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# FTSE Classification of Fixed Income Markets – FTSE Fixed Income Country Classification September 2024 Results Announcement

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The inclusion of nominal and inflation-linked local currency government bond markets in global FTSE fixed income indices is governed by the [FTSE Fixed Income Country Classification Framework](#).

A core feature of this framework is the assignment of Market Accessibility Levels, which are reviewed on a semi-annual basis. The transparent nature of the Market Accessibility Levels allows FTSE Russell to seek feedback from international investors on their practical investment experiences and to engage with relevant authorities in markets which are under review for potential reclassification. Index inclusion changes due to market size and credit rating are also assessed as part of the FTSE Fixed Income Country Classification process.

FTSE Russell also considers changes to the methodology for the FTSE global fixed income indices that include the markets for these bonds as part of its semi-annual external advisory committee meetings.

The results of the September 2024 FTSE Fixed Income Country Classification Review can be found in the remainder of this announcement.



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## 1. Status of Watch List Markets

### South Korea

**The Market Accessibility Level for South Korea will be reclassified from 1 to 2, and South Korean government bonds will be added to the FTSE World Government Bond Index.**

Since being placed on the FTSE Fixed Income Country Classification Watch List in September 2022, several initiatives intended to improve the accessibility of South Korean government bonds for international investors have been implemented by South Korean market authorities, which have facilitated the fulfilment of the criteria for a Market Accessibility Level of 2. As such, South Korean government bonds will be included in the FTSE World Government Bond Index (WGBI) effective with November 2025 index profiles and phased in over a one-year period, on a quarterly basis.

Since the March 2024 FTSE Fixed Income Country Classification Review, FTSE Russell notes the following positive developments:

- Foreign exchange market reforms allowing third-party foreign exchange and extending South Korean won trading hours were completed in July 2024.
- Connectivity with International Central Securities Depositories (ICSDs) was launched in June 2024 with South Korean government bonds now available for settlement on Euroclear and Clearstream after a link was established between the Korean Securities Depository (KSD) and these counterparties.
- Continued progress in resolving difficulties or uncertainty with the Legal Entity Identifier (LEI) registration scheme and the withholding tax exemption process.

Following this confirmatory announcement regarding index inclusion, FTSE Russell encourages global financial market infrastructure providers to continue their readiness activities to support future investment in the South Korean government bond market by WGBI users and leverage the benefits of the market structure reforms. FTSE Russell continues to welcome feedback from index stakeholders on such progress in advance of the November 2025 inclusion effective date and as part of its March 2025 Fixed Income Country Classification Review to ensure a frictionless inclusion of the South Korean government bond market in the WGBI.

FTSE Russell congratulates the South Korean Ministry of Economy and Finance (MOEF) on its efforts to expand and encourage global investment in its local government bond market by implementing changes that have met the rigorous criteria for WGBI inclusion, as well as its ongoing commitment to addressing the practical feedback of international bond investors participating in its evolved market structure.

#### Index Implementation Details and Impact Analysis

Effective with November 2025 index profiles, local currency, fixed-rate South Korean government bonds will be included in the WGBI and indices that derive their membership from it.<sup>1</sup> Inclusion will be phased-in on a quarterly basis over a one-year period in four equal tranches. Bond pricing will be sourced from LSEG Pricing Service<sup>2</sup> and represent a 4:00 p.m. Seoul snap time. Securities with an original tenor of 50 years will not be eligible for inclusion.

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<sup>1</sup> South Korea is classified as a Developed Market within FTSE fixed income indices and will also be included in the FTSE World Government Bond Index – Developed Markets (WGBI-DM).

<sup>2</sup> In November 2023, Refinitiv Pricing Service was rebranded as LSEG Pricing Service.

As of the October 2024 index profiles, 62 KRW-denominated South Korean government bonds (USD 712.5 billion in par amount outstanding) are projected to be eligible for the WGBI, representing 2.22% of the index on a market value weighted basis. South Korea is projected to comprise 2.47% of the WGBI ex Japan and 2.77% of the WGBI ex Japan ex China on a market value weighted basis. Further details on the projected impact are provided in Figures 1, 2 and 3.

