

Fixed Income Insights

MONTHLY REPORT – MARCH 2024 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

Chinese bonds rally further after PBoC's record rate cut

Chinese bond yields fell further in February after more policy easing. Interest rate differentials between the US and China widened further, as the Fed stayed on hold after stronger growth and above-target inflation. Foreign holdings of Chinese bonds recovered to 3.87 trillion yuan. Chinese \$ property bonds rose on the lower 5-year LPR.

Macroeconomic backdrop – China continues easing measures, utilising tools of MLF, RRR and 5Y LPR in Q1

Chinese deflation risks heightened, after the CPI fell to -0.8% y/y, but a higher-base effect may have distorted the January data. The PBoC cut the 5-year LPR by a record margin to boost the housing sector and stimulate growth. (page 2)

Chinese bonds – Chinese 20s/10s curve flattened sharply in February, driven by larger yield reductions in longs

Chinese yields continued to fall, particularly long maturities. Corporate spreads also tightened. Foreign buying of Chinese bonds has increased since September, led by government bonds. (page 3)

Chinese and Asian bonds – Chinese spreads vs G7 fell back, almost reversing rises during the Q4 G7 rally

Chinese spreads vs G7 have been mostly driven by volatile G7 yield moves, though Chinese yields also maintained a consistent downward trend. Asian 7-10-year spreads, which are negatively correlated with US yields, fell as well. (page 4)

Performance – Indian bonds outperformed on 3M and 12M; Long JGBs benefitted from life insurers buying

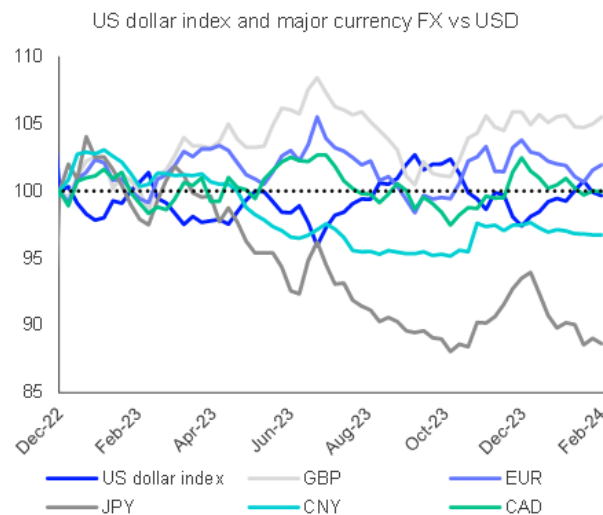
Indian government bonds gained 4.2% over 3M, helped by tight fiscal policy, growth prospects and a resilient rupee. JGBs lagged, despite a rally at the long end in February. (pages 5-6)

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

Chart 1: China's official Manufacturing PMI stayed low, at 49.1, in February, despite improvements in the non-manufacturing sectors.



Chart 2: The US dollar drew support from strong economic data, and the yuan edged lower as the PBoC maintains its easy policy.



Macroeconomic Backdrop – Growth and Inflation Expectations

The contrast between strong US GDP growth, and weakness elsewhere remains a key feature in Q1. Above-target inflation is also delaying policy easing in Europe. Chinese deflation risks remain, although January data may have been worsened by base effects. A cut in the 5-year LPR shows the PBoC’s efforts in supporting the weak property sector, after loans to the real estate sector fell substantially.

Consensus forecasts recognise the resilience of the US to higher rates, with sizeable growth differentials forecast with Europe in 2024 (Chart 1). The Atlanta-Fed Now forecast shows US GDP growth tracking at 4.2% in Q1, helped by easing in financial conditions and the cost of capital since October. Policy easing is propping up Chinese growth forecasts, but weaker net trade and property remain major drags.

Chart 2 shows the more mixed picture on inflation. Central bank focus is on sustaining inflation at 2% target levels, rather than a short-term blip to below target levels on favourable y/y base effects. China’s CPI y/y growth fell to –0.8% in January, partially due to the “different-month effect” of the Lunar New Year. The downward trend in Chinese inflation appears positively correlated with G7’s recent disinflation cycle.

The five-year loan prime rate (LPR) - key mortgage reference rate - was cut by 25 bps to 3.95% in February, the steepest reduction on record. This move is anticipated to boost housing demand and confidence in the real estate sector. On policy rates, there is an increasing expectation of a lower 1Y MLF rate, following a RRR cut in February. China has leveraged multiple policy tools (Chart 3) to support its economic recovery.

China’s renminbi loans to the real estate sector y/y growth has fallen to –1% by Q4 2023 (Chart 4), from a peak of 27%, since the housing policy of “houses are for living in, not speculation” was raised in December 2016. Mortgage loan growth dropped to –1.6%, as housing demand remained weak, despite lower benchmark lending rate, as Chart 3 shows. On the housing supply side, the recovery in loans to property developers stalled in Q4.

Chart 1: US forecasts continue to be revised higher, after a strong Q1 to date. Eurozone and UK forecasts remain weak. China is exposed to the global slowdown but PBoC easing continues.

Consensus Real GDP Forecasts (Avg., %, February 2024)			
	2023	2024	2025
US	2.5	2.1	1.7
UK	0.5	0.3	1.1
Eurozone	0.5	0.5	1.4
Japan	1.9	0.6	1.0
China	5.2	4.6	4.5
Canada	1.1	0.5	2.0

Chart 2: The Q1 inflation uptick has confirmed achieving 2% targets on a sustained basis may be tougher than markets presumed. Services sector inflation is now the main driver. Chinese deflation risks remain.

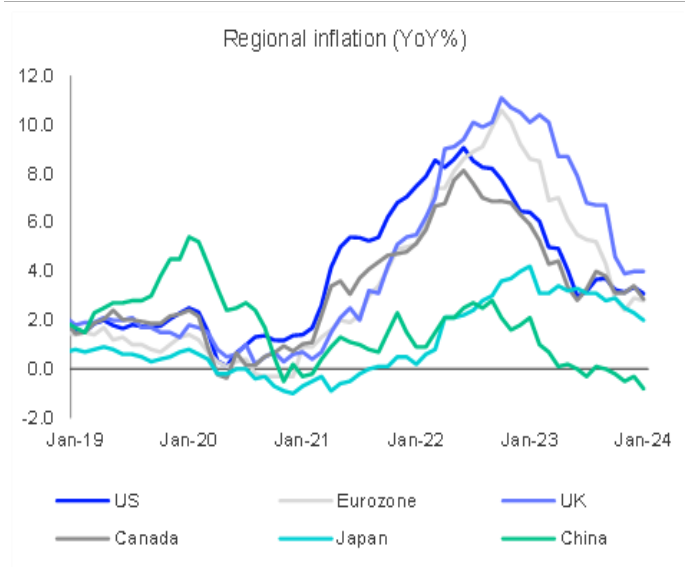


Chart 3: The 5-year LPR was cut by 25 bps, a record margin, to stimulate demand in the property market. 1-year LPR was unchanged. The PBoC has utilised multiple policy tools to keep a dovish stance.

