

APAC Financial Markets Spotlight

USD EDITION

QUARTERLY REPORT | **MAY 2026**

APAC equities rebound after focus returns to fundamentals

Despite pulling back in March due to the Middle East energy supply shock, APAC equities rebounded in April to outperform global peers YTD. APAC government bond and FX markets remained resilient with limited spread widening. Australian and Philippines central banks tightened on the energy shock while the BoJ held steady.

Macro and policy backdrop - Australia and the Philippines the first to react

Inflationary concerns intensified in Australia, leading to a third hike in 2026 to 4.35%. Philippines tightened due to fewer subsidies and quicker pass-through to final prices.

APAC equities – renewed focus on AI and fundamentals sustained APAC lead

Despite a deep March risk-off selloff, APAC equities rebounded strongly in April as markets renewed focus on AI. APAC YTD returns were nearly double those of global peers. AI-driven hardware leadership in Korea and Taiwan continued to power APAC Tech. China's lower volatility during the shock largely reflects lower foreign ownership.

Energy shocks and equity reactions - APAC equities more resilient vs Europe

Europe, at the center of the 2022 shock, saw sharper equity declines than APAC during 2022 pullback. In 2026, however, APAC equities - despite greater exposure to the supply disruption – saw drawdowns broadly in line with Europe.

APAC bond and FX returns – APGBI modestly outperformed WGBI YTD

Chinese and Malaysian government bonds have been safe-havens, posting solid YTD returns alongside FX strength and capital inflows. AUD led with 7.8% YTD returns.

APAC yields, curves, and spreads – APAC spreads vs the US showed resilience

Yields broadly increased post energy shock, but APAC sovereign spreads have not seen remarkable widening, except for the Philippines. Yields in China, Thailand, and Malaysia remained below US levels.

CONTENTS

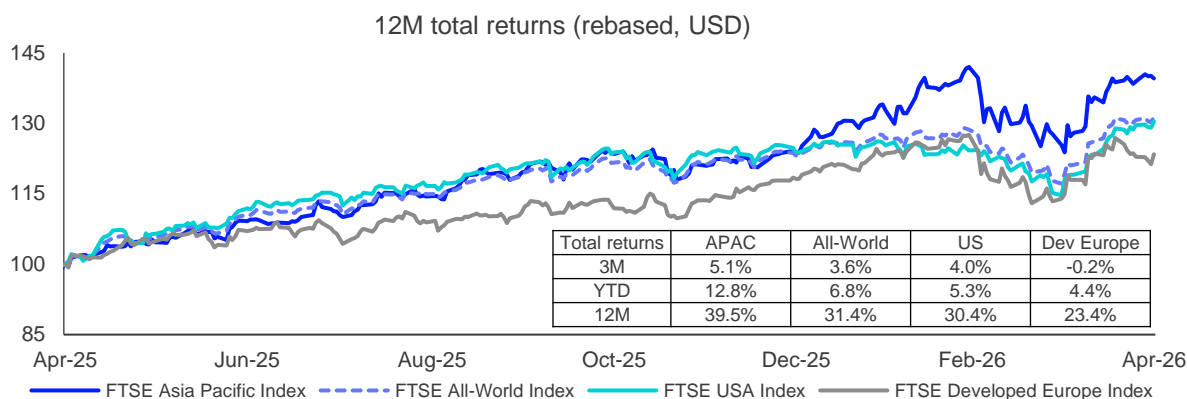
Macroeconomic backdrop	2
APAC equities outperformance	3
Energy shocks 2026 vs 2022	4
The Tech Hardware leadership	5
Bond and FX returns	6
Yields, curves, and spreads	7
APAC Research Highlight	8
Appendices	9-10

AUTHORS

Zhaoyi Yang, CFA, FRM
Senior Manager, Global
Investment Research
Zhaoyi.Yang@lseg.com

Belle Chang, MBA
Senior Manager, Global
Investment Research
Belle.Chang@lseg.com

Chart 1: APAC equities have outperformed the US and Developed Europe over 12M and YTD, despite a sharp March setback. APAC equities gained 12.8% YTD, compared to gains in the US (5.3%) and Developed Europe (4.4%).



Source: FTSE Russell and LSEG. All data as of April 30, 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.

Macro – The Middle East conflict fuels central bank divergence across APAC

APAC has been more exposed to the recent energy supply shock in Middle East, vs peers, given its heavier reliance on energy imports - particularly those routed through the Strait of Hormuz. However, strategic reserves provide a meaningful buffer for economies such as Japan, Korea, and China, helping to mitigate risks as the conflict shows more signs of easing.

Latest CPI data (April CPI is only available for the Philippines, Thailand, and Indonesia, while still pending for others) shows Malaysia was better insulated from the energy shock than regional peers due to extensive fuel subsidies and its status as a net energy exporter (particularly for LNG). China also entered the energy shock with lower inflationary risks, thus less pressure on the central bank to tighten. The Bank of Japan stayed on hold in April, with headline CPI of 1.5% in March, although a 6-3 vote indicated growing hawkishness due to inflationary pressures from the US-Iran conflict.

In contrast, the Philippines's market-based fuel pricing system resulted in faster pass-through to final prices, as inflation rose to 7.2% in April. The BSP may pursue more aggressive and off-cycle rate hikes, despite already raising rates to 4.5% on April 23. Australia's inflationary pressures (before March) were further deepened by the energy shock, with housing and food continuing to drive inflation higher in Q1, leading to cumulative rate hikes of 75 bps in 2026 as policy rate climbed to 4.35% by May. IMF 2026 CPI forecasts in April saw more pronounced upward revisions for the Philippines, Australia, and India.

Despite APAC's greater exposure to energy shock, IMF 2026 growth forecasts show upward revisions for many APAC economies. The upgrade was led by Taiwan, which achieved a GDP growth of 13.7% yoy in Q1, driven by strong demand for AI technologies, alongside a below 2% inflation. Malaysia growth forecast was also upgraded, as less energy importing and resilient domestic demand outweighed the downside risks from the Middle East conflict.

Chart 1: The Philippines and Thailand saw inflation spikes in April, which is not surprising given their lower state subsidies for energy, while Indonesian CPI fell back due to base effect.