**Figure 1: Projected Impact of the Inclusion of South Korean Government Bonds in the WGBI**

|                | WGBI         |                 |            | WGBI + South Korea |                 |             | Difference |               |             |
|----------------|--------------|-----------------|------------|--------------------|-----------------|-------------|------------|---------------|-------------|
|                | Count        | Market Value*   | MV%        | Count              | Market Value*   | MV%         | Count      | Market Value* | MV%         |
| United States  | 282          | 12,588.3        | 41.31      | 282                | 12,588.3        | 40.39       | -          | -             | -0.92       |
| Japan          | 271          | 3,169.4         | 10.40      | 271                | 3,169.4         | 10.17       | -          | -             | -0.23       |
| China**        | 81           | 3,030.1         | 9.94       | 81                 | 3,030.1         | 9.72        | -          | -             | -0.22       |
| France         | 51           | 2,081.2         | 6.83       | 51                 | 2,081.2         | 6.68        | -          | -             | -0.15       |
| Italy          | 91           | 1,881.6         | 6.17       | 91                 | 1,881.6         | 6.04        | -          | -             | -0.14       |
| Germany        | 64           | 1,632.5         | 5.36       | 64                 | 1,632.5         | 5.24        | -          | -             | -0.12       |
| United Kingdom | 61           | 1,480.3         | 4.86       | 61                 | 1,480.3         | 4.75        | -          | -             | -0.11       |
| Spain          | 51           | 1,237.7         | 4.06       | 51                 | 1,237.7         | 3.97        | -          | -             | -0.09       |
| <b>Korea</b>   | <b>-</b>     | <b>-</b>        | <b>-</b>   | <b>62</b>          | <b>691.7</b>    | <b>2.22</b> | <b>62</b>  | <b>691.7</b>  | <b>2.22</b> |
| Canada         | 41           | 524.8           | 1.72       | 41                 | 524.8           | 1.68        | -          | -             | -0.04       |
| Belgium        | 33           | 434.8           | 1.43       | 33                 | 434.8           | 1.40        | -          | -             | -0.03       |
| Netherlands    | 23           | 365.2           | 1.20       | 23                 | 365.2           | 1.17        | -          | -             | -0.03       |
| Australia      | 28           | 364.0           | 1.19       | 28                 | 364.0           | 1.17        | -          | -             | -0.03       |
| Austria        | 32           | 317.7           | 1.04       | 32                 | 317.7           | 1.02        | -          | -             | -0.02       |
| Mexico         | 15           | 203.8           | 0.67       | 15                 | 203.8           | 0.65        | -          | -             | -0.01       |
| Portugal***    | 19           | 178.4           | 0.59       | 19                 | 178.4           | 0.57        | -          | -             | -0.01       |
| Poland         | 15           | 148.0           | 0.49       | 15                 | 148.0           | 0.47        | -          | -             | -0.01       |
| Malaysia       | 29           | 141.5           | 0.46       | 29                 | 141.5           | 0.45        | -          | -             | -0.01       |
| Finland        | 24           | 135.0           | 0.44       | 24                 | 135.0           | 0.43        | -          | -             | -0.01       |
| Ireland        | 17           | 131.6           | 0.43       | 17                 | 131.6           | 0.42        | -          | -             | -0.01       |
| Singapore      | 22           | 113.4           | 0.37       | 22                 | 113.4           | 0.36        | -          | -             | -0.01       |
| Israel         | 13           | 80.1            | 0.26       | 13                 | 80.1            | 0.26        | -          | -             | -0.01       |
| New Zealand    | 15           | 75.7            | 0.25       | 15                 | 75.7            | 0.24        | -          | -             | -0.01       |
| Denmark        | 8            | 72.5            | 0.24       | 8                  | 72.5            | 0.23        | -          | -             | -0.01       |
| Sweden         | 7            | 43.7            | 0.14       | 7                  | 43.7            | 0.14        | -          | -             | 0.00        |
| Norway         | 10           | 42.5            | 0.14       | 10                 | 42.5            | 0.14        | -          | -             | 0.00        |
| <b>Total</b>   | <b>1,303</b> | <b>30,473.7</b> | <b>100</b> | <b>1,365</b>       | <b>31,165.4</b> | <b>100</b>  | <b>62</b>  | <b>691.7</b>  | <b>0</b>    |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Reflects full inclusion of China, which will be completed in October 2024 index.

