Global Investment Research
Market Maps

FTSE RUSSELL
An LSEG Business

APAC Financial Markets Spotlight

USD EDITION

QUARTERLY REPORT | **NOVEMBER 2025**

AI Tech drives APAC rally despite tariff uncertainty

Growth outlook in the APAC region has been greatly dampened by higher tariffs and weakening global demand. Central banks have responded by easing monetary policies to counter the slowing growth, given the falling inflation and high real interest rates. Easier policies and Technology, largely AI optimism, have driven the APAC equity rallies YTD. Bond yields fell on lower interest rates.

Macro and policy backdrop – Improved growth-inflation dynamics in APAC

Exports have navigated the tariff shock relatively well across much of the region, with resilient growth in Japan, Korea, China and ASEAN, recently. Inflation concerns faded, except in Australia, where housing prices are driving a cost-of-living crisis.

Asset class returns – APAC equities continued to outpace global peers

APAC equities outperformed All-World over 3M and YTD. Korea delivered the best equity returns vs worst bond returns over 3M. YTD ending 31 Oct, China ranks among the top in equities, but lags in bonds, reflecting some shift from bonds to equities.

APAC fixed income – YTD bond returns boosted by easing policy, except Japan

Most ASEAN and Australasian markets have outperformed WGBI YTD. Japanese bonds posted losses over 3M and YTD, with higher yields due to their rate hike cycle.

APAC equities – Tech momentum continues with sustained AI optimism

Korean and Taiwan equities led APAC gains over 3M, largely driven by Tech. Chinese equities fared well on 3M, but dampened by October loss amid trade tensions. Election results boosted Japanese equities. Indian equities lagged on tariff uncertainties and a stricter visa policy.

Foreign Exchange - Emerging Asia shows resilience amid Oct USD recovery

MYR, THB, IDR, CNY and INR have avoided a loss against the US dollar in Oct, in contrast to DM currencies of JPY, GBP and EUR. MYR and TWD outperformed YTD.

CONTENTS

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 central banks have broadly eased to cushion external shocks and boost growth, with inflations declining.

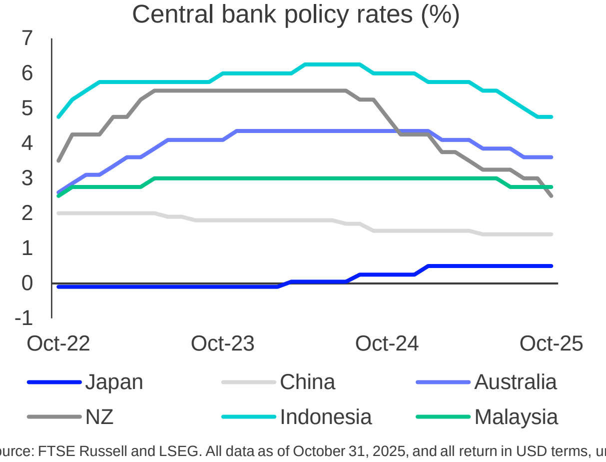
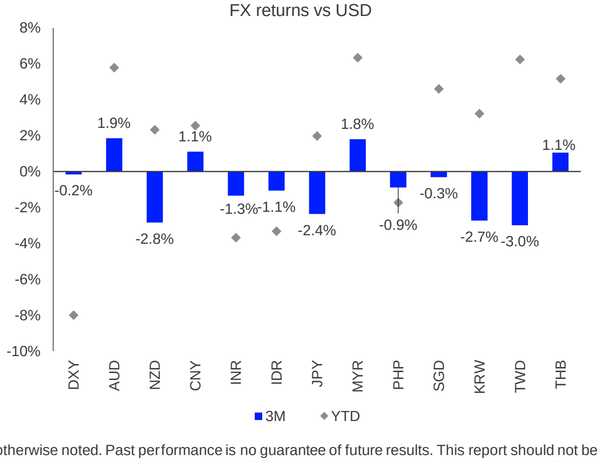


Chart 2: Over 3M, AUD and MYR outperformed other APAC currencies. KRW and TWD retraced from prior strength.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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.

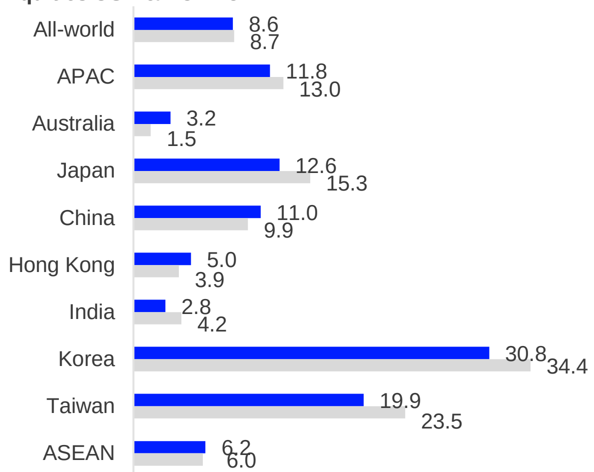
Asset Class Returns - 3M & YTD (USD, LCY, TR %)

Over 3M, APAC equities rallied more than global peers, led by Korea Telecom and Tech, and Taiwan Tech, extending their YTD gains. Indian equities lagged, despite a reversal from Q3 trends, posting gains in October. Chinese equity returns over 3M were modestly hurt by losses in October, due to US-China tensions, with YTD returns (36.8%) higher than the overall APAC (28.1%) given AI optimism. Japanese PM Takaichi's win was a tailwind for Japanese equities.

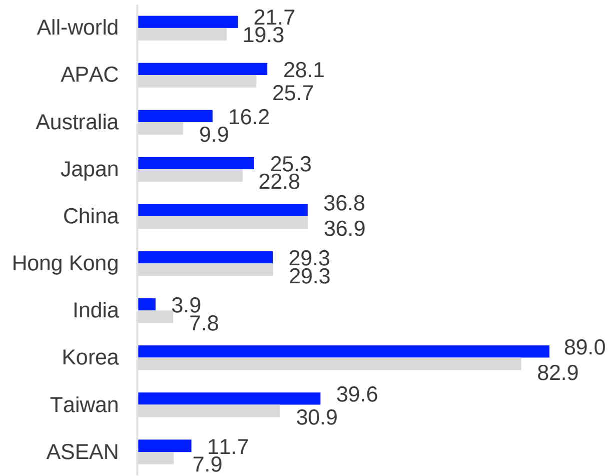
Indonesian bonds rallied over 3M, helped by monetary policy easing. Singaporean, Malaysian, Thai and Australian bonds delivered 10+% returns in USD, YTD; only Japanese bonds posted negative returns YTD (-3.7%), amid the BoJ's ongoing interest rate hike cycle. Korean markets show extreme negative correlation between equities and bonds. Asian dollar corporate bonds outperformed US peers YTD, implying improved investor sentiment among Asian assets.

USD LCY

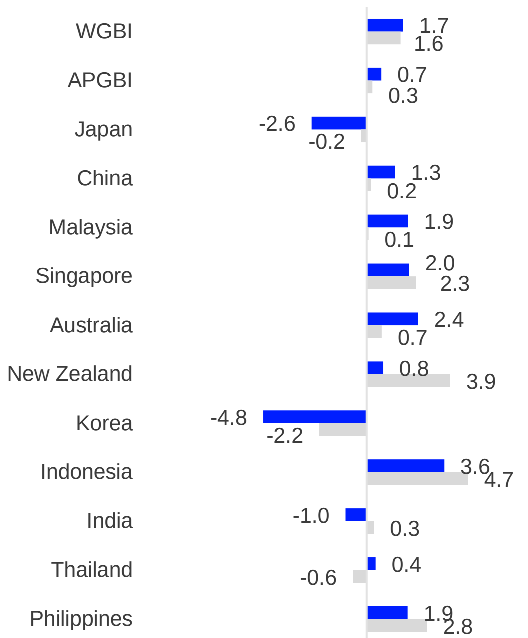
Equities USD & LCY - 3M



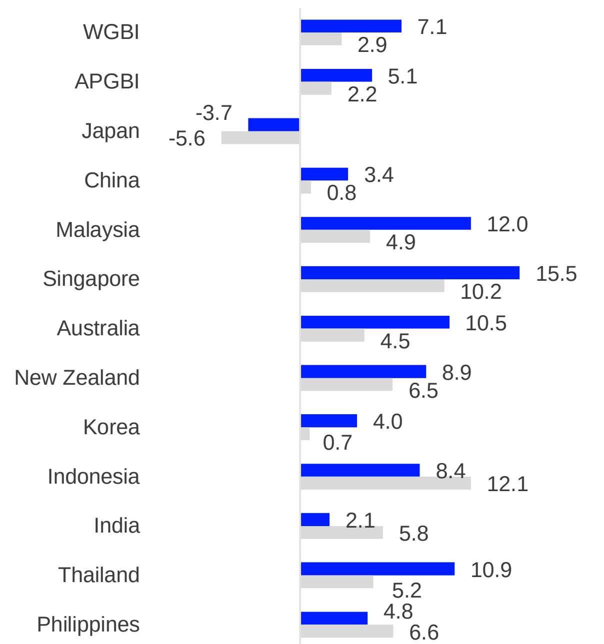
Equities USD & LCY - YTD



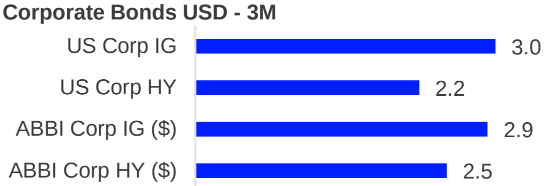
Government Bonds USD & LCY - 3M



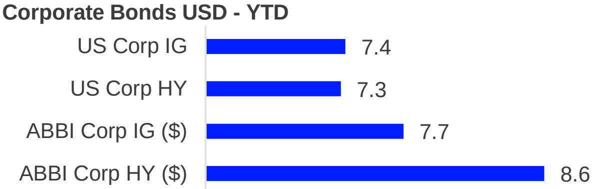
Government Bonds USD & LCY - YTD



Corporate Bonds USD - 3M



Corporate Bonds USD - YTD



Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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 Yields, Curves and Yield Spreads

Chart 1: In contrast to US 7-10yr yields staying near levels seen 3 years ago, Asian yields have broadly fallen from the Oct 2022 high, as inflation fell within the 2-4% target range.