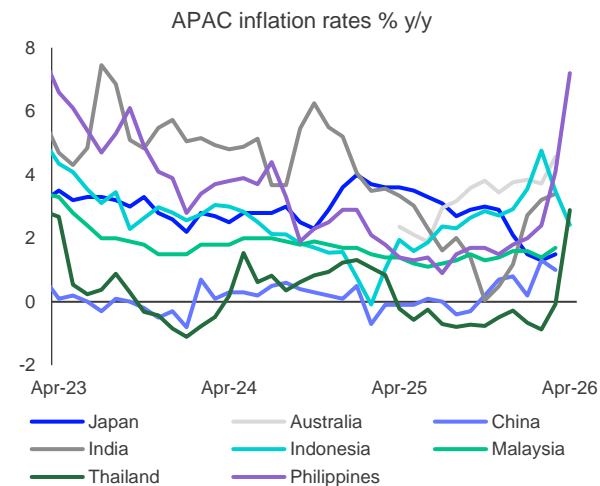


Chart 3: Australia and the Philippines raised rates ahead of G7 and other APAC peers, with more inflationary pressures.

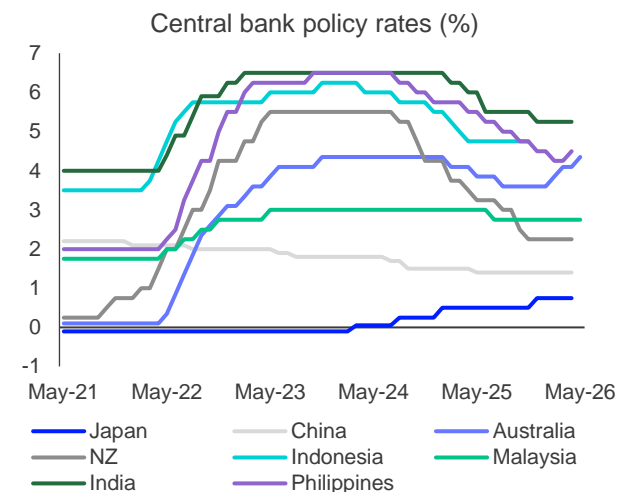


Chart 2: APAC's heavy reliance on energy imports makes it more vulnerable to supply shocks, though strategic reserves may provide a buffer for some economies like Japan and China.

Country	Latest headline CPI y/y (%)	Central bank target/ target range	vs inflation target/ mid-point of target range	Energy import (% of energy use, 2023)
Japan	1.5	2%	-0.5%	87%
Australia	4.6	2-3%	2.1%	-214%
China	1.0	-2%*	-1.0%	24%
India	3.4	2-6%	-0.6%	36%
Korea	2.6	2%	0.6%	85%
Taiwan	1.7	2%	-0.3%	95%
Singapore	1.8	Core <2%*	-0.2%	280%
Indonesia	2.4	1.5-3.5%	-0.1%	-90%
Thailand	2.9	1-3%	0.9%	58%
Malaysia	1.7	<3%*	-1.3%	10%
Philippines	7.2	2-4%	4.2%	56%
New Zealand	3.1	1-3%	1.1%	32%
EU	3.3	2%	1.3%	-9%
USA	3.0	2%	1.0%	64%
UK	3.3	2%	1.3%	44%

*The PBOC aimed for around 2% CPI this year. The MAS does not have an official target range, but they generally aim for a core inflation rate of just under 2%. While the BNM does not have an explicit target, inflation below 3% is often considered as the BNM's target range.

Chart 4: 2026 growth projections were revised up for many APAC economies in April vs Oct 2025, led by Taiwan and Malaysia.



Source: IMF, IEA, FTSE Russell and LSEG. All data as of April 30, 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.

APAC equities overcome March drawdown to lead global markets YTD

Before March, equity markets were primarily driven by AI-related technology catalysts, with strong performance led by hardware-linked stocks. **In March, however, the escalation in Middle East conflict triggered a global risk-off episode**, leading to broad-based equity declines. Within APAC, Korea, India, Indonesia, Taiwan and the Philippines were among the worst performers, while Korea also experienced a remarkable spike in volatility.

In April, markets began to stabilize as ceasefire developments helped restore confidence, shifting investor focus back to growth fundamentals and the outlook for AI (see [page 5](#)). **APAC equities significantly outperformed global peers YTD** (Chart 1), as markets with higher exposure to Tech Hardware staged a sharp V-shaped recovery. Korea and Taiwan, in particular, have fully recovered from the March pullback and are among the top performers YTD, with FTSE Korea returning 59.8% and FTSE Taiwan 37.2%. Moreover, in Korea, ongoing corporate governance reforms, including incentivizing higher dividend payouts to shareholders and tightening dual listings rules, provide an additional structural tailwind*.

Singapore remained relatively resilient, retaining its lower volatility profile and defensive characteristics (Chart 2), with limited sensitivity to oil price movements. The FTSE Singapore Index declined only 4.3% in March.

FTSE Thailand returned 16.9% YTD, in USD, despite a weaker THB, supported by strong performance in its Tech Hardware stock**. Also, higher weight in Energy (Thailand 14.7% vs 3.0% in APAC) provided some buffer amid the energy shock.

The FTSE China Index declined 7.8% in March, outperforming the broader FTSE Asia Pacific Index (-12.8%). This relative resilience reflects lower foreign investor participation and a more domestically oriented revenue base: as of April, around 70% of FTSE China revenues are generated domestically (vs Korea's 29% and Taiwan's 18%), leaving China less exposed to global risk sentiment and external demand shifts.

Chart 1: YTD Korea and Taiwan equities led gains, driven by strong AI-related tech hardware outlook, despite a temporary pullback in March. Thailand and Japan also have a relatively high exposure in Tech Hardware, hence outperforming APAC peers.

