

Fixed Income Insights

MONTHLY REPORT | DECEMBER 2025

NORTH AMERICA
US & CANADA EDITION

Long end draws support from rate cuts, less issuance

Statistical fog may not prevent another Fed easing in December, as the labour market suggests US policy remains restrictive. Q3's growth rebound and easier policy rates reduce pressure on the BoC to ease again in Q4, after fiscal easing in November. Long govt bonds have drawn support from reduced supply in Q4, as curves stabilise, and rate cuts, but credit remains the star performer YTD, plus the Eurozone periphery, due to convergence trades.

Macro and policy backdrop – Weak labour markets leave scope for Dec. rate cuts

Statistical fog for Fed, but case for reducing degree of restraint remains, as labour market softens. BoC under less pressure to ease again in Q4, given lower policy rates. (pages 2-3)

US IG & HY credit – Tight credit spreads, though outright yields offer protection

Investors get larger risk premia in Canadian credit than US, relative to risk-free yields, though recession risks higher. (pages 4-5)

Canadian govt bonds, provis & munis – Yield attractions tighten Provi & Muni spreads

Alberta spreads reverse the Q2 widening. Provincial spreads tighten versus govts but more divergent, as investors focus on borrowing needs. (page 6)

Canadian IG & HY credit – IG spread tightening most pronounced in longs

BBBs, Comms., industrials and financials best performers in IG credit. Major re-rating of HY credit evident in both US & Canada. (page 7-8)

Performance – Longs recover in Q4, but underperform YTD. USD weakness dominates

EM inflation linked, Eurozone periphery and credit strongest performers. Short Bunds & gilts remain best of G7, boosted by currency gains. (page 9-11)

Appendix (from page 11) Global bond market returns, historical bond yields, bond market durations and market values and foreign exchange returns.

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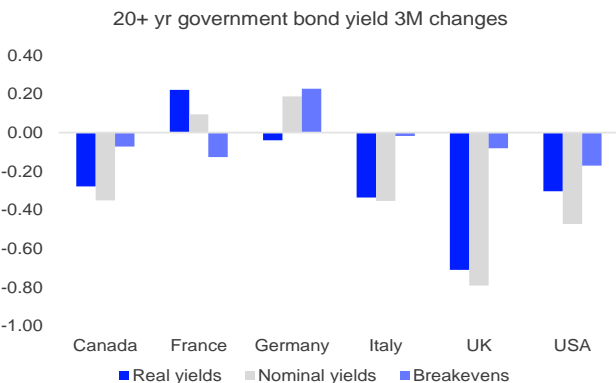
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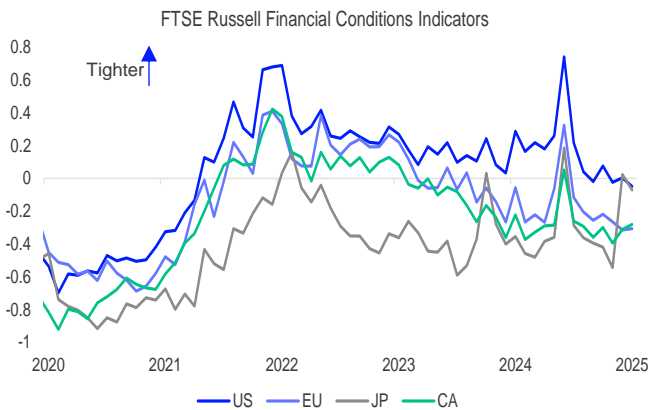
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Chart 1: Apart from the core Eurozone, long bonds have rallied on 3M, as lower rates, reduced issuance & high yields attracted buyers. Bund & OAT yields increased on fiscal easing, while Italy gained from tightening.



Source: FTSE Russell and Datastream. Other data as of November 30, 2025. 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 of the report for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix for list of indices used for each market.

Chart 2: Canadian and Eurozone financial conditions remain looser than the rest of the G7, helped by greater monetary easing in 2024-25, and low credit spreads. US financial conditions are close to the longer term mean.



Macroeconomic Backdrop – Growth and Inflation Expectations

Growth forecasts show little recession risk, after Q3 rebounds, as easier monetary and fiscal policy cushion the impact of tariff increases. The AI boom and wealth effects have sustained US capex and consumer demand, even if lower incomes have been squeezed by inflation above 3% yy since 2021. Canadian GDP growth of 2.6% in Q3, and inflation near target mean the BoC is under little pressure to ease again quickly, with 2.25% rates already on the easy side of neutral.

IMF growth forecast revisions have been more modest for 2026, since April, on the view tariff effects would largely be in 2025, and not 2026, and that lower rates would cushion the blow of tariff changes (Chart 1). Both the US and China enjoyed modest IMF upgrades for 2026. US growth tracked close to 4% in Q3, boosted by the AI boom, and positive wealth effects are helping sustain consumer expenditure. Canada's rebound to 2.6% Q3 GDP growth reduces pressure on the BoC for a further rate cut.

The cancellation of October US data leaves September data, showing 3% yy CPI inflation and 2.6% yy increase in the PCE deflator, as the latest for the December 10 FOMC (see Chart 2). Canada's October data, shows inflation at 2.2% yy, helped by petrol prices (down 9.4% y/y). Canadian core measures at 3% y/y, however, are squeezing real income and consumption growth, as in the US.

The positive wealth effects for US households from higher house and stock prices are shown in Chart 3. The dip in US household net worth from Covid proved short-lived, and was cushioned by fiscal stimulus, zero rates and higher stock and real estate prices, particularly higher income households. (Lower income households show weaker spending patterns). As a result, personal savings from disposable income fell to below 5% in 2022, and did not increase more than marginally when the Fed raised rates in 2022-23.

The Baltic Dry index – showing the cost of dry cargo shipping on 23 different global shipping routes - increased to a 2 year high at end-November, reflecting increased demand for commodities like iron ore. Because the supply of large carriers has very low short term elasticity, index movements are volatile, and often signal economic activity changes in advance. But we note the index level is still well below either the Covid-driven, or levels reached after the Russian invasion of Ukraine in 2023 (Chart 4).

Chart 1: Recent IMF forecasts for GDP growth in 2026 remain close to the forecasts released in April, but higher for the US and China, reflecting the impact of policy easing, and lower US tariff rates than originally mooted.

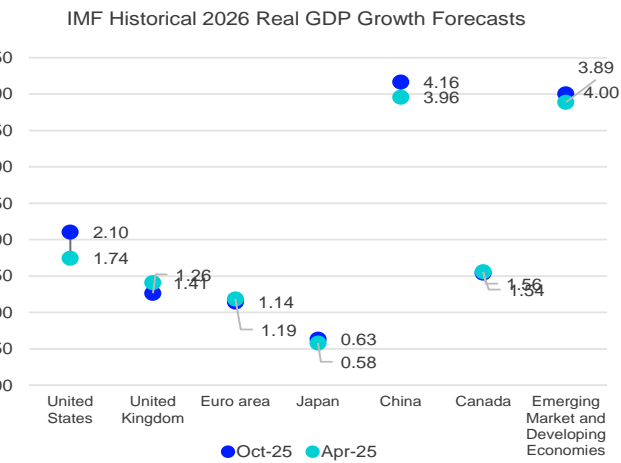


Chart 2: US inflation remains at 3% y/y, awaiting Oct. data, squeezing real incomes and constraining consumption growth of lower income households. Canadian inflation at 2.2% y/y gives the BoC more options.

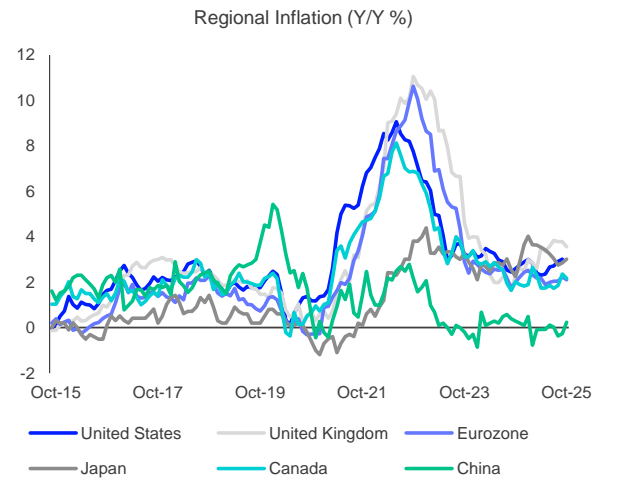


Chart 3: Despite a real income squeeze from inflation of 3% or above since 2022, and higher rates, the personal savings rate remains around 5%, as higher income households have benefitted from positive wealth effects.

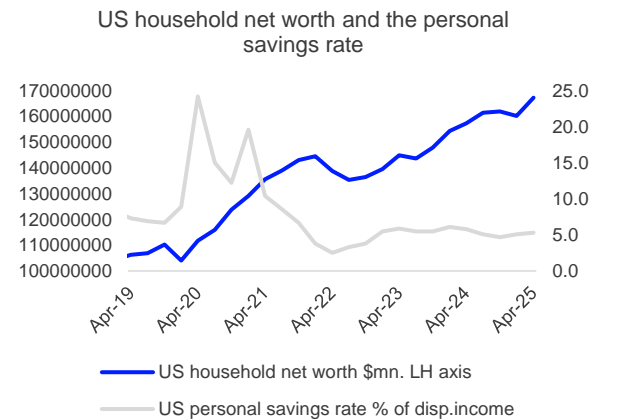
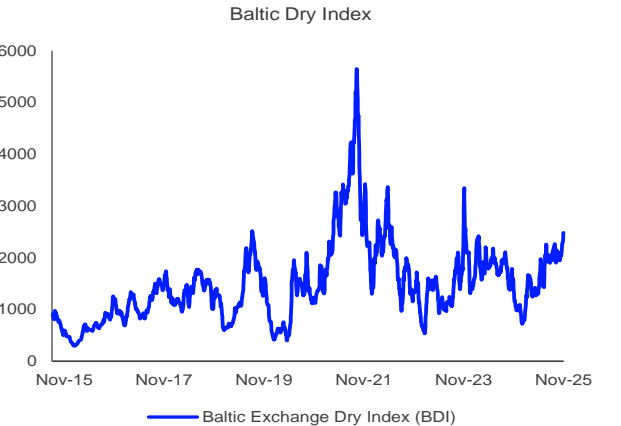


Chart 4: The Baltic Dry index shows dry cargo shipping rates increased to a 2-year high, due to increased demand for dry bulk commodities, across vehicle segments. But rates are well below 2020 & 2023 levels.



