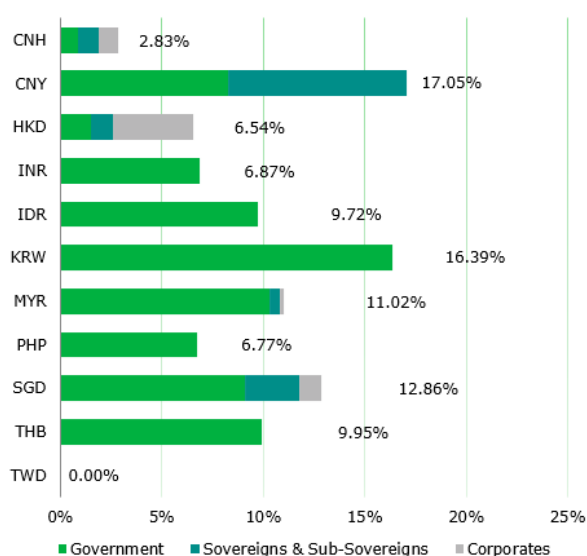


## iBoxx ALBI Monthly Commentary

### November 2020 Rebalance

**Nov 2020 ALBI Breakdown**



**iBoxx ALBI Duration Changes**

	31-Oct-20	2-Nov-20
Overall	6.97	7.06
China Offshore	3.17	3.30
China Onshore	5.60	5.67
Hong Kong	5.09	5.08
India	6.75	6.78
Indonesia	6.01	6.04
South Korea	9.11	9.18
Malaysia	6.95	6.99
Philippines	5.78	5.80
Singapore	7.75	8.19
Thailand	9.01	8.97
Taiwan	9.26	9.41

*\*Semi-Annual Modified Duration*

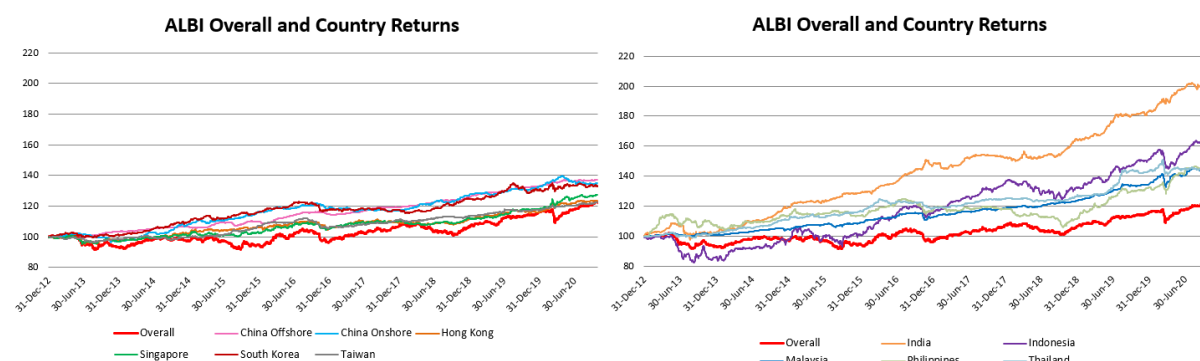
The latest rebalance saw 21 bonds entering and 25 bonds leaving the overall index. For a detailed breakdown of insertions and deletions, please refer to the Appendix.

The individual market weights of iBoxx ALBI are reflected in the chart above and the next scheduled change will be on 30<sup>th</sup> November 2020 (the December rebalance).

The index duration increased by 0.09 years to 7.06 years post rebalance. With the exception of Hong Kong and Thailand, all other markets saw their duration increase this month. The largest change this month was Singapore (+0.44 years) due to exit of a SGD 9.1bn SIGB. After the rebalance, South Korea continues to have the longest duration at 9.18 years<sup>1</sup> while China Offshore remains the least sensitive to interest rates with a duration of 3.30 years.