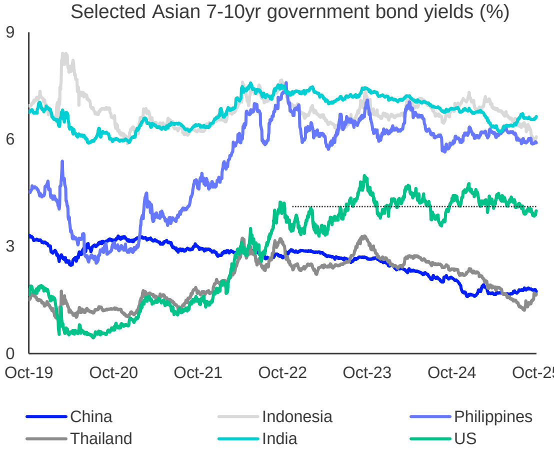


Chart 2: As a result of the divergence in yield, Asian sovereign spreads vs the US had sharply fallen since Q4 2022, despite some increases in Korea, India, and Malaysia recently.

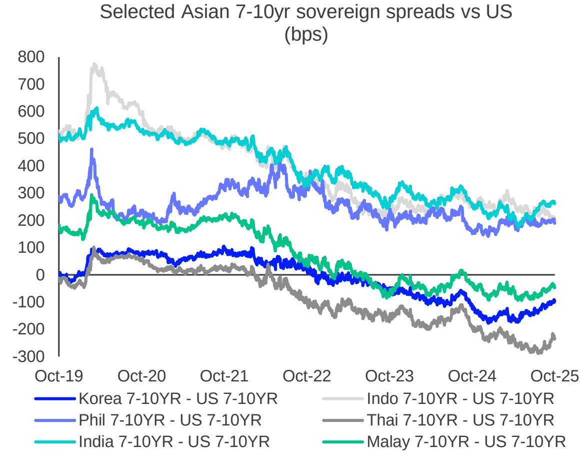


Chart 3: Unlike the US 10s/2s yield curve steepening modestly in 2025, Indonesian & Indian curves have sharply steepened YTD, helped by their faster monetary policy easing vs the US.

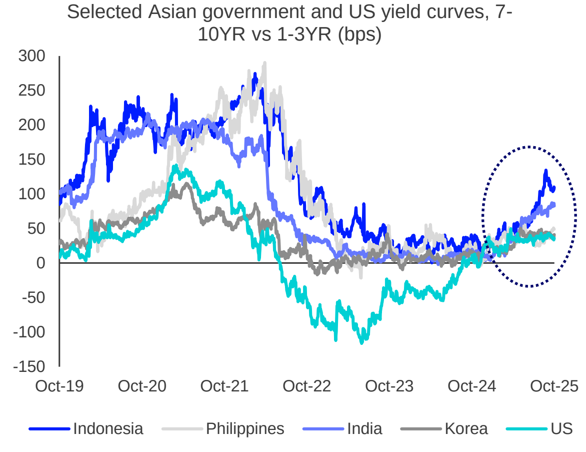


Chart 4: Japanese curves *bear* steepened YTD on high inflation expectations and lower demand for longer bonds, in contrast to Treasury curves *bull* steepening, driven by lower short yields.

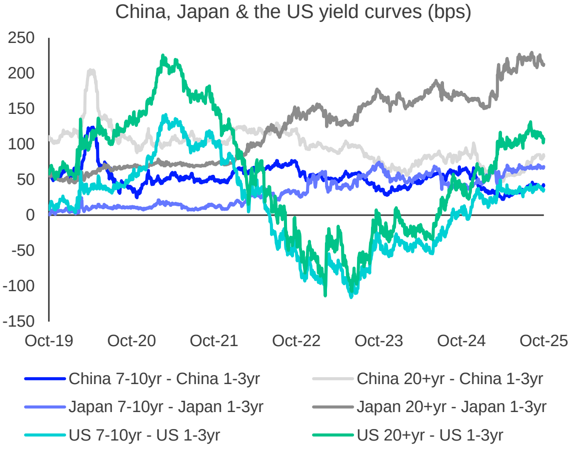


Chart 5: Chinese sovereign spreads have stayed negative (except vs Japan) since G7 rate hikes began. Relatively low inflation expectations have suppressed Chinese spreads too.

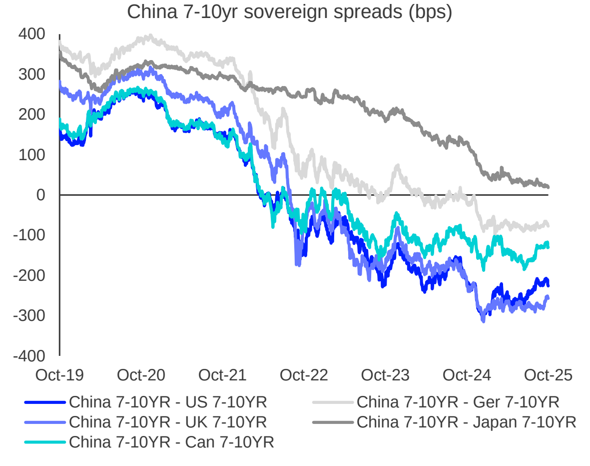
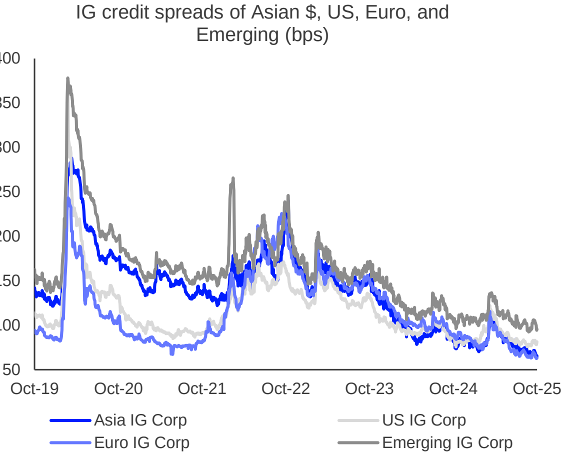


Chart 6: Asian $ IG credit spreads have tightened remarkably & become narrower than US IG spreads, benefitting from resilient economic growth and favorable macro conditions in the region.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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.

FX

The DXY index has fallen 8.0% YTD, while rising 2.1% in Oct.

Over 3M, **AUD** (+1.9%) outperformed other APAC currencies given higher inflation and hence a more hawkish RBA.

CNY appreciated 1.1% vs USD over 3M. Progress in trade talks have improved market sentiment, while the PBOC's USD/CNY fixing remained to be set with a stronger CNY bias. Foreign outflows from bonds have stabilized since July. In traded-weighted basket terms, CNY has rebounded since July.

JPY weakened 2.4% vs USD over 3M amid a decoupling trend between US-JP rate differentials and USD/JPY. In addition, Japan CPI has fallen from its peak level in July. The BoJ's cautious stance and some uncertainties around domestic political developments weighed further on JPY. JPY fell sharply vs USD in October, down by 4.3%.

KRW retraced against the USD over 3M (-2.7%). Foreign inflows into both equities and bonds remained strong, but domestic investors' net buying of foreign equities resumed, offsetting some KRW inflows. Trade balance has narrowed despite resilient export growth. In Taiwan, foreign equity flows have turned negative since the first week of October. **TWD** fell 0.9% vs USD in October and 3% over 3M (Page 1, Chart 2).

Chart 1: ASEAN currencies managed to avoid losses amid a continued recovery in USD: Malaysia growth outlook was solid. Indonesia and Thailand saw foreign equity inflows.

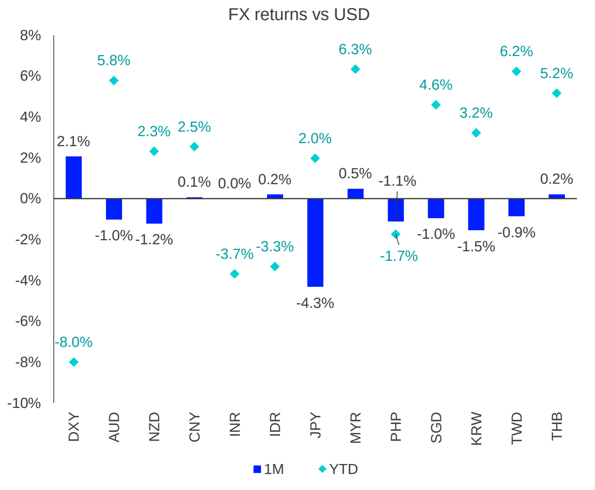


Chart 2: The USD weakened in H1 but stabilized in Q3. October saw a stronger USD.

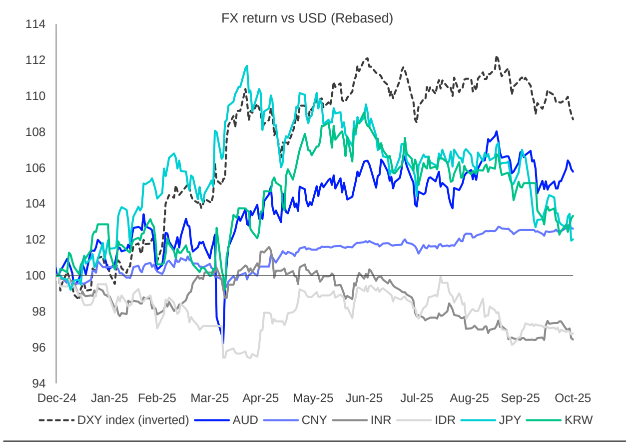


Chart 3: CNY, in trade-weighted terms, has rebounded from the July 2025 lows.

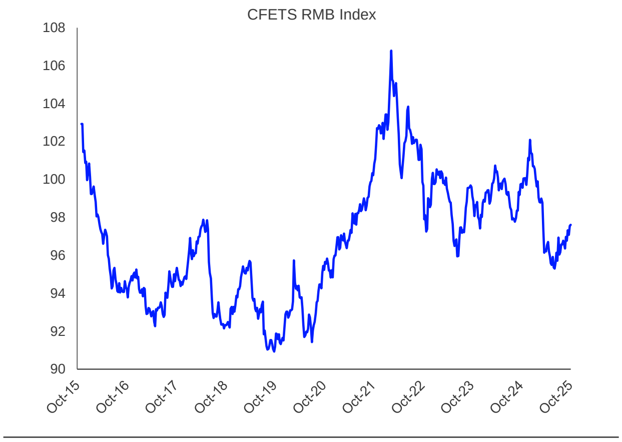


Chart 4: USD/JPY broke above 150 due to Japanese political developments and a cautious BoJ stance, despite narrower US-JP rate differentials.

