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APAC Financial Markets Spotlight

USD EDITION

QUARTERLY REPORT | **AUGUST 2026**

Singapore led 3M equity gains amid July Tech sell-off

APAC equities moderately outperformed US and global peers over 3M, ending 31 July, led by Singapore, while Korea saw a sharp Tech-led correction in July after strong 12M gains. China and India outperformed in government bond markets over 3M, with their central banks keeping policy rates unchanged. USD/JPY eased to 157 following US-JP joint intervention, though the US-Japan rate differential remained a headwind for the yen.

Macro & policy – Central banks diverged in balancing growth and inflation

Diverging growth and inflation dynamics have split APAC policy paths, with many central banks tightening while the PBoC, RBI and BNM retained room to support growth. The BI faced challenges to balance reinflation and FX weakness.

APAC equities – Singapore led. Korea sold off, but fundamentals stay solid

Over 3M, FTSE Asia Pacific rose 5.1%, led by Singapore, Taiwan and Korea. Korea fell 16.7% in July. However, the correction was led by leveraged ETF rebalancing and the deleveraging of retail investors, not due to deterioration of the AI-led tech outlook.

APAC bond and FX returns – Indian and Chinese govt bonds lead 3M returns

Chinese govt bonds advanced steadily, while Indian bonds rallied in June helped by RBI measures and foreign capital flows. Korean won rallied 8.7% in July.

APAC yields, curves, and spreads – Asian yield moves diverged over 3M

Yields rose in Korea, Japan, and high-yielding Philippines and Indonesia, while falling in China, India, and Thailand. Asian bond yield correlations with US have moderated, as fading inflationary pressures shifted the focus toward domestic fundamentals.

China spotlight – an evolving economy and a distinct bond market

China's structural transformation is evident across its export mix, trade destinations and energy transition. Its increasingly distinct bond market offers lower correlation with US Treasuries and lower yield volatility than peers.

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Chart 1: Over 12M, Korea outperformed in equities but lagged in government bonds, with a similar pattern in Japan.

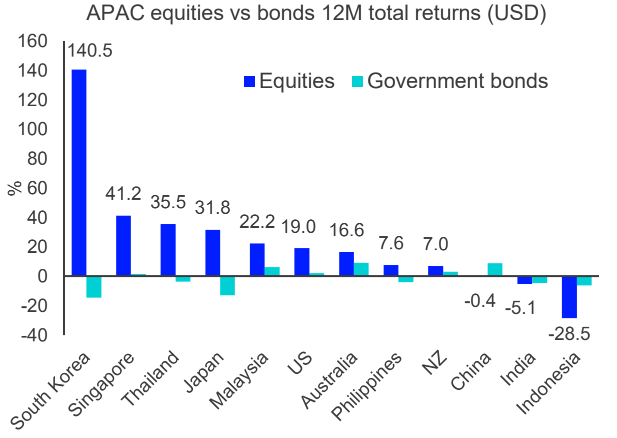
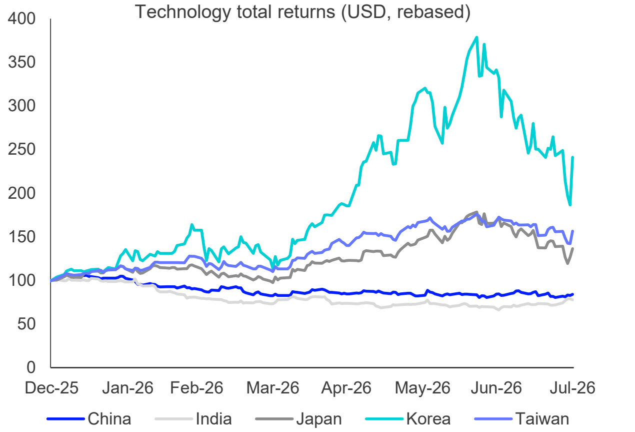


Chart 2: Hardware-focus Korea, Japan and Taiwan Tech have fallen since end-Jun; Software-heavy China and India stayed flat.



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Macroeconomic and policy conditions

Inflation across APAC has eased from its cyclical peaks but remains an important policy consideration, as elevated energy prices continue to pose upside risks to inflation. Regional growth has proven more resilient than expected, although supported by different drivers. IMF's 2026 growth projections in July show India remains among the fastest-growing major economies (real GDP growth projected at 6.4%), underpinned by strong private consumption. China's expansion has been driven by high-tech manufacturing and exports, while Taiwan, Korea, Malaysia and Thailand have benefited from robust overseas demand for AI-related hardware. The divergence in growth and inflation dynamics across APAC (Charts 1&2) has resulted in divergent monetary policy paths, as central banks seek to balance the risks of persistent inflation against moderating economic growth.

Within the rate-hike group (Chart 4), central banks in Australia and the Philippines hiked earlier than peers to counter inflation, but their CPIs remained above the upper band. Bank Indonesia's cumulative 100bps of rate hikes have helped bring inflation back within its target range. The BoK is better positioned to raise interest rates, as stronger AI-driven growth prospect has shifted the balance of risks away from weaker growth and towards higher inflation. The BoJ has remained on its path of policy normalization, combining modest rate increases with a measured reduction in JGB purchases. Nevertheless, board members of the BoJ continue to view financial conditions as accommodative, given persistent negative real interest rates.

Within the stay-on-hold group, relatively subdued inflation has allowed the PBoC to focus on its growth-supportive policy, with similar stories in Malaysia and Thailand. Growth forecasts were revised modestly up for China and Thailand, and remained anchored for Malaysia. Despite headline CPI rising above the 4% target in June, it's still within the target band of 2-6%, the Reserve Bank of India therefore remained in no rush to raise rates at its August meeting, as officials argued that underlying inflation pressures remain muted and the RBI should respond only if inflation becomes more broad-based.

Chart 1: Inflation has broadly eased across APAC, as energy prices retreated from their cyclical peaks.

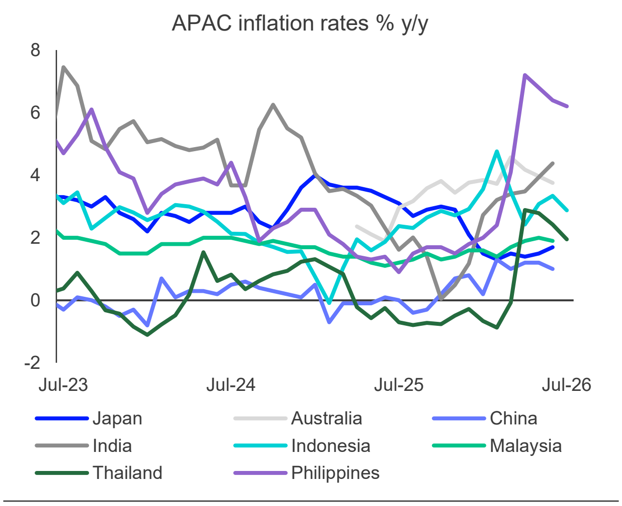

Chart 2: 2026 growth forecasts remained resilient, supported by tech-related exports and resilient domestic demand.

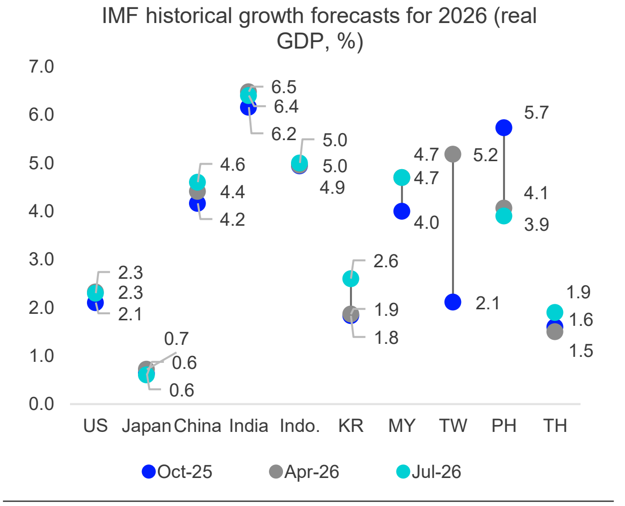

Chart 3: Many APAC central banks raised policy rates to curb inflation. China, India, and Malaysia are notable exceptions.

