Global Investment Research
Market Maps

FTSE RUSSELL
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Fixed Income Insights

MONTHLY REPORT – **DECEMBER 2023 | CHINA EDITION**

FOR PROFESSIONAL INVESTORS ONLY

PBoC quickly eases liquidity after strains from government bond issuance

The PBoC increased loans to the banking system to ease liquidity, after bond issuance to finance the Q4 fiscal stimulus had strained liquidity. Chinese 7-10-year govt spreads backed up, as G7 yields fell sharply. Chinese $ HY credit rebounded on policy support measures. Renminbi joined the currency rally vs USD.

Macroeconomic backdrop – China may be a key global locomotive in 2024

China could still be a major contributor to growth in 2024, despite the property crisis and consumer uncertainty. Liquidity pressures were eased with additional loans from the central bank. (page 2)

Chinese bonds – Chinese curve flattened, as yields increased in shorts but edged lower in longs

The Chinese 10s/2s curve flattened, driven by higher short yields, as liquidity stresses increased. Lower borrowing costs in RMB vs USD may have attracted bond issuers into the RMB bond market, driven by higher Fed policy rates. (page 3)

Chinese and Asian bonds – Asian yields tracked US Treasuries lower

Asian 7-10-year yields fell in the November rally, but the movements in sovereign spreads vs US are mixed. (page 4)

Performance – Developed Asian bonds led gains in November, helped by currency gains versus US dollar

Australasian and Korean bonds gained 4-8%, outperforming Emerging Asia. Chinese $ HY increased by 6.2%. (pages 5-6)

Appendix – Global bond market returns, historical bond yields, duration and market value, foreign exchange returns.

Chart 1: A composite property sector indicator fell further in October, as property sales and investments growth weakened.

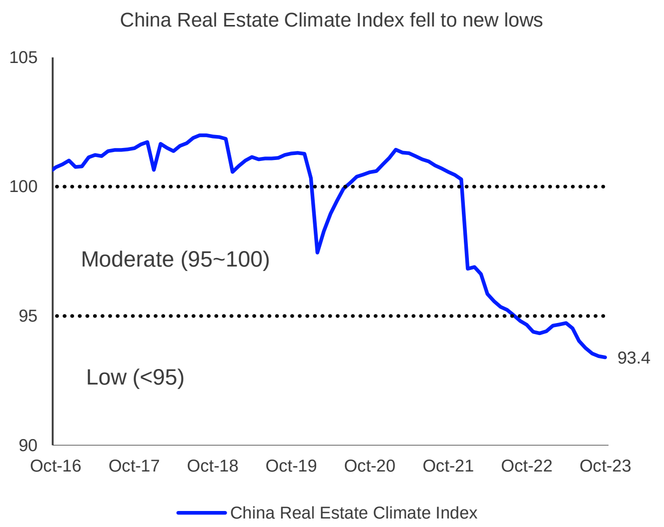
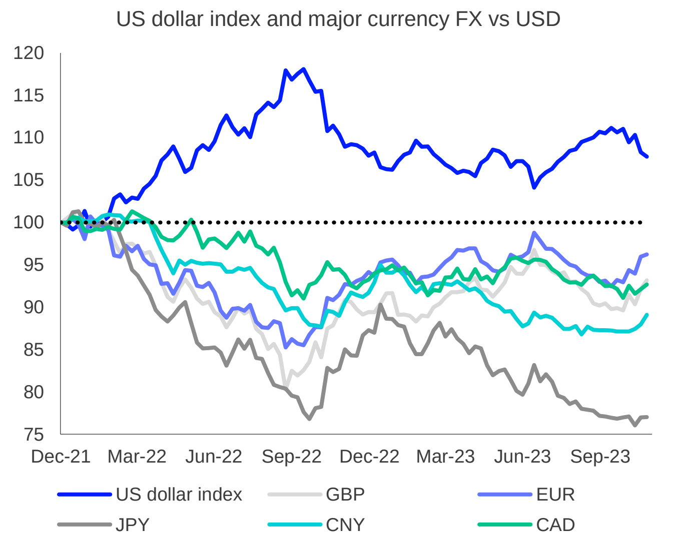


Chart 2: The dollar fell back sharply in November. Yen and renminbi recoveries against the dollar were weaker than the pound and Euro.



Macroeconomic Backdrop – Growth and Inflation Expectations

Reluctance to forecast G7 recessions is evident in Consensus growth estimates for 2024. There is a marked narrowing in the US growth differential forecast over Europe, and oddly, slightly higher growth forecast for Europe in 2024, than 2023. Inflation dispersion is expected to decline, with inflation rising towards 2% in China and remaining above 2% in Japan.

Consensus 2024 forecasts show faster US than European growth, but with the differential narrowing (Chart 1). The IMF estimates APAC will account for two-thirds of global growth of 2023, helped by the stronger-than-expected performance in China, Japan, and India in the first half of 2023. China and India are projected to be major contributors to growth in 2024.

Headline inflation fell again in October, helped by weaker energy prices, and base effects. Chart 2 shows less dispersion in 2024 inflation forecasts, even if dispersion remains high by pre-Covid levels. Chinese inflation forecasts were revised much lower in 2023, as deflation pressure increased due to weaker demand. CPI shrank 0.2% y/y in October, as food prices weakened further.

The PBoC injected 1.45 trillion yuan of cash into the banking system through medium-term lending facility operations (MLF) in November (Chart 3), with the interest rate on loans unchanged. The aim is to provide ample liquidity to ease interest rate pressures in financial markets, after the October plan to sell additional sovereign bonds to finance fiscal stimulus added to liquidity stresses.

China's total social financing (TSF) growth increased to 9.3% y/y in October, with RMB loans growth staying at 10.7% (Chart 4). However, TSF m/m growth slowed to 1.8 trillion RMB (from 4.1 trillion in September), due to seasonal factors. But M2 growth was unchanged at 10.3%, supported by longer term saving deposits.

Chart 1: Consensus growth forecasts show a continuation of US exceeding European growth in 2024, as Fed tightening squeezes employment and demand. China remains the most unpredictable.

Latest Consensus Real GDP Forecasts (%, November 2023)			
	2022	**2023**	**2024**
US	2.1	**2.4**	**1.1**
UK	4.1	**0.5**	**0.4**
Eurozone	3.3	**0.5**	**0.6**
Japan	1.6	**1.6**	**0.9**
China	3.0	**5.0**	**4.5**
Canada	3.5	**1.1**	**0.7**

Chart 2: Consensus inflation forecasts show notable revisions higher for the UK, US and Japan in 2023 and 2024, but sizeable revisions lower to Chinese and Eurozone inflation in 2023.

Consensus Inflation Forecasts (%, November 2023)				
	2023	*Change Since Jan-23 (Bps)*	**2024**	*Change Since Jan-23 (Bps)*
US	**4.2**	*50*	**2.7**	*20*
UK	**7.4**	*40*	**3.0**	*50*
Eurozone	**5.6**	*-40*	**2.7**	*20*
Japan	**2.9**	*110*	**2.2**	*90*
China	**0.5**	*-180*	**1.8**	*-50*
Canada	**3.9**	*20*	**2.5**	*30*

Chart 3: The PBoC's injection of cash through MLF operations reaches a multi-year high in November, due to a large amount of loans expired this month and the fast growing demand in liquidity.