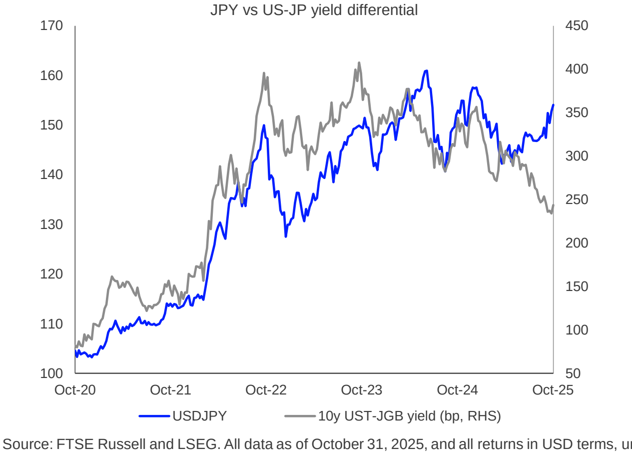
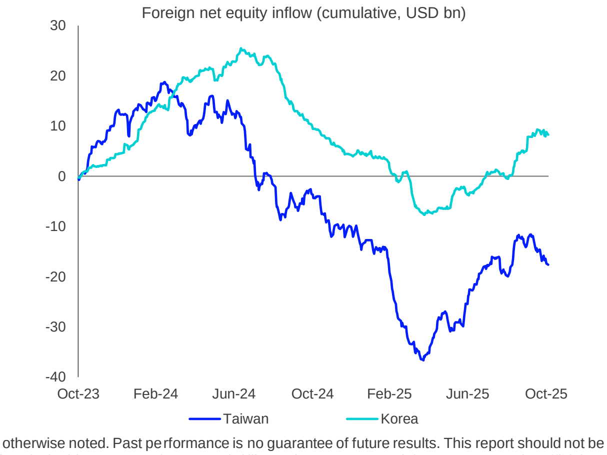


Chart 5: Taiwan foreign equity flows were volatile over the past few months, with foreigners turning net sellers since early Oct. Korea equity continued to see foreign net inflows.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

Japan

Corporate profits remaining high, business sentiment at a favorable level and resilient private consumption have contributed to a moderate recovery in Japan's economy, while industrial production continued to see a flat trend. **Revised Q2 GDP,** a q/q annualized real growth of 2.2%, drew support from exports and capex, leading to a consecutive five quarters of positive growth in GDP. On the price front, the **core-core CPI** (less fresh food & energy) - closely monitored by the BoJ - eased further to 3%, helped by softened rice inflation, which had contributed to the cost-of-living crisis in Japan. However, both headline and core CPI backed up in September, reflecting higher energy costs. Services CPI rose 1.4% y/y, much slower than goods price increases of 4.2%, implying a moderate passing-on of higher labor costs.

The BoJ has adopted a "wait-and-see" approach given the US data delay, holding policy rate steady at 0.5%, but signaling a likely rate hike as soon as December. The outlook for wages matters, as companies face pressure from higher US tariffs. The long-term landscape of policy normalization remains intact, as the BoJ had started selling its ETF holdings (tracking the Japanese equity index) in an effort to offload the assets it accumulated over years of ultra-loose policy.

JGB yields have increased over the recent 2 years, driven by both a higher short-term rate (interest rate hike by the BoJ), and increased term premium. Japan's life insurers started reducing exposures to longer JGBs since Q1 2025, given the rate-hike cycle, driving ultra-long yields higher and curve steepening. The anticipated policy stance by Japan's new PM Takaichi – accommodative monetary policy and expansionary fiscal policy – is expected to contribute to curve steepening.

FTSE Japan rose 12.6% over the last 3M, mainly driven by Technology (+27%) as AI chip demand continued to boost the Technology Hardware and Equipment sector. Tokyo Electron, for example, is a large semiconductor manufacturing equipment provider and plays a critical role in the global AI chip supply chain.

Chart 1: Exports and private non-residential investment led Q2 GDP growth of 0.5% q/q, while public demand lagged.

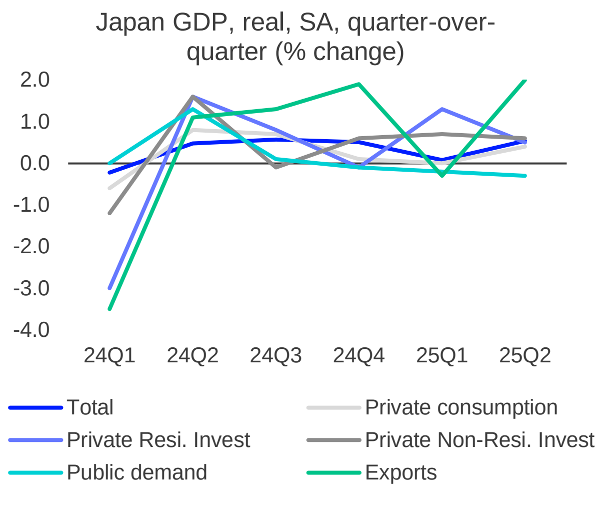


Chart 2: Core-core CPI continued to ease, as rice inflation slowed down, although energy costs pushed headline CPI higher.

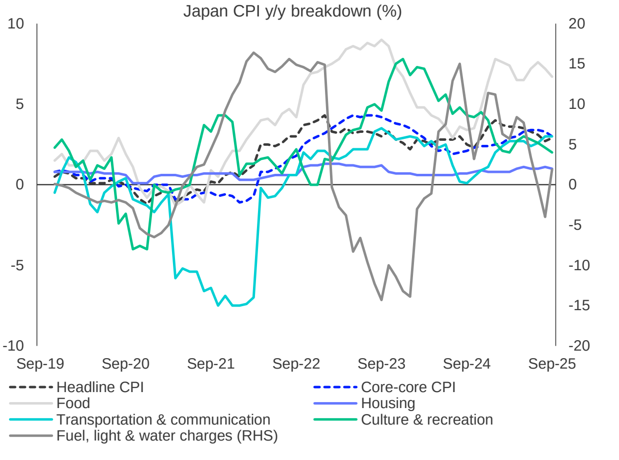


Chart 3: JGB yields have increased gradually and decidedly since 2024, led by longs. Yield curve bear steepened YTD.

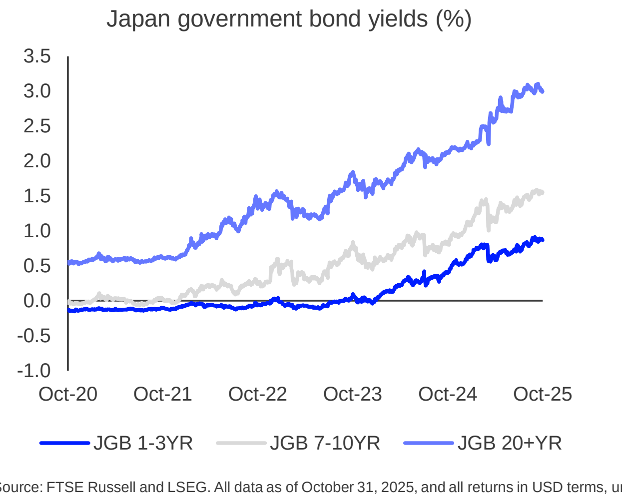
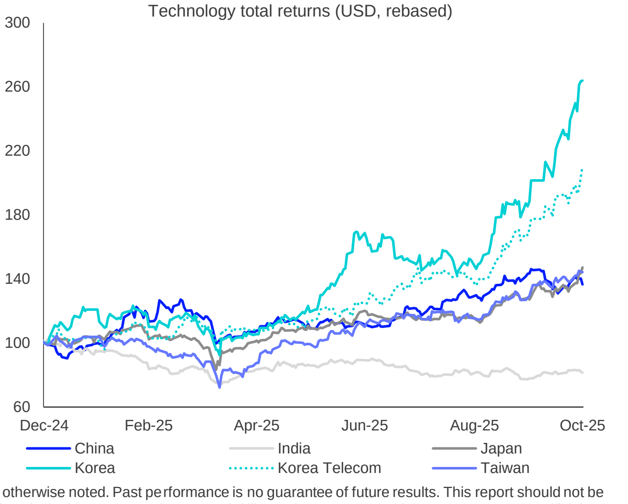


Chart 4:Japan, Korea and Taiwan Tech, as parts of the global AI supply chain, have benefited from ongoing AI chip demand.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

Australia

The RBA stayed on hold at 3.6% in November, after cutting the policy rate by a total of 75bp YTD, as global trade uncertainties and labor market conditions added downside risks to the growth outlook. Inflation rate had been on track to slow down to the lower bound of RBA's 2-3% target range through June; but inflation of housing and recreation and travel have led the headline CPI to rebound since July – up to 3.5% y/y in September. Housing loan growth continued to accelerate. Domestic labor market conditions have softened modestly YTD, although still tighter than the Covid-19 period. Both sticky inflation and a slightly-tight labor market led to market expectations of no further immediate rate cuts by the RBA.

Australian government bond yields surged remarkably in late October, as accelerated inflation raised market expectations of higher-for-longer inflation (Chart 3) and no more rate cuts by the RBA in the near term. 1-3-year bond yields rose by ~20bp over 3M, to 3.56% by end-October. 7-10-year bond yields returned to 4.1%, upon domestic inflation shocks and lingering external uncertainties, following a sharp fall in early October. The 10s/2s yield curve bear flattened over 3M.

FTSE Australia rose 3.2% over 3M, with Financials (+5.3%) and Basic Materials (+23.5%) being the main positive contributors. Banks have in general benefited from a recovery in bank loan growth. Moreover, the efforts to improve margin and productivity by banks such as ANZ and Westpac, have helped the performance of Financials. ANZ, which accounted for 4.7% of FTSE Australia, rose more than 20% over 3M, boosted by its aggressive 2030 strategy targets including initiatives to improve cost savings, capital management, etc. As shown in Chart 4, commodities such as copper and aluminum have risen over the past few months, benefiting Australian Basic Materials stocks. Copper prices, despite being volatile due to tariff uncertainties, trended up due to a narrower supply deficit. Iron ore have also recovered steadily on the back of tighter supply from China and easing US-China tensions.

Chart 1: Australian CPI has rebounded since July and rose above its 2-3% target at 3.5% y/y in September.

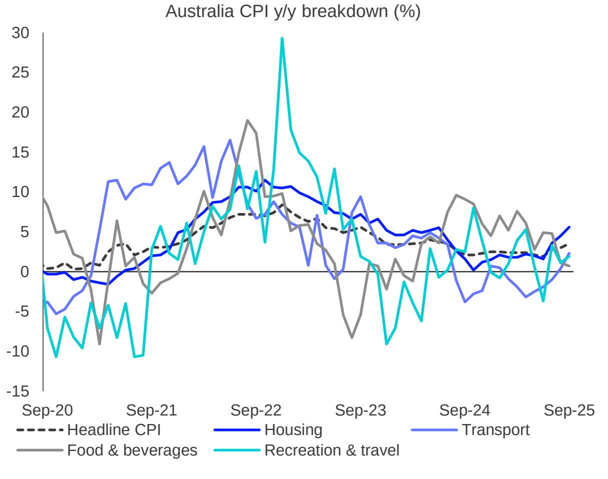


Chart 2: Australia's unemployment rate ticked up to 4.5% in Sept. vs 4.0% in Dec., showing no clear sign of stabilizing.