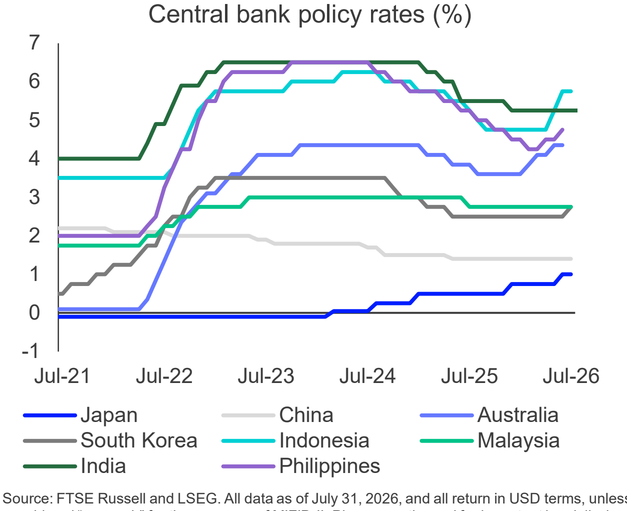

Chart 4: Divergent inflation and growth dynamics have shaped monetary policy paths across APAC.

Country	Latest headline CPI (y/y,%)	Central bank inflation target	IMF 2026 growth forecast revisions July vs April (%)	Policy rate moves since March
Australia*	3.8	2-3%	-0.1	+25 bps
Japan	1.7	2%	-0.1	+25 bps
South Korea	2.8	2%	+0.7	+25 bps
Philippines	6.2	2-4%	-0.2	+50 bps
Indonesia	2.88	2.5±1%	unchanged	+100 bps
China	1.0	~2%	+0.2	unchanged
India	4.38	4±2%	-0.1	unchanged
Malaysia	1.9	1-2%	unchanged	unchanged
Thailand	1.94	1-3%	+0.4	unchanged

*The RBA has raised rates by a cumulative 75bps YTD.

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ASEAN macro – reinflation risks?

While oil prices fell from the YTD peak $140-145 to $65-70 in early July, oil prices have rebounded to ~$90 in late July. The rebound in oil prices again raises upside risks to inflation. Despite inflation concerns resurfacing, some economies, such as Singapore and Vietnam, experienced continuous strong export growth.

Inflation for most ASEAN countries increased after March due to the supply-driven increase in energy prices. June CPI for Philippines, Vietnam and Thailand have fallen, reflecting lower energy prices. Nonetheless, the resurgence in oil prices in July could again trigger upward inflation pressure. On the other hand, inflation in Singapore and Malaysia has been relatively contained (Chart 1) due to the relative strength of their currencies and resilient growth. Additionally, while Malaysia is an oil importer, it is a gas exporter, providing the country some buffer when oil and gas both face supply squeeze.

Imports also reflect a similar trend. The import growth of ASEAN have increased, mainly driven by higher energy prices and USD strength. For economies with strong export growth, the rise in imports could be partially offset, e.g. Singapore, Malaysia and Vietnam exports accelerated (Chart 2), lifted by tech exports. Thailand exports were also supported by tech products. However, for Indonesia and Philippines, the increase in imports could lead to further pressure on its current account. This trend is similar to what Bank of Thailand described – the economic expansion is likely to be uneven. Growth is strong for tech exporters, but supply-driven inflation could hit non-tech related businesses and economies. If further policy rate hikes are needed, that could add more debt servicing costs to non-tech firms or households and impact consumer purchasing power.

Central banks' room for further hikes? As shown in Chart 4, if inflation pressure persists due to high energy prices, despite dropping from YTD peak levels, Thailand and Philippines still have sufficient room for further rate hikes, given negative real policy rates. Indonesia, however, has a relatively high real policy rate among the region.

Chart 1: The resurgence in oil prices could add further pressure to heightened inflation rates.

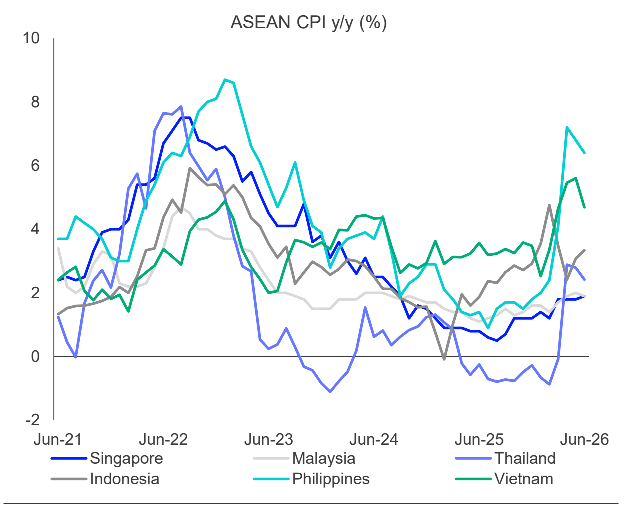


Chart 2: AI-related tech products have boosted the exports of Singapore, Malaysia, Vietnam and even Thailand.

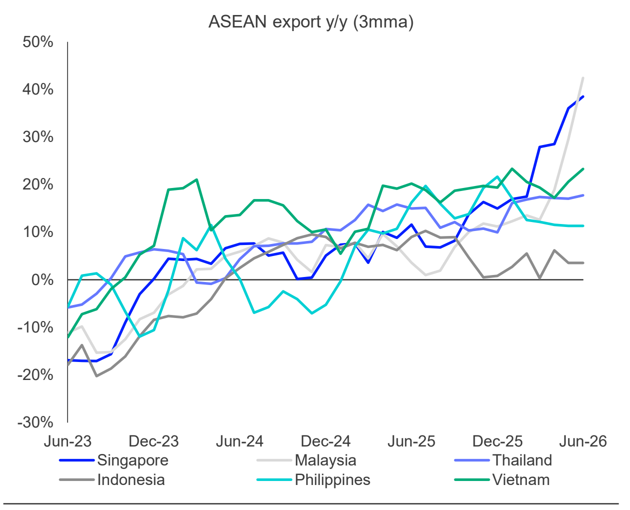


Chart 3: ASEAN economies' imports rose, driven not only by higher energy prices but also by a stronger USD.

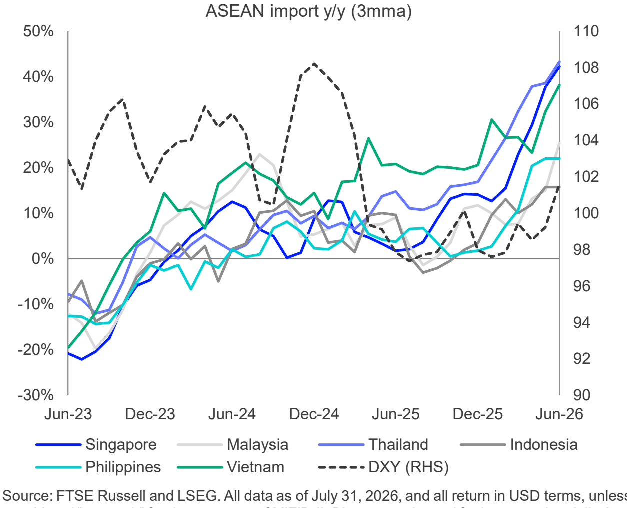
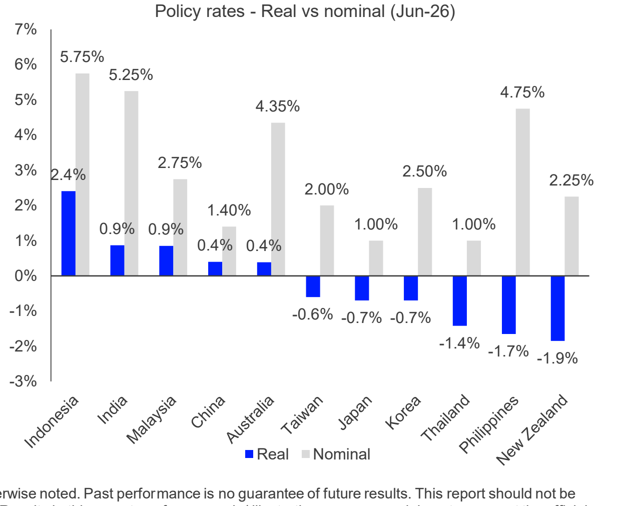


Chart 4: Thailand and Philippines have negative real policy rates, while Indonesia's real rate is the highest among APAC.