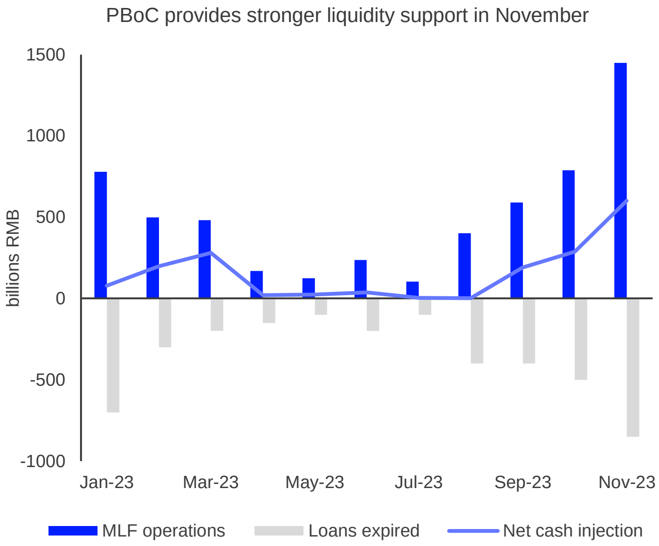
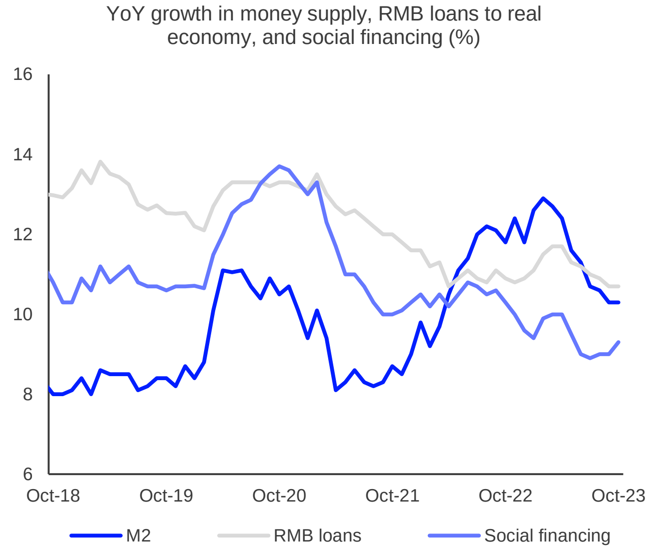


Chart 4: Total social financing growth remained at sub-10%, lower than the M2 growth, despite ticking up recently. Weak loan growth is depressing the broader money measures.



Source: FTSE Russell and Refinitiv. All data as of November 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Chinese Government and Corporate Bonds

Chart 1: Chinese govt yields rose at the short end, after liquidity strains from increased govt bond sales to finance the budget stimulus. Longer yields fell despite the extra bond issuance.

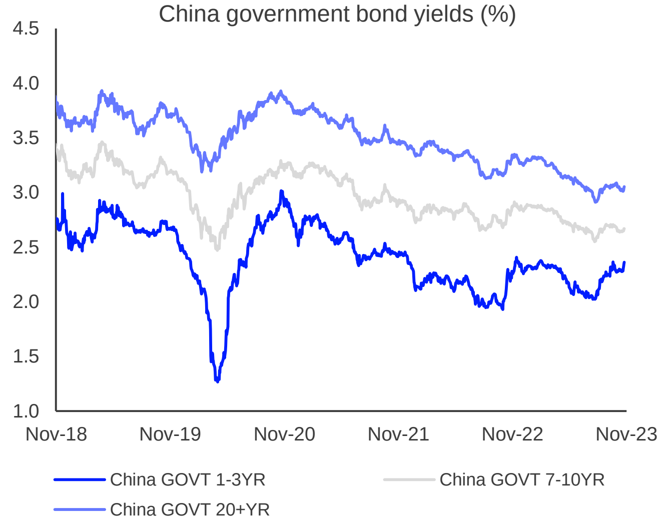


Chart 2: The Chinese 10s/2s curve flattened further, as short yields rose on liquidity strains. The US curve re-inverted, as 7-10-year yields fell and shorter yields were constrained by policy rates.

Chart 3: Chinese onshore spreads narrowed in November (except policy bank). Regional govt spreads have widened in recent years, in contrast to other onshore spreads which are now narrower.

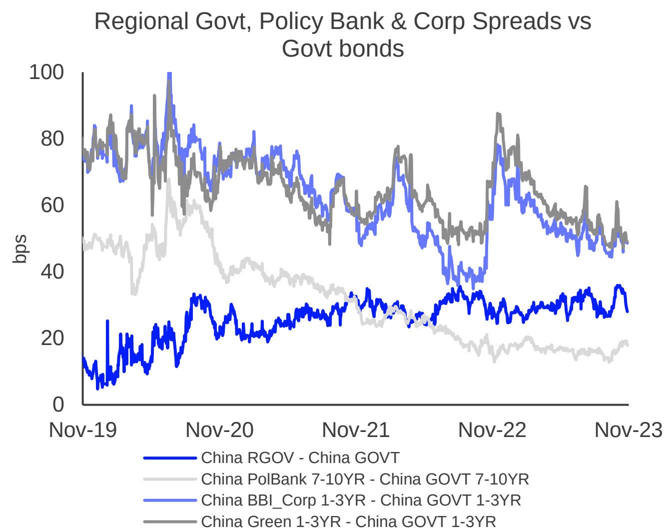


Chart 4: Chinese corporate yields in RMB remain much lower than their USD-based borrowing since the Fed raised rates. Lower RMB costs attracted borrowers into the RMB bond market for funding.

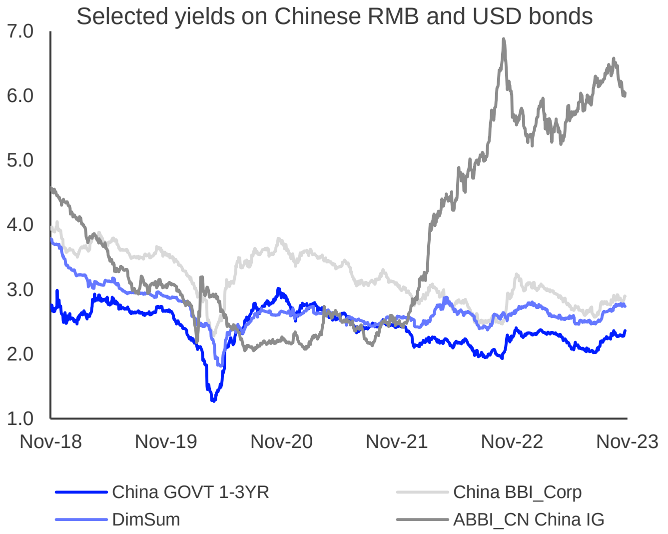


Chart 5: Monthly foreign inflows into Chinese govt bonds turned positive, despite higher US Treasury yields in October. The November data may capture the impact of increased Q4 issuance.