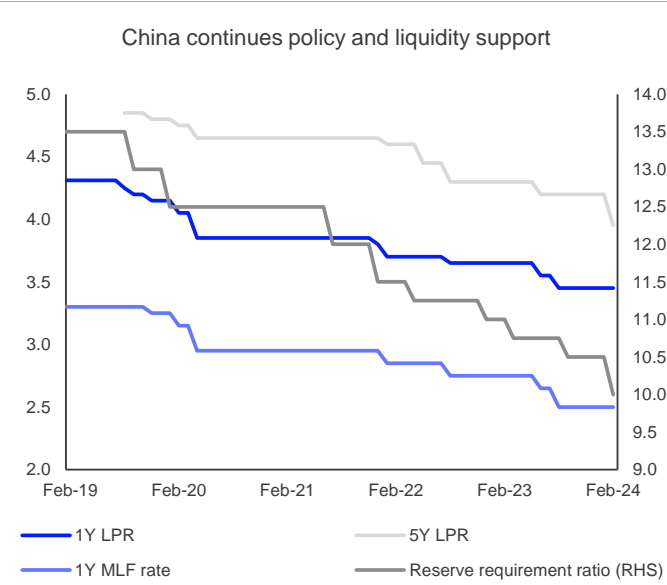
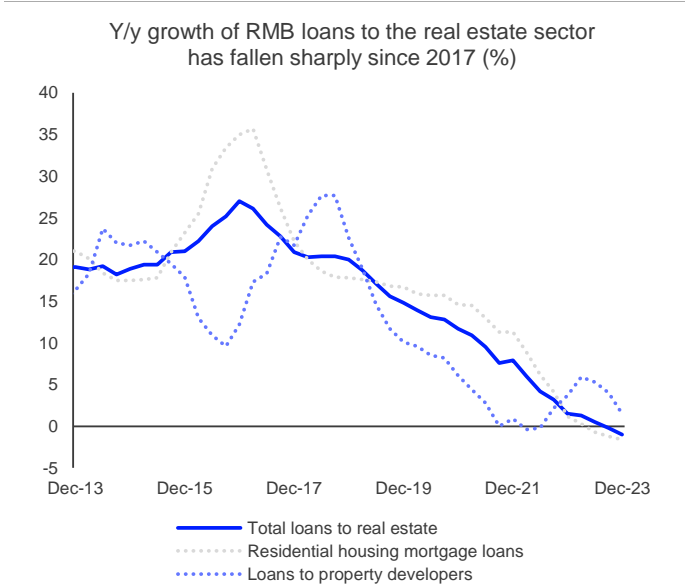


Chart 4: Y/Y loans to the property sector fell sharply since 2017, driven by lower mortgage and development loans. The move reflects China’s attempts to reduce the economy’s dependence on the property sector.



Source: FTSE Russell and Refinitiv. All data as of February 29, 2024. 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: CGB yields continued to fall in February, with 7-10-year yields falling below 2.5%. Moreover, CGB turnover ratio was higher than policy bank bonds in December, which was rare historically.

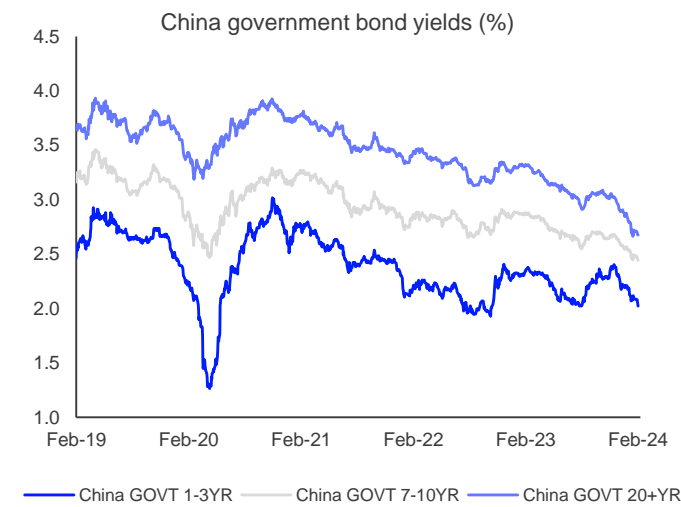


Chart 3: Domestic spreads are now generally narrower vs early 2021, when sovereign yields started to fall (see Chart 1). Longer corporates spreads tightened the most in Feb., reaching new lows.

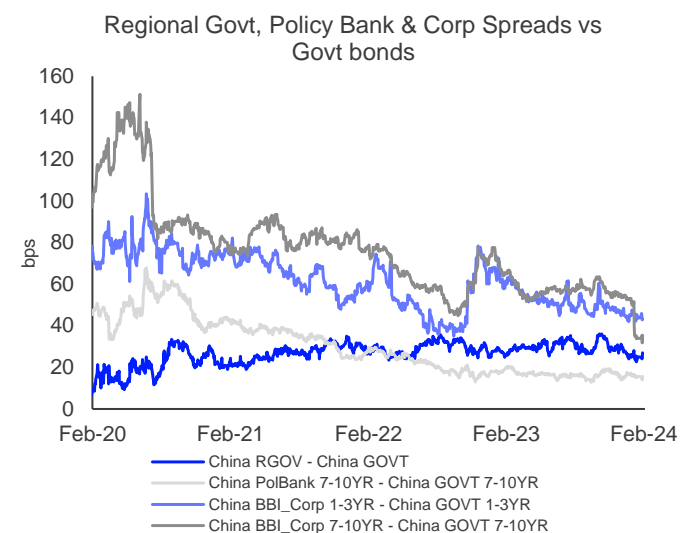


Chart 5: Foreign holdings of onshore RMB bonds have bounced back to 3.87 trillion yuan by end-January. New measures to attract foreign investors were introduced into the Bond Connect program.

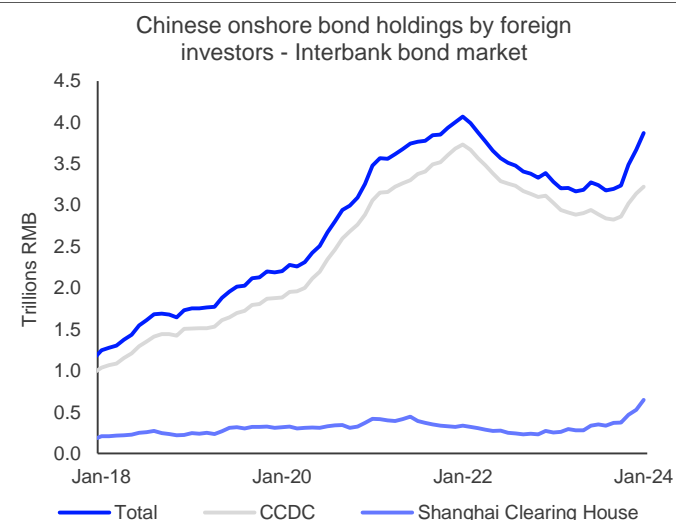


Chart 2: Chinese 20s/10s curve bull flattened significantly in Feb., as longer CGB yields fell more than medium term. The 10s/2s curve move was moderate, after the curve steepened in December.