Chart 3: Australian inflation may stay higher for longer, as market expectations showed, decoupling from the rest of world.

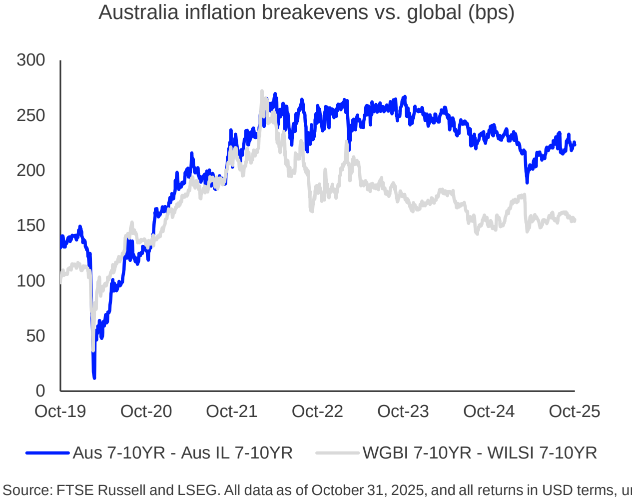
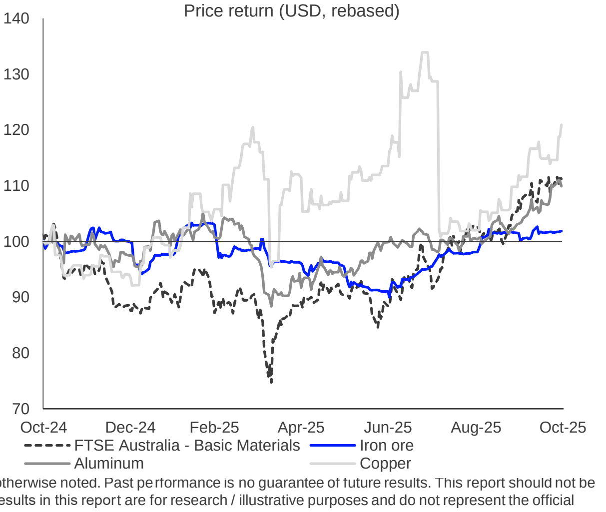


Chart 4: Basic Materials stocks benefited from price increases in major commodities, including aluminum, copper and iron ore.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

China

Industrial production has consistently supported China's GDP growth in 2025 (y/y growth of 4.8% in Q3), despite trending structural weakness in the property sector (real estate investment fell by 13.9% y/y through Sept.). China's export growth rebounded to 8.3%, helped by recovering global demand and a shift towards Southeast Asia, Africa, and Latin America to offset US export declines. Deflationary risk persisted, as CPI fell 0.3% in September, primarily dragged by food & transportation. Manufacturing activity contracted more than expected in October (PMI=49), led by a sharp contraction in new export orders (45.9) due to trade tensions. Prior to the October slump, manufacturing had shown signs of recovery (PMI=49.8 in Sept.).

China's credit growth, measured by total social financing (TSF), has stabilized above 8%, helped by government bond issuance. YoY growth in RMB loans to non-financial corporates and individuals (accounting for 61% of TSF) dipped further to 6.4%, indicating lower financing demand in the private sector, which may lead to weaker economic activity. This is despite borrowing interest rate staying at relatively low levels. Longer Chinese government bond yields have rebounded to near 2.2% since July, driving the 20s/2s curve to bear-steepen, an emerging sign of higher longer-term inflationary expectations, while short yields traded around multi-year low levels. But whether it points to fundamental improvements remains uncertain.

FTSE China rose 11.0% over 3M, with Technology (+14%) and Consumer Discretionary (+20%) being the most positive contributors. Software and Computer Services stocks, e.g. Baidu and Tencent, and Retailers, e.g. Alibaba, continued to rally on the back of positive developments in Chinese AI businesses, including AI model update and AI cloud businesses. More importantly, China's five-year plans continue to aim for becoming a global leader in science and technology by 2035 and emphasize the pledge for tech self-reliance, especially in high-tech spaces. Semiconductors would be one key area, with a lot of focus on high-end chips, on which the US has imposed restrictions to export to China.

Chart 1: YoY growth of RMB loans to non-financial companies and individuals, i.e. the real economy, fell further to 6.4%.

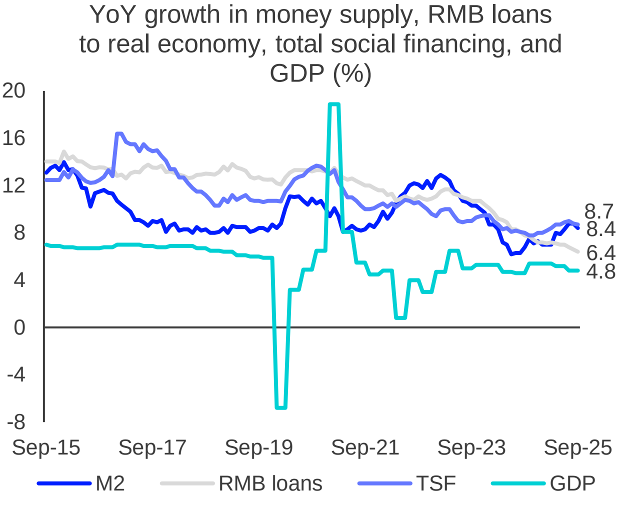


Chart 2: China's growth in Industrial and Retails sectors show some resilience, but the property sector remained depressed.

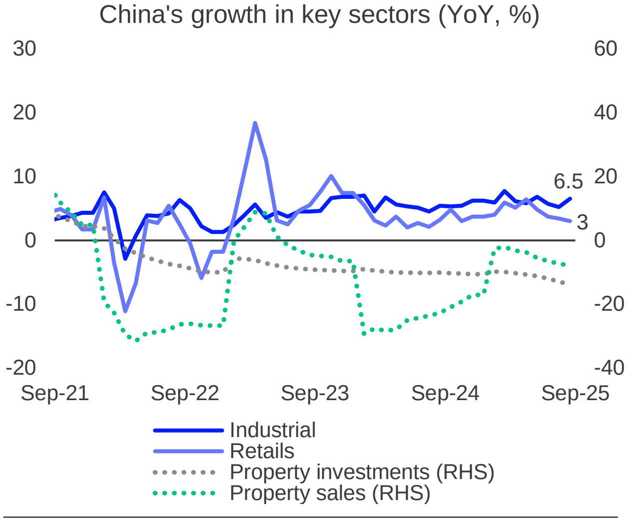


Chart 3: Longer Chinese yields have backed up since July, despite deflation persisting, as investors shifted to equities.

Chart 4: Investors' optimism on Chinese AI businesses and the pledge of self-reliance for semis have driven the Tech rally.

Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

India

Since the front-loaded 50bp rate cut in June, the RBI has kept the policy rate unchanged as it awaits policy effects to pass through. India's September CPI fell further to 1.5% y/y, mainly dragged by food and fuel inflation. A lower inflation has kept the real policy rate at ~4%, one of the highest among APAC economies, suggesting that the RBI still has ample policy room to offset downside growth risks. Market consensus has penciled in a 25bp rate cute by the RBI in December.

1-3yr Indian bond yield had fallen sharply by end-June, helped by the central bank's accumulated rate cuts of 100 bps. But the trend has lost momentum recently, with the RBI standing pat. In the longer end, both 7-10yr and 20+yr bond yields first dipped lower through June alongside the short end, then increased between June and early September. The Goods and Services Tax (GST) reform, effective September 22, may have since kept the longer yields buoyant, as markets anticipate lower tax revenue and more government borrowing by issuing bonds under the renewed GST structure. Meanwhile, the credit rating upgrade of Indian sovereign bonds by S&P in August (to BBB from BBB-) confirmed the stronger macro fundamentals of India, adding downside risks to long-term bond yields with investor confidence boosted and more foreign inflows attracted.

External headwinds, including tariff uncertainties and the US's new H-1B visa policies, have weighed on market sentiment, leading to three consecutive months of foreign equity outflows (Chart 3). Hence, India equity has lagged other APAC markets over the past few months. **FTSE India** advanced 2.8% (vs APAC: 11.8%) over 3M. However, the sentiment improved in October due to consumption tax cuts and optimism on US-India trade talk progress. Consumption tax cuts have driven outperformance of the **Consumer Discretionary** (+8.4%) industry, especially the Automobiles and Parts sector (9%). **Financials** (+1.7%) was also a major positive contributor. Financial stocks rallied as markets expected credit growth to recover further on the back of more easing measures. Additionally, the lift of foreign direct investment limits on state-run banks is also considered positive to India's capital market accessibility and openness.

Chart 1: As inflation dipped below 2%, market expectations on further RBI rate cuts rose.

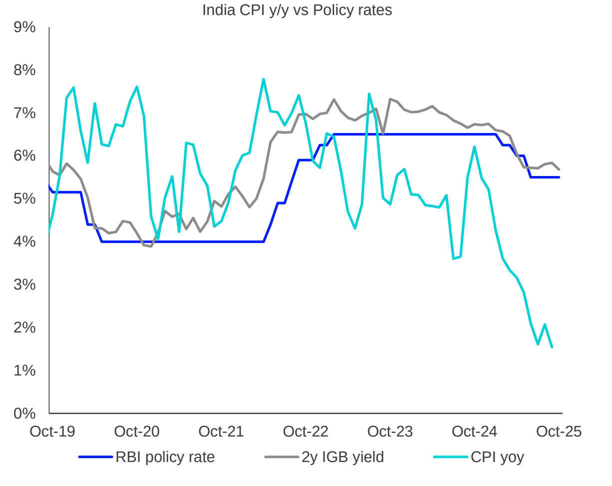


Chart 2: YTD, Indian curve steepened more than the Treasury curve, driven by both lower short yields and higher long yields.

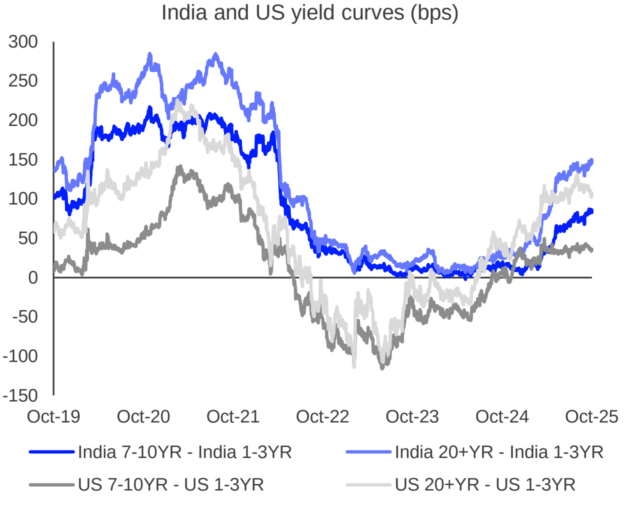


Chart 3: As US-India tensions resurged and lingered, foreign equity flows saw three months of consecutive outflows.