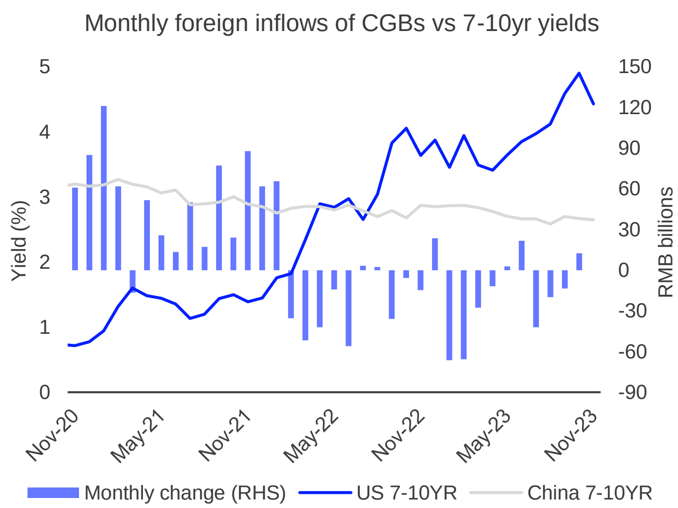
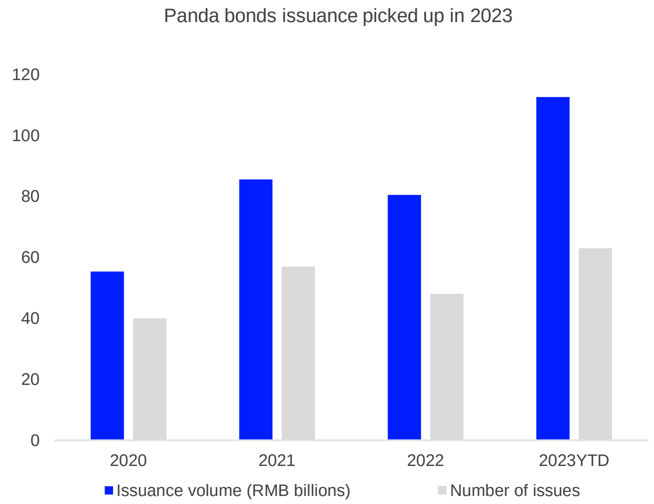


Chart 6: Issuance of panda bonds - onshore RMB bonds issued by overseas entities - rose in 2023, driven by lower borrowing costs in RMB vs USD, and the improved financing process by regulators.



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China and Asian Bonds in Global Context

Chart 1: APAC 7-10yr yields broadly fell in November, tracking US yields lower. Yields on Philippine and Indonesian bonds fell more than peers, despite interest rate hikes in October.

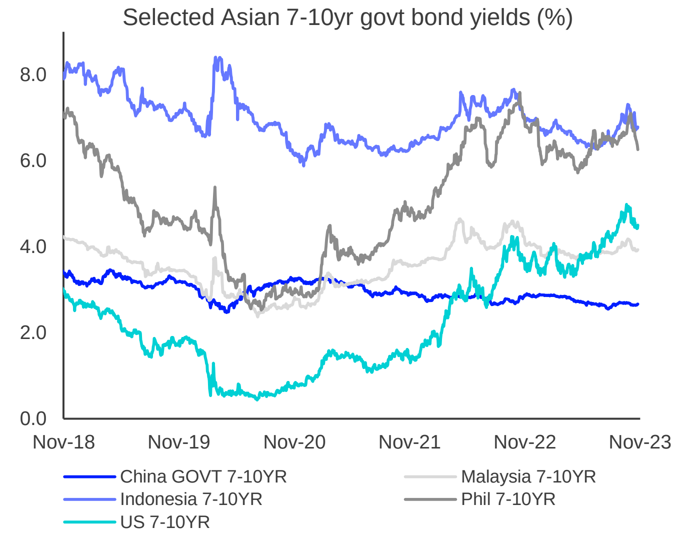


Chart 2: Asian 10s/2s yield curves flattened, in both EM and DM markets, tracking renewed inversion in the US curve. Long yields fell on lower inflation and hopes that rate rises are complete.

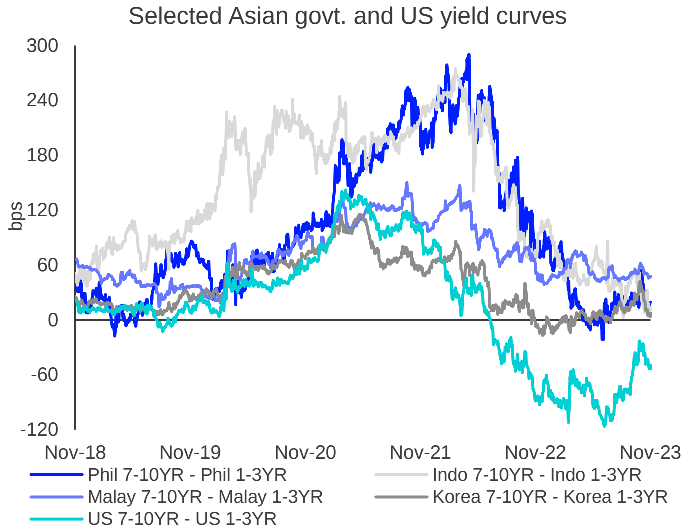


Chart 3: China 7-10-year spreads widened versus the G7, led by US and UK, as G7 yields eased from the peak in November. China spreads vs Japan also ticked up, as JGB yields fell with Treasuries.

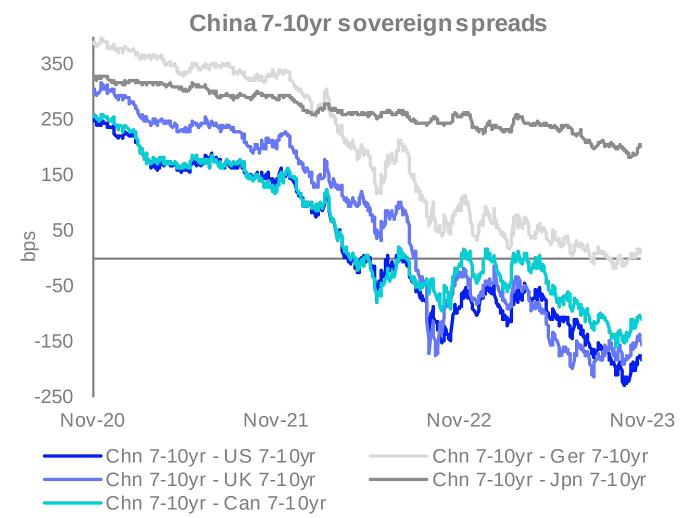


Chart 4: Movements of Asian 7-10yr spreads versus the US were mixed in November, including both increases in India and Malaysia, and decreases in Philippines and Korea.

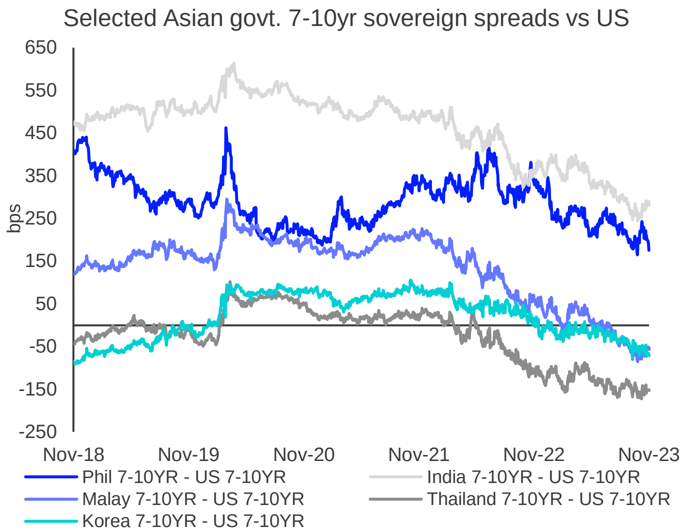


Chart 5: Chinese $ HY spreads eased to 4800 bps in November, as regulators mulled supportive measures to help property developers access to quick funding from Chinese banks.