\*\*\*Portugal will be added to the WGBI effective with November 2024 index profiles.

**Figure 2: Projected Impact of the Inclusion of South Korean Government Bonds in the WGBI ex Japan**

|                | WGBI         |                 |            | WGBI + South Korea |                 |             | Difference |               |             |
|----------------|--------------|-----------------|------------|--------------------|-----------------|-------------|------------|---------------|-------------|
|                | Count        | Market Value*   | MV%        | Count              | Market Value*   | MV%         | Count      | Market Value* | MV%         |
| United States  | 282          | 12,588.3        | 46.10      | 282                | 12,588.3        | 44.96       | -          | -             | -1.14       |
| China**        | 81           | 3,030.1         | 11.10      | 81                 | 3,030.1         | 10.82       | -          | -             | -0.27       |
| France         | 51           | 2,081.2         | 7.62       | 51                 | 2,081.2         | 7.43        | -          | -             | -0.19       |
| Italy          | 91           | 1,881.6         | 6.89       | 91                 | 1,881.6         | 6.72        | -          | -             | -0.17       |
| Germany        | 64           | 1,632.5         | 5.98       | 64                 | 1,632.5         | 5.83        | -          | -             | -0.15       |
| United Kingdom | 61           | 1,480.3         | 5.42       | 61                 | 1,480.3         | 5.29        | -          | -             | -0.13       |
| Spain          | 51           | 1,237.7         | 4.53       | 51                 | 1,237.7         | 4.42        | -          | -             | -0.11       |
| <b>Korea</b>   | <b>-</b>     | <b>-</b>        | <b>-</b>   | <b>62</b>          | <b>691.7</b>    | <b>2.47</b> | <b>62</b>  | <b>691.7</b>  | <b>2.47</b> |
| Canada         | 41           | 524.8           | 1.92       | 41                 | 524.8           | 1.87        | -          | -             | -0.05       |
| Belgium        | 33           | 434.8           | 1.59       | 33                 | 434.8           | 1.55        | -          | -             | -0.04       |
| Netherlands    | 23           | 365.2           | 1.34       | 23                 | 365.2           | 1.30        | -          | -             | -0.03       |
| Australia      | 28           | 364.0           | 1.33       | 28                 | 364.0           | 1.30        | -          | -             | -0.03       |
| Austria        | 32           | 317.7           | 1.16       | 32                 | 317.7           | 1.13        | -          | -             | -0.03       |
| Mexico         | 15           | 203.8           | 0.75       | 15                 | 203.8           | 0.73        | -          | -             | -0.02       |
| Portugal***    | 19           | 178.4           | 0.65       | 19                 | 178.4           | 0.64        | -          | -             | -0.02       |
| Poland         | 15           | 148.0           | 0.54       | 15                 | 148.0           | 0.53        | -          | -             | -0.01       |
| Malaysia       | 29           | 141.5           | 0.52       | 29                 | 141.5           | 0.51        | -          | -             | -0.01       |
| Finland        | 24           | 135.0           | 0.49       | 24                 | 135.0           | 0.48        | -          | -             | -0.01       |
| Ireland        | 17           | 131.6           | 0.48       | 17                 | 131.6           | 0.47        | -          | -             | -0.01       |
| Singapore      | 22           | 113.4           | 0.42       | 22                 | 113.4           | 0.40        | -          | -             | -0.01       |
| Israel         | 13           | 80.1            | 0.29       | 13                 | 80.1            | 0.29        | -          | -             | -0.01       |
| New Zealand    | 15           | 75.7            | 0.28       | 15                 | 75.7            | 0.27        | -          | -             | -0.01       |
| Denmark        | 8            | 72.5            | 0.27       | 8                  | 72.5            | 0.26        | -          | -             | -0.01       |
| Sweden         | 7            | 43.7            | 0.16       | 7                  | 43.7            | 0.16        | -          | -             | 0.00        |
| Norway         | 10           | 42.5            | 0.16       | 10                 | 42.5            | 0.15        | -          | -             | 0.00        |
| <b>Total</b>   | <b>1,032</b> | <b>27,304.3</b> | <b>100</b> | <b>1,094</b>       | <b>27,996.0</b> | <b>100</b>  | <b>62</b>  | <b>691.7</b>  | <b>0</b>    |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Reflects full inclusion of China, which will be completed in October 2024 index.