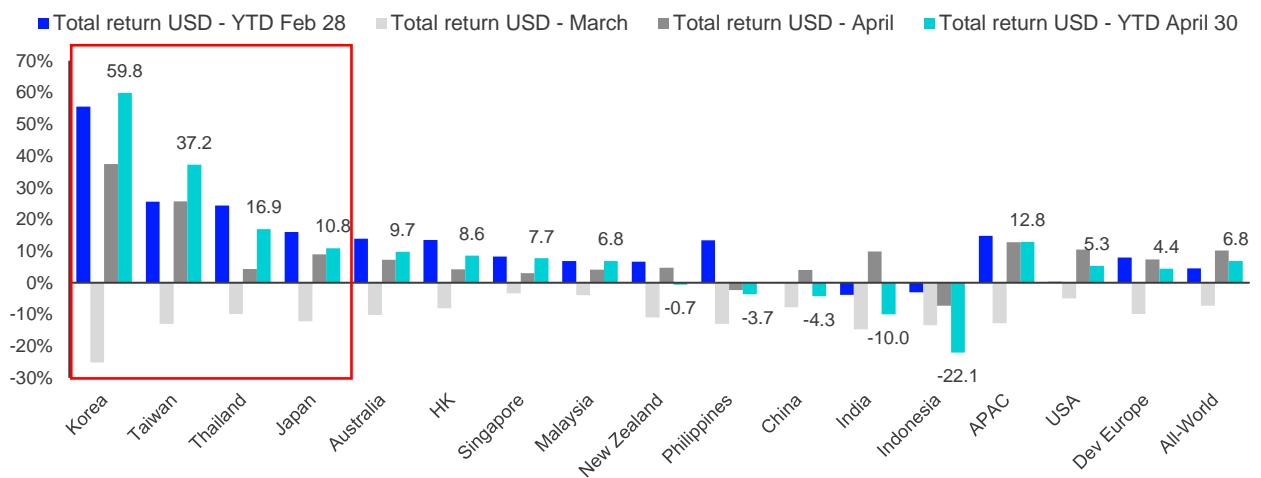


Chart 2: China's 1y annualized vol is lower than its longer-term (3y and 5y) vol, leading to a relatively limited drawdown in March. In contrast, Korea's vol has risen recently.

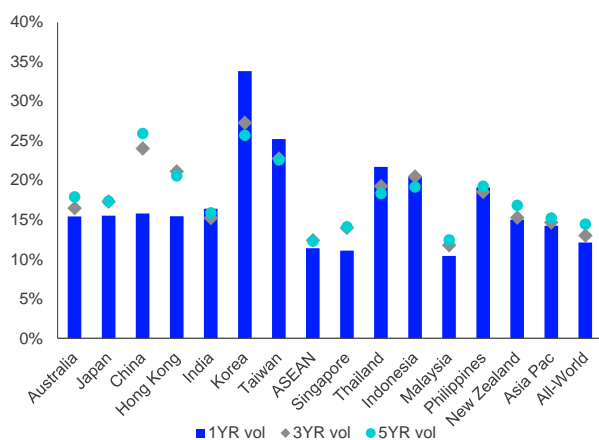
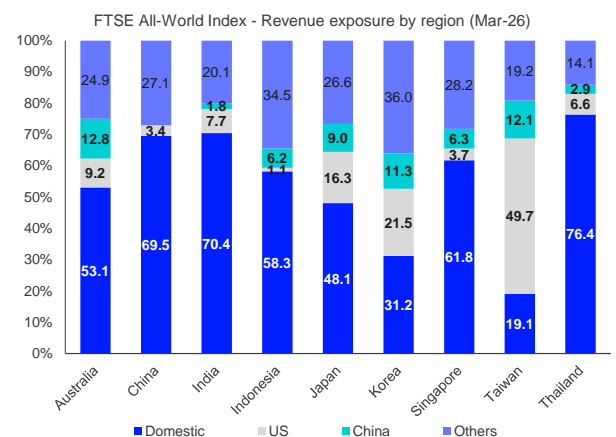


Chart 3: China equity revenues are mostly from domestic sources, suggesting less exposure to external demand, while Korea and Taiwan rely more on overseas markets.



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Energy shocks and equity market reactions 2026 vs 2022

The Middle East conflict in March triggered an energy shock that drove a spike in equity volatility, broadly echoing market reactions during the start of the Russia–Ukraine conflict in 2022. However, while European equities were more severely impacted initially in 2022, this 2026 episode saw APAC markets decline to a similar extent as Developed Europe (Chart 1). Within the region, Korea, India, Indonesia, Taiwan and the Philippines were among the worst performers in March (Chart 2).

APAC’s sharper drawdown than 2022 reflects its high energy import dependence and reliance on energy from the Middle East than Europe. Notably, Japan depends on around 90% of its oil supply from the Middle East. At the same time, heightened uncertainty amplified risk-off sentiment, disproportionately affecting markets with richer valuations (Chart 3) and higher foreign participation. Korea, Taiwan and Japan are markets with high (>30%) foreign ownership. In contrast, markets like China have much lower foreign participation, making it less correlated with global risk-sentiment. Indonesia is a notable exception: It is a net energy exporter, but a net oil importer, leaving it exposed to higher oil prices despite its exports of commodities such as coal and gas.

Nonetheless, a key difference from 2022 lies in the policy backdrop. At that time, most central banks were tightening to combat inflation (Page 2, Chart 3). In contrast, most central banks are now either on hold or in easing cycles, with inflation across much of APAC remaining relatively contained (Page 2, Chart 2). Chart 4 shows that real policy rates in most economies are low, suggesting ample room for central banks to hike rates, if needed to curb inflation pressure.

April saw a strong rebound in Korea, Taiwan and Japan equities, leaving these markets still APAC top performers YTD. This suggests that once markets move past near-term uncertainty and risk aversion, underlying fundamentals, particularly AI-driven growth and macro stability, continue to support equity performance. We discuss the AI theme in the next section.

Chart 1: APAC equities were more directly exposed to the energy shock this time than they were in 2022.

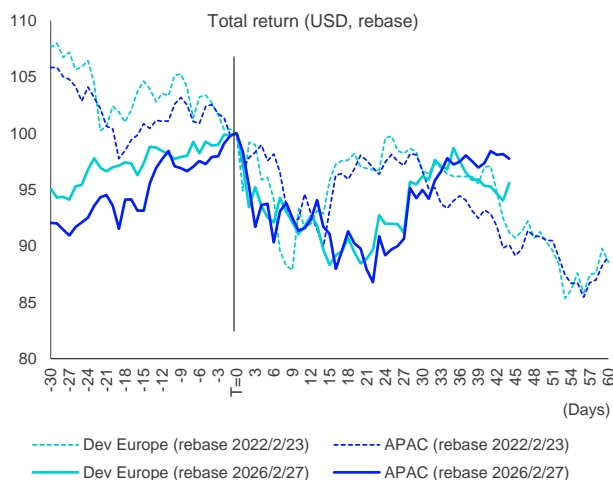


Chart 2: Korea equities, despite a 25% drawdown in March, fully recovered in April from March's sell-off.