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Financial conditions and economic policy

Curve steepening stalled in medium maturities, as the 10 yr area rallied on rate cuts, though financial conditions remain on the easy side of neutral in the G7 on FTSE Russell indicators (see front page). A Fed rate cut is feasible in December, despite some statistical fog, though the BoC and ECB are more firmly on hold, with inflation at target, and growth recovering in Q3. The yen carry trade remains intact, despite rates more in favour of the yen, but the carry trade may be fully tested in 2026.

The pronounced curve steepening of 2024-25 in both Canada and the US has stalled in the 7-10 yr area, as lower policy rates have been matched by lower 7-10 yr yields (Chart 1) and curves normalised near pre-Covid levels. The long end is more mixed, but reduced long end supply as issuance skews towards shorter debt, and LDI flows into longer bonds show signs of capping long yields. In this scenario, the long yield curve could still steepen further but in a bull steepening, where long end yields fall but less than shorts.

Canadian and US labour markets show unemployment trending higher, but more in Canada than the US, due to rapid growth in the Canadian labour force post-Covid (Chart 2). So Canadian unemployment increased from a low of 4.8% in July 2022 to 6.9% (Oct 2025) whereas US unemployment is still only 4.4% (Sep 2025) vs a 3.5% low. This "soft landing" for the US labour market does not conceal the fact some breakeven job growth estimates – the level required for unchanged unemployment- are as low as 50k monthly.

The Fed goes into the December FOMC meeting with less data than normal, although its Beige book and loan officer surveys, and private survey data mean it will not be devoid of Oct/Nov data. Fed Chairman Powell's reference to driving more slowly in fog does not preclude a rate cut on December 10 with Fed funds well above neutral estimates at 3.75% - 4% (Chart 3), and unemployment trending higher. The BoC faces a different calculus, with weaker growth and labour markets, but rates are already on the easy side of neutral.

Yen weakness continues despite rate differentials supporting the yen. The BoJ's decision to defer rate increases in October to assess the impact of fiscal policy changes after the election of new Prime Minister Takaichi appears a key driver in Q4 of yen weakness. The Canadian dollar fell back on the BoC rate cuts in Sep & Oct while the USD is 10-12% lower on 12M against major trading partners.

Chart 1: Curve steepening in longs is more pronounced, than in medium maturities in Canada and US. However, curves have stabilised in recent months, with gradients back to 2021 levels, or beyond in Canadian longs.

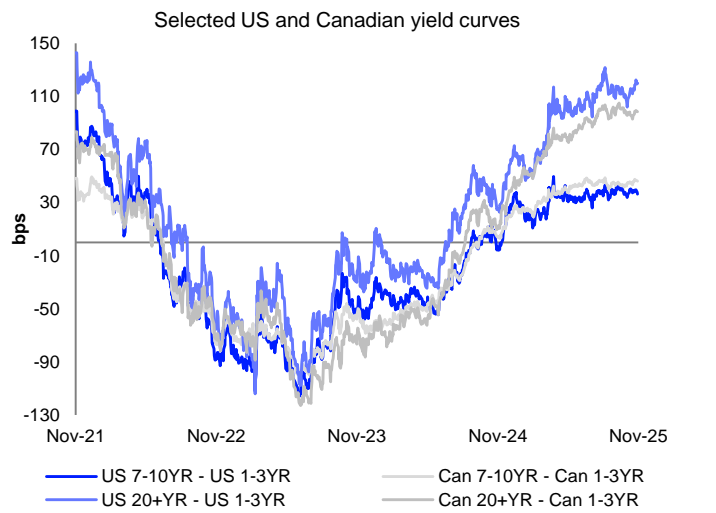
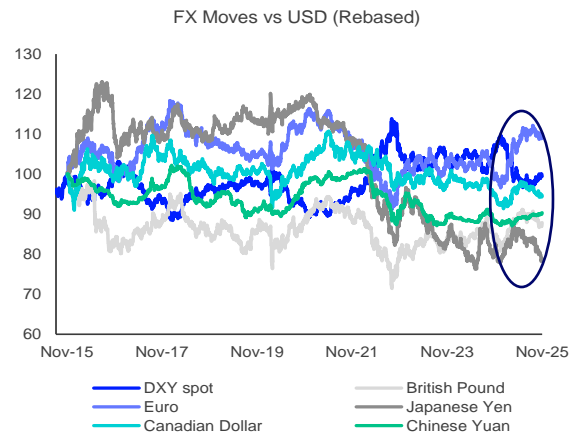
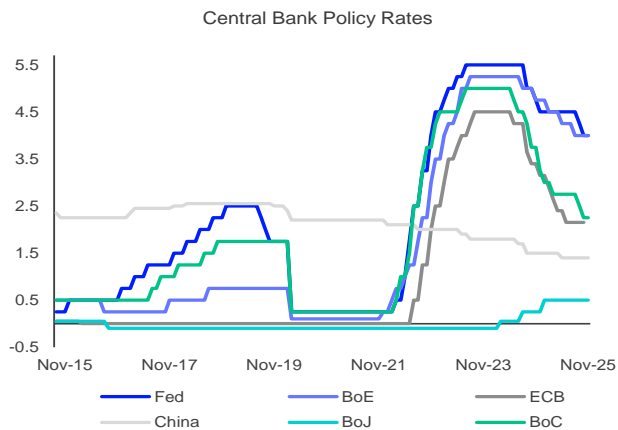


Chart 2: Reflecting the growth in the labour force due to labour migration, the Canadian unemployment rate has risen faster than the US since the post-Covid surge in growth ended in 2022.



Chart 3: Central bank focus has shifted firmly to growth, so the BoC has moved policy to the easy side of neutral as insurance against recession. Fed policy remains more restrictive, with rates well above neutral estimates.

Chart 4: The Canadian dollar drifted lower in November, not helped by adverse interest rate differentials, after the September/October rate cuts. Yen weakness remains a feature.



US Credit : Investment Grade Credit and RMBS analysis

Chart 1: US IG credit spreads have ticked up in Q4, as Treasury yields fell, and now exceed Canadian IG spreads, so they look cheaper than Canadian IG on this metric. However, spreads are near post-Covid lows.

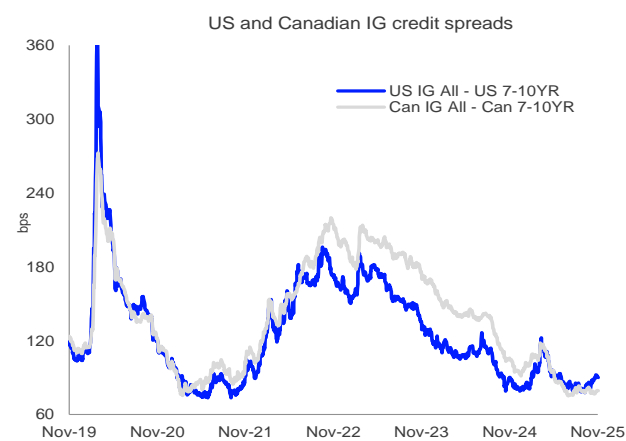


Chart 3: Longer duration of the US and UK IG credit markets left them more vulnerable to higher govt bond yields and rates in 2022-2023. The Canadian and Euro IG credits were better protected in that regard.

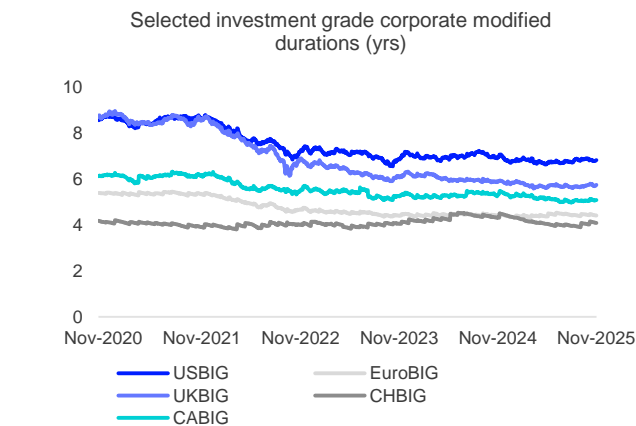


Chart 5: Asset backed credits continue to outperform other sectors, with low volatility and low default rates increasing their appeal. Banks benefitted from higher for longer rates on net interest income, after the regional banking crisis.