\*\*\*Portugal will be added to the WGBI effective with November 2024 index profiles.

**Figure 3: Projected Impact of the Inclusion of South Korean Government Bonds in the WGBI ex Japan ex China**

|                | WGBI       |                 |            | WGBI + South Korea |                 |             | Difference |               |             |
|----------------|------------|-----------------|------------|--------------------|-----------------|-------------|------------|---------------|-------------|
|                | Count      | Market Value*   | MV%        | Count              | Market Value*   | MV%         | Count      | Market Value* | MV%         |
| United States  | 282        | 12,588.3        | 51.86      | 282                | 12,588.3        | 50.42       | -          | -             | -1.44       |
| France         | 51         | 2,081.2         | 8.57       | 51                 | 2,081.2         | 8.34        | -          | -             | -0.24       |
| Italy          | 91         | 1,881.6         | 7.75       | 91                 | 1,881.6         | 7.54        | -          | -             | -0.21       |
| Germany        | 64         | 1,632.5         | 6.73       | 64                 | 1,632.5         | 6.54        | -          | -             | -0.19       |
| United Kingdom | 61         | 1,480.3         | 6.10       | 61                 | 1,480.3         | 5.93        | -          | -             | -0.17       |
| Spain          | 51         | 1,237.7         | 5.10       | 51                 | 1,237.7         | 4.96        | -          | -             | -0.14       |
| <b>Korea</b>   | <b>-</b>   | <b>-</b>        | <b>-</b>   | <b>62</b>          | <b>691.7</b>    | <b>2.77</b> | <b>62</b>  | <b>691.7</b>  | <b>2.77</b> |
| Canada         | 41         | 524.8           | 2.16       | 41                 | 524.8           | 2.10        | -          | -             | -0.06       |
| Belgium        | 33         | 434.8           | 1.79       | 33                 | 434.8           | 1.74        | -          | -             | -0.05       |
| Netherlands    | 23         | 365.2           | 1.50       | 23                 | 365.2           | 1.46        | -          | -             | -0.04       |
| Australia      | 28         | 364.0           | 1.50       | 28                 | 364.0           | 1.46        | -          | -             | -0.04       |
| Austria        | 32         | 317.7           | 1.31       | 32                 | 317.7           | 1.27        | -          | -             | -0.04       |
| Mexico         | 15         | 203.8           | 0.84       | 15                 | 203.8           | 0.82        | -          | -             | -0.02       |
| Portugal**     | 19         | 178.4           | 0.73       | 19                 | 178.4           | 0.71        | -          | -             | -0.02       |
| Poland         | 15         | 148.0           | 0.61       | 15                 | 148.0           | 0.59        | -          | -             | -0.02       |
| Malaysia       | 29         | 141.5           | 0.58       | 29                 | 141.5           | 0.57        | -          | -             | -0.02       |
| Finland        | 24         | 135.0           | 0.56       | 24                 | 135.0           | 0.54        | -          | -             | -0.02       |
| Ireland        | 17         | 131.6           | 0.54       | 17                 | 131.6           | 0.53        | -          | -             | -0.02       |
| Singapore      | 22         | 113.4           | 0.47       | 22                 | 113.4           | 0.45        | -          | -             | -0.01       |
| Israel         | 13         | 80.1            | 0.33       | 13                 | 80.1            | 0.32        | -          | -             | -0.01       |
| New Zealand    | 15         | 75.7            | 0.31       | 15                 | 75.7            | 0.30        | -          | -             | -0.01       |
| Denmark        | 8          | 72.5            | 0.30       | 8                  | 72.5            | 0.29        | -          | -             | -0.01       |
| Sweden         | 7          | 43.7            | 0.18       | 7                  | 43.7            | 0.17        | -          | -             | 0.00        |
| Norway         | 10         | 42.5            | 0.18       | 10                 | 42.5            | 0.17        | -          | -             | 0.00        |
| <b>Total</b>   | <b>951</b> | <b>24,274.2</b> | <b>100</b> | <b>1,013</b>       | <b>24,965.9</b> | <b>100</b>  | <b>62</b>  | <b>691.7</b>  | <b>0</b>    |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Portugal will be added to the WGBI effective with November 2024 index profiles.

