.00	0.21	4.92	17.97
South Korea	2.71	8.72	2.87	7.07	6.25
Malaysia	3.95	7.54	0.87	4.00	12.84
Philippines	6.01	5.23	-0.19	5.71	11.30
Singapore	2.80	8.06	0.23	3.49	0.94
Thailand	2.67	8.49	1.41	6.69	6.35

Source: S&P Dow Jones Indices LLC. Data as of Nov. 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 – November 2024

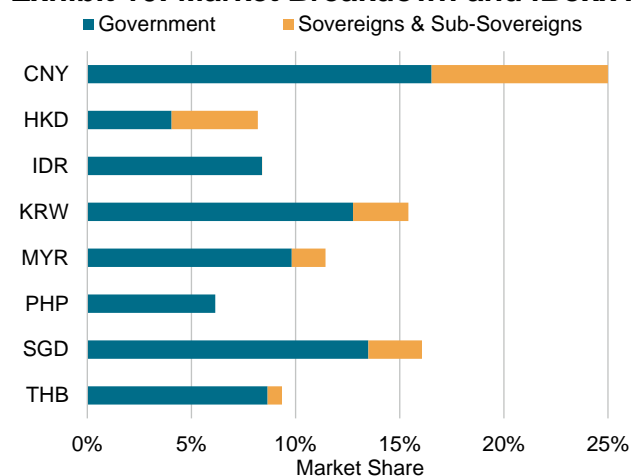
Market	FX Return (%)	Accrual Return (%)	Capital Return (%)
Overall (USD)	-1.17	0.28	0.67
China	-1.50	0.22	0.72
Hong Kong	-0.14	0.23	-0.27
Indonesia	-0.95	0.56	-0.35
South Korea	-1.08	0.23	2.63
Malaysia	-1.27	0.33	0.54
Philippines	-0.90	0.49	-0.68
Singapore	-1.26	0.21	0.02
Thailand	-1.46	0.23	1.18

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

Exhibit 9: iBoxx ABF Returns by Maturity – November 2024

Market	Return (%)				
	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
Overall (USD)	-0.78	-0.74	-0.59	-0.31	0.76
China	0.29	0.65	0.88	1.13	2.15
Hong Kong	0.09	-0.09	-0.34	-0.31	-0.45
Indonesia	0.62	0.37	0.07	0.08	0.10
South Korea	0.72	1.40	1.95	2.58	5.59
Malaysia	0.40	0.52	0.80	1.10	1.13
Philippines	-0.08	-0.23	-0.28	-0.16	-0.19
Singapore	0.06	-0.02	0.13	0.56	0.44
Thailand	0.35	0.58	0.85	1.12	2.51

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

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

Market	Duration (Years)*	
	Nov. 30, 2024	Dec. 2, 2024
Overall	7.11	7.20
China	6.76	6.82
Hong Kong	3.65	3.67
Indonesia	6.00	6.00
South Korea	8.72	8.78
Malaysia	7.54	7.54
Philippines	5.23	5.24
Singapore	8.06	8.40
Thailand	8.49	8.59

*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2024 (and Dec. 2, 2024, for duration). Past performance is no guarantee of future results. Chart and table are provided for illustrative purposes.

The latest rebalance saw 78 bonds entering and 55 bonds leaving the overall index. The annual weight change for the underlying markets was implemented at the October 2024 month-end rebalance as per the [iBoxx Asia-Pacific Annual Index Review 2024 Results](#). The latest weights are reflected in Exhibit 10.