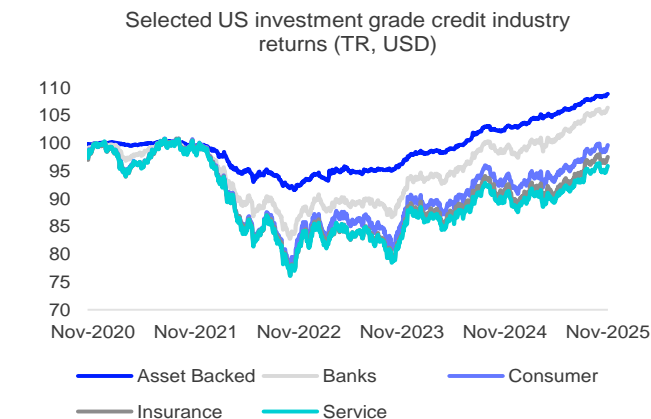


Chart 2: However, the ratio of IG yields to risk-free govt. yields shows the ratio is higher for Canada. So even if a low risk premium, investors get a higher premium in Canadian credit over govt yields, than the US.

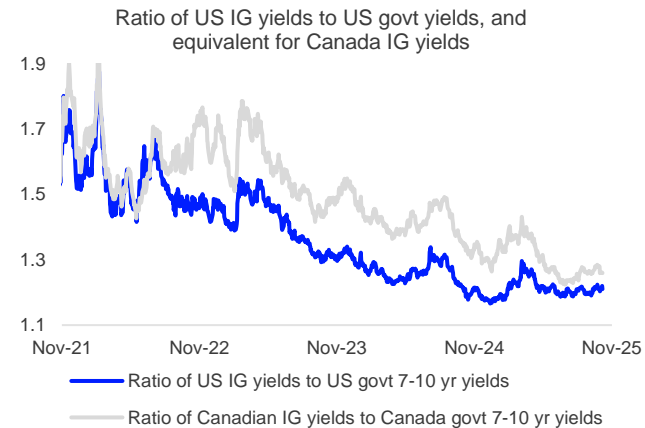


Chart 4: The impact of longer duration in US and UK IG credits is evident in the 2022 sell-off, showing underperformance, even in USD. Chinese credits outperformed in 2025, despite shorter duration.

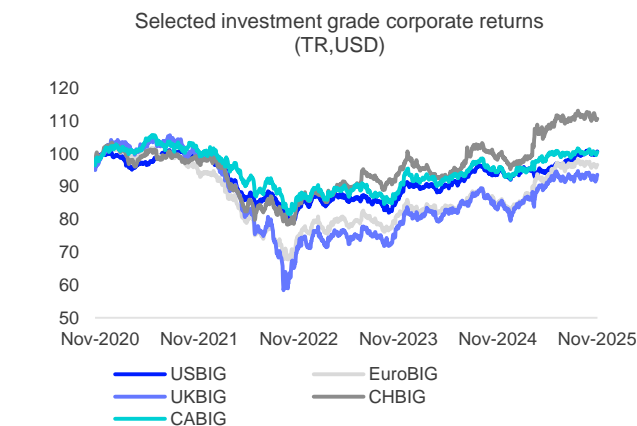
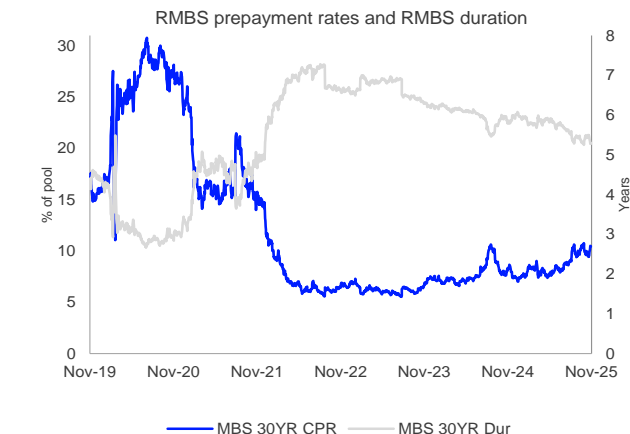


Chart 6: Fed rate cuts in September and October drove a modest increase in refinancings. But mortgage rates are still too high to drive much refinancing, and allow new buyers into the market.



Source: FTSE Russell and LSEG, NY Fed. All data as of November 30, 2025. 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 of the report for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix for list of indices used for each market.

US Credit : High Yield Credit Analysis

Chart 1: HY has underperformed IG, as weaker equities weighed on HY, given its high correlation. So yields on HY drifted higher in Q4 to date. But yield per unit of duration is still attractive versus pre-Covid levels.

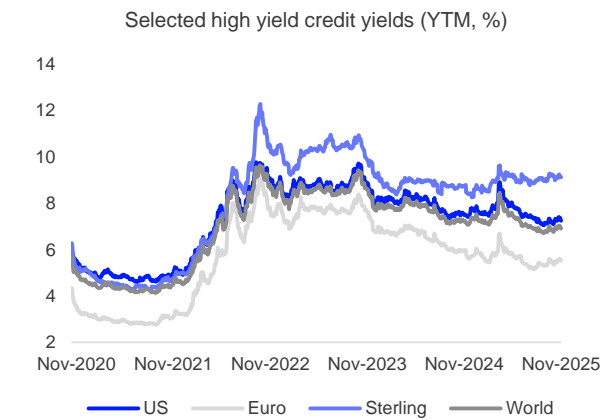


Chart 2: The ratio of US HY yields to govt bonds is lower than Canada, like IG. This means investors get a lower risk premium over risk-free rates holding US HY vs Canada. Both ratios are low by post-Covid benchmarks.

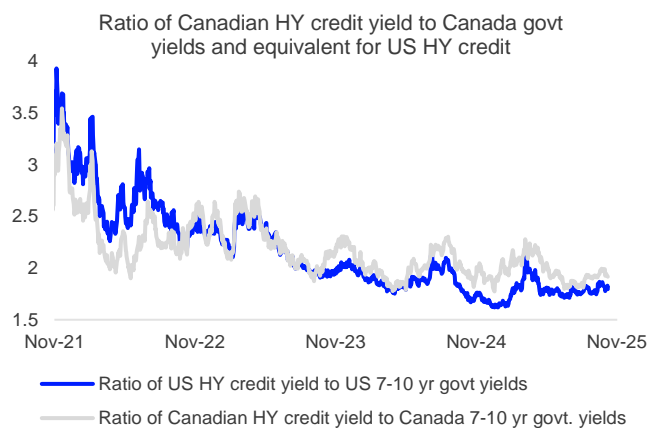


Chart 3: Dollar weakness has boosted returns for a US based investor in overseas markets in 2025, though the dollar rally in Q4 has boosted relative US HY returns. All markets have benefitted from the risk-on rally.

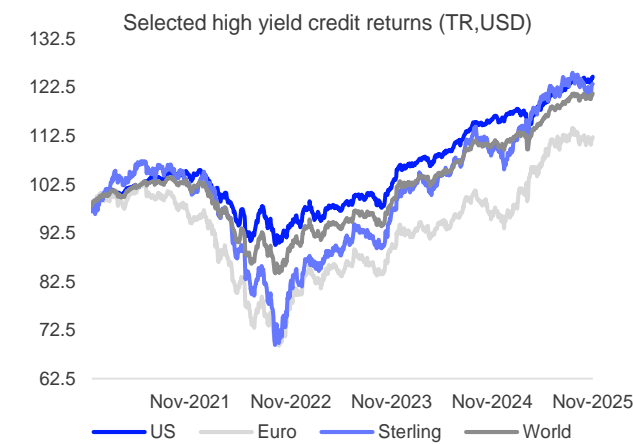


Chart 4: The share of longer dated issues in US HY fell sharply since 2021, particularly 7-10 yr, as the Chart shows. A shorter duration market, with improved credit quality, has proved attractive to investors.

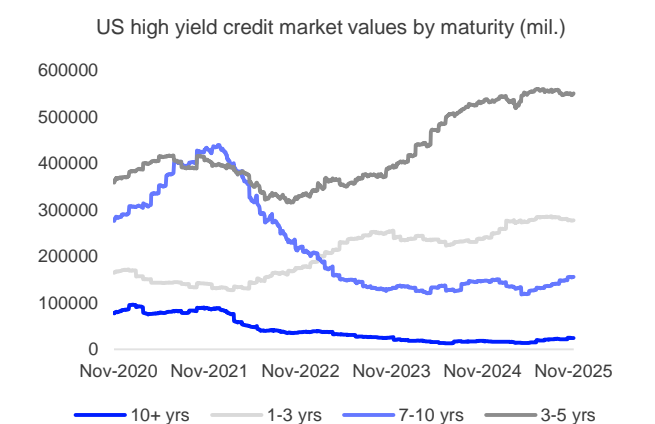


Chart 5: In the FTSE US HY index, the share of CCC rated bonds in US HY is under 10%, while the share of BB is largest, and above 50%. This reflects the improvement in credit quality in US HY since Covid.