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APAC equity returns – solid 3M returns despite Tech-led volatility

Over the past 3M, **FTSE Asia Pacific** rose 5.1%, with Singapore (+15.6%), Taiwan (+11.5%) and Korea (+10.8%) being the top performers. The Financials industry was the primary driver of **FTSE Singapore**'s gains, rising 25.9%, supported by strong growth in banks' non-interest income, particularly wealth management. Singapore's attractive dividend yield (4.4% vs APAC's 2.0%) and defensive characteristics, including relatively low volatility, also attracted investors during periods of heightened equity volatility, led by investors' fears over rising AI capex spending and Korea's crowded Tech positioning.

Physical AI enablers have become an increasingly important investment theme shifting investor focus from software toward the hardware ecosystem that underpins AI deployment. This has supported strong performance across Asia's semiconductor, electronic components and AI hardware supply chain over the past year. As a result, Korea and Taiwan remain the best-performing markets YTD with **FTSE Korea** up 77% and **FTSE Taiwan** up 53%.

However, the Korean equity market experienced a sharp correction in July (-16.7%). The sell-off was largely driven by crowded positioning, daily rebalancing of single-stock leveraged ETFs and retail deleveraging, rather than a deterioration in underlying fundamentals. The correction also led to a notable increase in volatility. Chart 3 shows that the volatility of the Tech-Hardware-heavy Korea and Taiwan equities is particularly high among APAC. Nevertheless, they have also delivered the strongest returns (Chart 4), suggesting that elevated vol has been accompanied by an attractive risk-return trade-off.

FTSE China fell 2.9% over 3M, but rose 7.7% in July. The Financials and Consumer Discretionary industries were the main positive contributors to the July rebound. In addition to the state-backed ETF buying, the market was also supported by firms such as Alibaba (Retailers sector) and Xiaomi (Telecom Equipment sector), which have been buoyed by drivers such as new AI models, improved profitability and further localization of China's chip supply chain.

Chart 1: APAC equities in general saw positive return over 3M, but Tech-Hardware-heavy markets, particularly Korea and Taiwan, sold off in July.

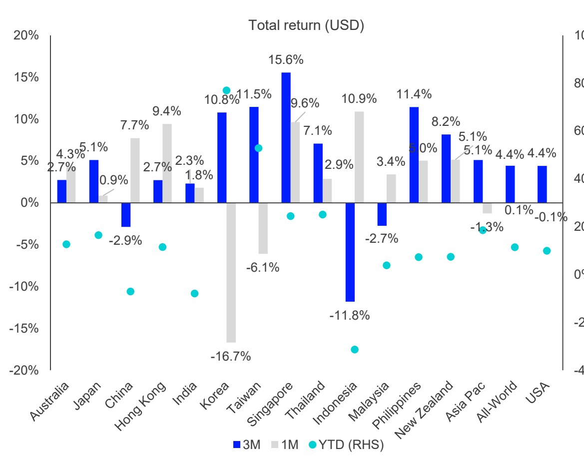


Chart 2: Korea has fallen almost 30%, in USD terms, from its YTD peak, driven by crowded positioning, the deleveraging of retail investors and selling of single-stock leveraged ETFs.

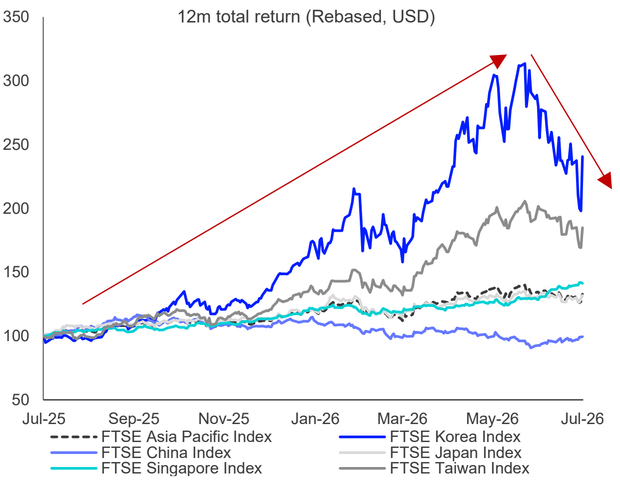


Chart 3: Korea equities' vol spiked over the past year, making the market the most volatile among APAC.

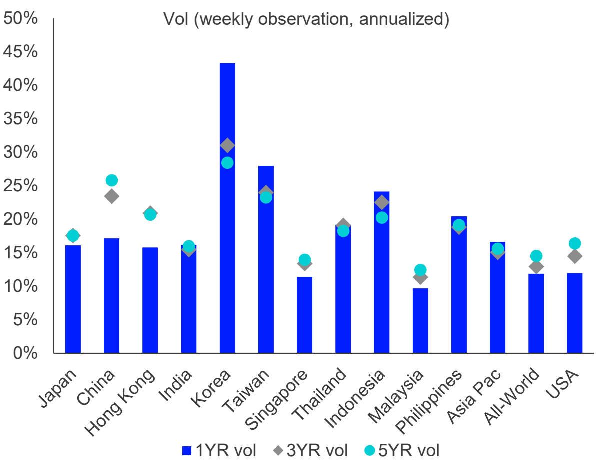
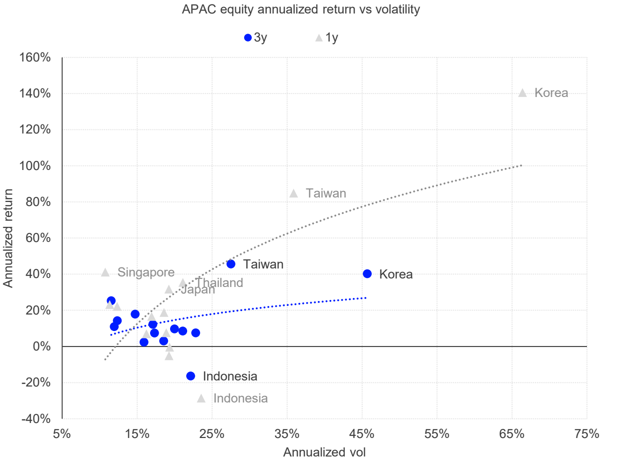


Chart 4: From a risk-reward perspective, the high vol of Korea and Taiwan has been compensated by relatively high returns.



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Korea equity – is Korea's Tech outlook deteriorating?

FTSE Korea has fallen almost 30%, as of July 31, from its YTD peak, as discussed in the previous section. However, the correction was primarily driven by crowded positioning, while the magnitude of the sell-off was amplified by single-stock leveraged ETF rebalancing and deleveraging of retail investors. The correction was not due to a weakening fundamental outlook for memory chip markets, nor did it reflect expensive valuations. In fact, the valuation of Korean equities is relatively low compared to their own history (Chart 1). Despite FTSE Korea rallying 141% over the past year, the valuation remains relatively low, supported by continued upward revisions to earnings forecasts of Tech and Telecom firms (Chart 2).

As discussed in [Digital AI to physical AI enablers: Asia benefits], Korea has long been the global leader in memory semiconductors. The emergence of AI, together with the rapid expansion of AI model training and inference, has created additional sources of structural demand for memory. In particular, the High Bandwidth Memory (HBM) has become a critical component of AI accelerators and advanced GPUs, allowing AI models to process even larger datasets at higher speeds.

However, new fab investment cycles can take three to five years, suggesting that supply constraints could persist over the next few years. SK Hynix and Samsung Electronics together account for around 80% of the global HBM market, with US's Micron Technology making up much of the remaining supply. These three firms have benefited from this supply constraint trend. DRAM and HBM capacity at these three suppliers is estimated to be largely committed through 2027, indicating that supply-demand conditions could remain tight beyond this period. Meanwhile, continued expansion in AI-related capex by hyperscalers (Chart 3) is likely to sustain demand for memory semiconductors and other hardware that enable AI deployment. This pattern extends beyond Korea: 12m sales growth forecasts (Chart 4) for Tech Hardware companies in other major AI supply-chain markets, including Taiwan and Japan, suggest that demand for AI-related hardware are expected to remain relatively resilient.