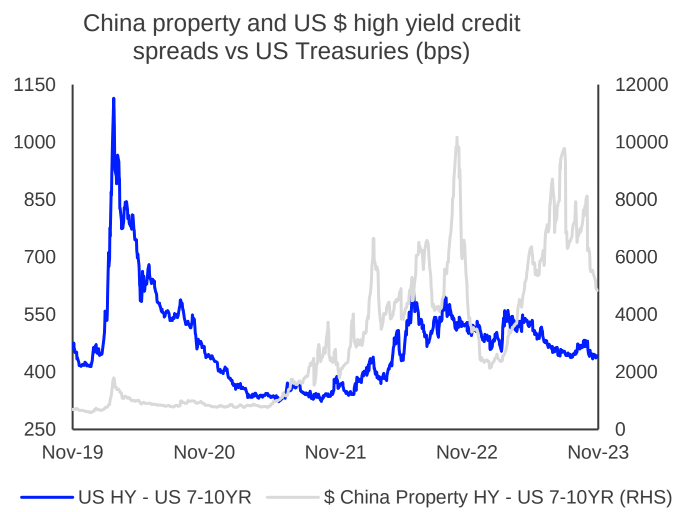
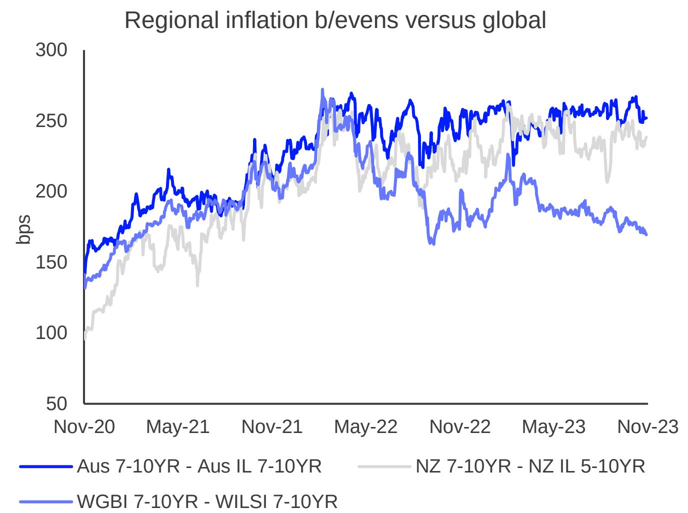


Chart 6: Australasian breakevens have decoupled from lower global breakevens, as regional inflation has persisted above target. The RBA raised the policy rate by 25bps in November to fight inflation.



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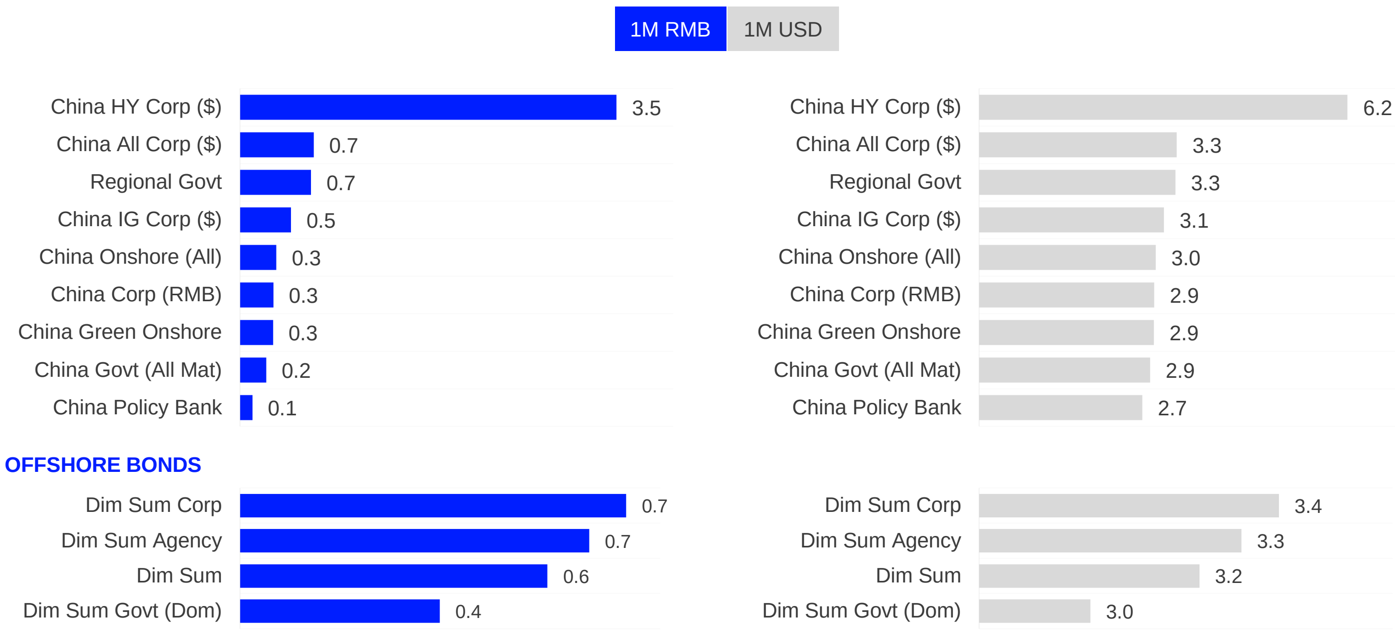
China Bond Market Returns – 1M & YTD in RMB & USD (TR) as of November 30, 2023

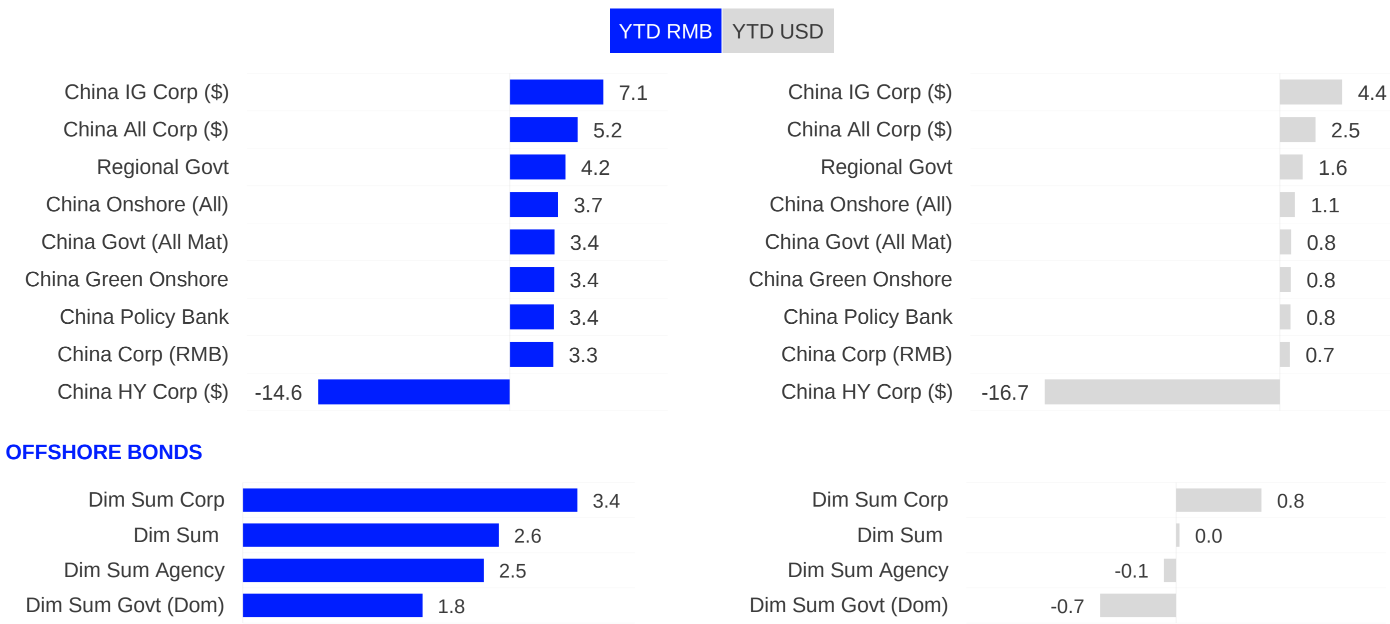
Chinese regional government bonds were up 0.7% in November, outperforming onshore peers, while policy banks and sovereigns lagged. Onshore bond returns of 2.7-3.3% in USD terms were largely driven by a stronger RMB vs the US dollar in November. Chinese $ HY credits rose 6.2%, but IG credits remained top YTD performers after November's gains of 3.1%.