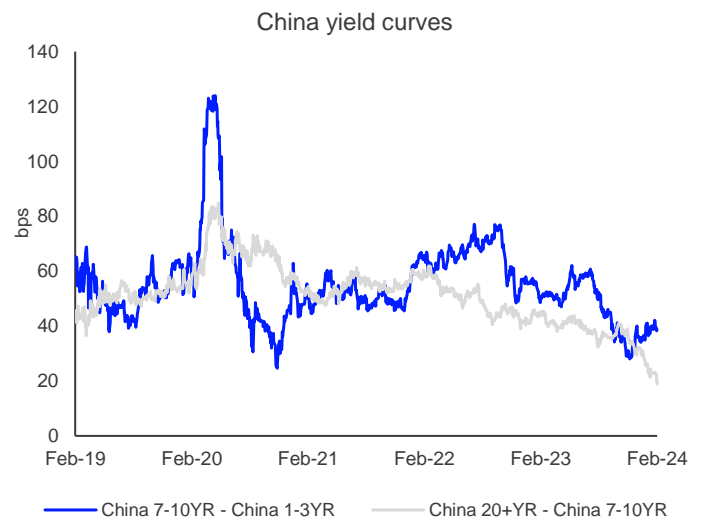


Chart 4: In contrast to lower domestic yields, Chinese \$ bond yields stayed elevated at about 5.5%, after falling back from the October peak. Delayed Fed easing may keep them higher for longer.

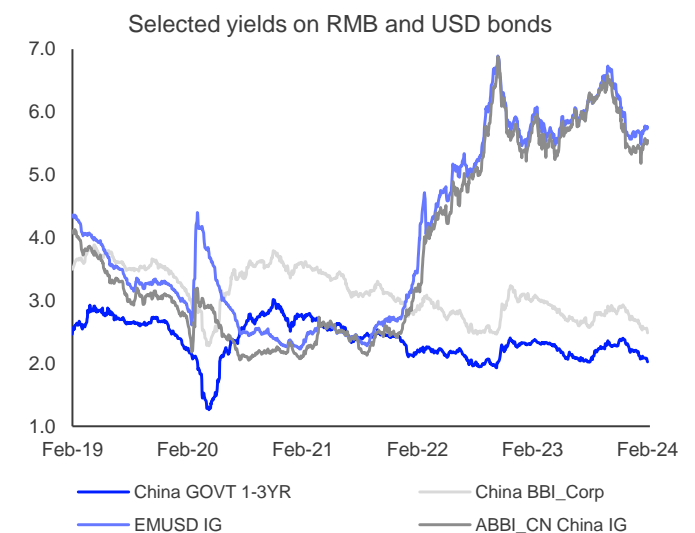
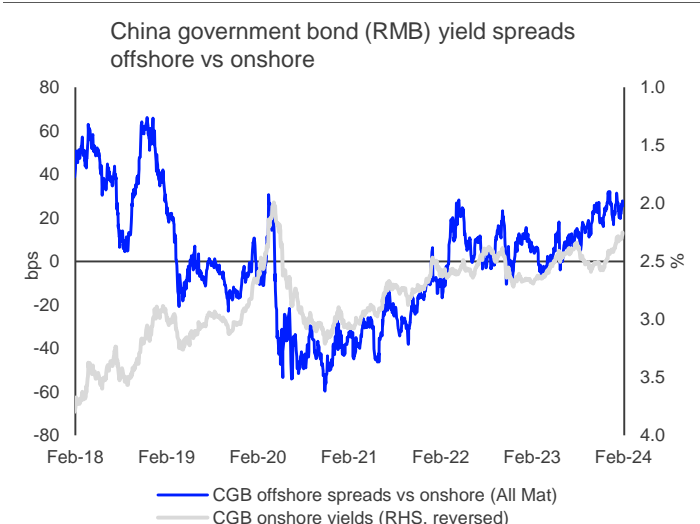


Chart 6: Yield differentials between offshore and onshore CGBs have generally been negatively correlated with onshore bond yields, and are above 3-year average as onshore yields near cycle lows.



Source: FTSE Russell and Refinitiv, China Bond. All data as of February 29, 2024. 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.

China and Asian Bonds in Global Context

Chart 1: APAC 7-10yr yields continued to back up in February, as markets scaled back central bank easing prospects. Indian yields fell further, driven by tight fiscal policy and index inclusion.

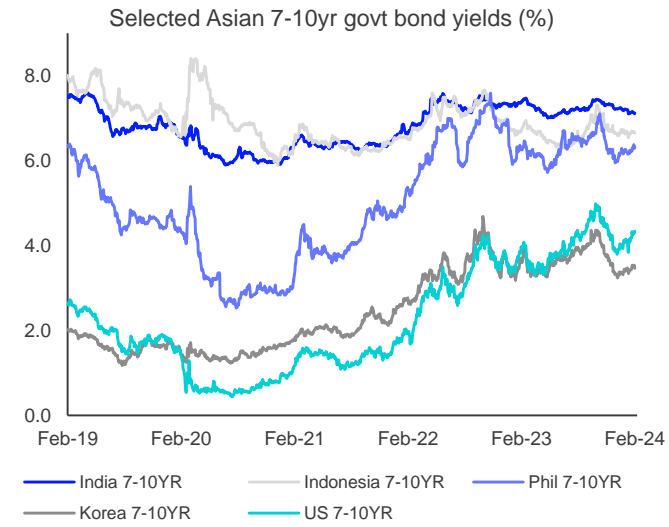


Chart 2: Asian 10s/2s yield curves stabilised near 5-year gradient lows, as both short and medium-term yields backed up. Indian 10s/2s curve flattened, as 7-10-year yields fell on high demand.

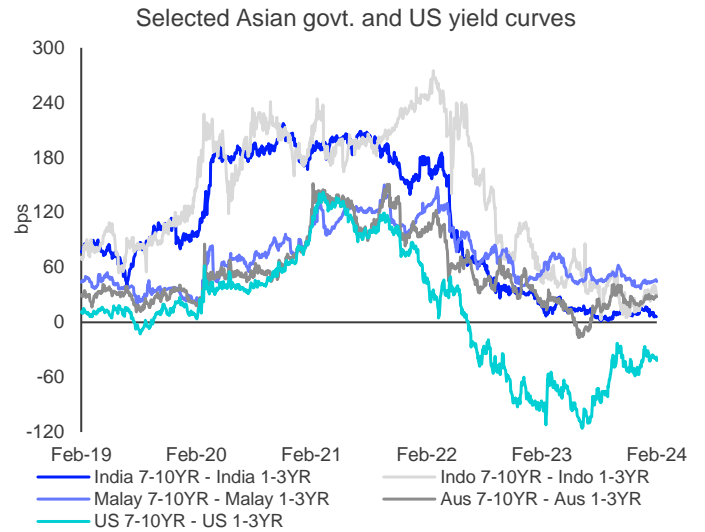


Chart 3: Chinese sovereign spreads fell back in Q1 and almost reversed the spread increases vs G7 in the Q4 rally. Chinese spreads may not see material improvement until G7 easing begins.