Chart 1: Korea's valuation has fallen since 4Q25, driven by both earnings forecast upward revisions and the sharp sell-off.

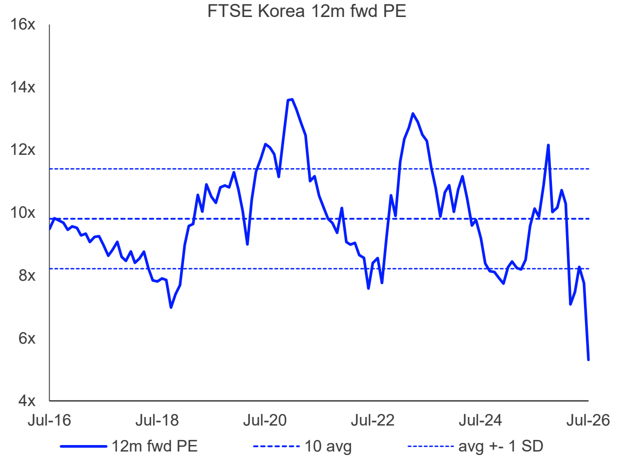


Chart 2: The 12m EPS growth forecast shows a strong fundamental outlook for Korean equities, driven by semis.

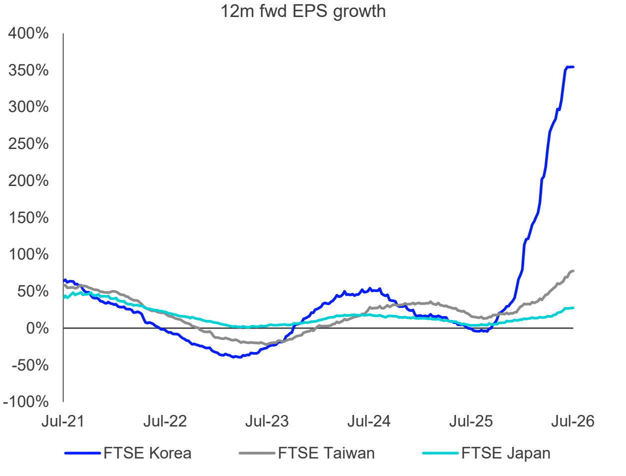


Chart 3: Hyperscalers' increasing capex would continue to benefit the physical AI enabler supply chain, which is concentrated in Asia.

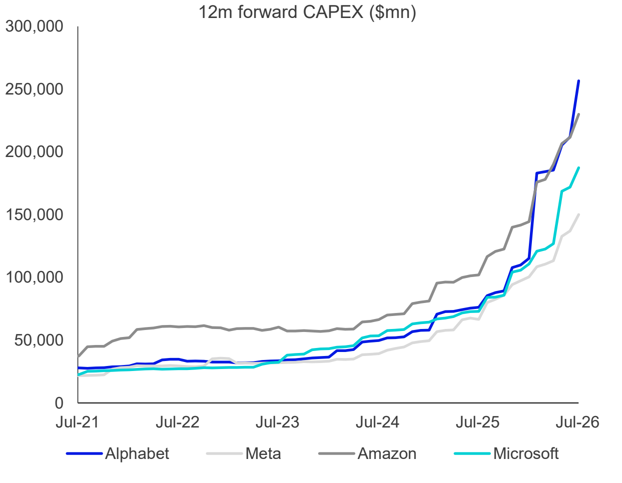
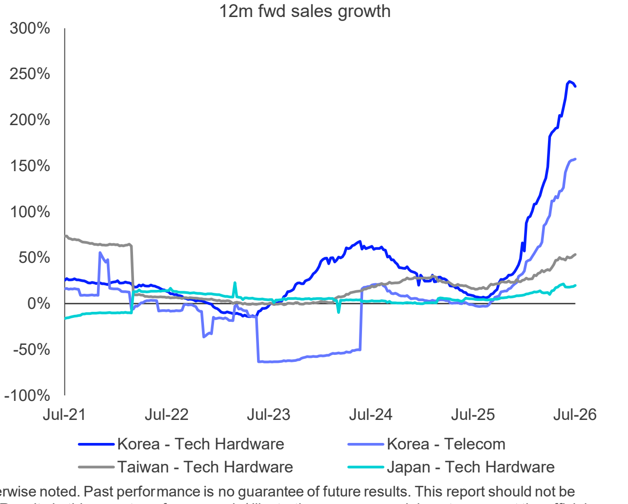


Chart 4: The Tech Hardware stocks of Taiwan and Japan, also key players of the global AI supply chain, are also expected by market consensus to see strong sales growth in 12m.



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APAC bond returns and FX performance

India rallies in June on policy support; China and Malaysia lead over 12M

Indian government bonds returned 2.5% over 3M in USD terms, outperforming peers despite a modest depreciation of the rupee (-0.5%). The bulk of gains came in June, following the RBI's announcement of measures to attract foreign capital into the bond market, including expanding the Fully Accessible Route (FAR) to longer-dated govt bonds and removing tax on foreign bond investors. Over 12M, Chinese and Malaysian government bonds gained 8.8% and 6.3%, respectively, benefiting from their relative resilience to the global energy shock and stable inflation dynamics (Charts 1&2). Australian government bonds also delivered solid returns of 9.2% in 12M, entirely supported by a stronger Australian dollar. In contrast, Korean and Japanese government bonds were among the weakest performers, reflecting rising bond yields and currency depreciation. This stood in sharp contrast to the strong performance of their equity markets, reflecting a broader risk-on sentiment.

July dollar pullback lifts select Asian currencies, but USD holds firm over 3M

The US dollar weakened in July but remained firm over 3M, supported by a hawkish Fed and higher US Treasury yields, leaving most Asian currencies lower vs the USD (Chart 3). Against this backdrop, the Korean won rallied 8.7% in July against the dollar, driven primarily by the BoK's July rate hike (+25 bp to 2.75%, the first hike in over three years). The Chinese yuan remained solid (3M +1.3%, 12M +6.6%) despite an unfavorable rate differential with the US, supported by China's persistent trade surplus and the authorities' commitment to maintaining exchange-rate stability. The Japanese yen rebounded in early August, with USD/JPY falling back to the level of ~157 after coordinated US-Japan yen-buying intervention, but the yen appreciation was largely intervention-driven. The structural backdrop of wide US-Japan interest rate differentials, which has weighed on the yen, remained in place.

Chart 1: Over 3M, India (2.5%) and China (2.2%) led government bond returns in USD terms, while Indonesia (-5.1%) and Japan (-3.3%) lagged. YTD, Australasia, China and Malaysia were among top performers, supported by stronger currencies.

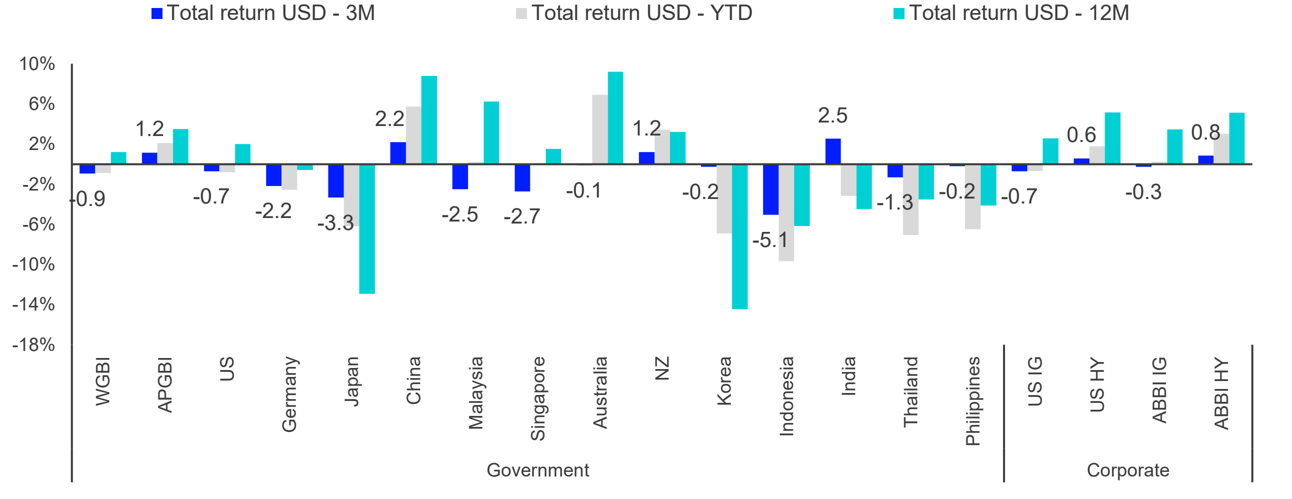


Chart 2: Australia, China, and Malaysia have outperformed WGBI over 12M, while Korea, Japan & India underperformed.