Chinese regional government bonds led gains in November, returning 0.7% in RMB terms. Policy banks and sovereign bonds underperformed, after additional sovereign bond supply in Q4 this year. A stronger RMB boosted domestic bonds returns to 2.7-3.3% in US dollar terms. Onshore bond YTD returns in USD terms became a positive 0.7-1.6%, helped by the November rally.

DimSum bonds outperformed onshore peers in November, posting returns of up to 0.7% and 3.4% in RMB and USD, respectively. Corporates outperformed on 1M and YTD, with slower growth in bond issuance than sovereigns in 2023.

Chinese $ HY corporates gained 6.2% in November, as property bonds rallied on potential supportive measures from regulators. But weaker data on property sales, housing prices, and investments suggest a near term recovery is unlikely. Chinese $ IG credits extended their YTD gains to 4.4%, largely helped by returns of 3.1% in November.





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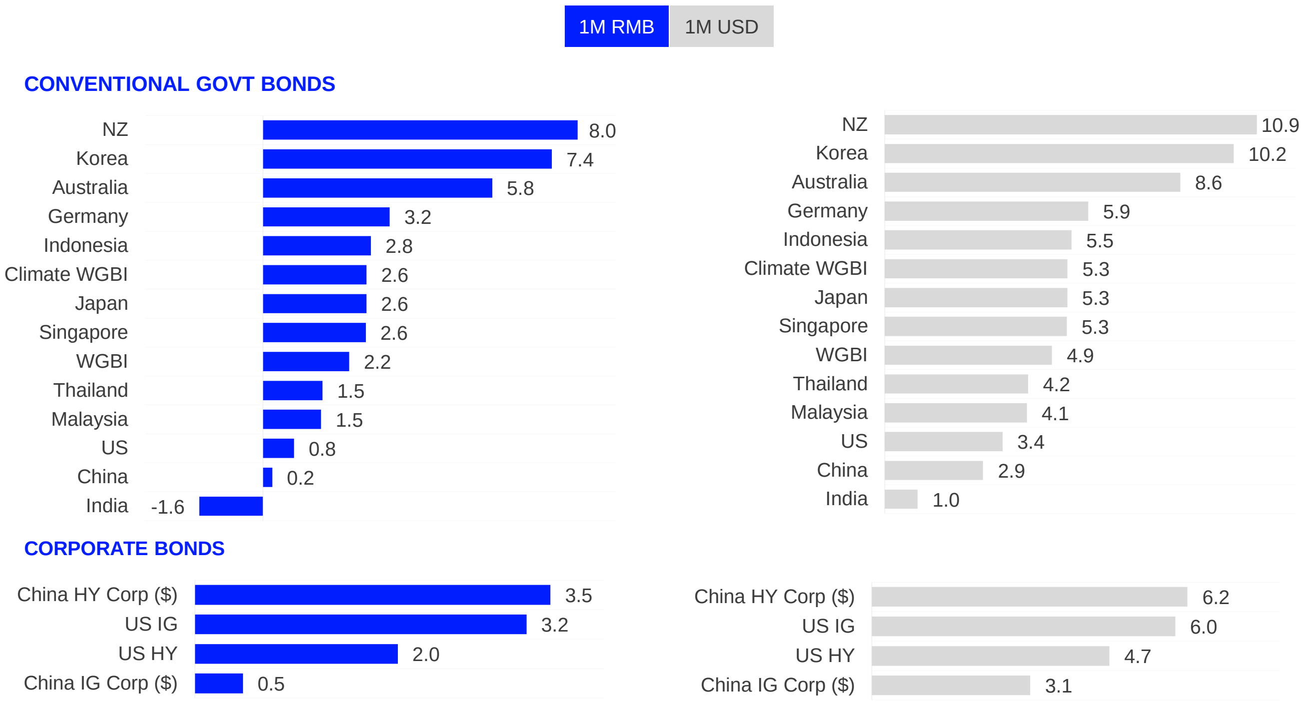
Global Bond Market Returns – 1M & YTD RMB & USD (TR) as of November 30, 2023

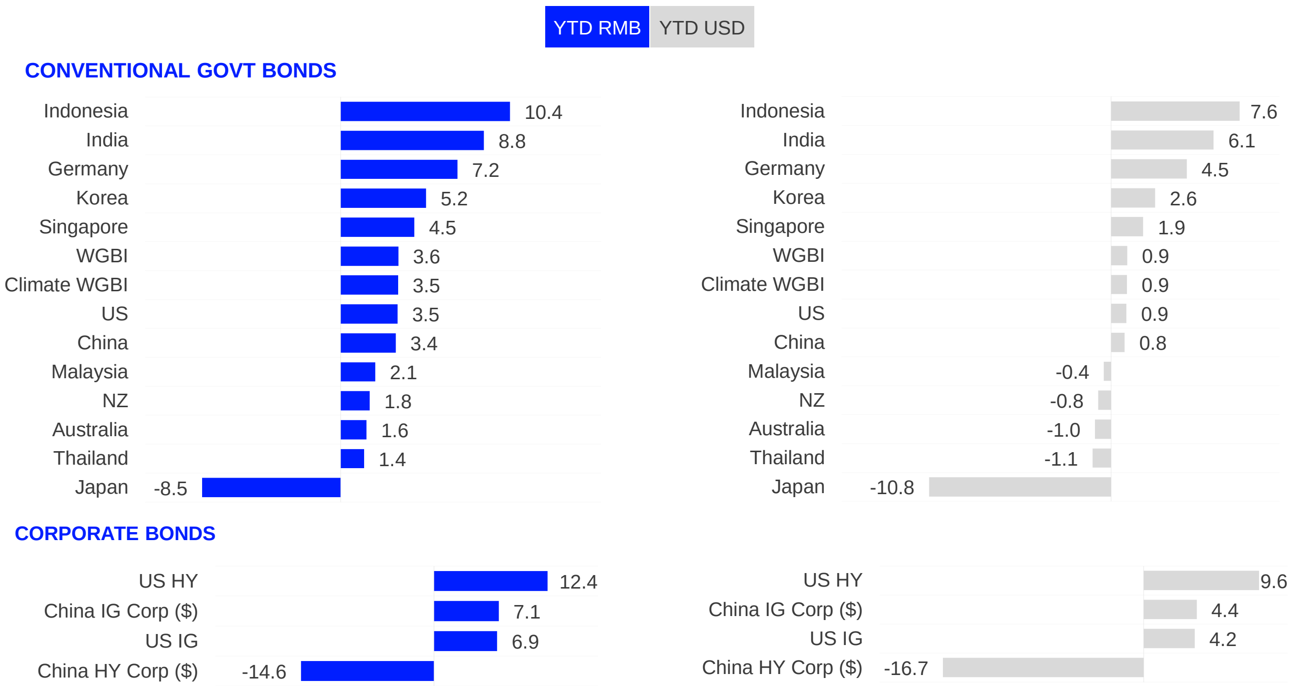
Developed Asian government bonds led gains in RMB and USD terms in November, driven by lower yields and stronger currencies vs the US dollar. Most Emerging Asian bonds also joined the November bond rally. Chinese $ HY corporates recovered some YTD losses, although falling sales and investments in property indicate weak demand continues.