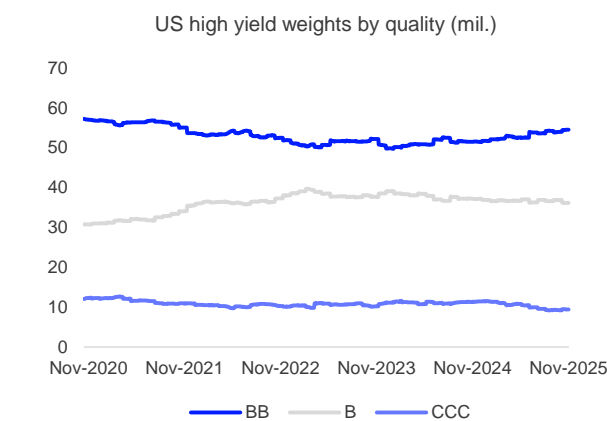
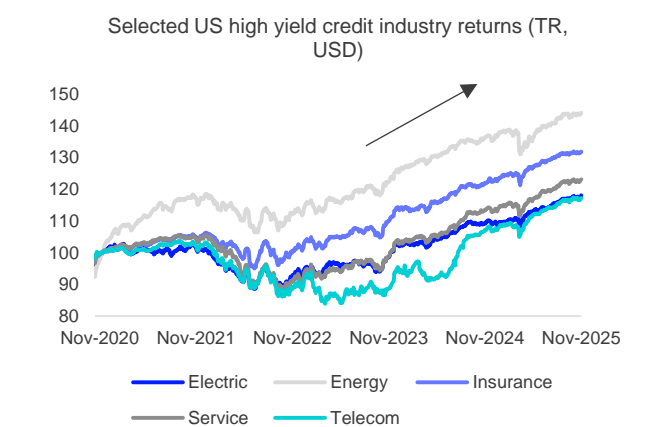


Chart 6: Industry returns show energy and financials outperforming in 2024-25, with financials helped by steeper curves and benign credit cycle. Electrical utilities have not performed as strongly despite the AI boom.



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Canadian Governments, Provinces and Municipalities

Chart 1: The 10s/2s curve has stabilised since mid-year, and even 20 yr + yields are showing some signs of stabilisation versus shorts, with long yields now at historically attractive levels for LDI flows.

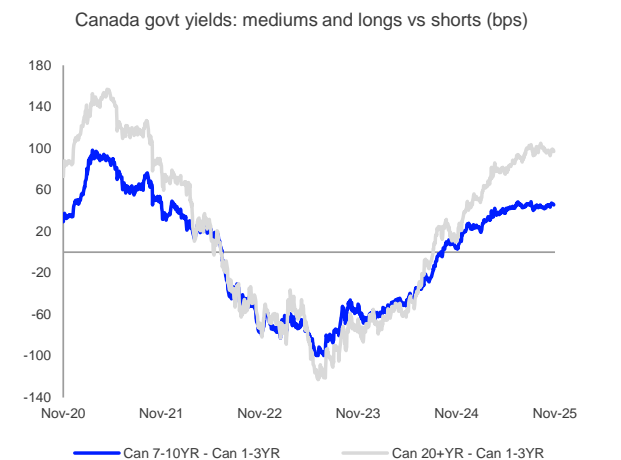


Chart 3: Canadian 7-10 yr spreads have drifted back out, versus US in 2025, as Fed eased in Sep/Oct. but spreads vs JGBs tightened further. With BoC and ECB both on hold near 2%, spreads stabilised vs Bunds.

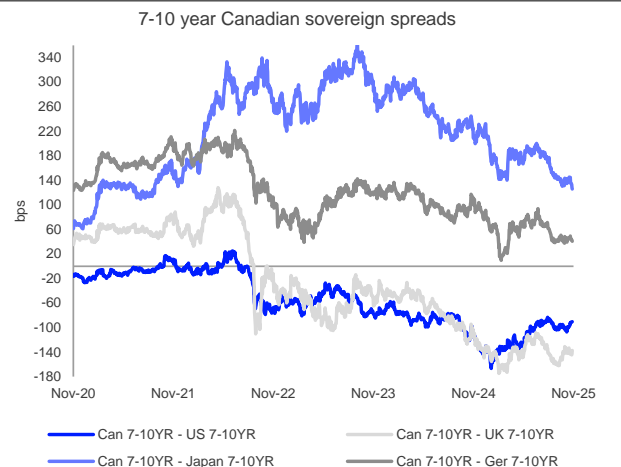


Chart 5: Real yields have fallen more from the 2023 highs than nominal, causing long-dated breakevens to rise a little higher, but little evidence to date of genuine de-stabilisation in inflation expectations.

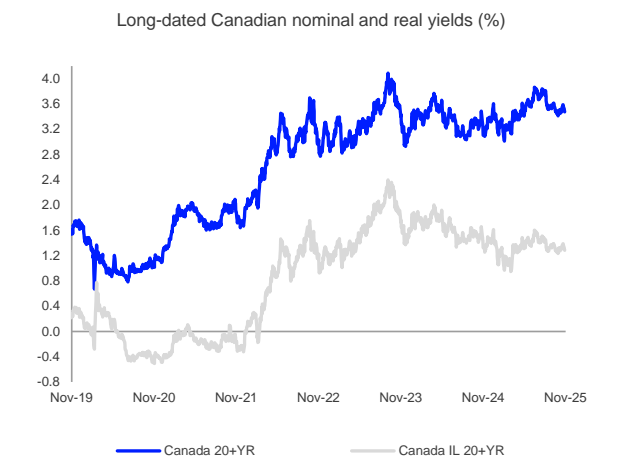


Chart 2: Canadian inflation breakevens barely reacted to recent rate cuts, or November budget. In fact, breakevens are lower than 3 months ago. Short dated breakevens also fell since the tariff turbulence 6 months ago.

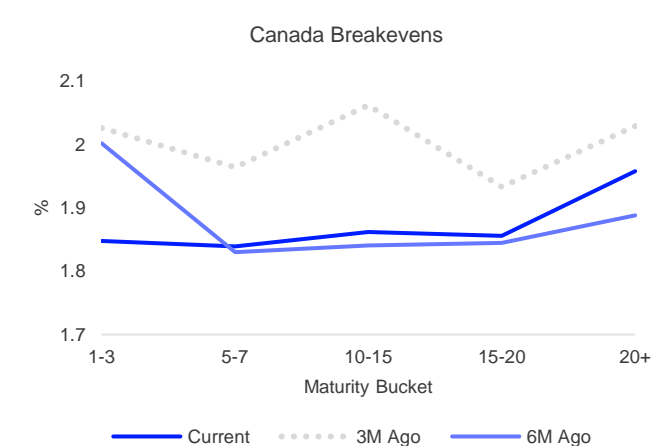


Chart 4: It is a similar picture in longs, where the US Treasury rally has closed yield differentials versus Canada. Long spreads versus UK gilts remain near multi-year lows, due to UK issuance pressures.

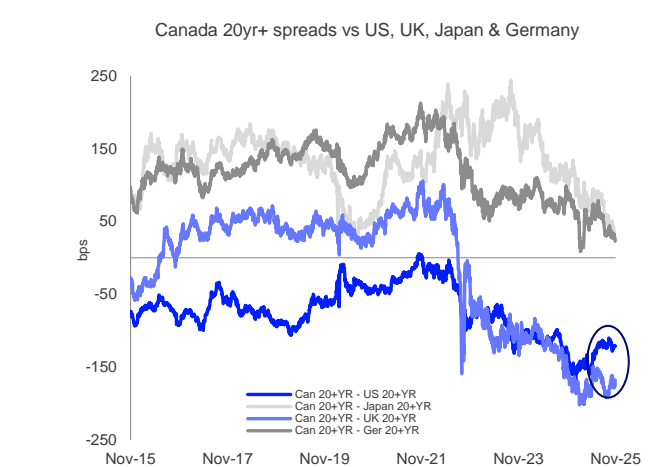
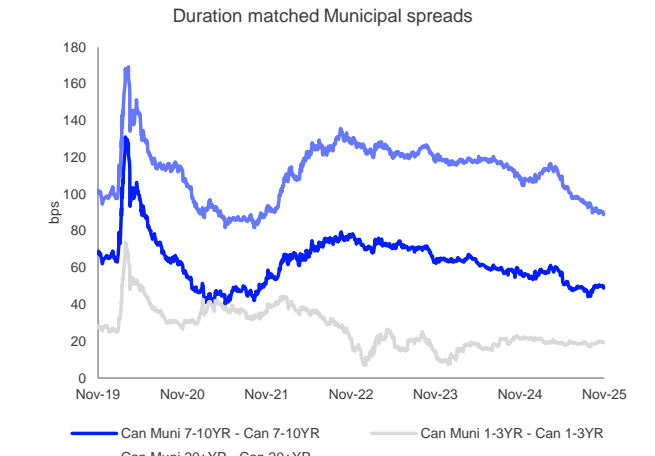


Chart 6: Longer muni spreads have reversed pronounced widening in 2021-22, with 20 yr + spreads now back to 2021 levels, despite some increased issuance flexibility in some regions (i.e., British Columbia).



Canada : Investment Grade Credit Analysis

Chart 1: Long dated Canadian IG credit spreads are very close to 10 yr lows, whereas 1-3 yr spreads are no lower than pre-Covid levels. This partly reflects curve steepening in govt bonds in 2024-25 but is of note.



Chart 3: Spreads have tightened most in financials and other interest rate sensitive sectors, like real estate, since the risk rally began in October 2022 (see Chart 4). Infrastructure spreads show lower beta.

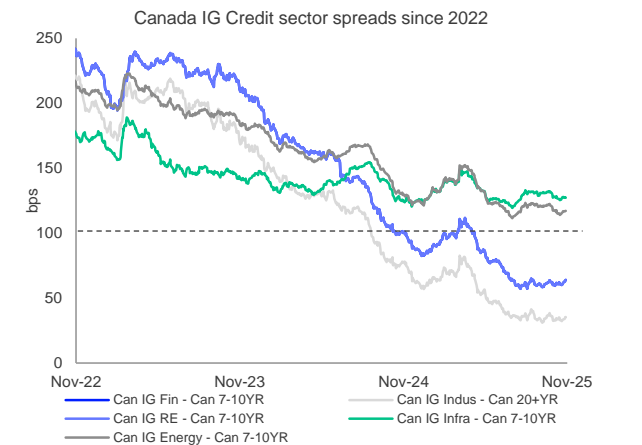


Chart 5: Canadian IG credits remain dominated by energy (38% weight) and infrastructure (24% weight), reflecting the underlying structure of the economy, and the substantial energy sector.