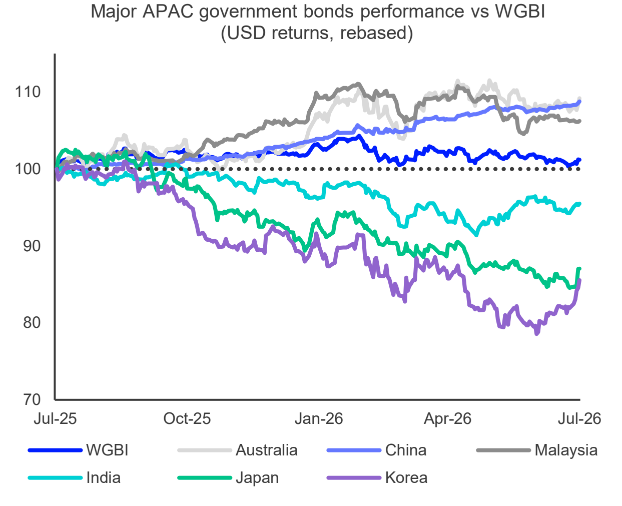
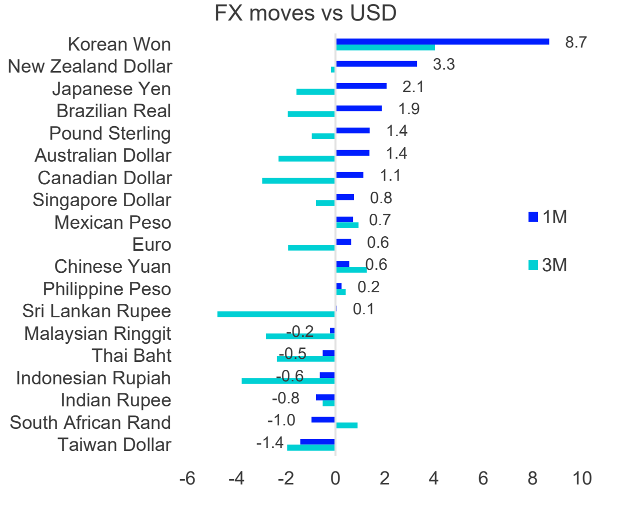


Chart 3: Over 3M, most Asian currencies weakened vs USD, reflecting a resilient US dollar supported by a hawkish Fed.



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APAC Yields, Curves and Spreads

Unlike the 3M through April, when the energy supply shock broadly pushed APAC bond yields higher, **7-10yr yield movements from May to July reflected divergent inflation and monetary policy cycles across APAC region** (Chart 1). Over 3M, JGB yields continued to rise (+24bps) as BoJ policy normalization remained on track. KTB yields increased (+33bps), driven by the BoK's rate hike in July and AI-driven risk sentiment, with Korean yields catching up quickly with US Treasuries over the recent year. Within ASEAN, the high-yielding Philippines and Indonesia recorded the largest yield increases (around +50 bps) in 3M, while MGS yields rose by only 16 bps, supported by Malaysia's net energy exporter status and relatively stable inflation. By contrast, yields declined in India, China, and Thailand. Indian bond yields fell on within-target-range inflation, RBI measures to encourage foreign participation, and re-emerging demand for yield near 5%. CGB yields remained on a downward trend amid subdued inflation and accommodative policy expectations.

US Treasury curve flattened further in May and June before bear-steepening in July, as long-term yields backed up on persistent inflation and fiscal concerns. Investors demanded a higher term premium, while expectations for near-term Fed policy remained relatively anchored. JGB curve continued to bear-steepen as BoJ policy normalization and fiscal concerns lifted long-end yields. Meanwhile, CGB curve bull-flattened as demand for longer-duration government bonds as safe assets drove long-end yields lower, while less aggressive expectations for near-term PBoC easing kept short yields relatively stable.

Asian sovereign spreads versus US Treasuries have generally fallen over 5 years (except the Philippines), implying improved relative sovereign credit fundamentals. Asian bond markets have become increasingly driven by domestic fundamentals, as yield correlations with US Treasuries have moderated from cyclical highs since the 2022 rate-hiking cycle, most notably in China (see Page 8) and India (Chart 4, IGB yield correlation with the US dropped from 0.59 in Oct 2024 to 0.38 in July 2026).

Chart 1: 3M yield changes diverged across Asian govt bonds, with yields rising in Korea/Japan while falling in China/India.

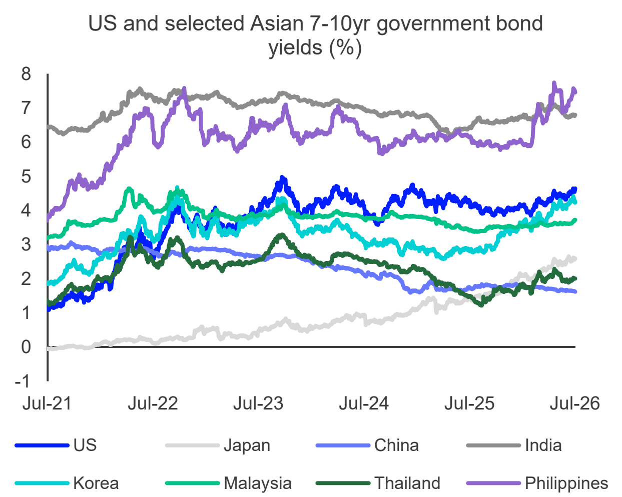


Chart 2: US curve moves were mixed over 3M vs JGB curve *bear-steepened*. CGB curve flattened on lower longer yields.

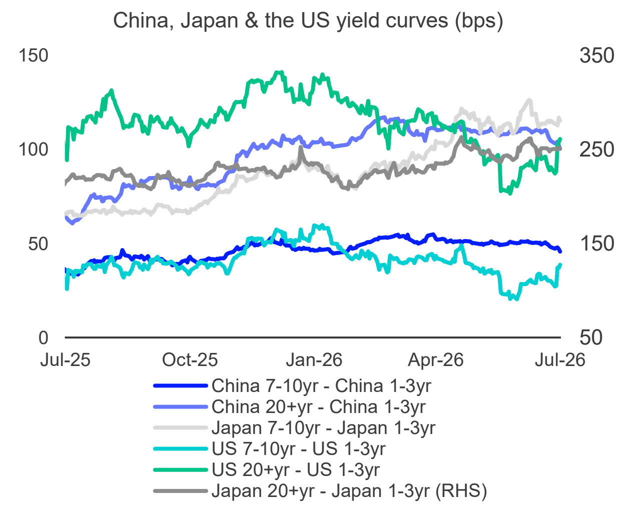


Chart 3: Asian sovereign spreads vs the US fell over 3M in India, TH & MY, while widening in the higher-yielding PH & ID.

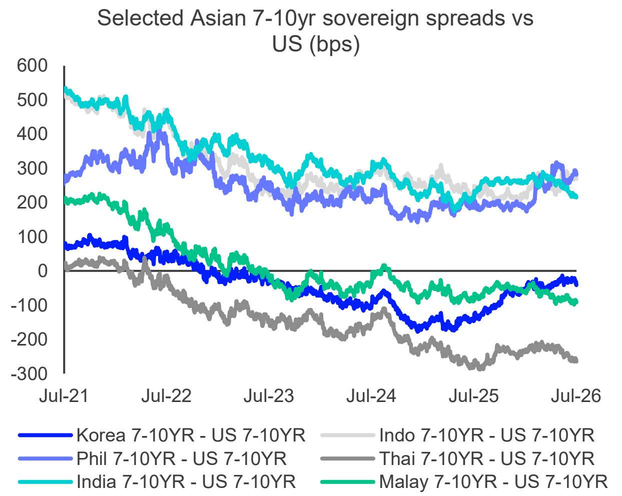
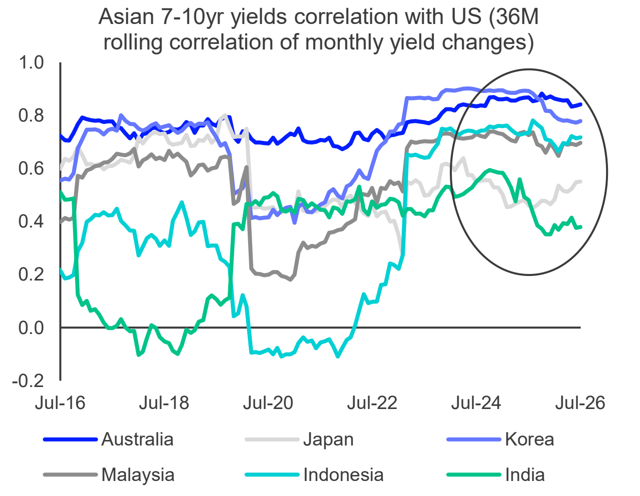


Chart 4: Asian bond yield correlations with US Treasuries have moderated from cyclical highs, particularly in India and Korea.