<sup>1</sup> Taiwan is not mentioned as it has 0% weight in the index

## October 2020 EOM Commentary



^Total Return Index Levels. Data as of 31 October 2020

As we pass the midway point between autumn equinox and winter solstice, a second wave of Covid-19 infections dominate the headlines in most parts of Europe and the United States. Closer to home, we also see a resurgence of Covid-19 in the region, such as in Malaysia which is battling its third wave of infections. The above, coupled with the uncertainty of the US Presidential elections, paints a backdrop of unpredictability going into the penultimate month of 2020.

In October, the overall ALBI index gained 1.59%, led by Indonesia (1.97%) and India (1.72%). Apart from South Korea (-0.76%) and Hong Kong (-0.04%), all other markets posted positive returns. It is also noteworthy that China Onshore returned to positive territory after five months of consecutive decline.

China Onshore, India, Indonesia, Malaysia, the Philippines and Singapore saw positive returns across the yield curve. The 7-10 and 10+ maturity buckets of Indonesia (2.22% and 2.46%, respectively), and 10+ segment of Singapore (2.10%) posted the biggest gains. On the flipside, the 10+ segments of South Korea (-1.41%) and Hong Kong (-0.89%) fared the worst.

The overall index yield remained unchanged at 2.81%. Indonesia (-0.22 bps) and India (-0.18 bps) led the declines this month, while the biggest yield upticks were observed in South Korea (0.09 bps) and China Offshore (0.04 bps). Indonesia remains the highest yielding bond market in the index offering 6.73%. Singapore is the lowest<sup>2</sup> at 1.20%.