Total return (USD)					
	Jan-Feb	Mar	Apr	YTD	Mar-Apr
Korea	55.4%	-25.2%	37.4%	59.8%	2.8%
Taiwan	25.5%	-13.0%	25.6%	37.2%	9.3%
Thailand	24.3%	-9.9%	4.3%	16.9%	-6.0%
Japan	16.0%	-12.2%	8.9%	10.8%	-4.4%
Australia	13.9%	-10.2%	7.2%	9.7%	-3.7%
HK	13.4%	-8.1%	4.2%	8.6%	-4.3%
Singapore	8.2%	-3.4%	3.0%	7.7%	-0.5%
Malaysia	6.8%	-4.0%	4.1%	6.8%	0.0%
New Zealand	6.6%	-11.0%	4.7%	-0.7%	-6.8%
Philippines	13.4%	-13.0%	-2.4%	-3.7%	-15.1%
China	-0.2%	-7.8%	3.9%	-4.3%	-4.1%
India	-3.9%	-14.7%	9.8%	-10.0%	-6.3%
Indonesia	-3.0%	-13.4%	-7.2%	-22.1%	-19.7%
APAC	14.8%	-12.8%	12.7%	12.8%	-1.7%
USA	0.3%	-4.9%	10.5%	5.3%	5.0%
Dev Europe	7.9%	-9.9%	7.4%	4.4%	-3.3%

Chart 3: Taiwan and India equities were relatively expensive among APAC and compared to their historical level before the outbreak of the Middle East conflict.

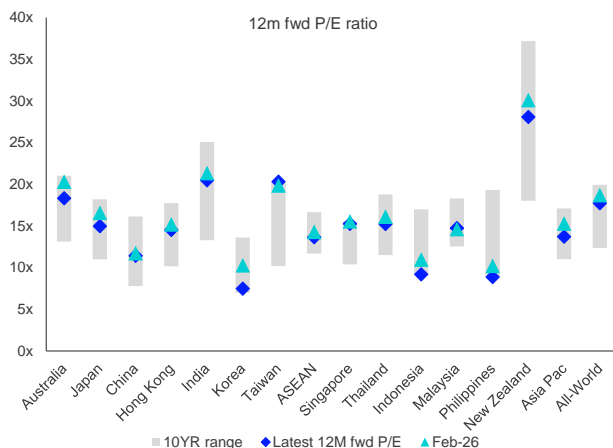
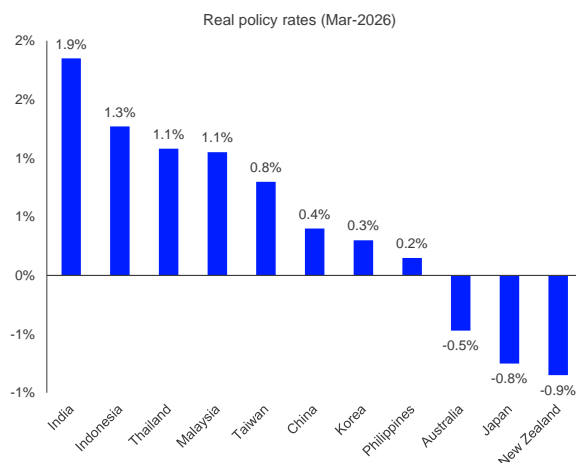


Chart 4: As of March, most APAC economies had low real policy rates, allowing central banks to have room tightening if needed in the face of upside inflation risks.



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Hardware leads the AI narrative: Korea and Taiwan outperform

The AI-led upcycle has led Tech outperformance since 2023. More particularly, as discussed in [Decoding the hardware-software performance dispersion](#), the evolving AI narrative has shifted technology leadership from software to hardware as markets increasingly differentiate between near-term monetization and longer-dated AI optionality. Tech hardware, given its revenue visibility, secured orders and near-term cash flows, outperformed software stocks globally since April 2025. In contrast, software stocks, while underpinned by AI adoption over the medium to long term, are more volatile subject to uncertainty around risk-sentiment, disruption risks and capex payoff. This divergence since April 2025 has been even more pronounced in APAC (Chart 1).

The wider gap reflects APAC's critical role in the global AI supply chain. Increasing US AI capex continues to support strong demand for Asian hardware and telecom equipment firms. Taiwan and Korea, in particular, are more heavily concentrated in hardware than in software (Chart 2), which has translated into outperformance relative to other markets (Chart 3). In addition, the trend is also reflected in export data. The resilient export growth in Korea and Taiwan (Chart 4) continues to underscore the critical roles Korea and Taiwan play in the global AI value chain.

The **FTSE Korea** Index gained 25.3% over the last 3M, making it the best-performing market in APAC again despite the temporary pull-back in March. Korean Tech rose 37.0% and Telecom (mainly Samsung Electronics) was up 33.0%. In a recent note [Korean Equities: Macro Recovery, Reform and AI](#), we also discussed that because of Korea's solid outlook in hardware, Korean equities were able to quickly recover from the March energy-shock driven sell-off. **FTSE Taiwan** rose 22.8% over 3M, with Taiwan tech stocks up 23.8%. **FTSE Japan** was up 4.2% over 3M, with Tech advancing 8.1%, outperforming other industries.

Chart 1: APAC Tech has seen an even wider divergence trend between hardware and software than the rest of the world.

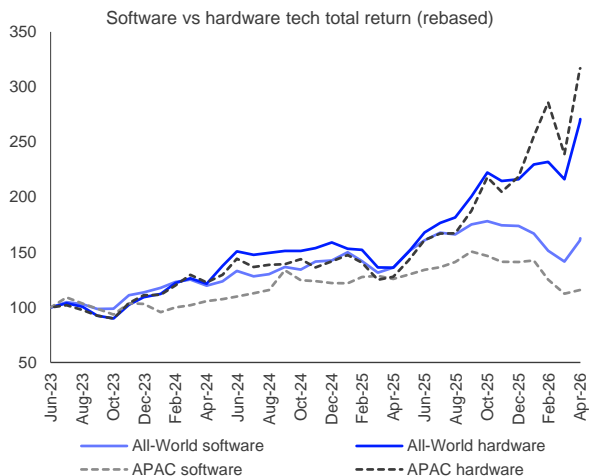


Chart 2: Unlike China and India, Taiwan, Korea and Japan are concentrated more in Hardware than in Software stocks.

Weight - % of country/market		Taiwan	Korea	China	Japan	India
Software	Computer Services	0.4%	0.7%	1.2%	7.2%	
	Software			0.7%	0.2%	0.2%
	Consumer Digital Services		3.6%	18.8%	0.4%	0.9%
Software subtotal		0.0%	4.0%	20.2%	1.7%	8.3%
Hardware	Semiconductors	59.1%	20.6%	1.8%	1.7%	
	Electronic Components	8.1%	3.1%	1.5%	2.1%	0.1%
	Production Technology Equipment	1.6%	0.5%	0.4%	6.0%	
	Computer Hardware	3.7%	0.1%	0.2%	0.6%	
	Electronic Office Equipment				1.0%	
Telecom equipment	Telecommunications Equipment	1.2%	34.6%	3.8%		
Hardware +Telecom equipment subtotal		73.8%	58.8%	7.7%	11.3%	0.1%
Total		73.8%	62.9%	27.9%	13.0%	8.4%

Chart 3: Tech markets that have higher weights in Hardware outperformed those with more Software stocks.