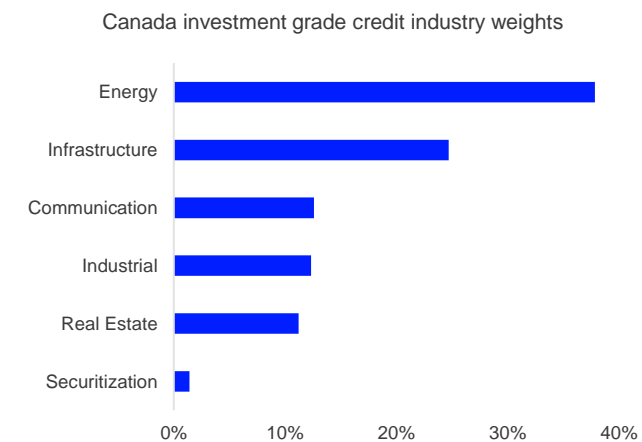


Chart 2: Dominance of shorter maturities continues in risk/return profiles since 2020, even if longer maturities rallied strongly since October 2023, as govt yields fell, helped by extra duration.

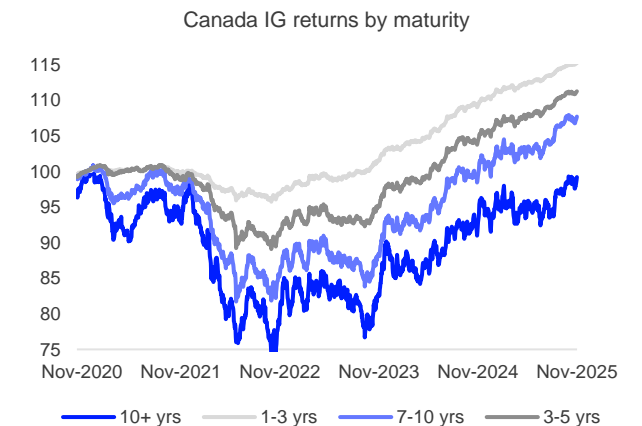


Chart 4: Fears around BBB spreads have proved misplaced since the spike in 2022-23, when the BoC raised rates rapidly, with BBB spreads falling through 2024-25. Also, A has generally performed well vs AAA.

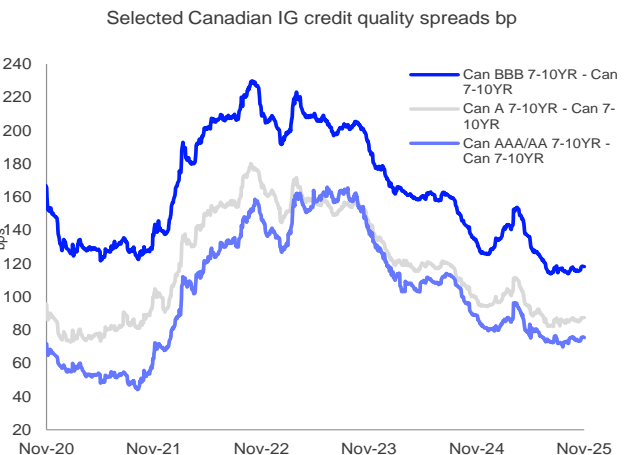
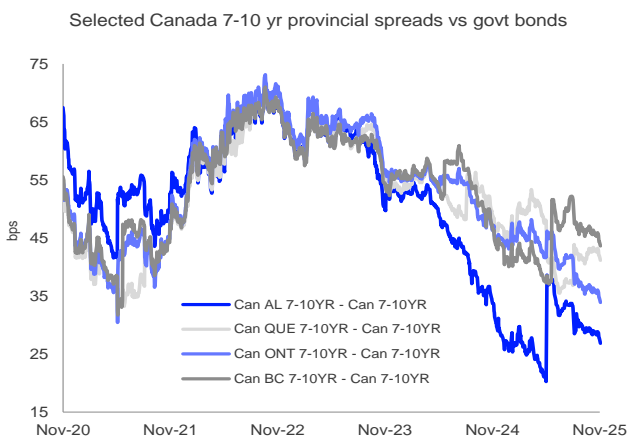


Chart 6: Alberta spreads stabilised after the spike on fears of an independence referendum in Q2 but provincial spreads have become more divergent. Alberta's higher energy reserves drove lower spreads.



Canada : High Yield Credit Analysis

Chart 1: Re-rating of Canadian HY as an asset class, versus IG credits ? OAS spreads show a substantial fall in yields on HY credit, vs IG. This is partly unwind of the blowout in HY energy in 2014-15 when oil collapsed.

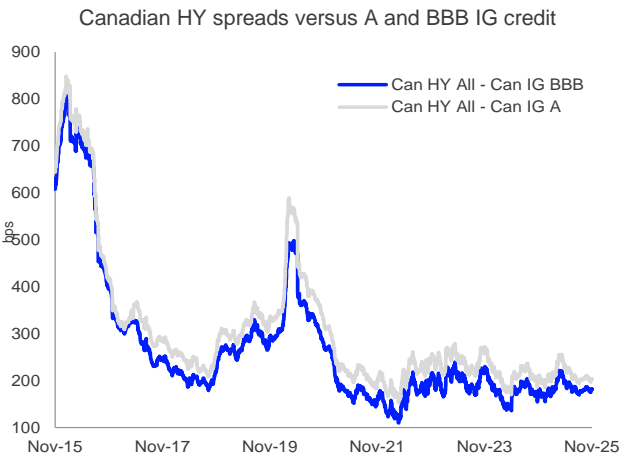


Chart 3: Canadian HY credit has also become dearer versus provis, and munis, as well as govt bonds and IG credits, since pre-Covid, with Covid proving a watershed for the re-rating of the asset class.

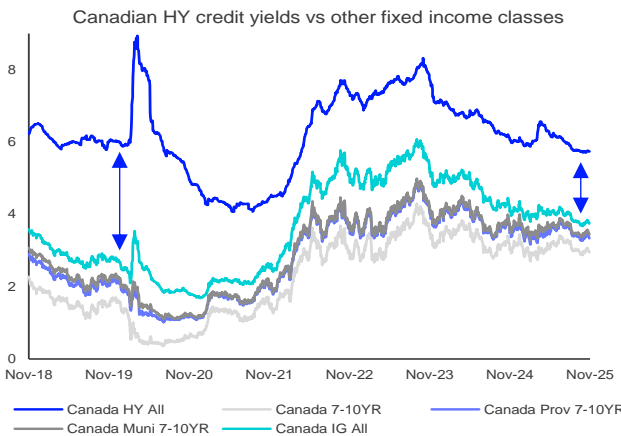


Chart 5: Canada's high yield Energy sector has outperformed, despite oil prices drifting lower in 2025. The Communication industry has stabilised and is improving. Real estate performed strongly on lower BoC rates.

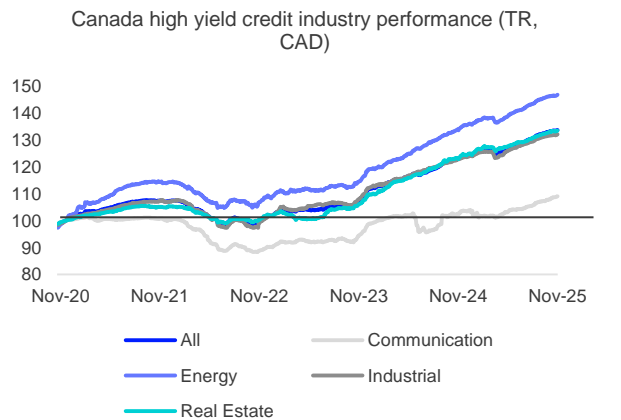


Chart 2: As Chart 1 shows, the high weighting of energy issues in the Canadian HY credit market far exceeds the US weight (45% v 11%) and was a factor driving spreads since 2014-15, but quality also improved.

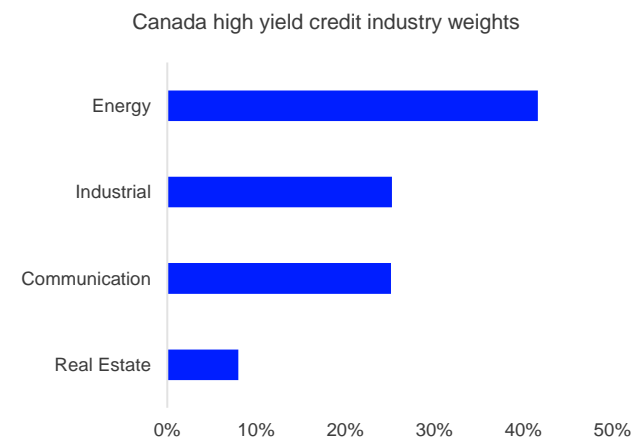


Chart 4: Canadian HY credits outperformed again in Q4, and shrugged off tariff-related risks to growth and profit margins in 2025. With curves steepening in 2024-25, the longer duration advantage of IG was offset.