Australasian and Korean government bonds topped November returns, led by New Zealand. Stronger currencies versus the US dollar boosted returns by up to 10.9% in USD terms, with the Australian dollar spiking to a 3-month high after the RBA raised rates to fight persistent inflation. YTD losses in USD terms were largely reversed by November rallies, except in Japan (down by 10.8%).

Emerging Asian bonds delivered positive returns of up to 5.5%, driven by both lower yields and currency effects. Indian bonds lagged, with losses of 1.6% in RMB terms, but Indonesian and Indian bonds remain top performers YTD, gaining 6-10%, largely due to resilient currencies. Chinese bond returns in dollar were reduced to 0.8% by a weaker RMB, from 3.4% in RMB terms.

Chinese $ HY corporates rallied in November, up by 6.2%, as anticipation of support measures for developers boosted optimism in the sector. US HY gained 4.7% over the month, adding to YTD returns of 9.6%. US and Chinese IG corporates gained 4.2-4.4% YTD, helped by November rallies, comfortably outperforming Treasuries returns of 0.9%.





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Appendix – Global Bond Market Returns % (RMB vs USD, TR), November 30, 2023

Government bond returns

Top 15% | Bottom 15%

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

		1M		3M		6M		12M	
		USD	RMB	USD	RMB	USD	RMB	USD	RMB
US	1-3YR	1.01	-1.57	1.35	-0.86	1.61	1.99	3.34	3.16
	7-10YR	4.52	1.84	-0.68	-2.85	-3.26	-2.90	-1.51	-1.68
	20+YR	9.97	7.15	-4.27	-6.36	-9.41	-9.07	-7.69	-7.84
	IG All	5.95	3.24	1.25	-0.96	1.23	1.60	3.76	3.58
	HY All	4.66	1.98	2.08	-0.15	5.67	6.06	8.78	8.60
China	1-3YR	2.65	0.02	2.31	0.07	0.41	0.78	2.51	2.34
	7-10YR	2.93	0.30	2.33	0.09	1.31	1.69	4.74	4.57
	20+YR	3.86	1.20	1.39	-0.83	3.11	3.50	9.12	8.94
	All	2.87	0.24	2.18	-0.05	1.00	1.38	4.08	3.90
China Policy Bank		2.74	0.11	2.26	0.03	0.97	1.35	3.91	3.73
Regional Govt		3.30	0.65	1.89	-0.33	1.11	1.49	4.47	4.29
China Corp (LC)		2.94	0.31	2.42	0.18	0.78	1.16	3.37	3.20
China Onshore (All)		2.97	0.33	2.15	-0.08	1.04	1.41	4.14	3.97
China Green Onshore		2.94	0.30	2.45	0.21	0.80	1.18	3.43	3.26
China All Corp ($)		3.32	0.68	2.04	-0.19	0.67	1.04	4.76	4.58
China IG Corp ($)		3.11	0.47	1.74	-0.49	1.16	1.54	5.54	5.36
China HY Corp ($)		6.19	3.48	6.06	3.74	-4.68	-4.32	-2.91	-3.08
Offshore Govt (Dim Sum)		3.02	0.38	1.83	-0.39	0.75	1.13	1.56	1.39
Asia-Pac	1-3YR	3.37	0.72	2.37	0.14	1.25	1.62	3.13	2.96
	7-10YR	5.24	2.55	1.95	-0.28	0.83	1.21	4.25	4.07
	20+YR	8.40	5.62	3.13	0.88	3.29	3.68	8.20	8.02
	All	4.92	2.23	2.27	0.03	1.24	1.61	4.35	4.17
Australia	1-3YR	5.78	3.08	2.89	0.64	3.23	3.61	0.50	0.33
	7-10YR	9.21	6.42	0.60	-1.59	-1.42	-1.05	-3.54	-3.70
	20+YR	15.99	13.02	-2.02	-4.16	-6.09	-5.74	-10.73	-10.88
	All	8.62	5.84	1.29	-0.92	-0.16	0.21	-2.58	-2.75
India	1-3YR	0.61	-1.96	0.94	-1.27	2.16	2.54	4.30	4.12
	7-10YR	1.08	-1.50	0.23	-1.96	1.01	1.38	4.74	4.57
	20+YR	0.95	-1.64	-0.45	-2.62	-0.41	-0.04	4.49	4.31
	All	0.96	-1.62	0.22	-1.97	0.89	1.27	4.67	4.49
Indonesia	1-3YR	3.89	1.23	-0.90	-3.07	-1.94	-1.58	7.26	7.08
	7-10YR	5.94	3.23	-2.10	-4.24	-1.90	-1.53	10.20	10.01
	20+YR	5.76	3.06	-2.88	-5.01	-1.44	-1.07	12.71	12.52
	All	5.45	2.75	-1.95	-4.10	-2.01	-1.64	9.96	9.77
Japan	1-3YR	2.62	0.00	-1.50	-3.65	-5.59	-5.24	-5.63	-5.78
	7-10YR	4.77	2.09	-1.50	-3.66	-6.67	-6.32	-6.73	-6.88
	20+YR	7.23	4.48	-2.94	-5.06	-13.55	-13.23	-8.91	-9.07
	All	5.33	2.64	-1.92	-4.07	-8.82	-8.48	-7.21	-7.37
Korea	1-3YR	5.78	3.07	3.72	1.45	4.73	5.12	6.29	6.11
	7-10YR	9.55	6.75	4.43	2.15	3.81	4.20	5.92	5.74
	20+YR	15.34	12.39	6.93	4.59	6.36	6.76	8.95	8.77
	All	10.18	7.36	5.08	2.78	4.96	5.35	7.04	6.86
Malaysia	1-3YR	2.82	0.19	0.40	-1.80	0.67	1.04	-0.55	-0.72
	7-10YR	4.08	1.42	0.21	-1.98	-0.09	0.29	1.41	1.24
	20+YR	5.68	2.97	0.10	-2.08	-0.93	-0.56	3.22	3.04
	All	4.15	1.48	0.33	-1.86	0.15	0.52	1.29	1.12
New Zealand	1-3YR	7.52	4.76	5.50	3.20	4.61	5.00	2.83	2.65
	7-10YR	12.01	9.14	5.03	2.74	0.79	1.17	-1.88	-2.05
	20+YR	17.46	14.46	4.59	2.30	-5.20	-4.84	-9.43	-9.58
	All	10.86	8.02	5.25	2.95	1.71	2.09	-0.67	-0.84
Singapore	1-3YR	3.45	0.81	2.32	0.08	3.18	3.56	5.63	5.45
	7-10YR	6.38	3.66	3.75	1.48	2.80	3.19	7.44	7.26
	20+YR	6.43	3.71	3.08	0.83	-8.79	-8.45	2.41	2.24
	All	5.32	2.62	3.04	0.79	0.55	0.92	5.73	5.56
Thailand	1-3YR	2.59	-0.04	-0.08	-2.26	-0.48	-0.11	1.21	1.04
	7-10YR	4.55	1.88	-0.89	-3.05	-3.01	-2.64	1.06	0.89
	20+YR	5.86	3.16	-5.82	-7.88	-6.35	-6.00	9.61	9.42
	All	4.19	1.52	-0.85	-3.01	-2.01	-1.64	2.32	2.15

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Appendix – Global Bond Market Yields %, November 30, 2023