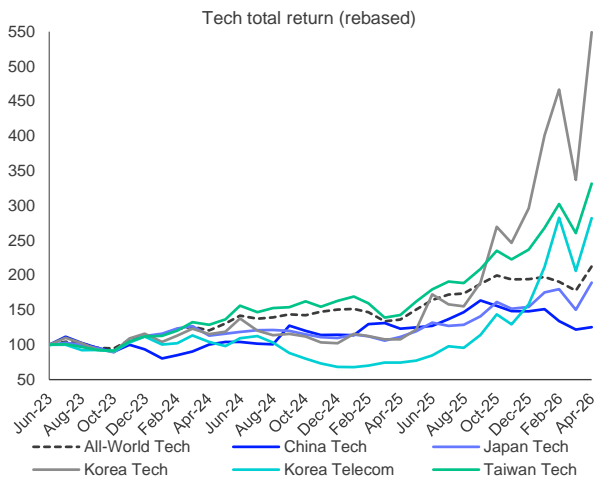
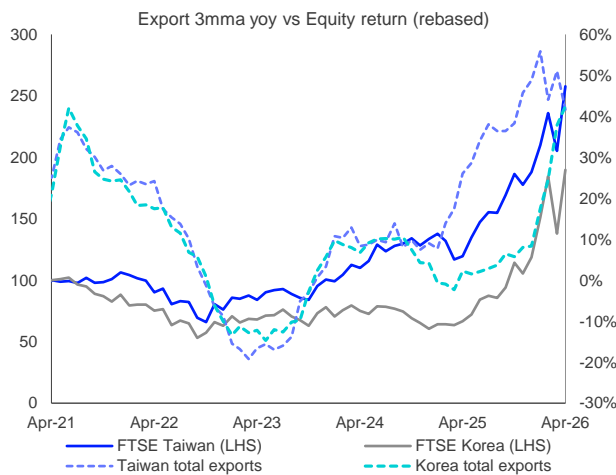


Chart 4: Export growth of Korea and Taiwan, mainly driven by tech exports, continued to rise, along with the equity markets.



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APAC bond returns and FX performance

In government bond markets, **YTD performance** reflects sharp losses in March followed by a swift recovery in April, as shown in Chart 1, in line with equity market trends. APAC government bonds have modestly outperformed the global benchmark (APGBI +0.9% vs WGBI +0.1% YTD). China, Singapore, and Malaysia delivered solid returns of 2.8-3.5%, supported by both local returns and FX gains vs the US dollar. Australia and New Zealand also posted positive YTD returns, driven entirely by currency gains. In contrast, Korea, Indonesia, Thailand, and the Philippines recorded losses of 4.9-6.7%, as both local declines and FX depreciation weighed on returns. The rupee's depreciation (-5.3%) was the primary drag on Indian bond returns (-5.6%). YTD, APAC markets have shown divergent performance across bond and FX markets (Chart 3).

Chinese government bonds proved more resilient than their peers during the March sell-off, registering only modest losses of -0.5% compared with declines of -3.1% in both global and APAC peers. This resilience was helped by an accommodative policy backdrop and subdued inflation, which anchored yields at relatively low levels. In addition, a large and stable domestic investor base, combined with limited foreign participation, reduced outflow pressures and market volatility. Capital flows reinforce this dynamic: Chinese bonds attracted net inflows of USD 2.5 billion during the risk-off period, while EM ex-China bonds experienced sharp outflows of USD 16.7 billion, highlighting China's role as a relative safe-haven within EM. (Chart 2)

FX moves across APAC YTD showed clear divergence: the AUD appreciated strongly on supportive rate differentials, while CNY and MYR also gained vs USD. Meanwhile, more energy-import-dependent economies saw currencies weaken by up to 5.3%. The yen rebounded sharply on April 30, with USD/JPY falling back to around 156, following Ministry of Finance intervention. But the sustainability of the yen's strength remains uncertain, as the impact of the July 2024 intervention proved short-lived.

Chart 1: Like equities, bond returns YTD were largely hurt by significant losses in March, seen in both WGBI and APGBI. Government bonds in China and Malaysia were safe-havens in March, with higher LCY returns and solid foreign demand.

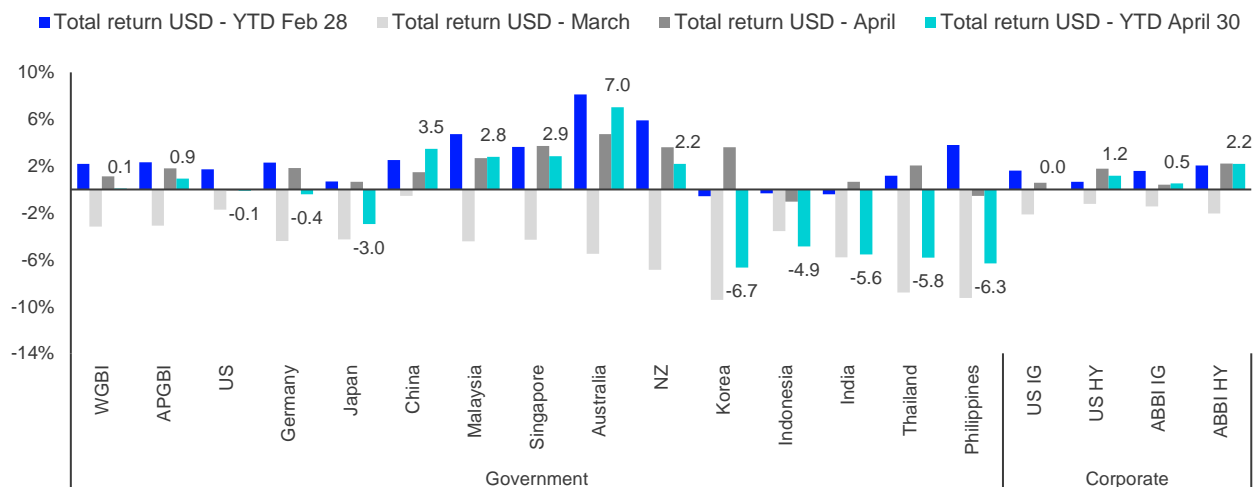


Chart 2: China saw more resilient net capital flows during the broad March sell-off, amid risk-off moves, vs other EMs.