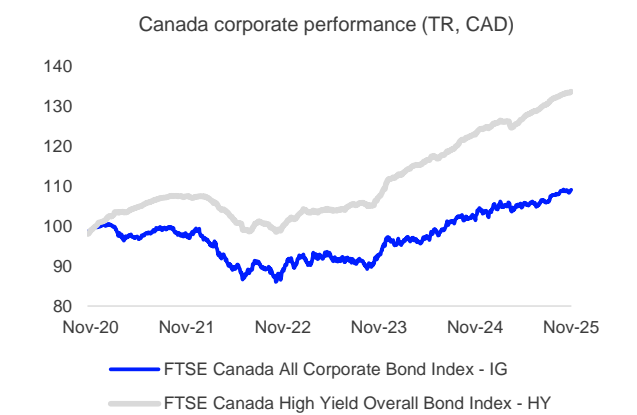
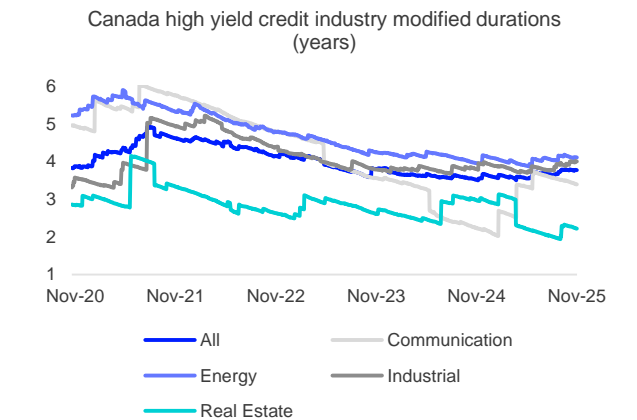


Chart 6: Overall, HY duration has fallen sharply since the post-Covid highs. Energy issues, have the highest level of duration, near 4 yrs. IG credits, with longer duration, are more sensitive to rates than HY.



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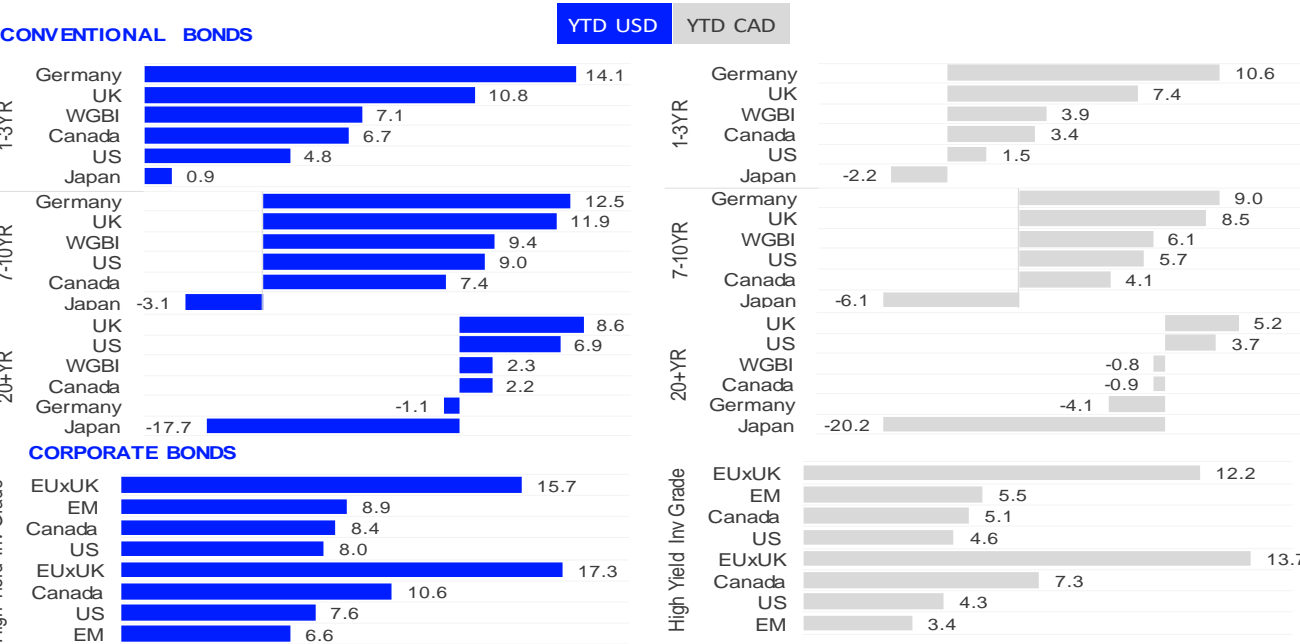
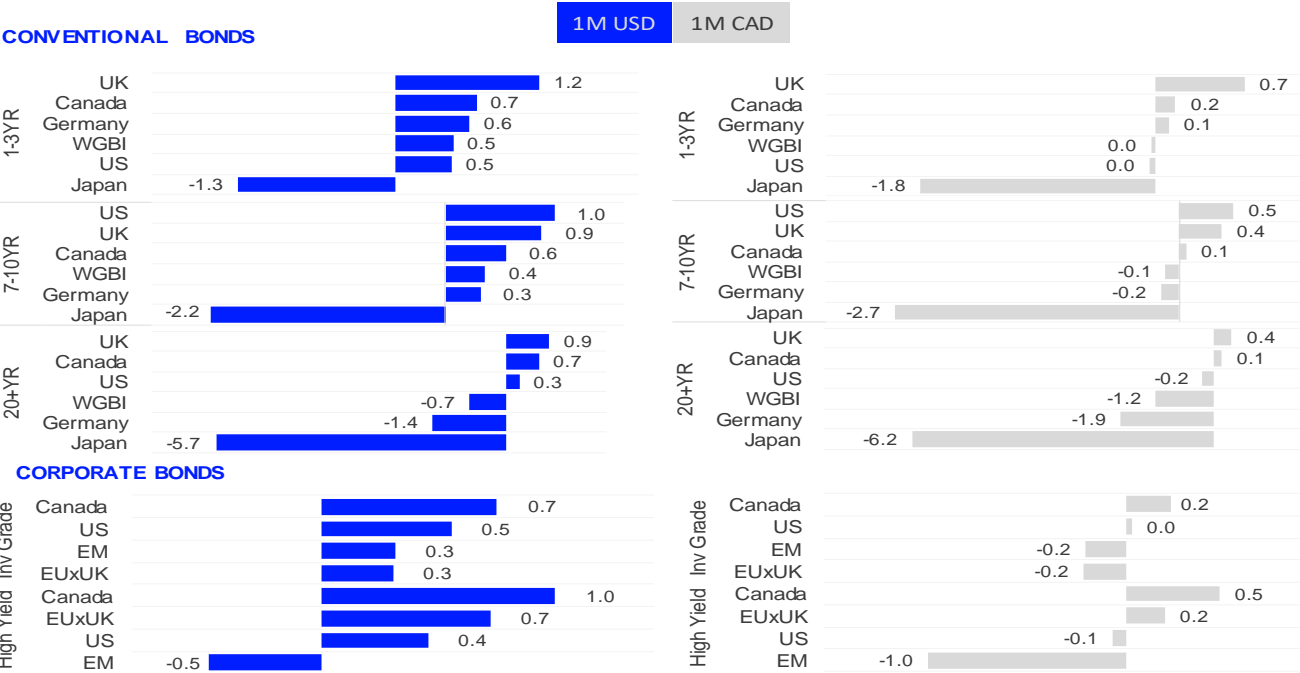
Conventional Government Bond Returns – 1M & YTD % (USD, CAD, TR)

November returns show modest moves for both USD and CAD based investors, apart from JGBs with losses of 6% in longs, partly due to further yen weakness. YTD returns still reflect currency weakness in the USD and CAD, with gains of 9-14% returns in shorter gilts and Bunds. JGBs still show sizeable losses YTD, of up to 20% in CAD, led by longs. HY credits outperformed, with best returns in Euro HY (14-17% in CAD & USD). All markets gained from lower rates but less so in longs.

Neither credit nor govt bonds moved much in November, after central bank decisions in October, though JGBs fell again.

Longer Canadian govts generally underperformed Treasuries in 2025, but Canadian shorts outperformed short US Treasuries as the BoC eased policy more than the Fed YTD, and Canadian inflation remains lower than US.

Canadian credit outperformed Treasuries in both IG and HY, as spreads fell further, with HY gaining nearly 11% in USD.