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China Spotlight – structural transformation and a distinct bond market

Structural reforms continue to reshape China's economy despite moderating growth

China's GDP growth moderated to 4.3% y/y in Q2, from 5% in Q1, while exports remained an important driver of growth (13.4% y/y growth in H1) as China's longer-term structural transformation continued. Beyond the headline figures, China's export mix has continued to move up the value chain, with exports increasingly shifting from traditional labor-intensive goods (''old three'') toward higher value-added, technology intensive industries (''new three'') during the 14th Five-year Plan period of 2021-25 (Chart 1). This is consistent with recent industrial profit trends, with electronics manufacturing leading the recovery in H1 2026 (Chart 2). Geographically, ASEAN has overtaken the US as China's largest export destination, marking another structural shift in China's growth drivers. The energy transition has likewise been an area of structural progress, as coal fell below half of electricity generation in 26H1 - a symbolic milestone in the country's shift toward cleaner energy.

China's bond market has become increasingly distinct

China remains one of the world's largest government bond markets, while foreign participation remains relatively low vs peers, highlighting its limited representation in many global investor portfolios. Several structural features of China's bond market contribute to the diversification properties of CGBs within global fixed income portfolios. As China's economic cycle, policy priorities and growth drivers have become increasingly distinct from that of the US, Chinese government bond (CGB) yields have turned less correlated with US Treasuries (Chart 3), reflecting a more independent monetary policy. CGBs have also continued to exhibit relatively low yield volatility (Chart 4), reflecting structural characteristics including a predominantly domestic investor base, gradual monetary policy implementation and historically lower inflation volatility, in addition to lower absolute levels in yield. Divergent monetary policy cycles since 2022 have widened the volatility gap.

Chart 1: China's export growth has increasingly shifted from traditional labor-intensive goods to high-tech products over 5Y.

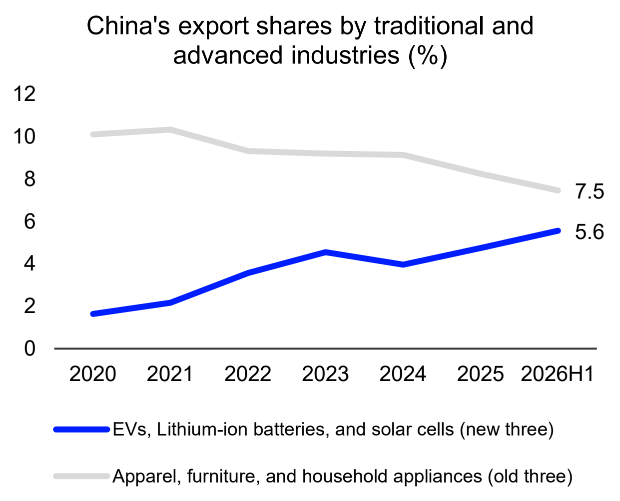


Chart 2: Industrial profits rebounded in H1 2026, led by Manufacturing (esp. electronics) and Mining. Utilities lagged.

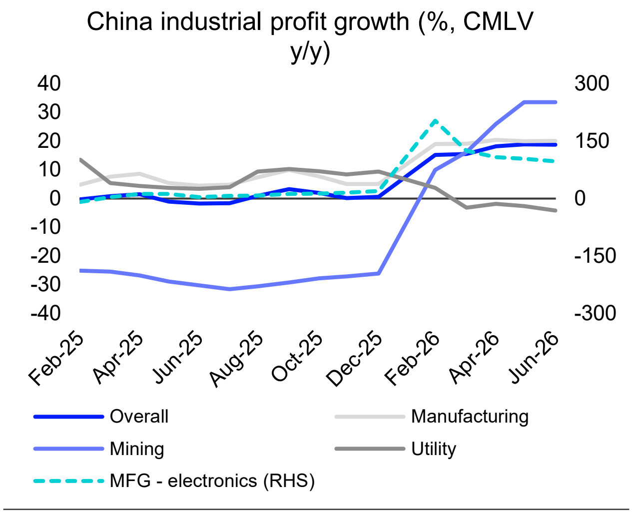


Chart 3: CGB yield moves have become less synchronized with Treasuries, reflecting independent monetary policy.

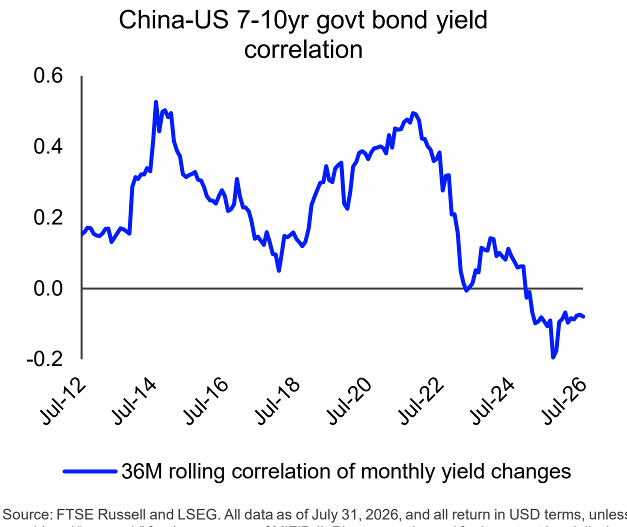
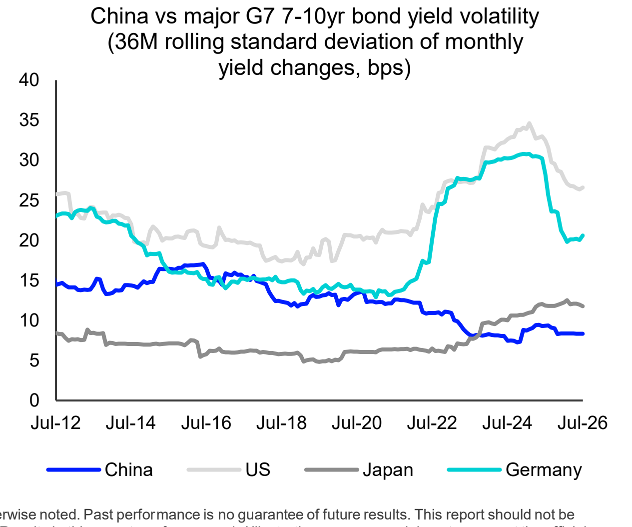


Chart 4: CGBs have exhibited relatively low volatility compared with major global peers, including JGBs since 2023.



Source: FTSE Russell and LSEG. All data as of July 31, 2026, and all return in USD terms, unless otherwise noted. Past performance is no guarantee of future results. This report should not be considered "research" for the purposes of MIFID II. Please see the end for important legal disclosures. Results in this report are for research / illustrative purposes and do not represent the official performance of the indices.

Recent APAC research highlight

Digital AI to physical AI enablers: Asia benefits (Jul 30) Digital AI enablers, including foundation models and cloud platforms, led the first phase of the AI boom. As AI adoption scales, investment is shifting toward the physical systems that enable AI deployment – placing Asia's physical AI ecosystem at the centre of the next phase of AI investing. This report provides investors with a holistic framework for identifying the companies, industries and markets that stand to benefit from this shift. By mapping the physical AI value chain across Asia, the report highlights investment opportunities arising from semiconductors, equipment, infrastructure, power and critical materials, while identifying the Asian markets best positioned to benefit from the next phase of AI investing. Author: Belle Chang and Indrani De.