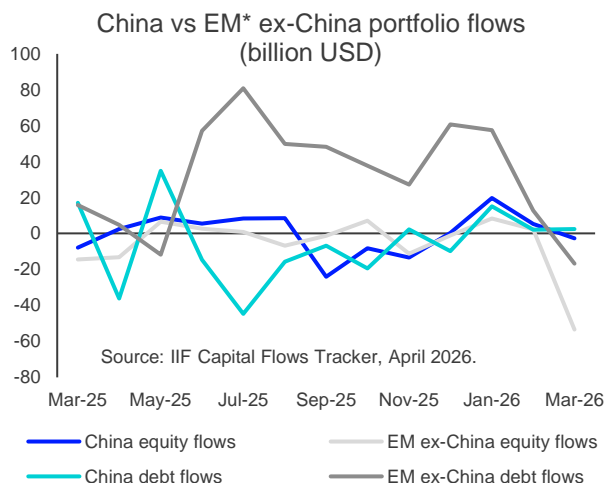
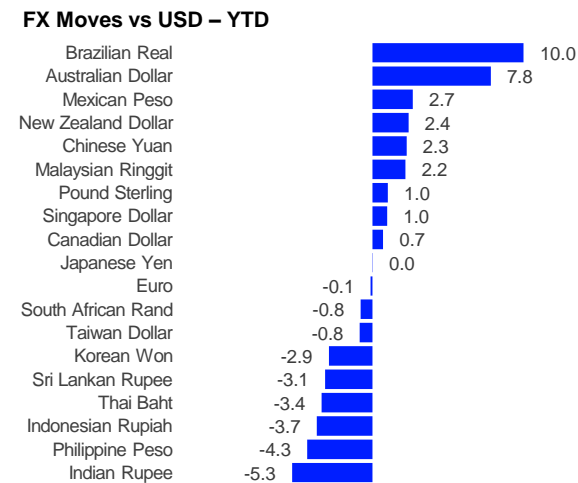


Chart 3: Favourable rate differentials drove the AUD higher vs the USD, following March's rate hike to 4.1% by the RBA.



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APAC Yields, Curves and Spreads

The energy supply shock since March has been the dominant driver of bond yield increases broadly across APAC. Yield increases were most pronounced in the Philippines, rising from 5.9% end-Feb to 6.9% end-April. This reflects the country's greater exposure to energy shocks and faster pass-through of higher energy prices*, reinforced by the central bank tightening. JGB yields have remained on an upward trend, supported by the ongoing unwinding of the BoJ's positions, despite a cautious approach on further rate hikes. Australian 7-10yr yields climbed to 5%, amid rebounding inflation expectations. Malaysian yield increases since end-Feb were very modest, helped by a resilient growth outlook, lower vulnerability to higher energy prices compared with other EM Asian economies. All these have helped attract foreign demand, as investors seek diversification within EM. Chinese yields continue to trend lower, showing lower correlation with yield moves elsewhere.

While expectations of higher short rates caused some bear flattening in Treasury curves (and across several EM Asia), the two largest bond markets in APAC both experienced curve steepening, largely driven by oil-related inflation expectations. China's curve *bull* steepened YTD, with 20s/2s reaching its steepest level since 2022. JGB curve *bear* steepened, particularly in 10s/2s, as life insurers saw further upside risk to 10-year yields. A delayed rate hike in the short end has sustained a JGB curve that remains significantly steeper than those in the US and China.

Asian sovereign spreads versus the US have remained resilient to the energy shock, despite most economies being net energy importers. Lower risk premium in Asia over a longer-term points to a structural improvement in sovereign credibility. A notable exception is the Philippines, where spreads widened notably due to greater exposure to higher oil prices. The country's inflation surged to 7.2% in April, which may prompt more aggressive tightening following the April rate hike to 4.5%.

Chart 1: Yield increases since end-Feb largely reflect the impact of the energy supply shock on inflation expectation.

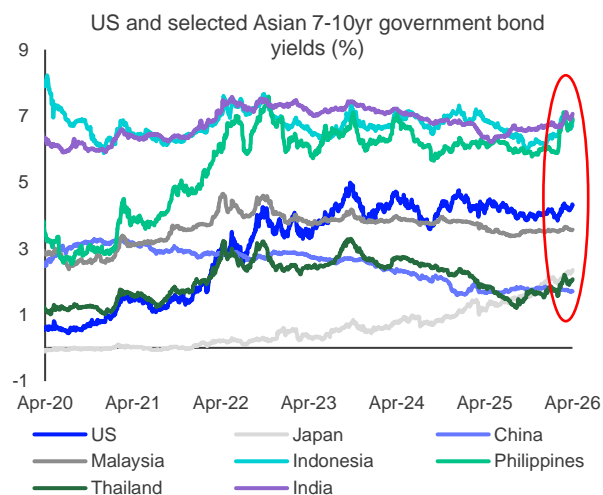


Chart 2: YTD, Treasury curves bear flattened, while both China (*bull*-) and Japan (*bear*-) steepened.

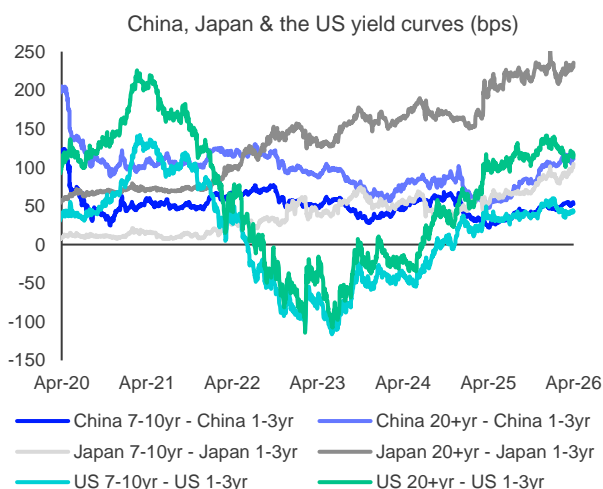


Chart 3: Asian yield spreads vs the US have shown a muted response to the energy shock, except in the Philippines.