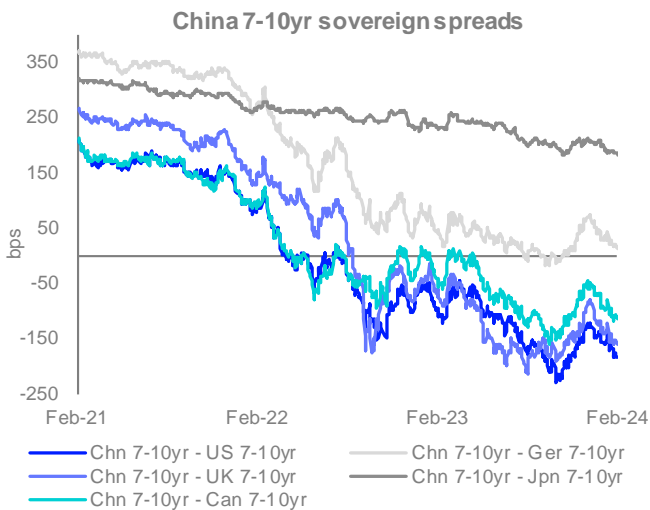


Chart 4: Asian 7-10yr spreads continued to fall, led by Thailand and India, as US Treasury yields rose on prospects of delayed Fed easing. Asian spreads show negative correlation with US yields.

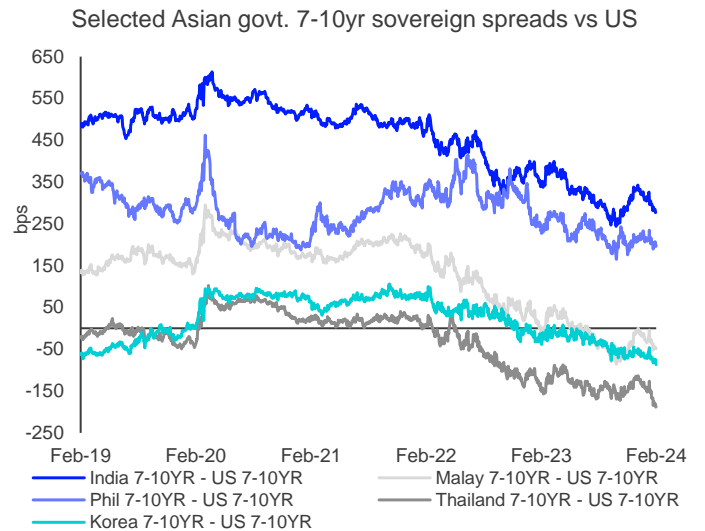


Chart 5: Both US and Chinese \$ HY spreads tightened further in Feb, as Treasury yields rose. China's property bonds rose on the 5Y LPR cut, aimed at supporting demand for real estate.

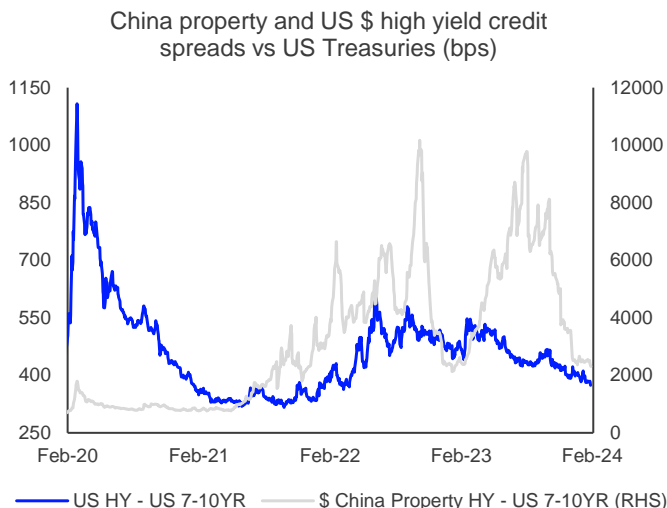
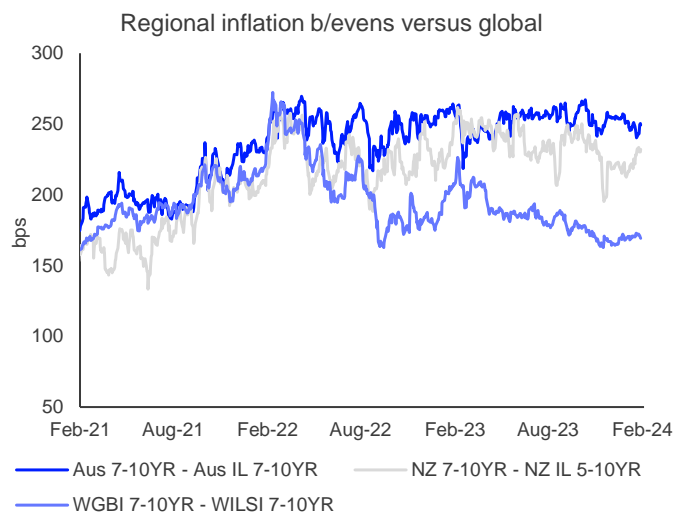


Chart 6: Global breakevens have fallen steadily vs a year ago, and stabilised at 170bps since Q4. Slower disinflation kept Australasian breakevens higher than global peers.