<sup>2</sup> Taiwan is not mentioned as it has 0% weight in the index

## iBoxx ALBI Overall and Single Market Returns

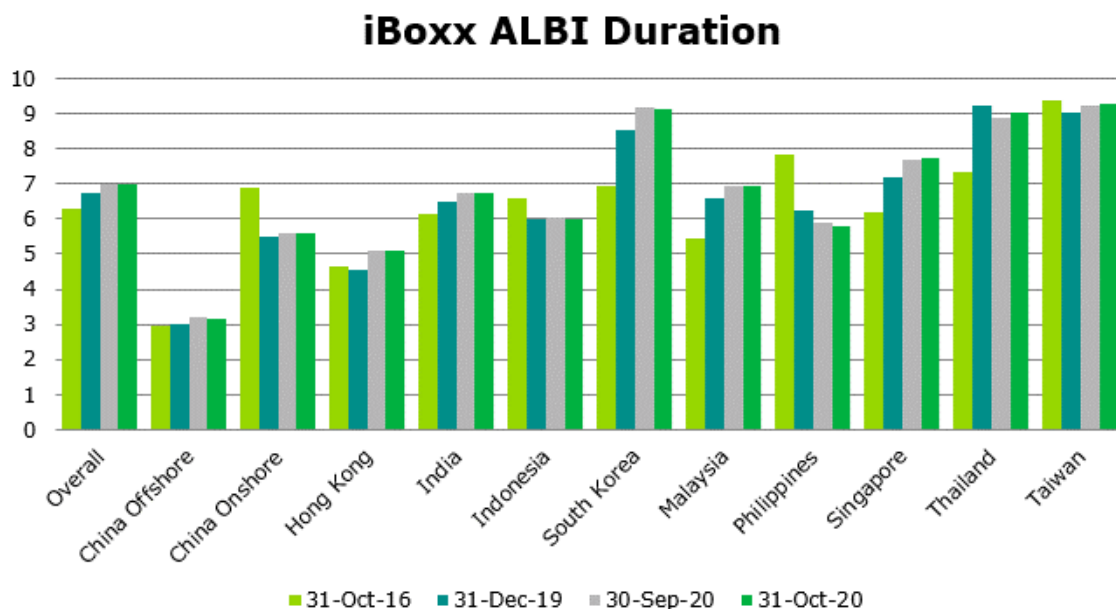
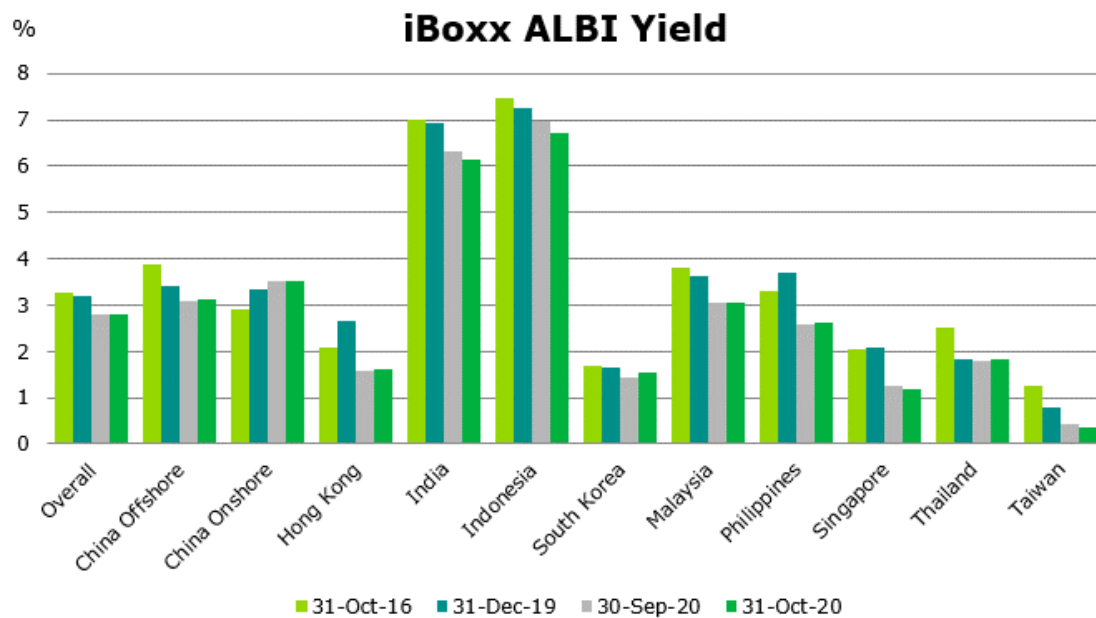
	Oct 20	MTD	YTD	3Y
Overall	122.46	1.59%	5.37%	20.07%
China Offshore	137.14	0.13%	3.15%	18.03%
China Onshore	134.96	0.34%	1.60%	10.77%
Hong Kong	123.58	-0.04%	6.74%	13.04%
India	203.39	1.72%	11.00%	40.56%
Indonesia	165.83	1.97%	9.52%	40.06%
South Korea	132.89	-0.76%	2.24%	10.26%
Malaysia	144.25	0.44%	7.05%	25.07%
Philippines	144.82	0.12%	9.22%	20.59%
Singapore	127.51	0.69%	7.87%	17.50%
Thailand	145.25	0.04%	1.42%	18.55%
Taiwan	122.34	0.54%	4.32%	12.97%

## iBoxx ALBI Returns Attribution - Oct 2020

	FX Return	Accrual Return	Capital Return
Overall	1.19%	0.30%	0.09%
China Offshore	1.80%	0.29%	-0.16%
China Onshore	1.74%	0.29%	0.05%
Hong Kong	-0.04%	0.21%	-0.25%
India	-0.46%	0.57%	1.15%
Indonesia	1.86%	0.61%	1.35%
Malaysia	0.04%	0.32%	0.12%
Philippines	0.17%	0.31%	-0.18%
Singapore	0.25%	0.20%	0.49%
South Korea	3.07%	0.18%	-0.94%
Taiwan	1.25%	0.12%	0.42%
Thailand	1.48%	0.22%	-0.17%