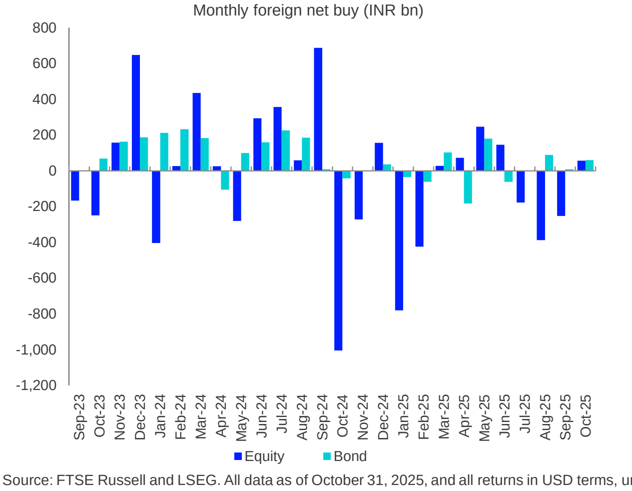
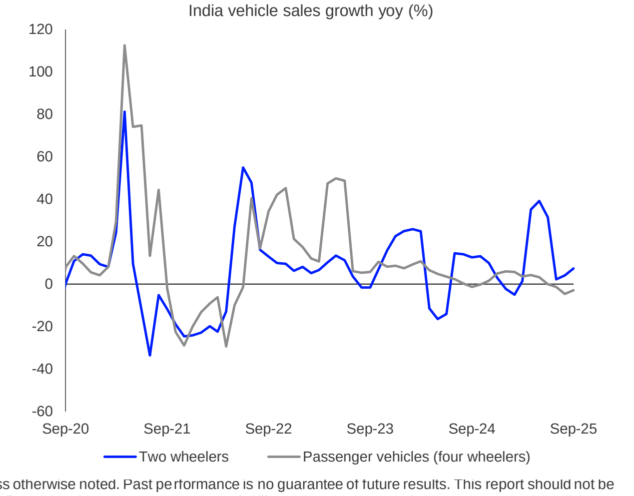


Chart 4: India's vehicle sales growth has begun to recover since August, leading to a recovery in auto stocks too.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

Korea and Taiwan

In Korea, Q3 GDP growth came in stronger than the market expectation at 1.7% y/y (vs consensus: 1.5%, Q2: 0.6%), with net exports and private consumption coming in strong. Exports continued to grow strongly driven by autos and semis, although PC and smartphone exports continued to slow. On private consumption, both goods consumption, e.g. autos, and service consumption, e.g. restaurants and healthcare, recovered. Recovery in private consumption and export resilience have given the Bank of Korea policy room to keep interest rates on hold at the latest meeting and shifted more focus to domestic housing prices and debt issues. The Korean government bond yield curve bear flattened as a result, along with a higher issuance due to fiscal expansion. 7-10yr yields rose above 3% to 3.06% as of end-October.

In equity markets, **FTSE Korea** rose 30.8% over the past 3M, the best-performing market in APAC, driven by Tech (+71%) and Telecom (+46%). Ongoing AI investment and demand for semi chips continued to boost Korea's major Tech stocks – Samsung Electronics (weight: 29.4% of FTSE Korea) and SK Hynix (weight: 15.6%). Both firms posted better earnings results. SK Hynix's forward guidance also provided a positive outlook as orders were fully booked for 2026. In addition, Nvidia announced strategic partnerships with Samsung Electronics and SK Hynix to build AI factories, suggesting more demand and capex invested in AI chips. Together with Korea equity, **FTSE Taiwan** extended the stock market rally and rose 19.9% over 3M. Taiwan Tech stocks rose 23.3%, also lifted by ongoing strong AI demand.

However, as Chart 2 and Chart 3 show, Korea and Taiwan equities have become expensive. At the start of the year, FTSE Korea was still trading at a cheap level (<-1SD). As the market soared 89% YTD, its forward P/E rose above the +1SD level. FTSE Taiwan is now trading at the highest level in 10 years. The expensive valuation has raised investors' concern and fears of a market bubble. High valuation could lead to high market volatility, as seen in 2H24 and Apr-25. That said, Chart 4 shows that fundamentally speaking, Korea and Taiwan Tech stocks are still supported by a positive earnings outlook.

Chart 1: Korea GDP came in stronger than market expectations, led by exports and consumption.

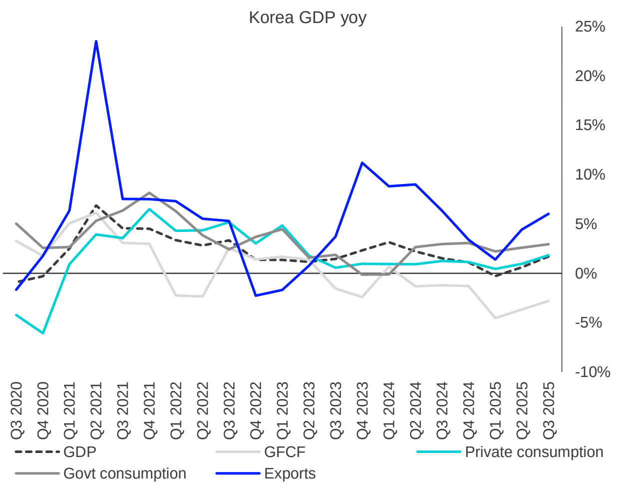


Chart 2: Korea equity's P/E was trading at 1 standard deviation below its 10y average in 2024 before rising in 2025.

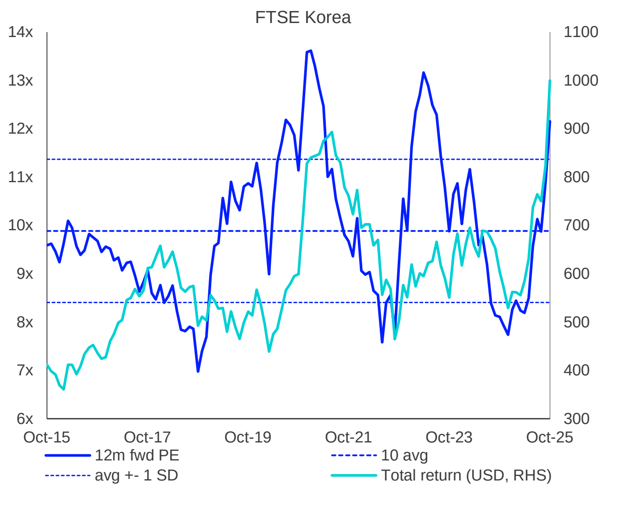


Chart 3: The valuation of Taiwan equity has rebounded back to historically high levels.

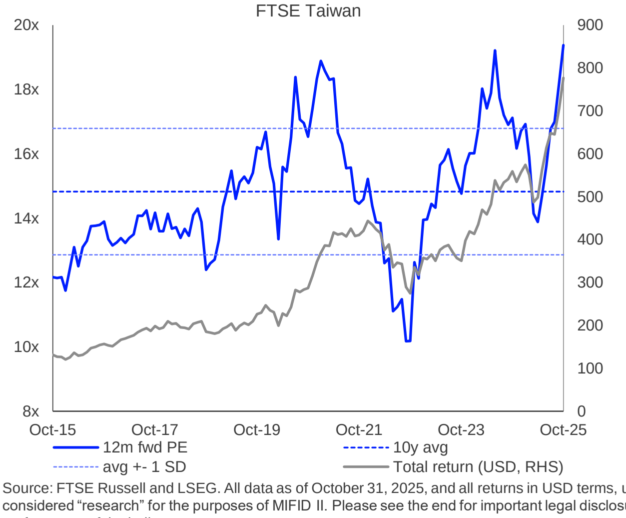
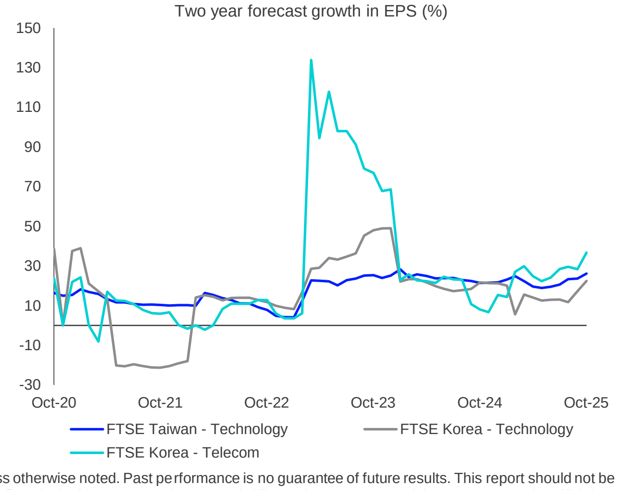


Chart 4: Meanwhile, the EPS growth forecast has been revised upward for both Korea and Taiwan equities.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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.

ASEAN

Southeast Asian **economic growth** is expected to continue outpacing global peers in 2026, although dampened by weak global demand and heightened trade uncertainties. ASEAN **exports**, the component of growth most sensitive to tariffs, have managed to avoid a sharp decline YTD, thanks to the front-loading expecting US tariffs; but trade risks remain relatively high and stand as the major threat to growth across the region, after easing from April's peak. Vietnam's growth, ranking the highest within ASEAN in 2025, is projected to slow down faster, partly due to its larger trade exposure to US tariffs than peers. **Inflations** have broadly eased and stabilized within the common target range of 2-4% (Chart 2), as food and energy prices softened (alongside lower oil prices), although the Indonesian CPI edged higher in the recent two months, pulled up by gold price. **Fiscal support and looser monetary policy** (underpinned by eased inflations) have been put in place to sustain growth, with central banks of Philippines (-175bps) and Indonesia (-150bps) leading the policy rate cuts since H2 2024, cushioning against trade headwinds. Bank Negara Malaysia has only lowered its policy rate by 25 bps, and remains cautious about further easing, on the back of resilient growth (5.2% y/y in Q3, driven by domestic sectors) and subdued inflation.