## India

**The Market Accessibility Level for India will be reclassified from 0 to 1, and FAR-eligible Indian government bonds will be included in the FTSE Emerging Markets Government Bond Index (EMGBI).**

Since its last review, FTSE Russell acknowledges further progress in the accessibility of the Indian government bond market as more international investors have entered the market as part of their global emerging markets government bond portfolios. Issues related to the Foreign Portfolio Investor (FPI) registration process continue to be addressed by local regulators, easing the onboarding process for international investors. Additionally, FTSE Russell notes feedback that same day funding is now broadly offered by global custodians addressing the margin financing concerns highlighted as part of the March 2024 FTSE Fixed Income Country Classification Review. Taken together, the relative market accessibility of the Indian government bond market for international investors has been deemed broadly comparable to other mainstream emerging market local currency government bond markets, which are assigned a Market Accessibility Level of 1. As a result of the reclassification of India's Market Accessibility Level from 0 to 1, Indian government bonds will be added to the EMGBI and regional Asian government bond indices over a six month-period, commencing with September 2025 index profiles.

FTSE Russell thanks the Reserve Bank of India for its continued dialogue and commitment to supporting investment in its local market by global investors.

## Index Implementation Details and Impact Analysis

Effective with September 2025 index profiles, local currency, fixed-rate Indian government bonds eligible under the FAR will be included in the FTSE EMGBI, as well as the regional FTSE Asian Government Bond Index (AGBI) and FTSE Asian-Pacific Government Bond Index (APGBI), and indices that derive their membership from them. Inclusion will be phased-in on a monthly basis over a six-month period in six equal tranches. Pricing will be sourced from LSEG Pricing Service and represent a 6:00 p.m. Tokyo (2:30 p.m. Mumbai) snap time. All Indian government bonds that are eligible under the FAR programme and meet other index inclusion rules will be added to the index, including securities with an original tenor of 14-years and 30-years issued prior to 29 July 2024.<sup>3</sup>

As of the October 2024 index profiles, 32 INR-denominated Indian government FAR bonds (USD 473.8 billion in par amount outstanding) are projected to be eligible for the EMGBI, representing 9.35% of the index on a market value weighted basis. In the EMGBI 10% Capped Index, India is projected to comprise 10.0% of the index on a market value weighted basis. India is projected to comprise 9.73% of the AGBI, on a market value weighted basis. Further details on the projected impact are provided in Figures 4, 5 and 6.

**Figure 4: Projected Impact of the Inclusion of Indian Government Bonds in the EMGBI**

|                | EMGBI      |                |            | EMGBI + India |                |             | Difference |               |             |
|----------------|------------|----------------|------------|---------------|----------------|-------------|------------|---------------|-------------|
|                | Count      | Market Value*  | MV%        | Count         | Market Value*  | MV%         | Count      | Market Value* | MV%         |
| China          | 81         | 3,030.1        | 63.82      | 81            | 3,030.1        | 57.85       | -          | -             | -5.97       |
| <b>India**</b> | -          | -              | -          | <b>32</b>     | <b>489.6</b>   | <b>9.35</b> | <b>32</b>  | <b>489.6</b>  | <b>9.35</b> |
| Indonesia      | 46         | 254.1          | 5.35       | 46            | 254.1          | 4.85        | -          | -             | -0.50       |
| Mexico         | 15         | 203.8          | 4.29       | 15            | 203.8          | 3.89        | -          | -             | -0.40       |
| Thailand       | 27         | 168.4          | 3.55       | 27            | 168.4          | 3.21        | -          | -             | -0.33       |
| South Africa   | 12         | 164.3          | 3.46       | 12            | 164.3          | 3.14        | -          | -             | -0.32       |
| Poland         | 15         | 148.0          | 3.12       | 15            | 148.0          | 2.83        | -          | -             | -0.29       |
| Malaysia       | 29         | 141.5          | 2.98       | 29            | 141.5          | 2.70        | -          | -             | -0.28       |
| Saudi Arabia   | 46         | 121.4          | 2.56       | 46            | 121.4          | 2.32        | -          | -             | -0.24       |
| Philippines    | 43         | 115.2          | 2.43       | 43            | 115.2          | 2.20        | -          | -             | -0.23       |
| Colombia       | 14         | 79.7           | 1.68       | 14            | 79.7           | 1.52        | -          | -             | -0.16       |
| Romania        | 26         | 72.6           | 1.53       | 26            | 72.6           | 1.39        | -          | -             | -0.14       |
| Brazil         | 5          | 65.3           | 1.38       | 5             | 65.3           | 1.25        | -          | -             | -0.13       |
| Hungary        | 18         | 51.5           | 1.09       | 18            | 51.5           | 0.98        | -          | -             | -0.10       |
| Peru           | 18         | 44.7           | 0.94       | 18            | 44.7           | 0.85        | -          | -             | -0.09       |
| Turkey         | 19         | 44.1           | 0.93       | 19            | 44.1           | 0.84        | -          | -             | -0.09       |
| Chile          | 12         | 43.1           | 0.91       | 12            | 43.1           | 0.82        | -          | -             | -0.08       |
| <b>Total</b>   | <b>426</b> | <b>4,747.8</b> | <b>100</b> | <b>458</b>    | <b>5,237.4</b> | <b>100</b>  | <b>32</b>  | <b>489.6</b>  | <b>0</b>    |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Fully Accessible Route (FAR) Indian government bonds only.