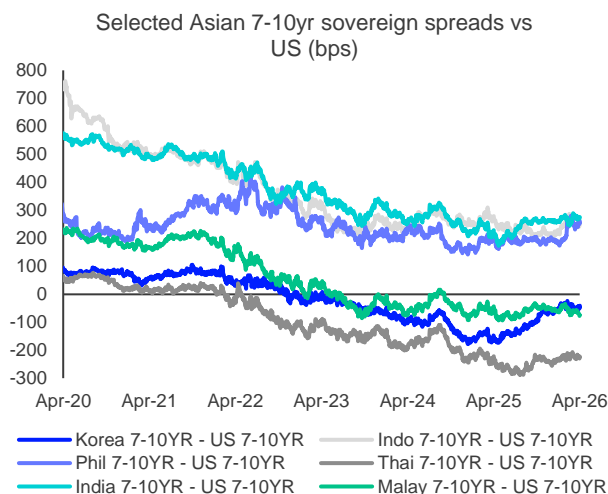
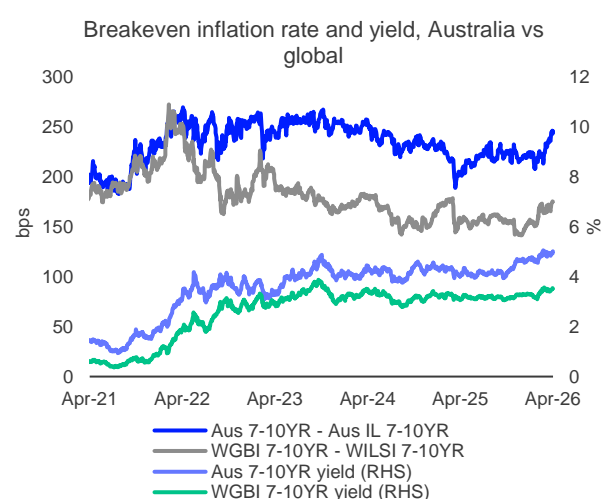


Chart 4: Australian yields have been higher than global peers, with inflation expectation of 2.5% in Aus vs only 1.75% globally.



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Recent APAC research highlight

[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. Takaichi is philosophically aligned to former PM Abe, but the economy now is markedly different from the time of Abenomics. 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.

[Opportunities in a fragmented world: emerging Asia's bond markets \(Dec 17\)](#) Over the past five years, yields in emerging Asian bond markets have followed the US interest rate cycle but with smaller absolute movements, reflecting controlled inflation and a more cautious monetary stance than in other emerging countries. However, the region's bond markets continue to throw up opportunities. In this article, we review recent developments in six key emerging Asian bond markets—China, India, Indonesia, Malaysia, the Philippines and Thailand—and explore how differences in yields, policy cycles and currencies have shaped and are shaping returns, particularly from the perspective of US dollar-based investors. Authors: Belle Chang, Mandy Chiang.

Appendix – Equity

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

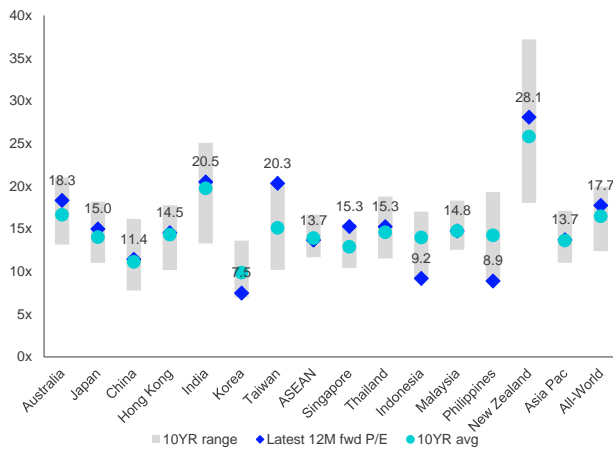


Chart 2: 3y annualized volatility vs annualized return (USD)

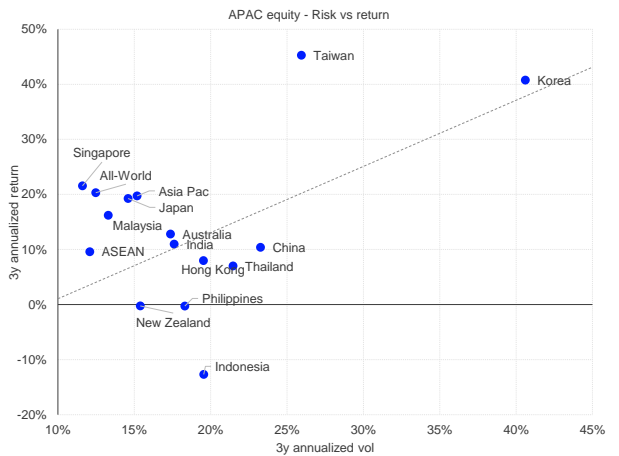


Chart 3: Total Return – Past 3M by Market and Industry (%, USD)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand
Technology	-5.3	8.1	-17.3	30.3	-24.8	37.0	23.8	-1.3	49.1	-18.2			
Telecom	14.2	11.0	-2.7	1.9	-7.5	33.2	42.1	-0.2	4.4	-21.3	-4.2	-7.3	-6.9
Health Care	-27.6	0.6	-3.1	-9.9	4.2	-13.6	-24.3		-3.3	-26.7	-0.5		-11.4
Financials	7.9	3.2	-1.6	-3.9	-9.7	15.7	2.8	2.1	6.3	-17.3	-5.5	-20.1	9.5
Real Estate	-5.2	0.1	-6.5	3.1	-2.4		-18.6	-4.5	3.9	-17.0	-3.5	-18.3	
Consumer Discretionary	-10.0	-4.8	-15.0	-16.5	-5.5	1.5	-10.9	-4.0	-9.3	-9.8	-3.5	-28.5	
Consumer Staples	5.2	-3.6	-5.4	4.2	-2.2	11.1	-2.0	3.2	-4.0	-15.8	0.1	1.8	
Industrials	-2.6	9.1	4.4	2.0	1.5	21.1	46.4	7.6	4.8	-19.6	0.1	7.1	-9.3
Basic Materials	5.5	16.5	-6.1	-29.7	4.1	12.2	13.1		42.2	-15.0	26.4		
Energy	27.0	5.5	11.3	-25.2	-0.6	31.4	4.9		9.1	-44.3	16.9	-17.8	
Utilities	5.9	2.0	2.4	2.4	22.1	-24.5		3.9	17.3	-11.3	4.5	7.5	1.1