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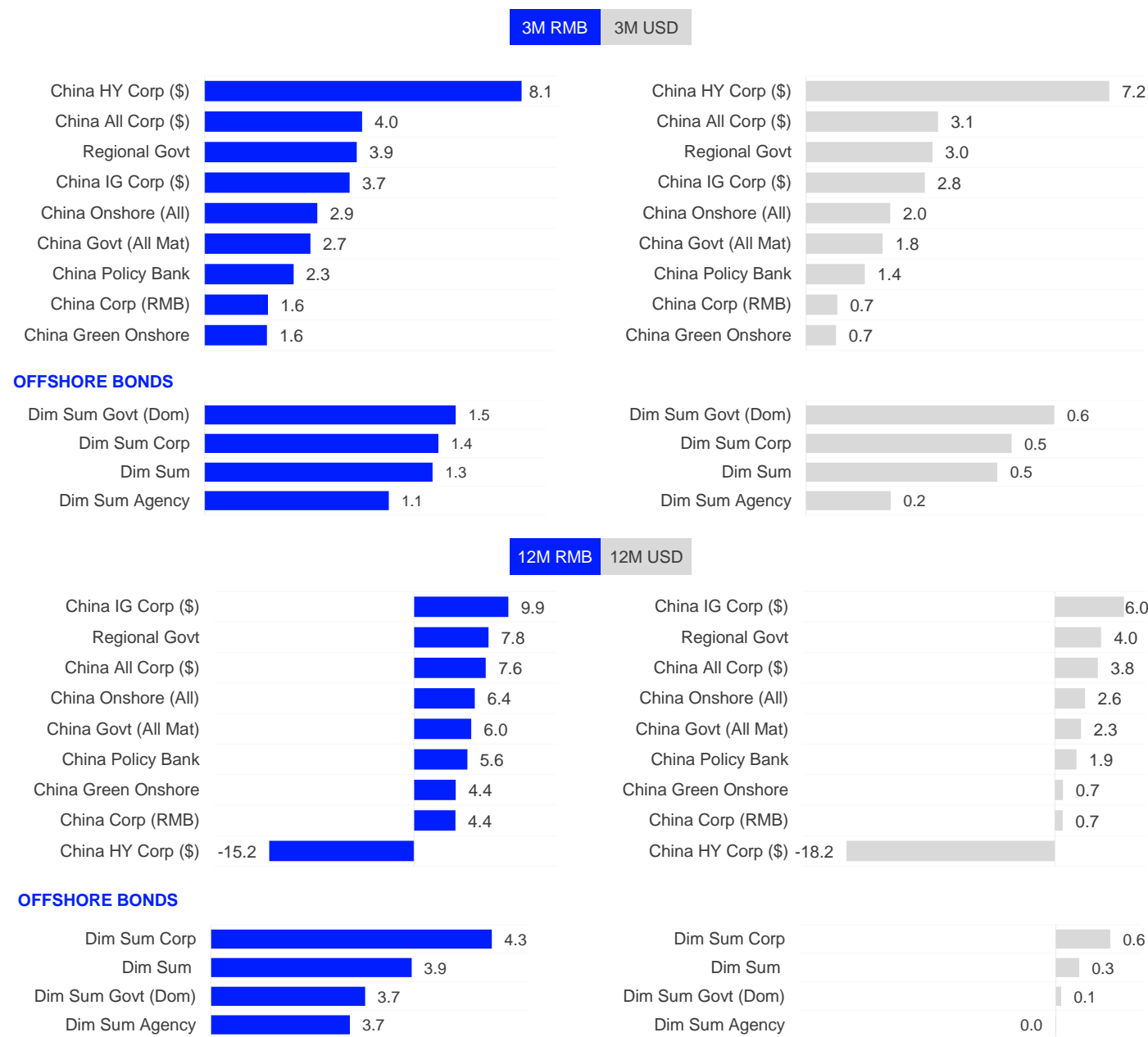
China Bond Market Returns – 3M & 12M in RMB & USD (TR) as of February 29, 2024

Chinese RMB bonds gained on both 3M and 12M, as yields continued to fall, in response to lower lending rates. New measures to facilitate foreign investment, and prospects of a stronger yuan, drove foreign inflows into Chinese bonds in recent months, despite wide yield differentials between the US and China. Currency hedging helped to lock in returns for foreign investors, but foreign holdings in Chinese credit bonds remain low, due to credit rating quality concerns.

Chinese onshore bonds gained 1.6-3.9% on 3M in RMB terms, led by regional government bonds. They also gained up to 3% for US dollar investors, although the US dollar recovered on delayed Fed easing. 12M returns show a greater impact of a weaker yuan vs US dollar on bond performance, as rate differentials widened. Foreign holdings of Chinese domestic bonds have increased since September, and new progress has been made to further facilitate foreign participation in the Chinese bond market.

DimSum bonds also delivered positive returns on both 3M and 12M, helped by lower rates, despite being less pronounced than onshore peers.

Chinese \$ HY corporates gained 7.2% on 3M, helped by China's stimulus measures and the improving sentiment in the property sector. The benchmark lending rate cut in 5-year LPR - to boost mortgage loans - has also boosted property bonds in February. Chinese \$ IG credits outperformed on 12M, with returns of 6%.



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Global Bond Market Returns – 3M & 12M LCY & USD (TR) as of February 29, 2024

Indian government bonds rallied on growth prospects and improved foreign buying. The rupee held up well against a strong US dollar over 3M, increasing returns for US dollar investors. Most Asian bonds outperformed G7 bonds over 12M, in local currency terms. Chinese \$ IG performance matched US peers on 3M and 12M, but Chinese \$ HY still showed losses of -18% after strong 3M returns of 7.2%.

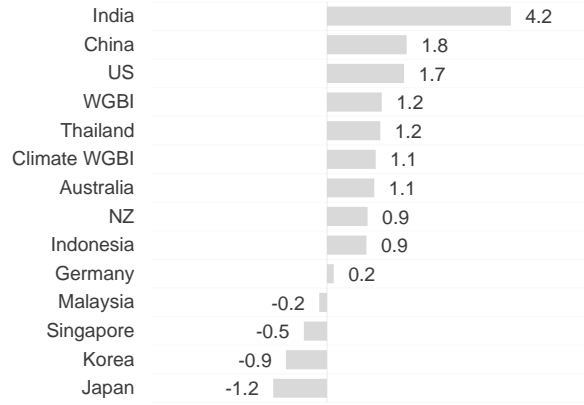
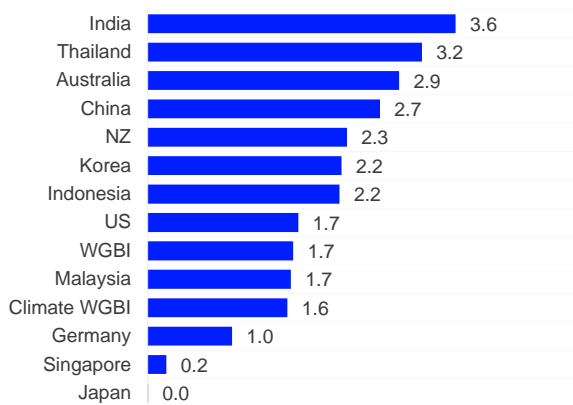
Indian bonds rallied further in February, after a lower fiscal deficit target was unveiled, gaining 3.6% on 3M in local currency. Inflows from foreign investors helped Indian bonds rally, after a global index inclusion announcement. A resilient rupee, with interventions by the RBI, boosted 3M returns to 4.2% in US dollar terms. Indian bonds continued to lead 12M gains, with USD returns of 9.4%.

Japanese government bonds lagged on 3M and 12M, despite a rally in longer-dated JGBs in February, as long-term investors, such as life insurers, increased purchases ahead of the fiscal year-end. The yen remains a significant drag on JGB returns for dollar investors, as both a delayed Fed easing and the prolonged easing policy by the BoJ prevented a yen recovery.

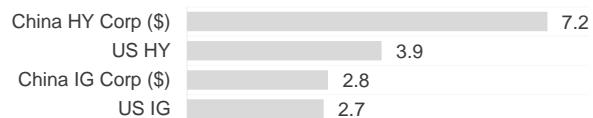
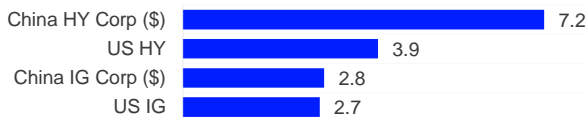
Both Chinese and US high-yield corporates outperformed their IG peers over 3M, as risk appetite recovered. IG corporates gained about 2.7% on 3M, adding to their 12M returns of 6%. More supportive measures may be needed for a more sustainable recovery in Chinese \$ property bonds.