<sup>3</sup> On 29 July 2024, the Reserve Bank of India (RBI) [announced](#) that all new securities of 14-year and 30-year tenors would be excluded from the FAR. Existing issuance in 14-year and 30-year tenors already included as specified securities under the FAR programme will continue to be available under FAR for investments by non-residents in the secondary market.

**Figure 5: Projected Impact of the Inclusion of Indian Government Bonds in the EMGBI 10% Capped**

|                | EMGBIC     |                |            | Projected EMGBIC + India |                |              | Difference |               |              |
|----------------|------------|----------------|------------|--------------------------|----------------|--------------|------------|---------------|--------------|
|                | Count      | Market Value*  | MV%        | Count                    | Market Value*  | MV%          | Count      | Market Value* | MV%          |
| China          | 81         | 180.0          | 10.00      | 81                       | 209.1          | 10.00        | -          | 29.1          | 0.00         |
| <b>India**</b> | <b>-</b>   | <b>-</b>       | <b>-</b>   | <b>32</b>                | <b>209.1</b>   | <b>10.00</b> | <b>32</b>  | <b>209.1</b>  | <b>10.00</b> |
| Indonesia      | 46         | 180.0          | 10.00      | 46                       | 209.1          | 10.00        | -          | 29.1          | 0.00         |
| Mexico         | 15         | 180.0          | 10.00      | 15                       | 203.8          | 9.75         | -          | 23.8          | -0.25        |
| Thailand       | 27         | 168.4          | 9.35       | 27                       | 168.4          | 8.05         | -          | -             | -1.30        |
| South Africa   | 12         | 164.3          | 9.13       | 12                       | 164.3          | 7.86         | -          | -             | -1.27        |
| Poland         | 15         | 148.0          | 8.22       | 15                       | 148.0          | 7.08         | -          | -             | -1.14        |
| Malaysia       | 29         | 141.5          | 7.86       | 29                       | 141.5          | 6.77         | -          | -             | -1.09        |
| Saudi Arabia   | 46         | 121.4          | 6.75       | 46                       | 121.4          | 5.81         | -          | -             | -0.94        |
| Philippines    | 43         | 115.2          | 6.40       | 43                       | 115.2          | 5.51         | -          | -             | -0.89        |
| Colombia       | 14         | 79.7           | 4.43       | 14                       | 79.7           | 3.81         | -          | -             | -0.62        |
| Romania        | 26         | 72.6           | 4.03       | 26                       | 72.6           | 3.47         | -          | -             | -0.56        |
| Brazil         | 5          | 65.3           | 3.63       | 5                        | 65.3           | 3.12         | -          | -             | -0.51        |
| Hungary        | 18         | 51.5           | 2.86       | 18                       | 51.5           | 2.46         | -          | -             | -0.40        |
| Peru           | 18         | 44.7           | 2.49       | 18                       | 44.7           | 2.14         | -          | -             | -0.35        |
| Turkey         | 19         | 44.1           | 2.45       | 19                       | 44.1           | 2.11         | -          | -             | -0.34        |
| Chile          | 12         | 43.1           | 2.39       | 12                       | 43.1           | 2.06         | -          | -             | -0.33        |
| <b>Total</b>   | <b>426</b> | <b>1,799.8</b> | <b>100</b> | <b>458</b>               | <b>2,090.9</b> | <b>100</b>   | <b>32</b>  | <b>291.1</b>  | <b>0</b>     |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Fully Accessible Route (FAR) Indian government bonds only.