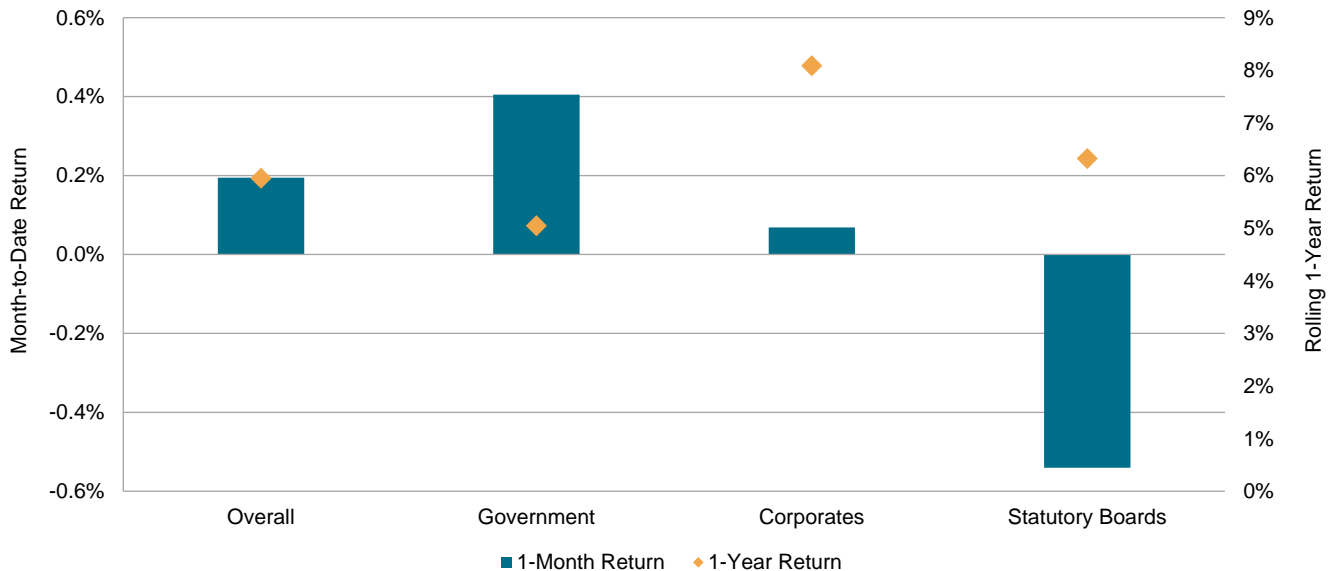
The duration of the iBoxx ABF increased by 0.09 years to 7.20 years following the recent rebalance. The largest increase was Singapore, up 0.34 years after the exit of a Singapore Government Bond valued at SGD 8.4 billion as it moved into its final year to maturity. After the

index rebalance, South Korea remained the market with the longest duration (8.78 years), while Hong Kong remained the least sensitive to interest rates, with a duration of 3.67 years.

iBoxx SGD

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Exhibit 11: iBoxx SGD Overall and Key Sector Returns



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

Singapore bonds, as represented by the iBoxx SGD, inched up 0.19% in November. Both government and corporate bonds were marginally up, posting returns of 0.41% and 0.07%, respectively. However, Singapore Statutory Board bonds pulled back slightly by 0.54%.

Looking at bonds based on their credit quality, both investment grade and high yield bonds recorded a return of 0.19% in November. Among investment grade bonds, AAA bonds emerged as the top performers, rising by 0.27%. In contrast, the AA segment experienced a decline of 0.85%, primarily driven down by the AA 10+ year segment, which fell by 1.80% and is predominantly composed of bonds issued by the Land Transport Authority of Singapore.

In November, SGD credit spreads experienced a slight widening following three months of consecutive tightening. The overall index credit spread increased by 6 bps to reach 101 bps, with investment grade bonds widening by 6 bps and high yield bonds expanding by 2 bps.

Exhibit 12: iBoxx SGD Overall and Key Sector Returns

Market	Yield (%)	Duration (Years)	Returns (%)		
			1-Month	YTD	3-Year
Overall	2.91	7.04	0.19	4.10	2.50
Government	2.75	8.06	0.41	2.82	0.93
Statutory Boards	3.02	5.99	-0.54	5.11	2.38
Corporates	3.75	3.81	0.07	7.05	7.98
Financials	3.83	3.64	0.04	6.63	7.98
Non-Financials	3.44	4.63	0.21	8.89	8.39