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

Top 15% | Bottom 15%

		Conventional government bonds				Inflation-linked bonds			Inv Grade	High Yld
		1-3YR	3-5YR	7-10YR	20+YR	1-5YR	5-10YR	20+YR	All Mat	All Mat
US	Current	4.82	4.39	4.35	4.63	2.57	2.14	2.27	5.64	8.47
	3M Ago	4.99	4.39	4.12	4.32	2.50	1.94	2.01	5.65	8.41
	6M Ago	4.61	3.92	3.65	3.94	2.08	1.52	1.68	5.43	8.84
	12M Ago	4.47	3.97	3.64	3.95	1.76	1.40	1.59	5.38	8.80
UK	Current	4.52	4.16	4.11	4.61	0.62	0.53	1.30		
	3M Ago	4.91	4.63	4.31	4.53	1.11	0.67	1.12		
	6M Ago	4.55	4.33	4.10	4.45	1.18	0.54	1.06		
	12M Ago	3.36	3.22	3.11	3.37	-1.47	-0.50	0.18		
Japan	Current	0.00	0.17	0.57	1.63	-2.08	-0.94			
	3M Ago	-0.02	0.14	0.53	1.55	-1.82	-0.76			
	6M Ago	-0.08	0.01	0.33	1.22	-1.51	-0.77			
	12M Ago	-0.04	0.06	0.27	1.34	-1.30	-0.66			
China	Current	2.37	2.47	2.66	3.02					
	3M Ago	2.06	2.28	2.59	2.93					
	6M Ago	2.13	2.36	2.70	3.14					
	12M Ago	2.26	2.59	2.88	3.32					
EM	Current	3.66	4.22	4.76	4.46	4.42	4.45	5.10	6.08	10.41
	3M Ago	3.50	4.22	4.80	4.34	2.84	4.28	5.01	6.14	11.41
	6M Ago	3.74	4.16	4.62	4.44	4.34	4.24	5.00	5.78	12.12
	12M Ago	3.72	4.38	4.93	4.60	2.92	3.14	5.28	6.08	12.18
Germany	Current	2.86	2.41	2.37	2.67	1.16	0.34	0.28		
	3M Ago	3.03	2.53	2.38	2.55	0.64	0.13	0.11		
	6M Ago	2.71	2.30	2.20	2.40	0.37	-0.04	-0.13		
	12M Ago	2.04	2.44	2.44	2.39	0.31	0.23	0.02		
Italy	Current	3.39	3.40	3.93	4.59	1.60	1.97	2.15		
	3M Ago	3.56	3.53	3.87	4.41	1.37	1.72	1.86		
	6M Ago	3.35	3.42	3.89	4.43	1.11	1.62	1.80		
	12M Ago	2.73	3.48	4.07	4.43	1.14	1.98	2.00		
France	Current	3.01	2.73	2.87	3.46	0.84	0.63	0.95		
	3M Ago	3.09	2.85	2.87	3.36	0.48	0.37	0.71		
	6M Ago	2.83	2.63	2.68	3.24	0.22	0.20	0.53		
	12M Ago	2.25	2.53	2.55	2.89	0.28	0.24	0.44		
Sweden	Current	3.27	2.70	2.61		1.30	1.12			
	3M Ago	3.43	3.00	2.75		1.33	1.14			
	6M Ago	2.97	2.62	2.31		0.74	0.55			
	12M Ago	2.52	2.18	1.89		-0.30	-0.06			
Australia	Current	4.15	4.04	4.36	4.73	1.28	1.81	2.19		
	3M Ago	3.85	3.75	3.99	4.42	0.97	1.43	1.84		
	6M Ago	3.51	3.38	3.58	4.12	0.42	1.03	1.59		
	12M Ago	3.12	3.10	3.41	3.90	0.26	0.87	1.30		
NZ	Current	5.07	4.78	4.89	5.09	1.91	2.59			
	3M Ago	5.30	4.96	4.89	5.07	2.15	2.58			
	6M Ago	5.08	4.35	4.28	4.46	1.23	1.85			
	12M Ago	4.67	4.12	4.05	4.35	1.24	1.76			
Canada	Current	4.08		3.58	3.43			1.76	5.29	7.73
	3M Ago	4.50		3.65	3.44			1.88	5.55	7.70
	6M Ago	4.04		3.22	3.18			1.44	5.24	7.61
	12M Ago	3.70		2.96	3.02			1.20	5.07	7.37

Source: FTSE Russell. All data as of November 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

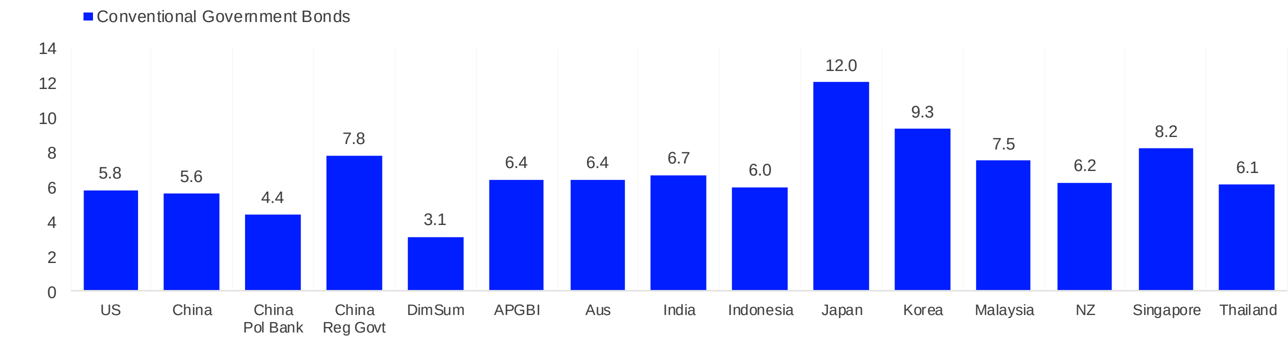
Appendix – Duration and Market Value (USD, Bn), November 30, 2023

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.3	16.7	5.8	2,428.2	1,102.6	1,219.7	10,559.2
China	3.7	7.5	17.6	5.6	548.0	387.3	262.8	2,307.4
China Pol Bank				4.4				2,820.7
China Reg Govt				7.8				2,258.2
DimSum				3.1				10.7
APGBI	3.7	7.3	17.9	6.4	804.9	721.6	518.1	4,009.1
Aus	3.6	7.5	16.7	6.4	36.9	86.3	19.8	327.5
India	3.1	6.0	11.6	6.7	130.7	184.7	258.4	1,098.7
Indonesia	3.4	6.1	11.4	6.0	30.9	54.7	11.3	223.5
Japan	3.9	8.0	23.7	12.0	354.7	348.3	632.9	2,951.4
Korea	3.5	6.9	18.9	9.3	86.7	95.9	184.4	639.6
Malaysia	3.5	7.0	15.1	7.5	22.3	13.8	14.8	115.1
NZ	3.7	7.5	16.8	6.2	10.4	14.5	2.5	52.5
Singapore	3.4	7.7	20.2	8.2	20.8	14.7	16.5	96.2
Thailand	3.5	7.3	16.5	6.1	30.1	29.2	6.1	138.7