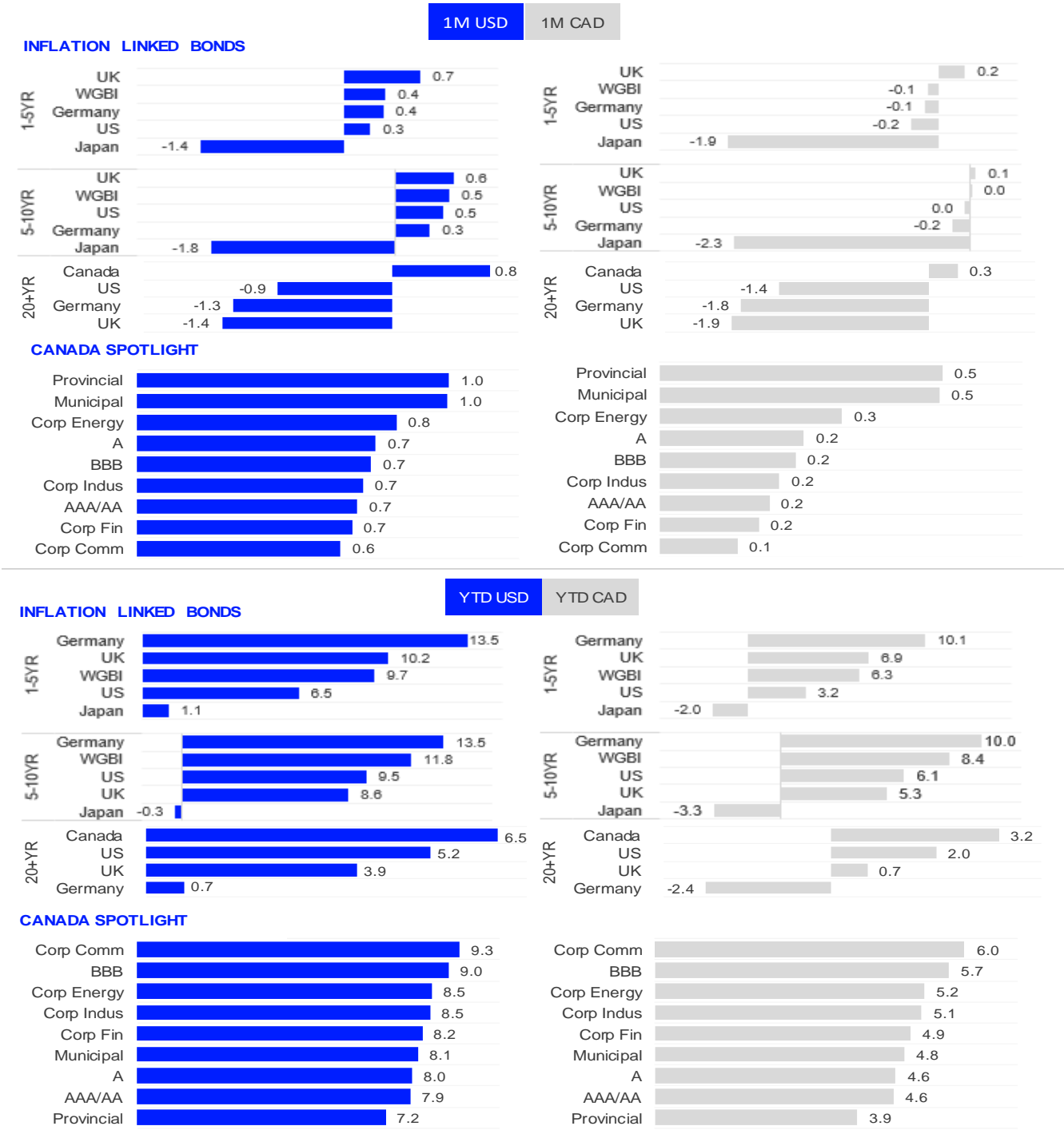
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Credit and Canada Spotlight – 1M & YTD % (USD, CAD, TR)

Like conventionals, inflation linked govts or real return bonds barely moved in November, though longs made small losses of up to 2%. YTD returns show Bunds, gilts and WILSI returned 10-14% in USD terms, and 10% in CAD terms, driven by policy easing, and solid inflation accruals in the US and UK. Canadian credit outperformed Provis & Munis YTD.

Yield curve steepening in 2025 and extra duration remain a challenge for long real return bonds YTD, so shorter maturities outperformed again, even if long Canadian bonds and US Tips show positive returns of up to 7% in USD terms and 3% in CAD.

Financial credits gained from the steeper curve, but BBBs, energy and Corporate Comms. proved the best Canadian performers.



YTD USD

YTD CAD

INFLATION LINKED BONDS

1-5YR	Germany	13.5
	UK	10.2
	WGBI	9.7
	US	6.5
	Japan	1.1
5-10YR	Germany	13.5
	WGBI	11.8
	US	9.5
	UK	8.6
	Japan	-0.3
20+YR	Canada	6.5
	US	5.2
	UK	3.9
	Germany	0.7

CANADA SPOTLIGHT

Corp Comm	9.3
BBB	9.0
Corp Energy	8.5
Corp Indus	8.5
Corp Fin	8.2
Municipal	8.1
A	8.0
AAA/AA	7.9
Provincial	7.2

INFLATION LINKED BONDS

1-5YR	Germany	10.1
	UK	6.9
	WGBI	6.3
	US	3.2
	Japan	-2.0
5-10YR	Germany	10.0
	WGBI	8.4
	US	6.1
	UK	5.3
	Japan	-3.3
20+YR	Canada	3.2
	US	2.0
	UK	0.7
	Germany	-2.4

CANADA SPOTLIGHT

Corp Comm	6.0
BBB	5.7
Corp Energy	5.2
Corp Indus	5.1
Corp Fin	4.9
Municipal	4.8
A	4.6
AAA/AA	4.6
Provincial	3.9

Source: FTSE Russell and LSEG. All data as of November 30, 2025. 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 of the report for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix for list of indices used for each market.

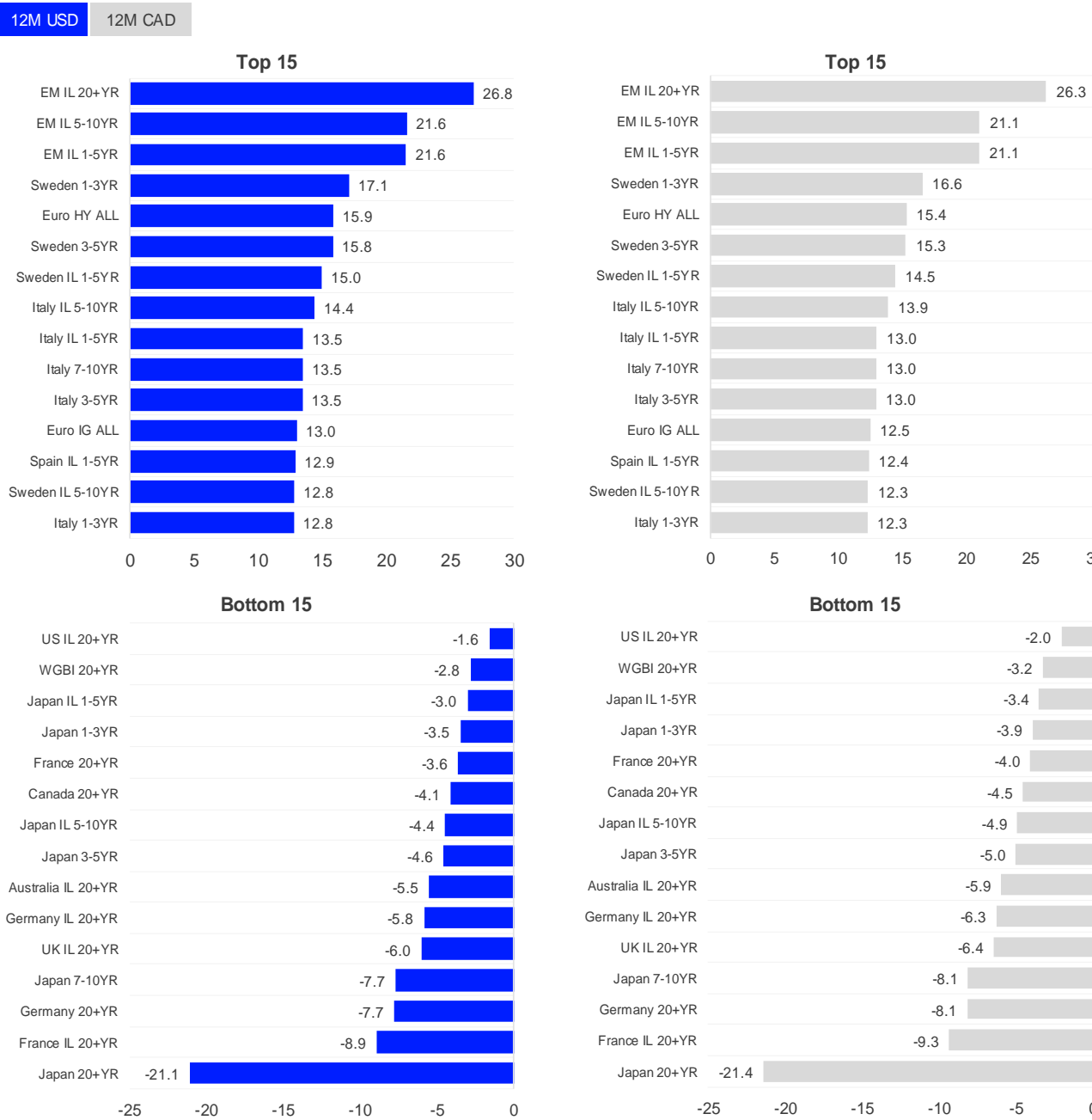
Top and Bottom Bond Returns – 12M % (USD, CAD, TR)

Further Latam currency gains in Q4 (page 13) helped EM inflation-linked dominate 12M returns with gains of 21% to 27%, in CAD and USD terms. The strong SEK and Euro also boosted Swedish and Euro HY credit bond 12M returns, plus the risk rally. Eurozone convergence trades in Italy and Spain drove gains in those markets, as core markets underperformed, most notably France. Long OATS and JGBs were again weakest performers in USD and CAD terms on 12M.

Latam currencies rallied further in Q4 against the USD, after escaping larger tariff increases. The Mexican economy could also benefit from US re-shoring, and geographical proximity in supply-chains.

Re-structuring of Eurozone spreads accelerated in 2025, with Italy, Spain, Portugal and Greece all gaining from stronger relative growth and more fiscal deficit control, with returns of 12-14% in USD and CAD. In contrast, France has suffered from fiscal frailty, and the German govt projects larger fiscal deficits of at least 3% of GDP until 2029.