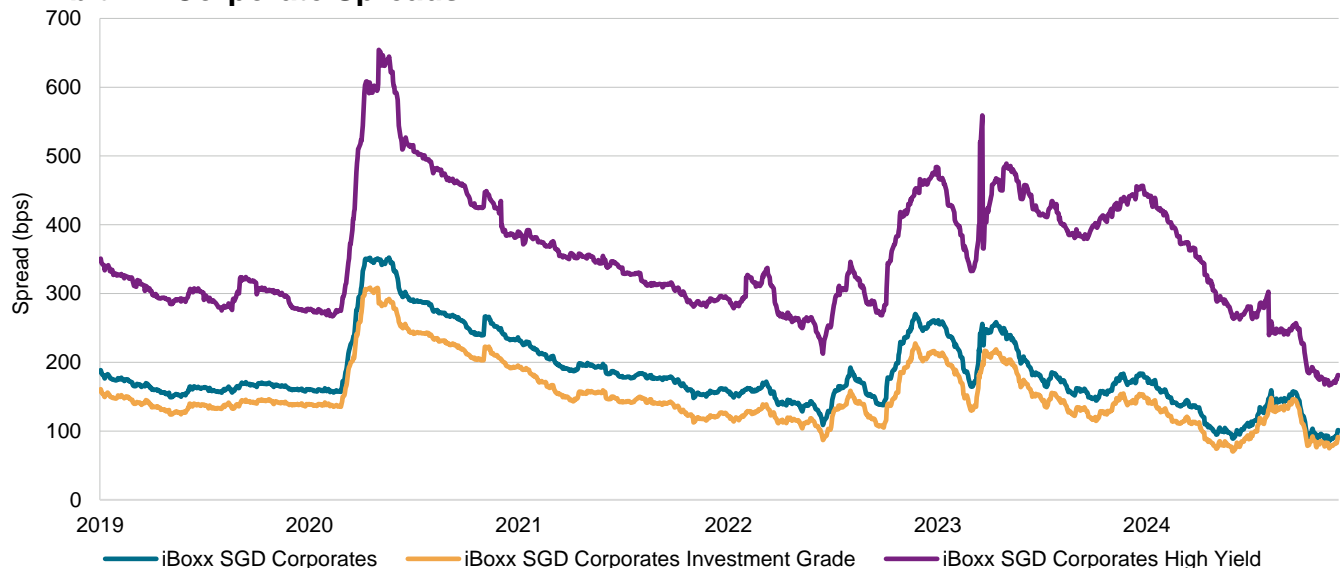
Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2024. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 13: iBoxx SGD Rating and Maturity 1-Month Performance

Index/Rating	Overall (%)	1-3 Years (%)	3-5 Years (%)	5-7 Years (%)	7-10 Years (%)	10+ Years (%)
iBoxx SGD Investment Grade	0.19	0.07	-0.04	0.06	0.48	0.48
iBoxx SGD AAA	0.27	0.05	-0.07	0.09	0.54	0.68
iBoxx SGD AA	-0.85	0.28	-0.17	0.20	0.33	-1.80
iBoxx SGD A	0.06	0.36	0.00	0.20	-0.12	-0.04
iBoxx SGD BBB	0.03	0.11	0.03	-0.23	0.45	-0.40
iBoxx SGD High Yield	0.19	-	-	-	-	-

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

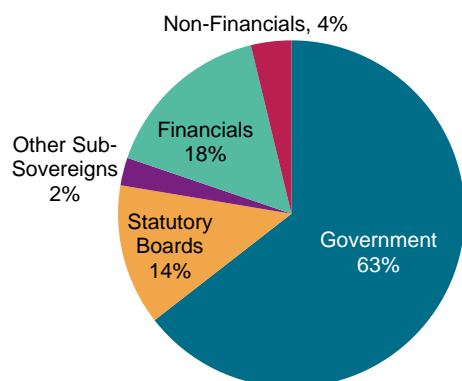
Exhibit 14: Corporate Spreads



Source: S&P Dow Jones Indices LLC. Data from Jan. 1, 2019, to Nov. 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.

November Month-End Rebalance

Exhibit 15: Sector Breakdown, Duration and Rating Changes



Sector	Duration (Years)*	
	Nov. 30, 2024	Dec. 2, 2024
Overall	7.04	7.25
Government	8.06	8.45
Corporates	5.99	6.02
Statutory Boards	3.81	3.89
Financials	3.64	3.74
Non-Financials	4.63	4.62

*Semiannual modified duration.

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2024 (and Dec. 2, 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 a combined total of SGD 2.7 billion notional. The largest inclusion was an SGD 900 million issuance from the Housing & Development Board. At the same time, four bonds left the index, totaling over SGD 9 billion, of which the majority of the notional came from an SGD 8.4 billion Singapore Government Bond. Additionally, Exhibit 16 highlights the rating change(s) observed this month.

Exhibit 16: iBoxx SGD Overall – Rating Changes

Issue	Oct. 31, 2024	Nov. 30, 2024
MLTSP 4.3%	BB*	BBB

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

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