## iBoxx ALBI Countries Heatmap - Oct 2020

	1-3	3-5	5-7	7-10	10+
Overall (USD)	1.48%	1.60%	1.53%	1.66%	1.66%
Overall (Local Ccy)	0.21%	0.48%	0.48%	0.44%	0.45%
China Offshore	0.18%	0.20%	-0.20%	-0.11%	-0.17%
China Onshore	0.26%	0.49%	0.53%	0.31%	0.09%
Hong Kong	0.14%	0.22%	0.09%	-0.29%	-0.89%
India	0.79%	1.60%	1.96%	1.85%	1.87%
Indonesia	1.04%	1.65%	1.26%	2.22%	2.46%
Malaysia	0.51%	1.00%	0.76%	0.42%	0.06%
Philippines	0.25%	0.01%	0.05%	0.42%	0.03%
Singapore	0.03%	0.12%	0.29%	0.33%	2.10%
South Korea	-0.03%	-0.38%	-0.59%	-0.77%	-1.41%
Taiwan	0.08%	0.26%	0.45%	0.66%	0.77%
Thailand	0.07%	0.12%	0.13%	-0.09%	0.04%



## Appendix

iBoxx ALBI Overall – November 2020 Insertions

Issue	Ccy	Rating	Notional (MM)
ADBCH 3.05% 2023-10-27	CNH	A	2,200
ADBCH 3.25% 2025-10-27	CNH	A	1,500
ADBCH 3.8% 2030-10-27	CNH	A	2,000
HKCGAS 3% 2023-10-30	CNH	A	535
ADBCH 3.25% 2022-9-10	CNY	A	15,600
ADBCH 3.45% 2025-9-23	CNY	A	35,940
ADBCH 3.79% 2030-10-26	CNY	A	10,000
CGB 3.02% 2025-10-22	CNY	A	80,010
SDBC 3.7% 2030-10-20	CNY	A	36,110
AGRBK 1% 2022-10-22	HKD	A	5,000
FABUH 1.5% 2025-10-15	HKD	AA	300
GBHK 0.51% 2023-10-23	HKD	AA	4,000
HKCGAS 1.98% 2030-10-8	HKD	A	500
HKMTGC 0.67% 2022-10-21	HKD	AA	500
LINREI 2.18% 2038-10-27	HKD	A	400
SUNHUN 1.9% 2027-10-14	HKD	A	380
KORMSB 0.82% 2022-10-4	KRW	AA	4,200,000
KTB 0% 2023-12-10	KRW	AA	1,300,000
KTB 0% 2030-12-10	KRW	AA	1,310,000
MGS 2.632% 2031-4-15	MYR	A	5,000
TGB 0.25% 2030-10-14	TWD	AA	30,000

iBoxx ALBI Overall – November 2020 Deletions

Issue	Ccy	Rating	Notional (MM)
BCHINA 3.15% 2021-10-16	CNH	A	2,000
ICBCAS 4.5% 2021-10-22	CNH	A	1,250
SINOPE 4.5% 2021-10-31	CNH	A	1,000
CGB 2.39% 2021-10-20	CNY	A	85,240
CGB 3.17% 2021-10-11	CNY	A	165,150
CGB 3.7% 2021-10-23	CNY	A	84,180
CGB 3.85% 2021-10-23	CNY	A	16,000
EXIMCH 4.38% 2021-10-28	CNY	A	16,000
SDBC 4.2% 2021-10-20	CNY	A	10,000
SDBC 4.3% 2021-10-26	CNY	A	20,000
CDBLFD 3.5% 2021-10-23	HKD	A	601
CKHH 3.45% 2021-10-20	HKD	A	400
KDB 3.2% 2021-10-3	HKD	AA	1,042
KDB 4.3% 2021-10-21	HKD	AA	303
LINREI 3.3% 2021-10-4	HKD	A	589
MAYMK 2.05% 2021-10-12	HKD	A	378
MIZUHO 3.2% 2021-10-22	HKD	A	335
STAAKA 1.74% 2021-10-24	HKD	AA	563
SUNHUN 4% 2021-10-27	HKD	A	342
KORMSB 1.315% 2021-10-2	KRW	AA	11,200,000
MGS 4.048% 2021-9-30	MYR	A	11,700
RPGB 4.6% 2021-10-20	PHP	BBB	52,604
SIGB 1.25% 2021-10-1	SGD	AAA	9,100
TGB 0.625% 2021-10-25	TWD	AA	30,000
TGB 1.25% 2021-9-30	TWD	AA	70,000

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