3M LCY 3M USD

CONVENTIONAL GOVT BONDS

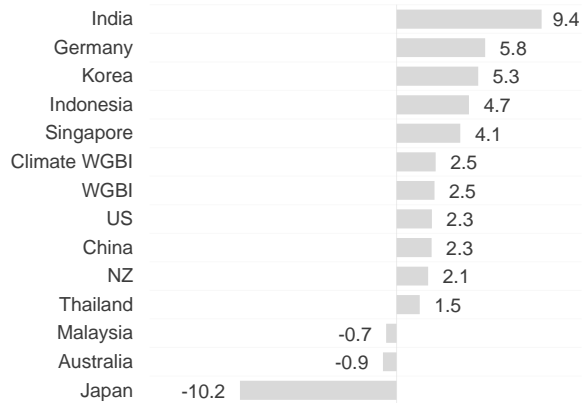
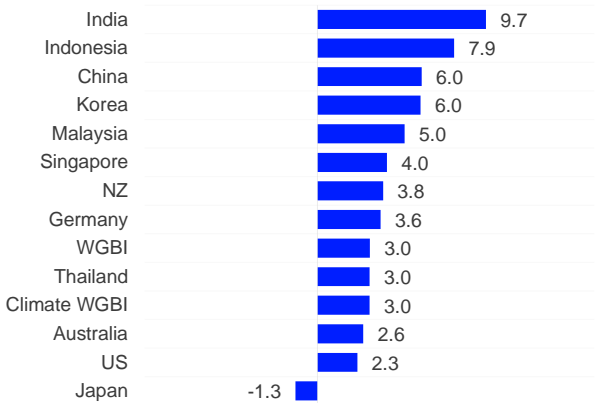


CORPORATE BONDS



12M LCY 12M USD

CONVENTIONAL GOVT BONDS



CORPORATE BONDS



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Appendix – Global Bond Market Returns % (RMB vs USD, TR), February 29, 2024

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	-0.41	-0.22	1.09	1.98	2.46	1.10	4.28	8.10
	7-10YR	-2.05	-1.86	1.73	2.62	1.04	-0.30	1.44	5.15
	20+YR	-2.15	-1.96	3.81	4.72	-0.62	-1.94	-3.93	-0.42
	IG All	-1.50	-1.31	2.71	3.61	4.00	2.61	6.10	9.98
	HY All	0.28	0.47	3.87	4.78	6.02	4.61	11.05	15.11
China	1-3YR	0.12	0.31	0.36	1.24	2.68	1.31	-0.45	3.19
	7-10YR	0.62	0.81	1.98	2.87	4.35	2.97	2.85	6.61
	20+YR	2.36	2.56	8.17	9.11	9.67	8.21	13.30	17.44
	All	0.52	0.71	1.81	2.70	4.03	2.64	2.28	6.02
China Policy Bank		0.53	0.72	1.39	2.27	3.68	2.30	1.88	5.60
Regional Govt		0.79	0.98	2.99	3.89	4.94	3.54	4.03	7.84
China Corp (LC)		0.24	0.44	0.74	1.62	3.17	1.80	0.67	4.36
China Onshore (All)		0.60	0.79	1.99	2.88	4.18	2.79	2.63	6.38
China Green Onshore		0.25	0.44	0.71	1.59	3.18	1.81	0.71	4.39
China All Corp (\$)		-0.05	0.14	3.12	4.02	5.22	3.82	3.76	7.55
China IG Corp (\$)		-0.19	0.00	2.80	3.70	4.59	3.20	6.03	9.91
China HY Corp (\$)		1.61	1.81	7.16	8.10	13.65	12.14	-18.21	-15.22
Offshore Govt (DimSum)		0.06	0.25	0.59	1.47	2.43	1.07	0.06	3.73
Asia-Pac	1-3YR	0.03	0.22	-0.01	0.86	2.36	1.00	0.52	4.19
	7-10YR	-0.01	0.18	1.31	2.20	3.28	1.91	2.89	6.65
	20+YR	0.57	0.76	4.67	5.59	7.95	6.52	9.59	13.60
	All	0.05	0.24	1.12	2.00	3.41	2.04	2.71	6.46
Australia	1-3YR	-1.42	-1.23	-0.25	0.62	2.63	1.27	-0.26	3.39
	7-10YR	-2.06	-1.88	1.39	2.28	2.00	0.65	-1.24	2.37
	20+YR	-2.63	-2.44	2.95	3.85	0.87	-0.47	-5.02	-1.54
	All	-1.92	-1.73	1.07	1.96	2.37	1.01	-0.89	2.74
India	1-3YR	0.74	0.93	2.75	3.64	3.71	2.33	7.56	11.50
	7-10YR	1.17	1.37	3.75	4.65	3.99	2.60	9.24	13.24
	20+YR	2.58	2.78	6.14	7.07	5.67	4.26	10.90	14.95
	All	1.44	1.64	4.17	5.08	4.40	3.01	9.41	13.41
Indonesia	1-3YR	0.92	1.11	0.70	1.58	-0.21	-1.54	3.19	6.96
	7-10YR	0.90	1.09	0.93	1.82	-1.18	-2.50	4.80	8.63
	20+YR	0.81	1.00	1.07	1.95	-1.85	-3.15	6.58	10.47
	All	0.86	1.06	0.89	1.78	-1.08	-2.39	4.71	8.54
Japan	1-3YR	-2.49	-2.30	-1.42	-0.56	-2.90	-4.19	-9.21	-5.89
	7-10YR	-2.27	-2.08	-1.11	-0.24	-2.59	-3.89	-8.40	-5.05
	20+YR	-0.63	-0.44	-1.47	-0.61	-4.37	-5.64	-14.00	-10.85
	All	-1.76	-1.57	-1.22	-0.36	-3.12	-4.41	-10.16	-6.87
Korea	1-3YR	0.26	0.45	-2.14	-1.28	1.50	0.15	3.49	7.28
	7-10YR	-0.46	-0.27	-1.26	-0.39	3.12	1.75	5.06	8.91
	20+YR	-1.41	-1.23	0.60	1.48	7.57	6.14	7.04	10.96
	All	-0.61	-0.42	-0.93	-0.07	4.09	2.71	5.29	9.14
Malaysia	1-3YR	-0.18	0.01	-0.93	-0.06	-0.54	-1.86	-2.14	1.44
	7-10YR	-0.33	-0.14	-0.61	0.26	-0.40	-1.72	-1.24	2.37
	20+YR	-0.10	0.09	1.31	2.19	1.41	0.07	1.68	5.40
	All	-0.24	-0.05	-0.18	0.69	0.15	-1.18	-0.67	2.96
New Zealand	1-3YR	-0.90	-0.71	-0.03	0.84	5.47	4.07	2.49	6.24
	7-10YR	-1.62	-1.43	1.31	2.20	6.41	4.99	2.18	5.92
	20+YR	-2.12	-1.94	2.16	3.05	6.84	5.42	-1.73	1.86
	All	-1.47	-1.28	0.92	1.80	6.22	4.80	2.06	5.79
Singapore	1-3YR	-0.77	-0.58	0.09	0.97	2.41	1.05	4.12	7.93
	7-10YR	-1.86	-1.68	-1.08	-0.22	2.62	1.26	5.56	9.43
	20+YR	-3.57	-3.38	-0.48	0.39	2.58	1.22	-0.14	3.51
	All	-1.80	-1.62	-0.53	0.34	2.49	1.13	4.14	7.95
Thailand	1-3YR	-0.67	-0.48	-0.80	0.07	-0.88	-2.20	0.41	4.09
	7-10YR	-0.09	0.10	1.84	2.74	0.94	-0.40	1.40	5.11
	20+YR	2.45	2.64	7.67	8.61	1.40	0.05	4.46	8.28
	All	-0.17	0.02	1.21	2.09	0.35	-0.98	1.51	5.22

