

iBoxx ALBI Indices Consultation on Eligibility Criteria and Target Market Weights

LONDON, SEPTEMBER 5, 2024: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on upcoming changes to the iBoxx ALBI Indices.

A. Callable Bonds

PROPOSAL

Currently, callable bonds must be senior bank bonds and have a first call date within 25 months of the final maturity to be eligible.

S&P DJI proposes to include all non-senior bank bonds with call options where the first and subsequent call dates are within one year of the final maturity, i.e., a bond with a call date six months prior to the maturity date of the bond qualifies for the index.

Bonds that are less than one year to final maturity are removed from iBoxx ALBI at each monthly rebalancing. With the proposed change as mentioned above, the call date (which occurs within the last year to maturity) does not affect the removal of such bonds in the index as they would have been dropped due to the one-year minimum time to maturity rule.

IMPACT ANALYSIS

Using data as of July 31, 2024, only SGD and CNH denominated bonds were impacted by the proposed changes. The following table shows the set of bonds that would be included if the proposed change is implemented.

iBoxx ALBI Singapore

Ccy	ISIN	Ticker	Issuer	Weight
SGD	SGXF52498254	SGXSP	Singapore Exchange Limited	0.14%
SGD	SGXF53967174	TSHSP	Tuan Sing Holdings Ltd	0.07%
SGD	SGXF69044257	TEMASE	Temasek Financial I Ltd	0.64%

The total weight for these bonds, if included in iBoxx ALBI Singapore index, would be approximately 0.85%.

iBoxx ALBI China Offshore

Ccy	ISIN	Ticker	Issuer	Weight
CNH	HK0000939428	CSILTD	CSI MTN Ltd	0.51%
CNH	HK0000979937	NANCIT	Nan'an Energy Industry and Trade Investment Development Group Co Ltd	0.22%
CNH	HK0000987716	PLD	Prologis LP	0.31%
CNH	HK0000988169	TEMASE	Temasek Financial I Ltd	0.16%
CNH	HK0001020822	HKAA	Airport Authority	0.31%
CNH	HK0001038576	ZHHFGR	Huafa 2024 I Co Ltd	0.39%

The total weight for these bonds, if included in iBoxx ALBI China Offshore index, would be approximately 1.91%.

B. Target Market Weights

PROPOSAL

As per the [iBoxx Asia-Pacific Annual Index Review 2023 Results](#), the weight of India has been increasing at a pace of 0.50% per quarter, since November 30, 2023.

As of August 31, 2024, the weight of India must increase by more than 4% to achieve its expected target weight of 12.57%. Thus, it would take more than eight quarters for India to reach its target weight.

Taking into account the liquidity of the Indian market and timeline required to reach its target weight, S&P DJI proposes an exception to temporarily increase the maximum quarterly weight change for underlying markets in iBoxx ALBI from 0.50% to 1.00% until India reaches its target weight, with the first weight change on November 30, 2024.

IMPACT ANALYSIS

The following table shows the proposed weight changes for iBoxx ALBI for the next four quarters from November 30, 2024:

Market	Nov-30-2024	Feb-29-2025	May-31-2025	Aug-31-2025
China Onshore	20.0000%	20.0000%	20.0000%	20.0000%
China Offshore	3.3511%	3.3150%	3.2788%	3.2427%
Hong Kong	4.6234%	4.5478%	4.4721%	4.3965%
India	9.2200%	10.2200%	11.2200%	12.2200%
Indonesia	9.9789%	9.8270%	9.6751%	9.5232%
South Korea	13.326%	13.1816%	13.0362%	12.8909%
Malaysia	11.102%	10.9883%	10.8741%	10.7600%
Philippines	6.9233%	6.7372%	6.5512%	6.3651%
Singapore	12.116%	11.9475%	11.7784%	11.6092%
Thailand	9.3572%	9.2356%	9.1141%	8.9925%
Taiwan	0.0000%	0.0000%	0.0000%	0.0000%

Additional data and analysis may be made available in the Client Resource Center www.spglobal.com/spdji/en/client-services/, which may be updated from time to time throughout the consultation without notice. Additional data and analysis may also be made available upon request.

IMPACTED INDICES

Index Name	ISIN (TRi)	BBG Ticker (TRi)
Markit iBoxx ALBI (USD Unhedged)	GB00BYZW8M61	IBXXALBI

IMPLEMENTATION TIMING

S&P DJI proposes to implement the previously described methodology changes, if adopted, in conjunction with the November 2024 month-end rebalancing, which takes effect prior to the market open on **Monday, December 2, 2024**.

CONSULTATION

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to include all non-senior bank bonds with call options where the first and subsequent call dates are within one year of the final maturity?**
2. **Do you agree with the proposals to temporarily increase the maximum quarterly weight change for underlying markets in iBoxx ALBI from 0.50% to 1.00% until India reaches its target weight?**
3. **Should these proposed methodology changes be adopted, do you agree with the proposed implementation date?**
4. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate the market participants' views and preferences. Please respond to this survey by **Tuesday, September 24, 2024**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the change(s) will be announced to clients and posted on the S&P DJI website with prior notice ahead of the effective date.

Thank you for taking the time to complete this survey.

FOR MORE INFORMATION:

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