**Figure 6: Projected Impact of the Inclusion of Indian Government Bonds in the AGBI**

|                | AGBI       |                |            | AGBI + India |                |             | Difference |               |             |
|----------------|------------|----------------|------------|--------------|----------------|-------------|------------|---------------|-------------|
|                | Count      | Market Value*  | MV%        | Count        | Market Value*  | MV%         | Count      | Market Value* | MV%         |
| China          | 81         | 3,030.1        | 66.70      | 81           | 3,030.1        | 60.21       | -          | -             | -6.49       |
| Korea          | 66         | 710.4          | 15.64      | 66           | 710.4          | 14.12       | -          | -             | -1.52       |
| <b>India**</b> | <b>-</b>   | <b>-</b>       | <b>-</b>   | <b>32</b>    | <b>489.6</b>   | <b>9.73</b> | <b>32</b>  | <b>489.6</b>  | <b>9.73</b> |
| Indonesia      | 46         | 254.1          | 5.59       | 46           | 254.1          | 5.05        | -          | -             | -0.54       |
| Thailand       | 27         | 168.4          | 3.71       | 27           | 168.4          | 3.35        | -          | -             | -0.36       |
| Malaysia       | 29         | 141.5          | 3.12       | 29           | 141.5          | 2.81        | -          | -             | -0.30       |
| Philippines    | 43         | 115.2          | 2.54       | 43           | 115.2          | 2.29        | -          | -             | -0.25       |
| Singapore      | 22         | 113.4          | 2.50       | 22           | 113.4          | 2.25        | -          | -             | -0.24       |
| Hong Kong      | 14         | 9.7            | 0.21       | 14           | 9.7            | 0.19        | -          | -             | -0.02       |
| <b>Total</b>   | <b>328</b> | <b>4,542.7</b> | <b>100</b> | <b>360</b>   | <b>5,032.3</b> | <b>100</b>  | <b>32</b>  | <b>489.6</b>  | <b>0</b>    |

\*Market value shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

\*\*Fully Accessible Route (FAR) Indian government bonds only.

## 2. Price Source Change for US Treasuries, European Government Bonds and UK Gilts in the FTSE Global Fixed Income Indices

FTSE Russell is pleased to announce a price source change for US Treasuries, European government bonds and UK Gilts to Tradeweb FTSE Closing Prices, effective March 2025. The change will be effective across all FTSE global fixed income indices, including the FTSE World Government Bond Index (WGBI), the FTSE World Broad Investment Grade Index (WorldBIG), the FTSE US Broad Investment Grade Index (USBIG), the FTSE Euro Broad Investment Grade Index (EuroBIG), the FTSE UK Broad Investment Grade Index (UKBIG) and indices that derive their membership from these.

Tradeweb FTSE closing bond prices are based on bid-side and offer-side price quotes supplied by market makers to Tradeweb’s electronic trading platform for institutional dealer and clients during a pre-determined collection window each day. Based on these input quotes, closing prices are derived using a robust and transparent methodology that ensures a representative, best in class approach to valuing fixed income securities. FTSE Russell, as the benchmark administrator, is responsible for the governance and oversight of the calculation of these prices by Tradeweb. The closing prices are administered in accordance with the EU and UK Benchmark Regulation and the IOSCO Principles for Financial Benchmarks.

The price quote conventions for snap time of 4 p.m. New York for US Treasuries, and 4:15 p.m. London for European Government bonds and UK Gilts, and the bid-side quote convention, will remain the same. On dates when the US bond market closes early, the snap time for US Treasury prices will be 1:00 p.m. New York time.

A projected impact analysis can be found in Figure 7.