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Appendix – Global Bond Market Yields %, February 29, 2024

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	4.73	4.34	4.26	4.46	1.99	1.88	2.12	5.44	8.09
	3M Ago	4.82	4.39	4.35	4.63	2.57	2.14	2.27	5.64	8.47
	6M Ago	4.99	4.39	4.12	4.32	2.50	1.94	2.01	5.65	8.41
	12M Ago	4.90	4.34	3.93	4.01	1.82	1.57	1.65	5.55	8.60
UK	Current	4.48	4.10	4.03	4.49	0.53	0.40	1.21		
	3M Ago	4.52	4.16	4.11	4.61	0.62	0.53	1.30		
	6M Ago	4.91	4.63	4.31	4.53	1.11	0.67	1.12		
	12M Ago	3.95	3.80	3.75	4.13	0.13	0.00	0.74		
Japan	Current	0.13	0.28	0.59	1.66	-1.51	-0.81			
	3M Ago	0.00	0.17	0.57	1.63	-2.08	-0.94			
	6M Ago	-0.02	0.14	0.53	1.55	-1.82	-0.76			
	12M Ago	-0.04	0.09	0.46	1.38	-1.29	-0.43			
China	Current	1.99	2.16	2.38	2.57					
	3M Ago	2.37	2.47	2.66	3.02					
	6M Ago	2.06	2.28	2.59	2.93					
	12M Ago	2.38	2.58	2.84	3.26					
EM	Current	3.29	3.90	4.56	4.03	4.69	4.53	5.24	5.73	9.12
	3M Ago	3.66	4.22	4.76	4.46	4.42	4.45	5.10	6.08	10.41
	6M Ago	3.50	4.22	4.80	4.34	2.84	4.28	5.01	6.14	11.41
	12M Ago	3.71	4.37	4.72	4.50	2.12	3.49	5.25	5.95	10.85
Germany	Current	3.02	2.50	2.34	2.53	1.20	0.42	0.35		
	3M Ago	2.86	2.41	2.37	2.67	1.16	0.34	0.28		
	6M Ago	3.03	2.53	2.38	2.55	0.64	0.13	0.11		
	12M Ago	3.09	2.30	2.22	2.32	-0.04	-0.09	-0.10		
Italy	Current	3.35	3.25	3.61	4.22	1.31	1.63	1.84		
	3M Ago	3.39	3.40	3.93	4.59	1.60	1.97	2.15		
	6M Ago	3.56	3.53	3.87	4.41	1.37	1.72	1.86		
	12M Ago	3.65	3.39	3.86	4.29	0.39	1.45	1.72		
France	Current	3.05	2.74	2.78	3.24	0.80	0.57	0.79		
	3M Ago	3.01	2.73	2.87	3.46	0.84	0.63	0.95		
	6M Ago	3.09	2.85	2.87	3.36	0.48	0.37	0.71		
	12M Ago	3.18	2.49	2.58	3.08	-0.29	0.04	0.48		
Sweden	Current	3.03	2.58	2.46		1.62	1.04			
	3M Ago	3.27	2.70	2.61		1.30	1.12			
	6M Ago	3.43	3.00	2.75		1.33	1.14			
	12M Ago	3.18	2.61	2.35		0.25	0.45			
Australia	Current	3.81	3.73	4.09	4.51	1.15	1.51	1.91		
	3M Ago	4.15	4.04	4.36	4.73	1.28	1.81	2.19		
	6M Ago	3.85	3.75	3.99	4.42	0.97	1.43	1.84		
	12M Ago	3.66	3.21	3.48	4.01	0.20	0.98	1.58		
NZ	Current	5.05	4.61	4.68	4.96	1.89	2.41			
	3M Ago	5.07	4.78	4.89	5.09	1.91	2.59			
	6M Ago	5.30	4.96	4.89	5.07	2.15	2.58			
	12M Ago	5.06	4.23	4.14	4.29	0.99	1.66			
Canada	Current	4.10		3.51	3.40			1.73	4.98	6.94
	3M Ago	4.08		3.58	3.43			1.76	5.29	7.73
	6M Ago	4.50		3.65	3.44			1.88	5.55	7.70
	12M Ago	4.04		3.35	3.26			1.34	5.16	7.19

Source: FTSE Russell. All data as of February 29, 2024. 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.

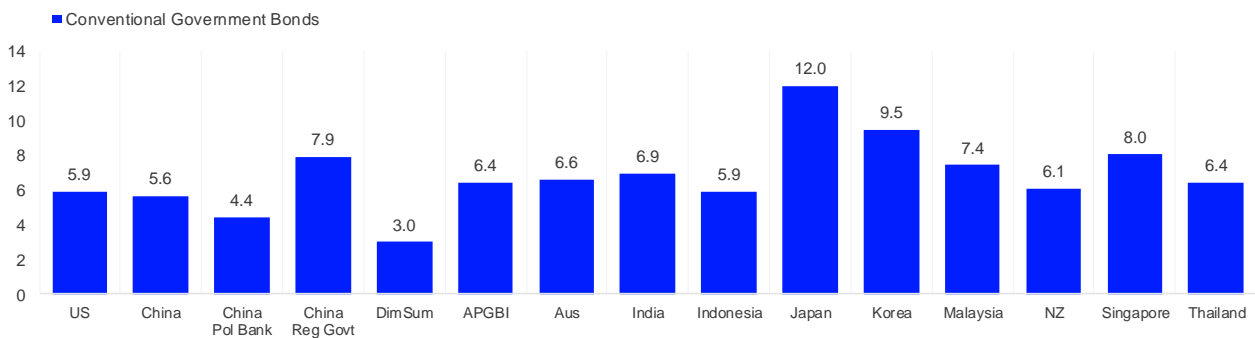
Appendix – Duration and Market Value (USD, Bn), February 29, 2024

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.2	16.8	5.9	2,555.0	1,143.8	1,305.4	11,021.7
China	3.7	7.6	17.9	5.6	556.3	390.2	298.6	2,553.9
China Pol Bank				4.4				2,832.9
China Reg Govt				7.9				2,433.1
DimSum				3.0				11.8
APGBI	3.7	7.3	18.0	6.4	822.2	726.4	562.9	4,251.1
Aus	3.6	7.5	16.9	6.6	46.7	90.7	20.2	316.5
India	3.2	6.3	12.0	6.9	133.8	195.5	275.2	1,153.7
Indonesia	3.2	6.0	11.5	5.9	30.9	54.2	12.3	231.5
Japan	3.9	8.1	23.6	12.0	349.9	356.9	632.1	2,949.7
Korea	3.5	7.2	18.8	9.5	85.4	86.9	190.6	631.9
Malaysia	3.5	7.0	15.2	7.4	18.1	18.1	15.9	117.5
NZ	3.4	7.2	16.7	6.1	10.9	15.6	2.7	55.5
Singapore	3.4	7.6	20.1	8.0	16.0	14.3	16.2	94.8
Thailand	3.6	7.2	16.9	6.4	31.3	30.0	6.5	137.3