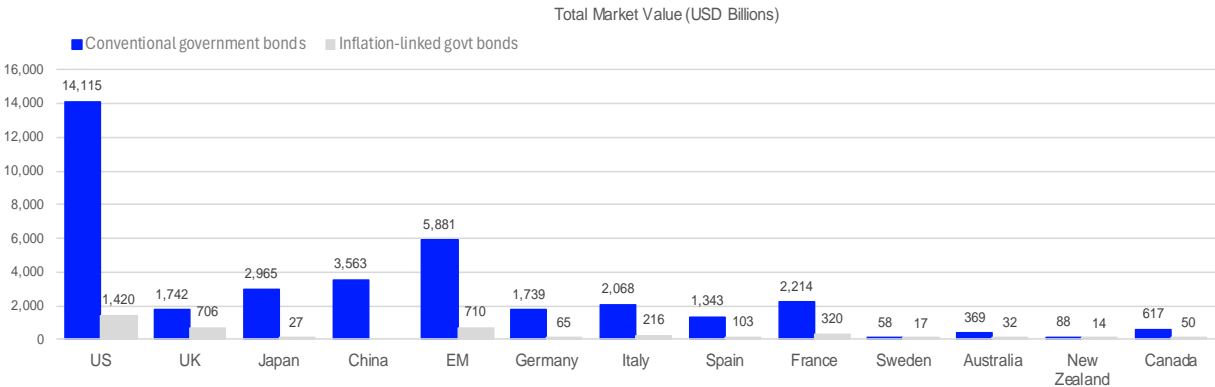
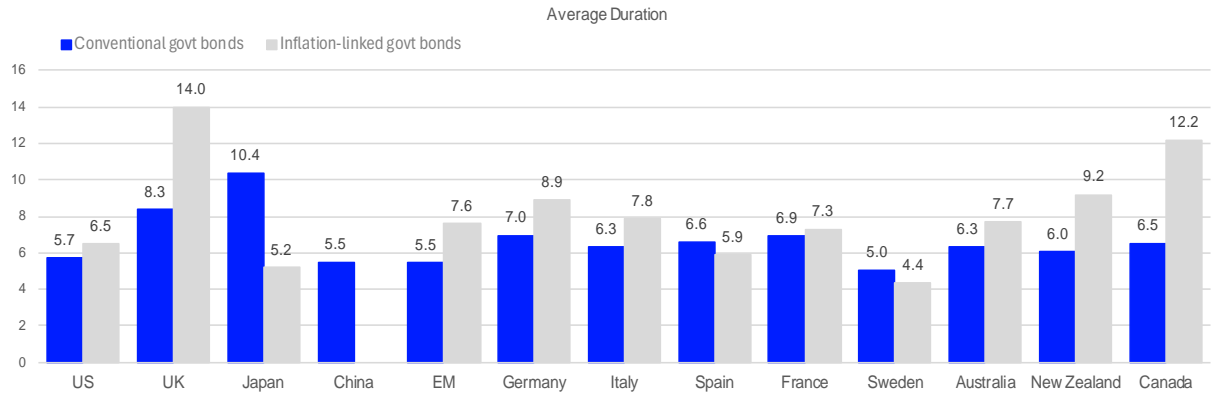
Bear steepening in the JGB yield curve and the weak yen depressed JGB returns, with losses of 21% in long JGBs in CAD and USD. Improvement in rate differential support for the yen has yet to boost the currency, though this may begin to change if the BoJ raises rates at the December 18-19 meeting, and the Fed cuts rates on December 10.



Appendix – Duration and Market Value (USD, Bn) as of November 30, 2025

Conventional government bonds									Inflation-linked government bonds					
Duration					Market Value				Duration			Market Value		
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total	5-10YR	20+YR	Overall	5-10YR	20+YR	Total
US	3.6	7.0	16.1	5.7	3,086.1	1,387.5	1,592.6	14,115.5	6.9	20.8	6.5	489.1	116.0	1,420.3
UK	3.6	7.2	17.3	8.3	217.2	306.4	342.9	1,742.4	7.4	25.6	14.0	162.2	217.2	705.8
Japan	3.9	8.1	21.5	10.4	389.6	509.6	514.9	2,965.1	7.7		5.2	14.4		27.4
China	3.7	7.8	17.8	5.5	751.7	619.7	356.7	3,563.1						
EM	3.6	7.1	15.5	5.5	1,249.6	1,077.3	554.8	5,881.0	6.0	13.5	7.6	160.2	179.1	710.4
Germany	3.8	7.4	19.8	7.0	346.5	321.5	199.2	1,738.7	7.2	19.5	8.9	14.6	17.0	64.9
Italy	3.7	7.0	16.3	6.3	387.7	371.5	174.8	2,068.2	7.3	23.0	7.8	82.0	9.6	216.2
Spain	3.5	7.2	17.9	6.6	268.5	239.1	111.7	1,342.7	6.2		5.9	60.9		103.2
France	3.5	7.2	18.2	6.9	463.8	398.5	234.9	2,214.0	6.3	22.7	7.3	74.5	21.4	320.3
Sweden	3.8	7.8		5.0	9.1	14.2		58.1	6.3		4.4	3.6		17.0
Australia	3.5	7.0	15.6	6.3	65.2	106.9	20.7	369.0	7.9	20.5	7.7	10.7	2.6	31.7
New Zealand	3.6	7.0	15.6	6.0	18.5	22.5	5.2	88.2	8.6	16.9	9.2	5.4	1.2	13.5
Canada	3.8	7.2	18.5	6.5	133.2	131.1	86.9	617.4	5.3	21.1	12.2	8.3	13.1	50.0

Investment grade bonds										High Yield	
Duration					Market Value					Duration	MktVal
	AAA	AA	A	BBB	Overall	AAA	AA	A	BBB	Overall	
US	10.1	8.2	6.9	6.5	6.8	76.0	460.4	3171.1	3708.2	7415.6	3.8 1202.7
Europe	6.3	4.8	4.6	4.2	4.4	38.0	243.2	1457.2	1724.3	3462.7	3.3 415.0
EM		6.2	5.7	5.5	5.7		76.7	166.3	256.7	499.6	3.7 184.6

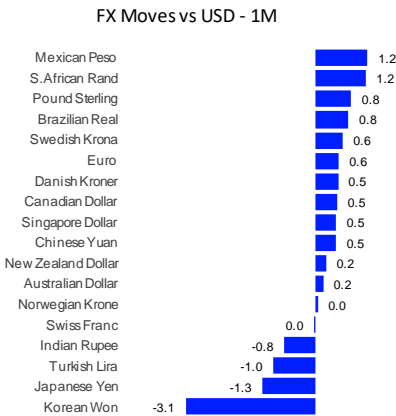


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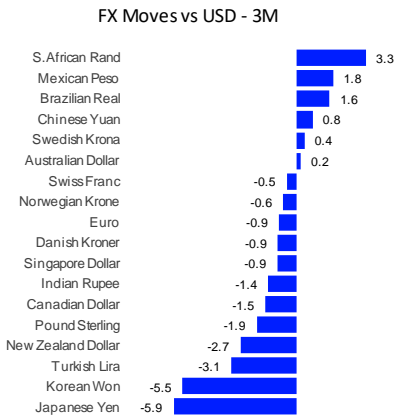
FTSE Russell | Fixed Income Insight Report - December 2025

Appendix – Foreign Exchange Returns % as of November 30, 2025

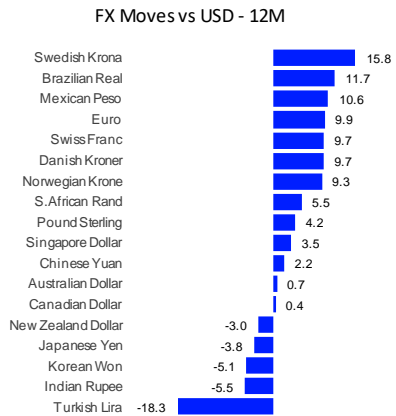
1M vs USD



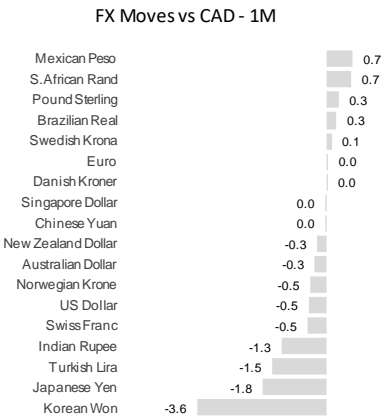
3M vs USD



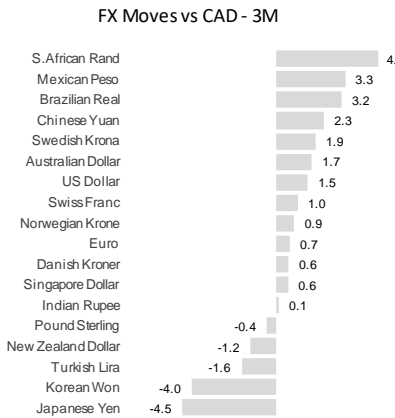
12M vs USD



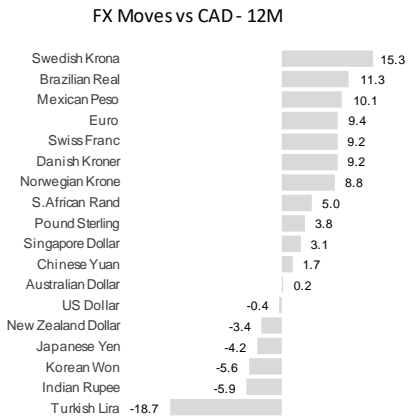
1M vs CAD



3M vs CAD



12M vs CAD



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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

FTSE ESG World Government Bond Index for the global government bond markets with an ESG tilt

FTSE Climate Risk-Adjusted World Government Bond Index (Climate WGBI) and FTSE Advanced Climate Risk-Adjusted World Government Bond Index (Advanced Climate WGBI) for each country's relative exposure to climate risk, with respect to resilience and preparedness to the risks of climate change

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

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