FTSE ASEAN Index rose 6.2% over 3M with Financials and Thailand's Technology industry, part of the global AI supply chain, being the main positive contributors. Another major development in ASEAN equities is [FTSE Russell's announcement on October 7, 2025, that Vietnam will be upgraded from Frontier Market to Emerging Market status], effective September 21, 2026, subject to an interim review in March 2026. Over the past decade, Vietnam has attracted strong foreign direct investment as it strengthens its role in the global supply chain and benefits from accelerated relocation from China amid US-China tensions since 2018. **FTSE Vietnam 30 Index**, a flagship Vietnam equity index, has outperformed not only frontier markets but also emerging market equities over the past 10 years (Chart 4), reflecting the economy's resilient outlook as a global rising manufacturing hub and the expansion of its capital markets.

Chart 1: GDP growth in ASEAN economies (marked with *) are projected to generally outpace global peers, led by Vietnam.

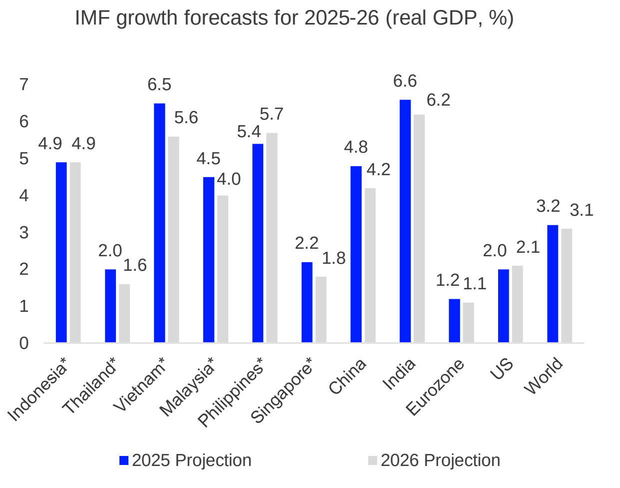


Chart 2: ASEAN inflations have broadly stayed within the target range of 2-4%, although Indonesian CPI ticked up due to gold price.

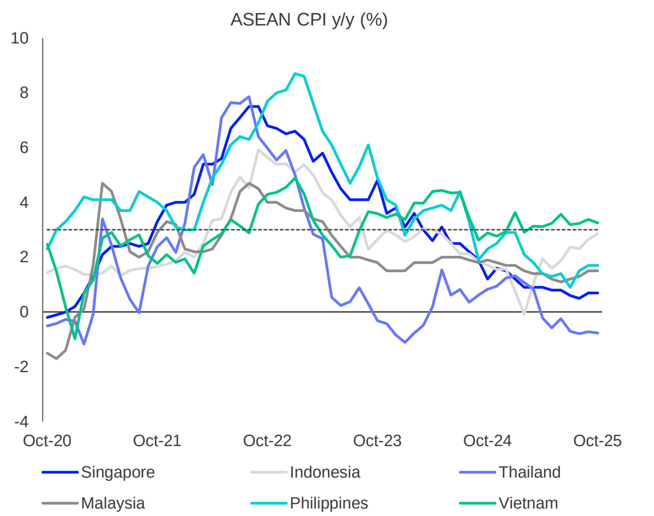


Chart 3: Vietnam has been one of the ASEAN countries attracting the most FDI flows.

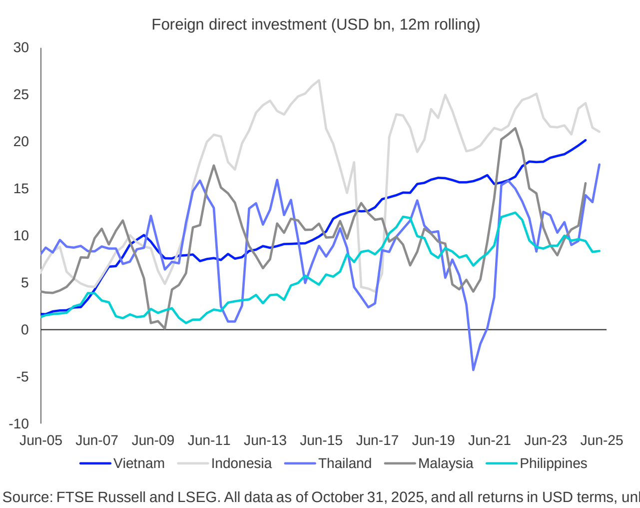
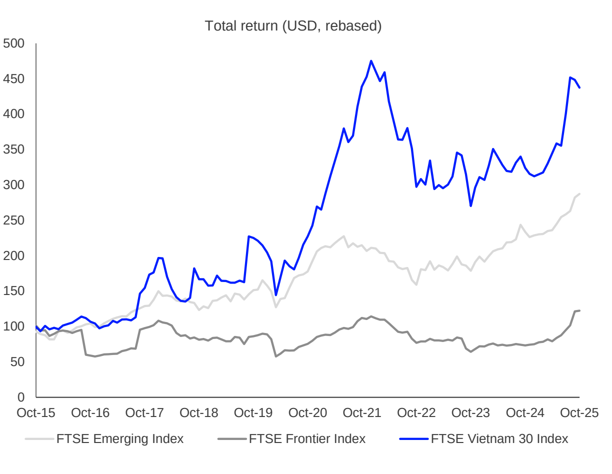


Chart 4: Vietnam equity has been an outperformer compared to its frontier peers over the past decade.



Source: FTSE Russell and LSEG. All data as of October 31, 2025, and all returns 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 Research Highlight – Past 6 Months

APAC equities: The sensitivity to oil prices (July 29) Oil prices have long been one critical driver for macro and equity performance. Amid a volatile oil prices backdrop, we think it is crucial for investors to understand the correlation between oil prices and APAC equity markets. Among APAC equity markets, Australia has a higher beta to oil prices while India, Indonesia and Thailand have lower betas. Over the past three years, beta has dropped across most APAC markets. The fading correlation can be largely attributed to the explosive AI-led equity rally, which doesn't necessarily have a strong correlation with strong economic growth and demand. Geopolitical and domestic political developments play an important role too. China is the only market that saw an increase in the beta to oil prices over the last three years. Breaking beta down by industry, industries with the highest positive betas to oil prices are predominantly in the Energy and Basic Materials industries. Consumer Staples, Consumer Discretionary and Utilities typically exhibit negative betas to oil prices. However, Australia Utilities stands out with consistently positive betas. Author: Belle Chang

Taiwan equity – Are fundamentals supporting? (Jun 19) Taiwan equity's strong performance in 2023 and 2024 was underpinned by structural AI-driven demand, particularly in the Technology industry. While valuation concerns and external shocks — such as US tariff hikes — triggered a temporary sharp correction in 2025, the subsequent rebound and normalization in valuations have restored a more balanced risk-reward profile. Importantly, key fundamental indicators such as ROE and EPS growth forecasts, particularly within Tech, continue to reflect resilience and long-term growth potential. With AI demand proving to be structural and capex trends among global tech leaders remaining robust, Taiwan equities appear more attractively valued than they were a little over a year ago, despite near-term macro uncertainties. Author: Belle Chang

A resilient Indian fixed income market (Jun 10) India's government bond market continues to evolve, supported by a favorable macroeconomic backdrop, lower inflation, long average life and a more accommodative monetary policy stance. While recent geopolitical tensions and global uncertainties have driven a temporary pullback in foreign inflows, the structural drivers, such as strong domestic demand, fiscal consolidation, and global bond index inclusions, remain intact. IGBs offer attractive yields versus regional peers and the RBI is expected to proceed cautiously with rate cuts, awaiting further progress in lowering inflation. As India establishes its position in global fixed income indices, the deepening of its bond market marks a significant step forward in its capital market development. Authors: Indrani De, Robin Marshall, Belle Chang.

Indian Financial Markets – an Inflection point in their global role? (Apr 7) In recent years, Indian financial markets have grown sharply and attracted strong foreign portfolio inflows into both equity and fixed income markets, helped by strong economic growth and relatively stable inflation. This has driven strong performance in both asset classes, relative to EM peers and G7 markets. Indian government bonds join FTSE govt bond indices from September 2025, which may boost global investor interest further. Relatively low FDI inflows mean India is less exposed to ongoing global policy and geo-political uncertainty, compared to China, and India also has more favourable demographics. Authors: Indrani De, Robin Marshall, Belle Chang.

Why sustainable equity investors should pay close attention to Singapore (Mar 12) From electric vehicles to energy-efficient data centres, the green economy is a growing global market in which many countries are trying to become leaders. With Asia playing a key role in the global green economy and Singapore acting as the region's technology innovation and capital markets hub, the city state's equity market merits close attention from sustainable equity investors. Singapore's green revenue share in the STI reached 10.9% by end-2024, surpassing global averages and leading in sectors like energy and real estate. The Singapore Green Plan 2030 and sustainability disclosures make the city a competitive hub for green investment across real estate, technology, and renewables. Transparency in sustainability data is increasing, with new disclosure rules coming in 2025 to enhance the green economy landscape for investors. Author: Lee Clements

What drove the February China equity rally? (Mar 10) China's outperformance of 11% in February was encouraging for investors. Optimism around Chinese AI advancements and positive earnings prospects for consumer tech products and EVs were the main drivers, despite broader macroeconomic challenges. By industry, Consumer Discretionary, Technology, and Telecommunications led the gains, with notable contributions from individual names like Alibaba, Tencent, and Xiaomi. The release of DeepSeek's AI models and their integration into these firms have boosted market confidence, highlighting the potential for future growth in these private sectors. Author: Belle Chang.

Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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 – Equity (1)

Chart 1: Total Return – Past 3M vs YTD (USD)

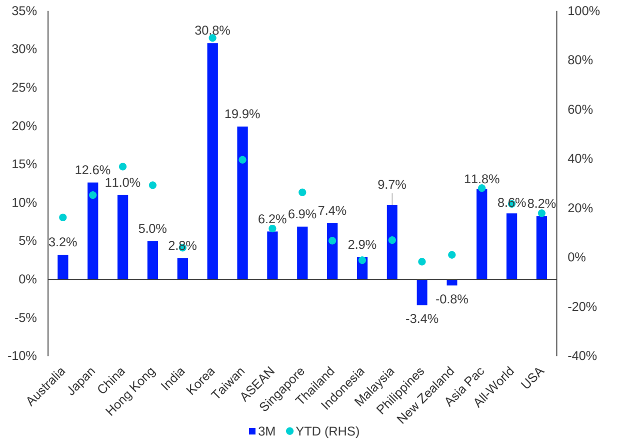


Chart 2: Total Return (3M) – Local currency vs FX return

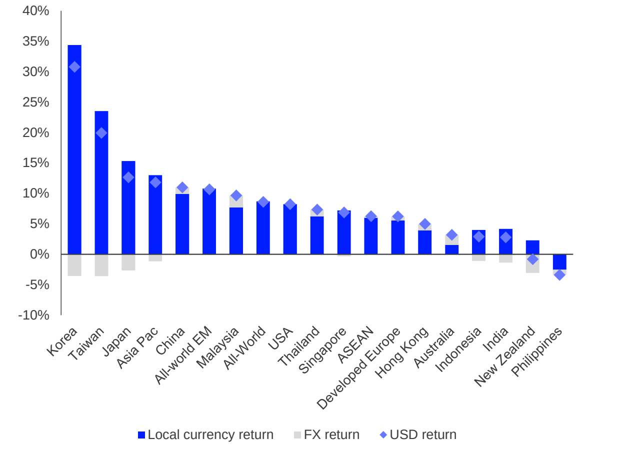


Chart 3: 3y annualized Volatility vs annualized return

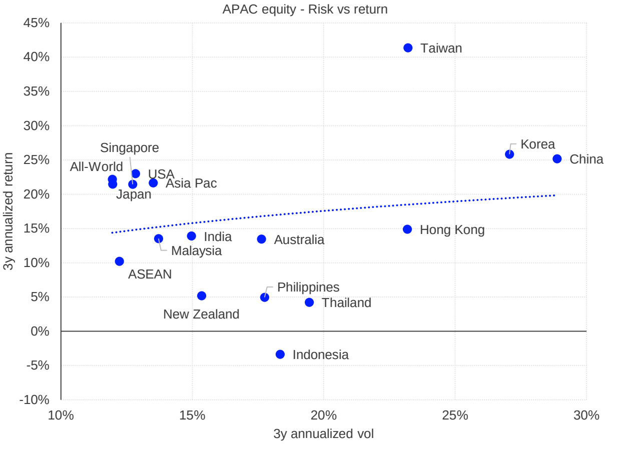


Chart 4: 2y EPS growth forecast

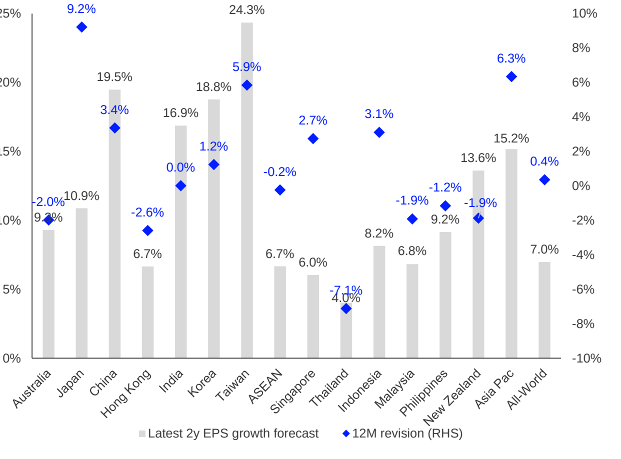
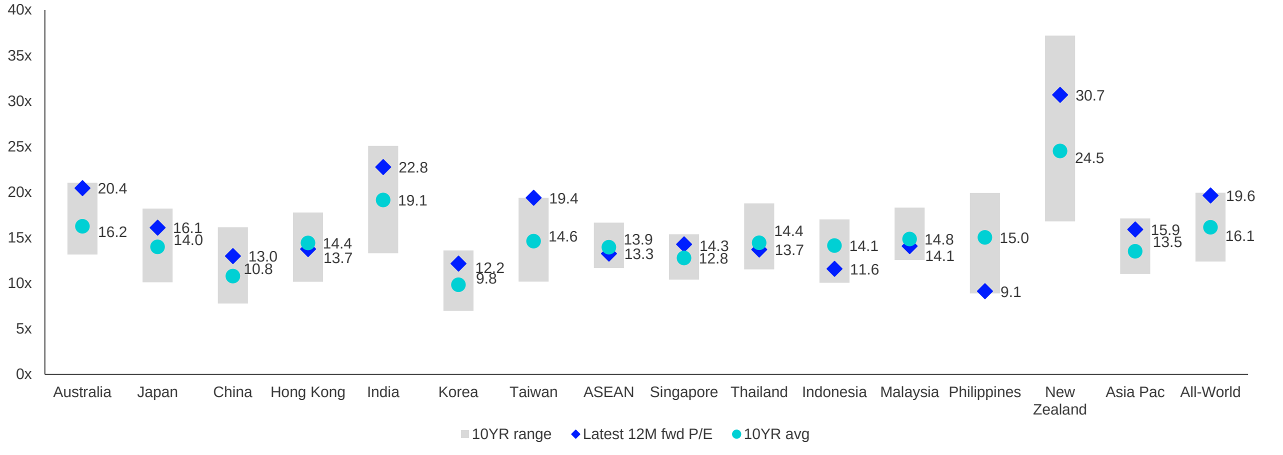


Chart 5: 12M Forward P/E vs 10YR Range



Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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 – Equity (2)

Chart 1: 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	-17.5	27.1	14.0	12.3	0.1	70.5	23.3	17.6	50.2	-8.7			
Telecom	1.9	47.8	-6.2	3.9	5.8	46.4	7.3	8.9	9.0	6.2	3.0	-15.4	3.4
Health Care	-25.4	3.1	-3.0	-16.7	-2.8	3.3	-1.2		-5.8	-11.8	19.3		-8.3
Financials	5.3	5.8	1.4	5.8	1.7	6.5	1.5	7.3	13.8	3.7	10.8	-7.3	
Real Estate	2.3	8.6	-1.4	1.0	3.5		-3.4	7.7	4.6	22.7	17.3	-13.9	
Consumer Discretionary	-0.5	10.4	19.9	8.4	6.3	10.1	-7.4	4.5	-4.6	27.4	17.0	-5.4	1.6
Consumer Staples	0.2	5.2	1.7	0.1	-1.5	-5.3	-5.1	4.7	-1.3	-5.3	14.6	-11.5	
Industrials	3.2	11.3	12.4	5.8	3.2	19.5	31.5	-2.3	0.2	5.0	0.0	16.8	3.8
Basic Materials	23.5	9.6	42.2	81.7	7.4	17.2	8.6		-3.1	5.4	12.4		
Energy	-2.5	22.7	13.8	-12.3	5.6	21.0	-0.9		-3.9	-14.3	11.1	4.7	
Utilities	4.2	16.9	7.4	0.0	4.6	6.1		8.6	0.5	5.6	5.4	3.9	3.9

Chart 2: Total Return Contribution – Past 3M by Market and Industry (%, USD)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand
Technology	-0.7%	3.0%	3.7%	0.4%	0.0%	11.6%	18.0%	0.2%	4.9%	-0.3%			
Telecom	0.0%	2.0%	-0.3%	0.0%	0.2%	12.4%	0.2%	0.7%	0.9%	0.6%	0.2%	-1.3%	0.2%
Health Care	-2.2%	0.2%	-0.2%	-0.1%	-0.2%	0.2%	0.0%		-0.4%	-0.2%	0.9%		-3.0%
Financials	2.0%	0.9%	0.3%	2.5%	0.5%	0.9%	0.2%	4.1%	2.7%	1.6%	4.3%	-2.0%	-0.2%
Real Estate	0.2%	0.3%	0.0%	0.2%	0.0%		0.0%	1.2%	0.2%	0.0%	0.3%	-3.1%	
Consumer Discretionary	0.0%	2.2%	4.7%	0.7%	0.7%	1.0%	-0.1%	0.2%	-0.2%	1.7%	0.7%	-0.4%	0.0%
Consumer Staples	0.0%	0.3%	0.1%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	-0.1%	-0.5%	1.3%	-0.7%	
Industrials	0.2%	3.0%	0.8%	0.8%	0.4%	3.9%	1.7%	-0.1%	0.0%	0.1%	0.0%	3.5%	0.9%
Basic Materials	3.7%	0.4%	1.4%	0.4%	0.4%	0.5%	0.1%		-0.1%	0.8%	0.8%		
Energy	-0.1%	0.2%	0.4%	0.0%	0.5%	0.4%	0.0%		-0.6%	-0.8%	0.3%	0.1%	
Utilities	0.1%	0.2%	0.2%	0.0%	0.2%	0.0%		0.4%	0.0%	0.0%	0.9%	0.3%	1.2%
Market Total	3.2%	12.6%	11.0%	5.0%	2.8%	30.8%	19.9%	6.9%	7.3%	3.0%	9.7%	-3.5%	-0.8%

Note: Numbers may not add up due to rounding or constituent changes, such as stock deletion or inclusion.

Chart 3: Weights by Industry (% of Market Total)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand	Asia Pac
Technology	3.0%	12.2%	27.3%	4.0%	10.2%	21.6%	79.2%	1.0%	13.9%	2.4%				22.8%
Telecom	0.9%	5.5%	4.3%	0.9%	4.4%	29.6%	2.1%	8.6%	10.7%	9.5%	7.1%	7.2%	4.9%	6.3%
Health Care	6.3%	5.8%	5.2%	0.3%	6.1%	4.6%	0.5%		6.8%	1.2%	4.8%		33.7%	4.8%
Financials	38.9%	14.1%	16.7%	43.4%	27.8%	11.3%	8.8%	56.2%	20.9%	48.5%	39.4%	25.5%	12.9%	19.6%
Real Estate	7.0%	3.1%	1.6%	15.6%	1.4%		0.1%	16.2%	3.9%	0.2%	2.1%	19.9%		2.9%
Consumer Discretionary	7.3%	21.0%	25.7%	9.2%	11.9%	8.2%	1.3%	4.6%	4.8%	7.4%	4.3%	6.3%	1.1%	15.0%
Consumer Staples	4.3%	5.2%	3.5%	3.5%	5.9%	1.6%	0.8%	2.5%	8.6%	8.0%	9.5%	5.1%		4.0%
Industrials	7.2%	26.6%	6.3%	14.3%	12.2%	18.1%	6.0%	5.7%	8.3%	1.3%	7.9%	25.0%	24.8%	14.8%
Basic Materials	18.8%	4.2%	4.2%	0.8%	6.1%	2.8%	1.2%		2.0%	13.5%	6.8%			5.1%
Energy	4.7%	0.8%	3.2%	0.2%	9.9%	1.6%	0.1%		14.1%	7.1%	2.6%	2.7%		3%
Utilities	1.5%	1.4%	2.0%	7.9%	4.0%	0.6%		5.1%	6.0%	0.8%	15.5%	8.4%	22.6%	2.1%