Korean equities: A diverging, concentrated market (Jun 5) In Korean Equities: Macro Recovery, Reform and AI, we discussed how Korea's recovery in 2025 was supported by an improving macro backdrop, resilient export growth and government-led corporate reforms. Korean equities have delivered their strongest returns since the late 1990s, exports exceeded USD 700 billion for the first time, and the country sits at the heart of the global AI infrastructure buildout. In part 2, we examine some of the main industries driving that outperformance and their respective weights within the FTSE Korea Index. Korea is the hardware backbone of the AI-driven supercycle, continuing to drive earnings, exports and equity market outperformance. The "old" heavy manufacturing model has evolved into a more strategic industrial base, with defence, shipbuilding and autos among its core pillars. Valuations remain unchallenging, but index concentration and dependence on imported energy are the principal risks to monitor. Author: Belle Chang and Tae Yoon Kim.

Korean Equities: Macro Recovery, Reform and AI (Apr 28) Korea's economic growth rebounded in 2025, supported primarily by a strong recovery in exports. This improving macro backdrop has been clearly reflected in equity market performance, with Korean equities delivering an impressive 96% total return in 2025 and maintaining positive momentum into 2026. In Part 1 of this Korea equity series insight, we discuss the current macro environment, how this resilience is translating into equity market performance, and the key structural reforms that could have a longer-term impact on Korean equity's outlook. In Part 2, we will take a deeper dive into the industries driving Korea's equity market outperformance. Author: Belle Chang and Tae Yoon Kim.

Decoding the hardware-software performance dispersion (Mar 24) The evolving AI narrative has shifted technology leadership from software to hardware. Recent regional equity dispersion reflects differing exposures within the AI theme. Hardware and Telecom Equipment weights explain why APAC ex Japan ex China and Japan have led global returns, while software heavy regions, such as the US and China, have lagged. In APAC, Japan, Korea and Taiwan outperformed due to their heavy weights in Hardware and Telecom Equipment. These markets benefit from robust demand for memory chips, advanced semiconductors and precision equipment, essential for AI supply chain and infrastructure. Author: Mark Barnes, Belle Chang and Indhu Raghavan.

Sanae Takaichi: Can the rock star of Japanese politics drum to the beat of the markets? (Mar 2) Prime Minister Takaichi leveraged her high approval ratings to steer her Liberal Democratic Party to a supermajority in the Lower House – the first single party supermajority in 40 years. A supermajority isn't just a superlative – it provides the PM the ability to override the Upper House, reducing political friction. This increases the probability of her record breaking ¥122.3 trillion FY 2026 budget passing undiluted, and potentially sets the stage for further fiscal stimulus. Fiscal expansion now is set to operate against monetary normalisation. For equities, corporate governance reform and sustained fiscal support across Japan's key industries may act as a tailwind. Author: David McNay and Alex Nae

Vietnam on the rise: Tailwinds continue (Jan 29) Vietnam stands out as one of Asia's most compelling structural growth stories. Its improving macro fundamentals, expanding financial markets, and upcoming FTSE Russell EM reclassification point to rising foreign participation and deeper market liquidity ahead. This paper allows investors to explore equity investment opportunities arising from the transformative, structural shift of the Vietnamese economy and capital markets. Author: Belle Chang

ASEAN macro to equity markets: Five key questions shaping 2025 and beyond (Jan 30) The depth of monetary easing across ASEAN varied in 2025, reflecting diverging growth trajectories. Resilient growth has been a defining driver of ASEAN equity performance. In Part 1 of our ASEAN macro and equity series, we review the region's 2025 macro trends, examine how macro dynamics link to equity markets, and outline what investors can watch going into 2026 in five questions. Author: Belle Chang and Zhaoyi Yang.

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Appendix – Equity

Chart 1: 12M Forward P/E vs 10YR Range

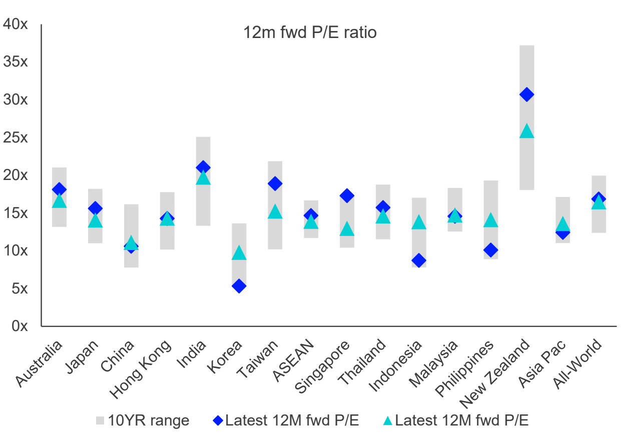

Chart 2: 3y annualized volatility vs annualized return (USD)

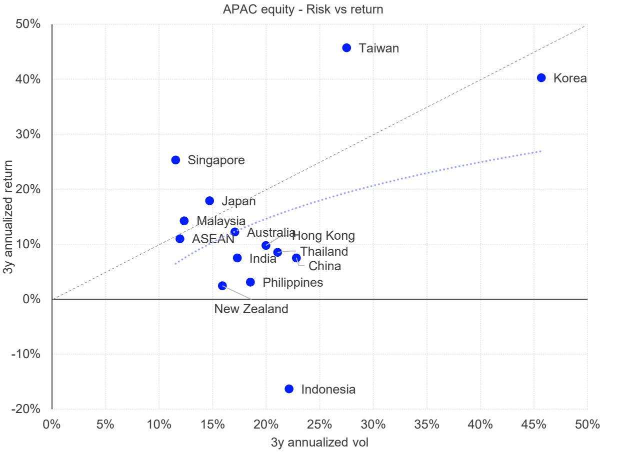

Chart 3: Total Return – Past 3M by Market and Industry (%, USD)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand
Technology	-7.3	11.2	-0.8	55.1	5.4	30.0	11.7	0.9	-14.1				
Telecom	-8.7	1.6	-7.2	-1.4	5.5	24.1	-2.1	-1.4	7.0	-5.6	-3.8	-0.6	-7.9
Health Care	2.9	-3.7	-1.4	-16.3	12.4	-11.5	46.9		2.1	-17.1	-7.4		10.2
Financials	2.6	19.5	5.6	-1.0	4.4	4.2	32.3	25.9	22.3	0.6	1.2	9.7	19.4
Real Estate	2.0	-8.1	-3.7	-5.0	12.8		17.2	1.1	10.7	-28.8	-4.6	6.0	
Consumer Discretionary	17.8	8.5	-5.5	4.1	10.9	-9.4	13.2	16.1	17.9	-16.1	-9.3	-2.1	
Consumer Staples	8.4	6.8	-3.9	-0.2	-4.3	1.0	6.8	10.8	10.5	-0.1	-1.8	-2.0	
Industrials	1.8	-0.1	-5.8	10.2	3.0	-29.7	-15.2	-6.5	13.7	-15.5	-5.3	31.5	11.9
Basic Materials	1.9	-6.1	-12.3	-9.5	-9.2	-37.6	47.4		-11.0	-18.2	-11.9		
Energy	-3.3	-7.3	-13.4	-25.1	-8.3	-7.2	25.9		4.4	-61.0	-10.6	-21.0	
Utilities	-8.0	-3.0	-3.5	0.1	-7.9	-16.2		-0.8	17.2	-19.8	-2.0	-17.1	-1.8