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	2.1%	13.0%	24.1%	4.3%	8.4%	28.3%	80.6%	1.0%	17.4%	2.7%				25.4%
Telecom	1.0%	4.3%	4.1%	0.8%	4.3%	34.7%	2.1%	8.4%	11.2%	10.6%	6.1%	7.9%	4.4%	7.4%
Health Care	4.2%	5.6%	5.3%	0.3%	6.4%	2.7%	0.3%		5.8%	1.0%	5.2%		32.7%	4.1%
Financials	38.4%	15.9%	18.3%	40.2%	26.9%	8.0%	7.1%	58.1%	19.4%	46.1%	40.1%	22.4%	14.0%	18.7%
Real Estate	6.1%	3.1%	1.7%	17.6%	1.3%		0.0%	15.0%	3.7%	0.2%	2.2%	17.2%		2.7%
Consumer Discretionary	6.5%	17.5%	22.6%	6.9%	10.9%	6.8%	0.8%	4.2%	3.6%	8.5%	3.4%	4.6%		11.9%
Consumer Staples	4.4%	4.5%	3.5%	3.8%	5.8%	1.0%	0.5%	2.3%	7.0%	7.8%	9.6%	4.8%		3.4%
Industrials	6.6%	28.6%	8.0%	15.6%	13.8%	14.3%		6.0%	8.4%	1.3%	7.1%	32.8%	25.6%	15.7%
Basic Materials	23.2%	5.0%	5.9%	1.7%	7.4%	2.4%	1.2%		2.5%	14.2%	8.9%			5.9%
Energy	6.0%	1.0%	4.2%	0.2%	9.9%	1.5%	0.1%		14.7%	6.5%	2.5%	2.2%		3%
Utilities	1.5%	1.4%	2.2%	8.4%	4.8%	0.4%		4.9%	6.2%	1.1%	14.9%	8.2%	23.3%	2.0%

Source: FTSE Russell and LSEG. All data as of April 30, 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.

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	0.29	0.49	3.16	3.64	4.01	3.69	4.21
	7-10YR	0.01	-0.38	2.90	4.00	4.26	4.06	4.26
	20+YR	-0.61	-1.15	0.21	4.71	4.95	4.77	4.57
	All	-0.01	-0.11	2.55	3.91	4.20	3.94	4.27
APGBI	1-3YR	1.15	2.03	6.77	1.74	1.77	1.86	2.05
	7-10YR	0.43	1.49	4.92	2.72	2.55	2.58	3.00
	20+YR	-1.38	-2.15	-7.80	2.93	2.55	2.40	2.85
	All	0.29	0.94	3.62	2.43	2.31	2.32	2.63
Japan	1-3YR	-1.42	0.14	-8.96	0.87	0.76	0.64	0.39
	7-10YR	-2.97	-2.35	-15.27	1.55	1.42	1.17	0.80
	20+YR	-3.44	-6.05	-25.49	3.00	2.93	2.56	2.12
	All	-2.79	-2.96	-16.86	1.84	1.76	1.53	1.18
China	1-3YR	2.20	2.97	8.29	1.32	1.37	1.43	1.49
	7-10YR	2.53	3.88	7.98	1.74	1.72	1.66	2.12
	20+YR	2.80	4.10	1.34	2.15	2.00	1.91	2.37
	All	2.43	3.47	7.60	1.56	1.57	1.56	1.82
Australia	1-3YR	2.69	8.00	13.55	3.56	3.36	3.34	4.06
	7-10YR	1.71	6.86	10.03	4.15	4.12	4.00	4.42
	20+YR	1.04	5.72	6.37	4.92	4.94	4.79	4.97
	All	1.86	7.02	10.47	4.02	3.91	3.82	4.32
India	1-3YR	-2.16	-4.12	-5.87	5.81	5.75	6.00	6.69
	7-10YR	-3.44	-5.68	-9.05	6.64	6.43	6.35	6.85
	20+YR	-4.22	-6.84	-13.97	7.27	7.08	6.78	6.99
	All	-3.25	-5.56	-9.83	6.67	6.49	6.40	6.85
Indonesia	1-3YR	-3.47	-3.56	1.99	4.98	5.80	6.45	6.53
	7-10YR	-4.31	-5.79	2.55	6.07	6.57	6.86	6.85
	20+YR	-3.37	-3.45	5.13	6.77	7.01	7.14	7.03
	All	-4.07	-4.86	3.16	5.90	6.45	6.81	6.81
Korea	1-3YR	-2.85	-2.77	-3.25	2.64	2.42	2.34	2.98
	7-10YR	-3.78	-5.17	-9.98	3.06	2.82	2.58	3.13
	20+YR	-6.63	-10.65	-23.92	3.01	2.73	2.43	2.97
	All	-4.66	-6.68	-14.10	2.92	2.67	2.45	3.03
Malaysia	1-3YR	-0.24	2.96	12.27	3.06	3.02	3.17	3.48
	7-10YR	-0.19	2.85	13.10	3.54	3.41	3.63	3.96
	20+YR	-0.29	2.38	12.82	4.01	3.91	4.03	4.22
	All	-0.25	2.78	12.67	3.52	3.42	3.59	3.87
Singapore	1-3YR	-0.12	1.57	5.23	1.40	1.71	2.13	2.70
	7-10YR	-0.17	2.41	7.89	1.89	2.05	2.43	2.82
	20+YR	1.62	4.74	16.00	2.03	2.23	2.63	2.76
	All	0.36	2.86	9.05	1.75	1.98	2.34	2.75
New Zealand	1-3YR	-2.40	2.60	2.58	2.75	3.38	3.25	3.81
	7-10YR	-2.45	2.01	2.11	3.95	4.42	4.26	4.41
	20+YR	-2.33	2.43	2.31	4.94	5.22	5.15	5.01
	All	-2.45	2.19	2.19	3.63	4.14	4.05	4.28
Thailand	1-3YR	-3.09	-3.02	4.56	1.29	1.31	1.56	2.12
	7-10YR	-4.55	-6.68	2.59	1.67	1.49	1.85	2.37
	20+YR	-7.36	-13.67	-4.42	2.30	2.06	2.51	3.04
	All	-4.17	-5.82	2.68	1.58	1.48	1.79	2.34
Philippines	1-3YR	-4.21	-3.59	-4.21	5.41	5.75	5.77	5.66
	7-10YR	-8.57	-7.54	-7.56	5.90	6.15	6.18	5.87
	20+YR	-9.34	-9.06	-9.45	6.51	6.60	6.45	NA
	All	-7.24	-6.32	-6.62	5.81	6.07	6.06	5.84

Source: FTSE Russell and LSEG. All data as of April 30, 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.

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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North America +1 877 503 6437

Asia-Pacific
Hong Kong +852 2164 3333
Tokyo +81 3 6441 1430
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