Chart 4: Past 3M EPS Growth (%) Revision – Top/Bottom 20

Top 20 Bottom 20

	Australia	China	Hong Kong	Indonesia	India	Japan	Korea	Malaysia	New Zealand	Philippines	Singapore	Thailand	Taiwan
Technology	-4.31	1.02	2.64	-38.04	-0.14	1.18	9.31				-1.19	4.24	5.50
Telecommunications	-11.18	7.47	8.74	12.75	8.97	3.65	8.22	0.97	2.63	-1.48	4.57	-1.53	3.98
Health Care	-3.22	-0.58	-26.30	0.36	0.27	-2.54	-3.07	-3.01	1.07			-0.93	34.45
Financials	2.25	-1.16	0.76	0.92	1.01	-1.91	0.54	0.54	11.79	-0.33	0.70	-2.15	-1.45
Real Estate	0.01	-1.86	-1.58	3.09	-1.73	-1.91		2.48		-2.69	-0.58	1.28	
Consumer Discretionary	-0.21	4.98	1.20	0.84	-0.31	2.20	4.22	-3.01	37.62	1.53	2.83	-0.31	1.46
Consumer Staples	-2.34	-0.41	-0.80	-0.38	0.84	1.47	5.58	1.74		0.01	1.48	-1.62	2.32
Industrials	1.71	1.14	0.97	1.16	-1.42	0.67	-0.98	-1.89	-0.35	-0.61	-1.97	-16.95	3.62
Basic Materials	-7.21	1.76	-0.26	-0.44	1.79	-1.17	4.38	-1.00				37.37	10.96
Energy	-0.37	1.91		1.27	-2.51	-11.33	-25.45	-1.66		-0.23		-0.64	8.28
Utilities	-1.49	0.30	-1.04	4.00	1.11	-1.29	1.30	1.56	-13.50	-3.99	1.93	-3.06	

Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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	1.52	4.28	4.85	3.64	4.01	3.69	4.21
	7-10YR	3.07	7.89	6.54	4.00	4.26	4.06	4.26
	20+YR	5.07	6.65	2.06	4.71	4.95	4.77	4.57
	All	2.55	5.99	5.19	3.91	4.20	3.94	4.27
APGBI	1-3YR	1.17	4.46	2.26	1.74	1.77	1.86	2.05
	7-10YR	1.28	5.74	5.18	2.72	2.55	2.58	3.00
	20+YR	-2.79	3.22	3.98	2.93	2.55	2.40	2.85
	All	0.69	5.07	3.85	2.43	2.31	2.32	2.63
Japan	1-3YR	-2.23	2.24	-1.06	0.87	0.76	0.64	0.39
	7-10YR	-2.84	-0.89	-5.08	1.55	1.42	1.17	0.80
	20+YR	-2.74	-12.66	-15.98	3.00	2.93	2.56	2.12
	All	-2.55	-3.65	-7.43	1.84	1.76	1.53	1.18
China	1-3YR	1.57	3.47	1.84	1.32	1.37	1.43	1.49
	7-10YR	1.45	3.63	4.97	1.74	1.72	1.66	2.12
	20+YR	-1.03	1.52	6.08	2.15	2.00	1.91	2.37
	All	1.33	3.39	3.42	1.56	1.57	1.56	1.82
Australia	1-3YR	2.17	9.37	4.34	3.56	3.36	3.34	4.06
	7-10YR	2.49	11.27	6.79	4.15	4.12	4.00	4.42
	20+YR	3.25	9.09	5.57	4.92	4.94	4.79	4.97
	All	2.40	10.53	6.01	4.02	3.91	3.82	4.32
India	1-3YR	0.02	2.99	2.18	5.81	5.75	6.00	6.69
	7-10YR	-0.90	3.11	2.54	6.64	6.43	6.35	6.85
	20+YR	-1.83	-0.63	-1.76	7.27	7.08	6.78	6.99
	All	-0.98	2.08	1.25	6.67	6.49	6.40	6.85
Indonesia	1-3YR	1.75	5.48	3.08	4.98	5.80	6.45	6.53
	7-10YR	3.85	9.22	6.16	6.07	6.57	6.86	6.85
	20+YR	3.56	7.49	4.19	6.77	7.01	7.14	7.03
	All	3.61	8.45	5.59	5.90	6.45	6.81	6.81
Korea	1-3YR	-2.42	5.80	0.04	2.64	2.42	2.34	2.98
	7-10YR	-3.58	5.61	0.29	3.06	2.82	2.58	3.13
	20+YR	-7.25	1.88	-1.46	3.01	2.73	2.43	2.97
	All	-4.80	4.01	-0.54	2.92	2.67	2.45	3.03
Malaysia	1-3YR	2.53	10.51	8.96	3.06	3.02	3.17	3.48
	7-10YR	1.83	12.29	11.70	3.54	3.41	3.63	3.96
	20+YR	1.27	12.76	12.41	4.01	3.91	4.03	4.22
	All	1.93	12.04	11.04	3.52	3.42	3.59	3.87
Singapore	1-3YR	0.60	9.04	6.05	1.40	1.71	2.13	2.70
	7-10YR	1.40	15.08	11.45	1.89	2.05	2.43	2.82
	20+YR	4.26	24.96	20.04	2.03	2.23	2.63	2.76
	All	1.98	15.49	11.81	1.75	1.98	2.34	2.75
New Zealand	1-3YR	-0.96	7.20	1.98	2.75	3.38	3.25	3.81
	7-10YR	1.34	9.64	4.47	3.95	4.42	4.26	4.41
	20+YR	2.57	9.42	2.28	4.94	5.22	5.15	5.01
	All	0.77	8.88	3.63	3.63	4.14	4.05	4.28
Thailand	1-3YR	1.42	8.35	7.80	1.29	1.31	1.56	2.12
	7-10YR	0.07	11.70	12.17	1.67	1.49	1.85	2.37
	20+YR	-2.27	16.64	20.90	2.30	2.06	2.51	3.04
	All	0.42	10.90	11.35	1.58	1.48	1.79	2.34
Philippines	1-3YR	1.23	4.42	5.11	5.41	5.75	5.77	5.66
	7-10YR	2.21	5.41	4.93	5.90	6.15	6.18	5.87
	20+YR	1.81	1.77	1.77	6.51	6.60	6.45	NA
	All	1.91	4.75	4.77	5.81	6.07	6.06	5.84

Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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.

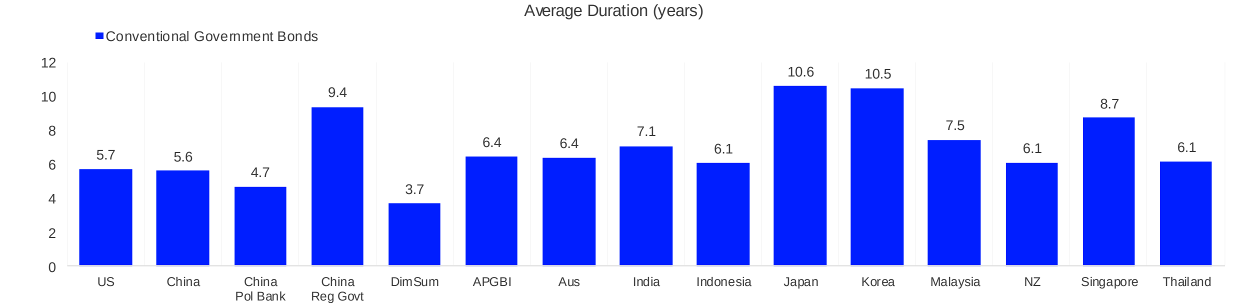
Appendix – Duration and market value (USD, Bn)

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.6	7.0	16.0	5.7	3,077.1	1,347.5	1,583.1	13,980.2
China	3.7	7.8	18.0	5.6	824.1	600.1	358.9	3,445.4
China Pol Bank				4.7				3,134.8
China Reg Govt				9.4				3,541.6
DimSum				3.7				19.6
APGBI	3.7	7.4	17.9	6.4	1,191.7	988.2	755.0	5,646.3
Aus	3.5	7.1	15.8	6.4	65.1	107.7	20.9	369.7
India	3.4	6.3	12.1	7.1	174.1	243.8	327.3	1,260.6
Indonesia	3.5	6.3	12.0	6.1	47.2	56.6	16.5	259.2
Japan	3.9	8.2	21.8	10.6	386.0	508.9	538.4	3,017.7
Korea	3.8	7.2	19.2	10.5	85.5	81.2	260.5	713.1
Malaysia	3.7	7.1	15.1	7.5	19.4	23.0	22.5	153.9
NZ	3.7	7.0	15.5	6.1	18.4	22.5	5.4	88.5
Singapore	3.9	7.3	20.3	8.7	22.6	12.8	27.8	121.3
Thailand	3.5	7.6	16.4	6.1	41.2	25.8	8.4	192.4

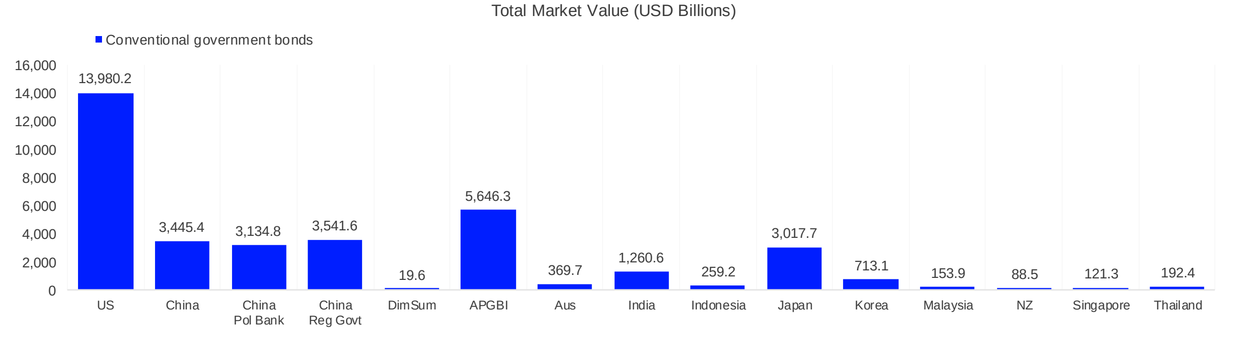
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	6.8	3.7		7,385.1	1,195.1	
China Corp (LC)			3.0			608.2
China Corp ($)	4.9	2.7	4.8	141.7	10.1	151.7
DimSum			3.5			46.7
EM	5.7	3.7	5.1	500.4	184.2	684.7
EUxUK	4.4	3.3		3,457.0	405.9	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	3.6			3.4		

Average Duration (years)



Total Market Value (USD Billions)



Data as of 2025-10-31

Source: FTSE Russell and LSEG. All data as of October 31, 2025, 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

FTSE RUSSELL
An LSEG Business

ABOUT FTSE RUSSELL

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

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 40 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

To learn more, visit lseg.com/en/ftse-russell; email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810
North America +1 877 503 6437

Asia-Pacific
Hong Kong +852 2164 3333
Tokyo +81 3 6441 1430
Sydney +61 (0) 2 7228 5659