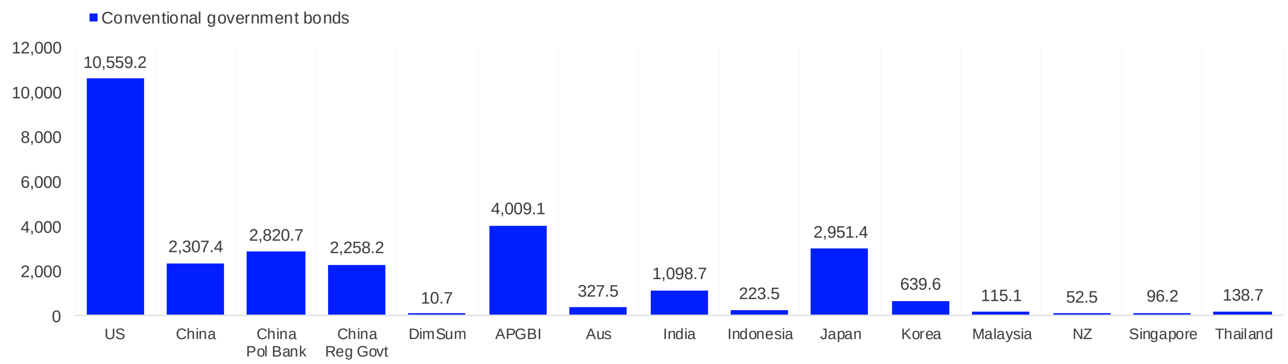
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	6.9	3.9		6,432.7	1,040.2	
China Corp (LC)			2.2			569.6
China Green Onshore			2.2			151.0
China Corp ($)	3.9	2.2	7.8	233.9	18.0	251.9
DimSum			2.1			13.0
EM	4.9	3.3	4.5	567.5	182.7	750.3
EUxUK	4.4	3.0		2,893.8	427.9	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	2.0	2.4		1.6	7.0	

Average Duration



Total Market Value (USD Billions)

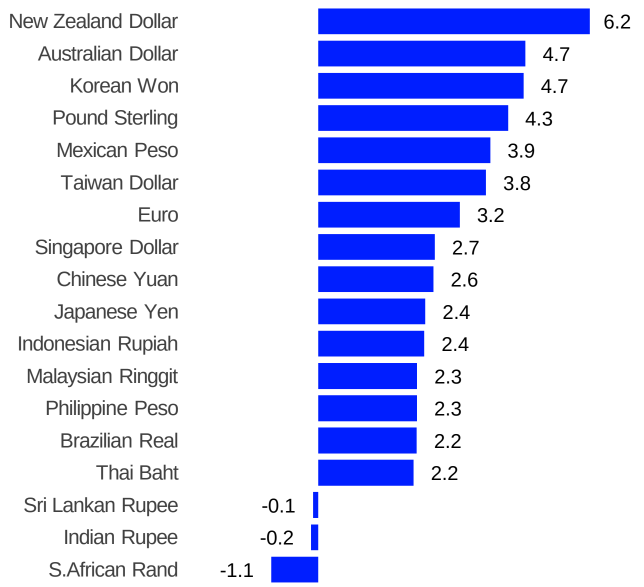


Data as of 2023-11-30

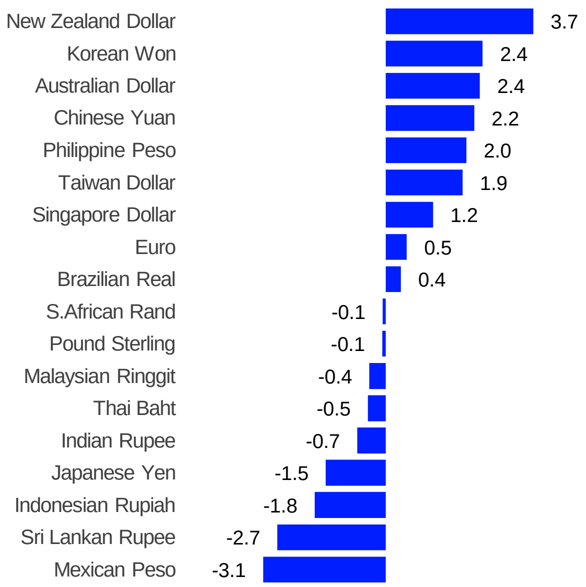
Source: FTSE Russell. All data as of November 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Appendix – Foreign Exchange Returns % as of November 30, 2023

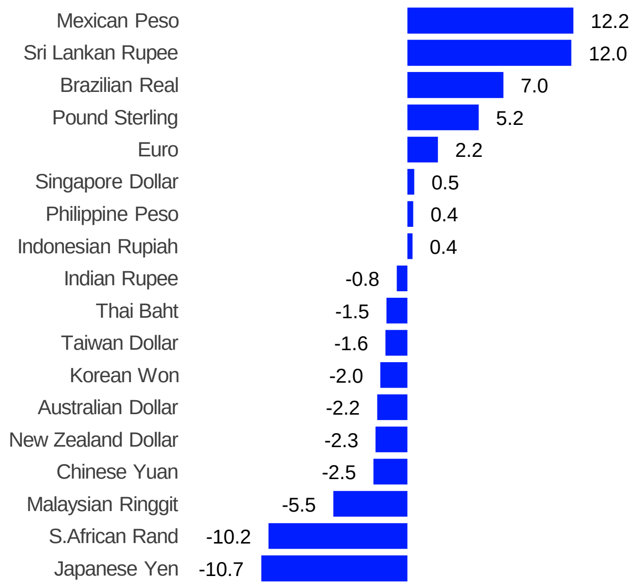
FX Moves vs USD - 1M



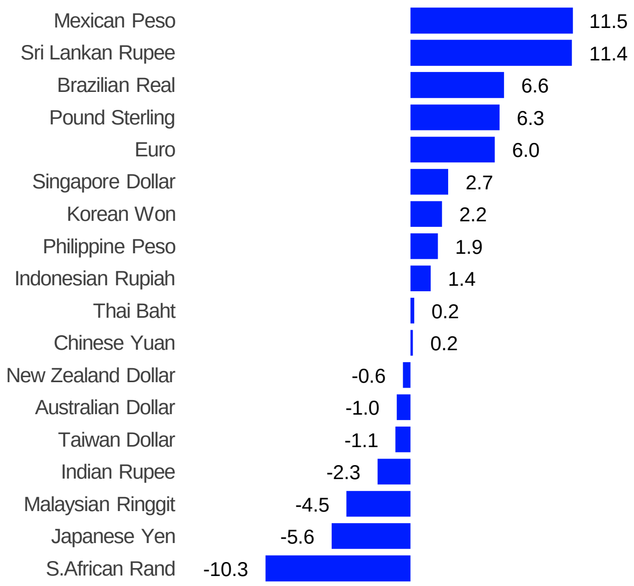
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



Source: FTSE Russell and Refinitiv. All data as of November 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Appendix − Glossary

Bond markets are based on the following Indices:

FTSE World Government Bond Index (WGBI) for all global government bond markets

FTSE World Inflation-Linked Securities Index (WorldILSI) for all global inflation-linked bond markets

FTSE US Broad Investment-Grade Bond Index (USBIG®) for the US corporate bond market

FTSE US High-Yield Market Index for the US high yield bond market

FTSE Euro Broad Investment-Grade Bond Index (EuroBIG®) for the Euro-denominated corporate bond market

FTSE European High-Yield Market Index for the European high yield market

FTSE Chinese Government and Policy Bank Bond Index (CNGPBI) for the Chinese government bond market

FTSE Emerging Markets Inflation-Linked Securities Index (EMILSI) for the emerging markets inflation-linked bond market

FTSE Emerging Markets Government Bond Index (EMGBI) for the emerging markets government bond market. Please note that over 50% of this index is invested in China.

FTSE Emerging Markets Broad Bond Index (EMUSDBBI) for the emerging markets corporate bond market

List of Abbreviations used in charts:

IL = Inflation-linked bonds

IG = Investment-grade bonds

HY = High-yield bonds

BPS = Basis points

EM = Emerging market

LC = Local currency

Source: FTSE Russell. All data as of November 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. For professional investors only.

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