**Figure 7: Projected Impact of the Price Source Change in the WGBI**

|                       | Count        | Amount Outstanding | Market Value % | Average Par Weighted Price |               |               | Effective Duration |              |               |
|-----------------------|--------------|--------------------|----------------|----------------------------|---------------|---------------|--------------------|--------------|---------------|
|                       |              |                    |                | Current                    | New           | Delta         | Current            | New          | Delta         |
| <b>WGBI</b>           | <b>1,284</b> | <b>31,673.6</b>    | <b>100</b>     | <b>94.921</b>              | <b>94.923</b> | <b>-0.002</b> | <b>7.204</b>       | <b>7.229</b> | <b>-0.025</b> |
| <b>United States</b>  | <b>282</b>   | <b>13,295.8</b>    | <b>41.55</b>   | <b>94.010</b>              | <b>94.011</b> | <b>-0.001</b> | <b>6.078</b>       | <b>6.078</b> | <b>0.000</b>  |
| <b>Eurozone</b>       | <b>386</b>   | <b>8,554.1</b>     | <b>27.13</b>   | <b>95.202</b>              | <b>95.207</b> | <b>-0.005</b> | <b>7.298</b>       | <b>7.377</b> | <b>-0.079</b> |
| Austria               | 32           | 342.0              | 1.05           | 91.990                     | 92.006        | -0.016        | 8.575              | 8.681        | -0.106        |
| Belgium               | 33           | 458.5              | 1.44           | 93.954                     | 93.960        | -0.006        | 8.964              | 9.095        | -0.131        |
| Finland               | 24           | 149.3              | 0.45           | 90.093                     | 90.095        | -0.002        | 7.913              | 8.019        | -0.106        |
| France                | 51           | 2,221.5            | 6.87           | 92.703                     | 92.706        | -0.003        | 7.313              | 7.421        | -0.108        |
| Germany               | 64           | 1,693.9            | 5.39           | 95.622                     | 95.626        | -0.004        | 7.432              | 7.516        | -0.084        |
| Ireland               | 17           | 144.0              | 0.43           | 90.837                     | 90.857        | -0.020        | 8.048              | 8.152        | -0.104        |
| Italy                 | 91           | 1,891.4            | 6.21           | 98.797                     | 98.801        | -0.004        | 6.461              | 6.461        | 0.000         |
| Netherlands           | 23           | 387.3              | 1.21           | 93.387                     | 93.404        | -0.017        | 8.517              | 8.625        | -0.108        |
| Spain                 | 51           | 1,266.1            | 4.09           | 96.630                     | 96.634        | -0.004        | 6.950              | 7.054        | -0.104        |
| <b>United Kingdom</b> | <b>61</b>    | <b>1,735.7</b>     | <b>4.89</b>    | <b>84.605</b>              | <b>84.600</b> | <b>0.005</b>  | <b>9.519</b>       | <b>9.518</b> | <b>0.001</b>  |

\*Amount Outstanding shown in USD billions. Source: FTSE Russell, data as of 30 September 2024.

FTSE fixed income indices follow a multi-contributor pricing framework whereby the price source for each asset class is selected based on a qualitative and quantitative analysis of available global and local third-party providers to ensure the most representative data sets are used across the diverse universe of fixed income markets tracked by the indices.



### **3. Annual Review of Local Currency Amount Outstanding Minimums**

On an annual basis, as part of the FTSE Fixed Income Country Classification process, FTSE Russell reviews the local currency amount outstanding minimums used to determine index eligibility. This review occurs in September and incorporates feedback from market participants; a recalibration of local thresholds based on issuance trends can occur as a result.

FTSE Russell confirms that no changes will be made to the bond-level amount outstanding minimum amounts for local currency fixed-rate and inflation-linked markets eligible for FTSE fixed income indices as part of the September 2024 review.

### **4. Annual Review of FTSE Fixed Income Index Emerging and Developed Market Designations**

For the purposes of inclusion in FTSE Emerging Markets (EM) hard and local currency fixed income indices, a market is considered to be emerging if it is defined by the International Monetary Fund (IMF) to be among “emerging and developing economies” or if it is defined by the World Bank to be among “low-income economies”, “lower-middle income economies” or “upper-middle-income economies”. Updates to the EM list are made on an annual basis each September based on updated data from the IMF and World Bank.

FTSE Russell confirms that no changes will be made to the Emerging and Developed market designations as part of the September 2024 review.

### **5. Date of Next Announcement**

The next semi-annual announcement will be published on Tuesday 08 April 2025.

## ABOUT FTSE RUSSELL

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

## CONTACT US

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