Chart 4: Industry Weight (% of Market/Country)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand	Asia Pac
Technology	2.0%	15.0%	25.3%	6.5%	8.5%	33.8%	81.0%	0.8%	14.4%					27.5%
Telecom	0.9%	4.0%	4.0%	0.8%	4.4%	38.1%	1.8%	7.2%	10.2%	11.6%	5.9%	7.1%	3.7%	7.9%
Health Care	4.3%	5.1%	5.5%	0.2%	7.2%	2.2%	0.4%		5.7%	0.9%	5.0%		32.6%	3.9%
Financials	38.1%	17.8%	19.3%	38.8%	27.6%	7.4%	8.3%	63.0%	22.6%	56.4%	41.8%	22.0%	15.1%	19.5%
Real Estate	6.0%	2.7%	1.7%	15.9%	1.4%		0.0%	13.4%	3.8%	0.1%	2.0%	16.0%		2.5%
Consumer Discretionary	7.4%	17.7%	22.0%	6.9%	12.0%	5.5%	0.8%	4.2%	4.0%	6.9%	3.1%	4.0%		11.7%
Consumer Staples	4.7%	4.4%	3.4%	3.6%	5.3%	0.9%	0.5%	2.2%	7.0%	7.7%	9.5%	4.1%		3.3%
Industrials	6.0%	26.8%	7.9%	16.8%	13.9%	9.2%	5.6%	4.9%	9.2%	1.2%	6.9%	39.2%	26.1%	14.2%
Basic Materials	23.5%	4.5%	5.2%	2.1%	6.5%	1.4%	1.6%		2.1%	11.5%	7.9%			5.4%
Energy	5.7%	0.9%	3.6%	0.1%	8.7%	1.2%	0.1%		14.6%	2.6%	2.3%	1.5%		2%
Utilities	1.3%	1.3%	2.1%	8.1%	4.4%	0.3%		4.2%	6.6%	1.0%	15.6%	6.1%	22.6%	1.8%

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Appendix – Government bond returns and yields (%)

Green highlight indicates highest 15%, red indicates lowest 15%.

Top 15% Bottom 15%

		Government bond returns (USD)			Government bond yields			
		3M	YTD	12M	Current	3M ago	6M ago	12M ago
US	1-3YR	0.34	0.83	3.17	4.26	3.87	3.55	4.01
	7-10YR	-1.15	-1.53	1.93	4.65	4.31	4.15	4.26
	20+YR	-2.83	-3.95	-0.93	5.31	5.05	4.94	4.95
	All	-0.71	-0.81	2.01	4.56	4.20	3.96	4.20
APGBI	1-3YR	1.47	3.53	6.57	1.87	1.85	1.78	1.77
	7-10YR	1.58	3.09	5.19	3.12	3.12	3.05	2.55
	20+YR	-0.06	-2.21	-7.38	3.76	3.61	3.47	2.55
	All	1.16	2.11	3.50	2.76	2.78	2.69	2.31
Japan	1-3YR	-1.40	-1.26	-5.29	1.44	1.31	1.17	0.76
	7-10YR	-2.64	-4.93	-11.68	2.60	2.36	2.09	1.42
	20+YR	-6.32	-11.99	-20.71	3.96	3.67	3.53	2.93
	All	-3.33	-6.19	-12.94	2.70	2.50	2.31	1.76
China	1-3YR	1.66	4.68	8.51	1.16	1.18	1.28	1.37
	7-10YR	2.50	6.47	9.65	1.62	1.71	1.75	1.72
	20+YR	4.14	8.40	5.77	2.16	2.29	2.32	2.00
	All	2.20	5.74	8.79	1.42	1.48	1.55	1.57
Australia	1-3YR	-0.61	7.35	11.34	4.50	4.77	4.19	3.36
	7-10YR	0.10	6.97	8.87	4.86	5.01	4.71	4.12
	20+YR	-0.84	4.84	6.23	5.44	5.46	5.27	4.94
	All	-0.09	6.92	9.20	4.75	4.95	4.57	3.91
India	1-3YR	1.29	-2.88	-2.98	6.11	6.16	5.84	5.75
	7-10YR	2.87	-2.97	-4.05	6.80	7.06	6.74	6.43
	20+YR	2.87	-4.17	-6.57	7.53	7.66	7.41	7.08
	All	2.54	-3.16	-4.49	6.89	7.08	6.80	6.49
Indonesia	1-3YR	-3.50	-6.93	-5.03	7.04	6.33	5.06	5.80
	7-10YR	-4.91	-10.42	-6.77	7.34	6.86	6.39	6.57
	20+YR	-6.92	-10.13	-6.06	7.36	6.93	6.76	7.01
	All	-5.05	-9.67	-6.18	7.28	6.74	6.14	6.45
Korea	1-3YR	4.68	1.77	-1.65	3.64	3.43	2.98	2.42
	7-10YR	2.68	-2.63	-8.90	4.23	3.90	3.66	2.82
	20+YR	-6.98	-16.88	-27.20	4.51	3.81	3.54	2.73
	All	-0.25	-6.91	-14.44	4.16	3.74	3.43	2.67
Malaysia	1-3YR	-2.20	0.69	7.31	3.25	3.11	2.95	3.02
	7-10YR	-2.92	-0.15	5.87	3.73	3.57	3.53	3.41
	20+YR	-2.38	-0.06	5.77	4.09	4.05	4.01	3.91
	All	-2.50	0.21	6.26	3.71	3.58	3.52	3.42
Singapore	1-3YR	-0.64	0.91	2.73	1.69	1.55	1.42	1.71
	7-10YR	-1.94	0.43	1.70	2.26	2.02	1.98	2.05
	20+YR	-6.59	-2.16	-0.96	2.47	2.17	2.19	2.23
	All	-2.70	0.07	1.54	2.13	1.91	1.86	1.98
New Zealand	1-3YR	0.92	3.54	2.99	3.72	3.44	3.12	3.38
	7-10YR	1.32	3.36	3.34	4.61	4.57	4.44	4.42
	20+YR	1.03	3.48	3.77	5.28	5.28	5.22	5.22
	All	1.22	3.44	3.22	4.33	4.31	4.13	4.14
Thailand	1-3YR	-1.84	-4.81	-0.44	1.18	1.23	1.22	1.31
	7-10YR	-0.83	-7.45	-3.67	2.00	2.08	1.86	1.49
	20+YR	-0.98	-14.52	-14.62	3.11	3.11	2.80	2.06
	All	-1.31	-7.05	-3.53	1.77	1.85	1.68	1.48
Philippines	1-3YR	0.94	-2.69	-0.49	6.67	5.91	5.18	5.75
	7-10YR	-1.19	-8.64	-6.42	7.46	6.92	5.95	6.15
	20+YR	-3.34	-12.10	-8.45	7.52	7.02	6.42	6.60
	All	-0.19	-6.49	-4.12	7.21	6.67	5.73	6.07

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Glossary

Indices used in the report	Mnemonic/Code
FTSE World Government Bond Index (WGBI)	WGBI
FTSE Asia Pacific Government Bond Index (APGBI)	APGBI
FTSE US Government Bond	US_TSY
FTSE German Government Bond	DE_TSY
FTSE Japanese Government Bond	JP_TSY
FTSE Chinese Government Bond	CN_TSY
FTSE Malaysian Government Bond	MY_TSY
FTSE Singapore Government Bond	SG_TSY
FTSE Australian Government Bond	AU_TSY
FTSE New Zealand Government Bond	NZ_TSY
FTSE Korean Government Bond	KR_TSY
FTSE Indonesian Government Bond	ID_TSY
FTSE Indian Government Bond	IN_TSY
FTSE Thai Government Bond	TH_TSY
FTSE Philippines Government Bond	PH_TSY
FTSE US Broad Investment-Grade Bond Index Corporate (US Corp IG)	BIG_CORP
FTSE US High-Yield Market Index (US Corp HY)	HY_MARKET
FTSE Asian Broad Bond Index (ABBI)	ABBI
FTSE ABBI Corporate Bond Investment-Grade (ABBI Corp IG)	ABBI_CORP_IG
FTSE ABBI Corporate Bond High-Yield (ABBI Corp HY)	ABBI_CORP_HY
FTSE Asia Pacific Index (FTSE APAC)	AWPACS
FTSE All-World Index	AWORLDS
FTSE Australia Index	WIAUS
FTSE China Index	WICHN
FTSE Hong Kong Index	WIHKG
FTSE Indonesia Index	WIIDN
FTSE India Index	WIIND
FTSE Japan Index	WIJPN
FTSE Korea Index	WIKOR
FTSE Malaysia Index	WIMAL
FTSE New Zealand Index	WINZL
FTSE Pakistan Index	WIPAK
FTSE Philippines Index	WIPHL
FTSE Singapore Index	WISGP
FTSE Thailand Index	WITHA
FTSE Taiwan Index	WITWN
FTSE ASEAN Index	AWASEAN
US Dollar Index (DXY)	NDXYSPT

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