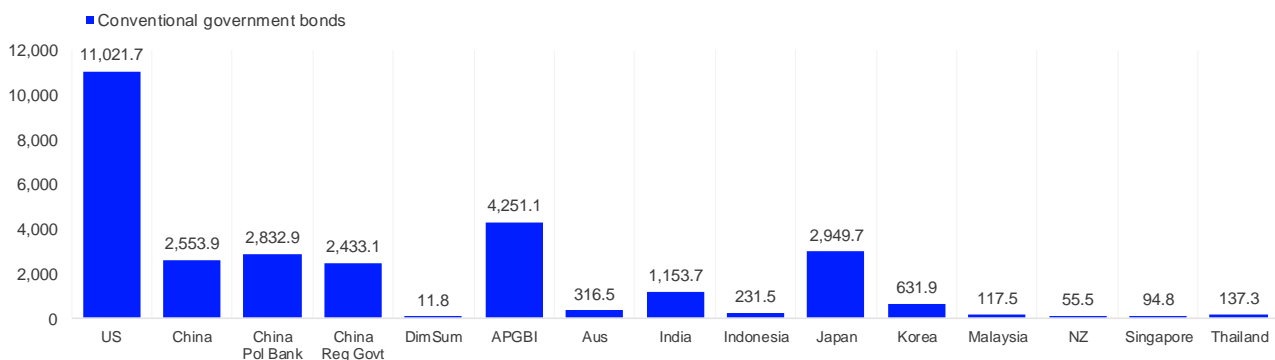
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	6.9	3.8		6,667.1	1,041.7	
China Corp (LC)			2.1			531.8
China Green Onshore			2.2			154.2
China Corp (\$)	4.1	2.1	7.9	217.1	17.9	235.0
DimSum			2.1			14.7
EM	5.1	3.4	4.7	561.7	181.6	743.3
EUxUK	4.4	2.9		2,974.0	420.4	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	2.0	2.5		1.7	5.8	

Average Duration



Total Market Value (USD Billions)

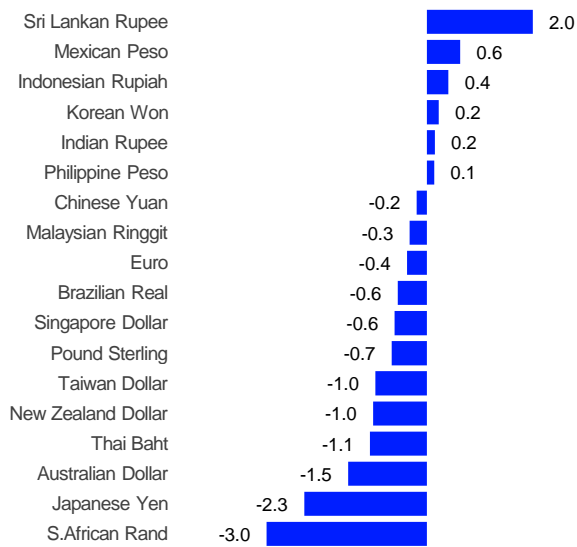


Data as of 2024-02-29

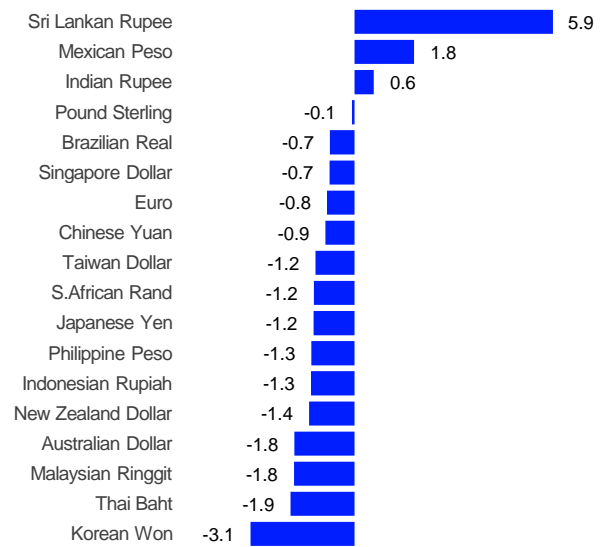
Source: FTSE Russell. All data as of February 29, 2024. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Appendix – Foreign Exchange Returns % as of February 29, 2024

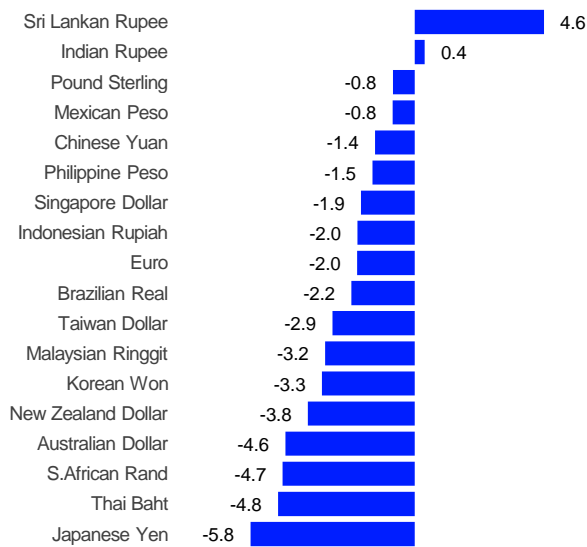
FX Moves vs USD - 1M



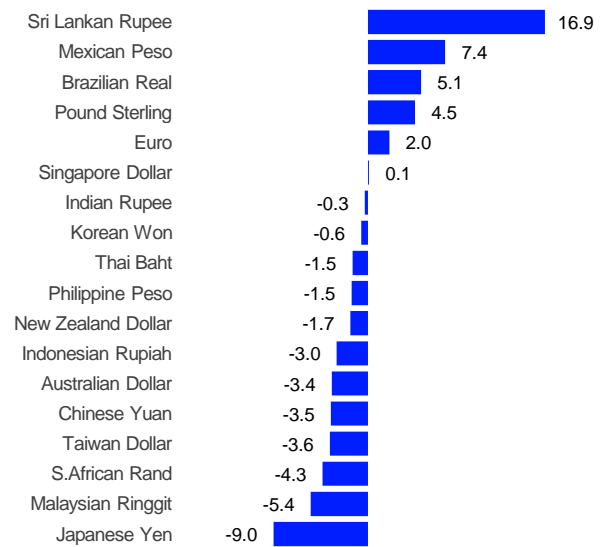
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



Source: FTSE Russell and Refinitiv. All data as of February 29, 2024. 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

Total Returns

Historical Yields

Growth/Inflation

Financial Conditions

Curves

Spreads

Credit/Equities

MBS

Appendix

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