



Index Insights | Fixed Income

# FTSE World Government Bond Index FY2024 Performance report

April 2025



**FTSE  
RUSSELL**  
An LSEG Business

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## Overview

The FTSE World Government Bond Index (WGBI) is widely used as a standard foreign bond benchmark. This report is for those who use the WGBI as a benchmark and looks back on the returns in the entire year of FY2024, providing a market overview of Q1 2025, a factor decomposition report, and recent profile information.

In FY2024, interest rates in major countries were relatively stable, resulting in a return of 3.31% on a local basis for the World Government Bond Index (WGBI ex Japan). Similarly, FX rate of JPY against major currencies are almost flat overall in FY2024, resulting in a yen-based return of 1.79%. However, the cost of currency hedging remains high, and the yen-hedged return remains negative at -1.35%. Interest rates on the Japanese Government Bond Index continued to rise, especially in the second half of the FY2024, recording a large negative annual return of -6.35%.

The inclusion of China, which began in November 2021, was fully incorporated in the October 2024 profile, ending the gradual inclusion period. At the beginning of the inclusion, it was expected to be around 6%, but due to the subsequent increase in the issuance of Chinese government bonds and the weakening of the yen, China's weighting in the WGBI exceeded 10% in the April 2025 profile, surpassing Japan's to become the second largest market after the United States. China recorded a strong performance due in part to a consistent decline trend in interest rates during FY2024.

Portugal was reincorporated into the WGBI as the 25th market from November 2024. South Korea will be included in WGBI as the 26th market (and the South Korean won as the 17th currency).

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## Performance summary of WGBI and major events

FY2024 annual performance of WGBI and major indices (March 31, 2024, to March 31, 2025)

	Local Base	JPY Base	JPY Hedge Base
World Government Bond Index (WGBI)	2.274	0.880	-1.870
WGBI (excluding Japan)	3.307	1.787	-1.346
WGBI (excluding China and Japan)	3.109	1.607	-1.875
WGBI-DM (Developed Market)	1.905	0.657	-2.419
World BIG Index (Excluding Japan)	3.907	2.526	-0.985
Japanese Government Bond Index	-6.532	-6.532	-6.532

FY2024	
October	<ul style="list-style-type: none"> <li>The results of the Country Classification September 2024 review published, with the adoption of South Korea deciding from November 2025. India's FAR will also be adopted by the EMGBI from September 2025.</li> <li>The 36-month staggered inclusion of China Government Bond to WGBI was completed.</li> </ul>
November	<ul style="list-style-type: none"> <li>Portugal re-entered into WGBI as the 25<sup>th</sup> country</li> </ul>
2025 March	<ul style="list-style-type: none"> <li>The price source of US, UK, and EMU Governments bond in WGBI have changed from LSEG D&amp;A price to FTSE Tradeweb price.</li> </ul>

# Annual Performance of WGBI in 2024

FTSE World Government Bond Index FY2024 (April 2024 to March 2025) Monthly performance																	
Market	Base Currency	2024										2025			FY2024	2H(10-3)	Q1(1-3)
		4	5	6	7	8	9	10	11	12	1	2	3				
WGBI	Local	-1.769	0.464	0.702	1.819	0.892	0.965	-1.529	1.129	-0.998	0.177	1.064	-0.593	2.274	-0.777	0.643	
	JPY Base	1.279	0.934	2.329	-3.791	-0.999	-0.149	2.806	-1.160	2.246	-1.013	-1.317	-0.088	0.880	1.400	-2.402	
	JPY Hedge Base	-2.182	0.109	0.366	1.372	0.541	0.636	-1.933	0.807	-1.365	-0.101	0.805	-0.867	-1.870	-2.657	-0.170	
WGBI_X_JP	Local	-1.773	0.790	0.755	2.019	0.824	1.040	-1.619	1.346	-1.104	0.284	1.280	-0.501	3.307	-0.350	1.060	
	JPY Base	1.649	1.316	2.568	-4.207	-1.283	-0.206	3.223	-1.200	2.508	-1.037	-1.365	0.062	1.787	2.109	-2.328	
	JPY Hedge Base	-2.236	0.392	0.382	1.523	0.433	0.671	-2.070	0.989	-1.513	-0.025	0.992	-0.805	-1.346	-2.448	0.155	
WGBI_X_JP_X_CN	Local	-1.989	0.829	0.736	2.167	0.906	1.153	-1.867	1.404	-1.458	0.297	1.527	-0.532	3.109	-0.678	1.287	
	JPY Base	1.396	1.429	2.521	-4.084	-1.291	-0.153	2.953	-1.080	2.135	-1.065	-1.083	0.144	1.607	1.940	-1.995	
	JPY Hedge Base	-2.484	0.404	0.336	1.636	0.482	0.755	-2.357	1.023	-1.903	-0.032	1.216	-0.856	-1.875	-2.929	0.317	
EGBI	Local	-1.429	-0.127	0.197	2.274	0.389	1.306	-1.001	2.312	-1.403	-0.205	0.703	-1.799	1.117	-1.443	-1.311	
	JPY Base	1.471	1.258	1.257	-3.414	-0.624	0.344	2.553	-1.862	1.154	-1.287	-1.957	1.215	-0.070	-0.274	-2.042	
	JPY Hedge Base	-1.815	-0.476	-0.128	1.836	0.071	0.997	-1.338	1.963	-1.732	-0.445	0.496	-2.058	-2.699	-3.132	-2.010	
US_TSY	Local	-2.237	1.450	1.006	2.174	1.289	1.191	-2.360	0.772	-1.515	0.491	2.164	0.229	4.610	-0.286	2.901	
	JPY Base	1.652	1.308	3.394	-4.432	-1.980	-0.592	3.978	-0.644	3.059	-0.986	-0.577	-0.539	3.362	4.245	-2.088	
	JPY Hedge Base	-2.798	0.981	0.564	1.586	0.798	0.739	-2.956	0.379	-2.026	0.121	1.794	-0.124	-1.083	-2.853	1.790	
CA_TSY	Local	-1.805	1.588	1.068	2.313	0.403	1.605	-1.280	0.961	-0.373	1.372	1.061	-0.160	6.875	1.565	2.285	
	JPY Base	0.570	2.242	3.064	-5.209	-0.407	-0.422	1.885	-0.898	1.495	-0.811	-1.125	-0.835	-0.709	-0.334	-2.746	
	JPY Hedge Base	-2.270	1.178	0.683	1.758	0.030	1.237	-1.682	0.656	-0.688	1.096	0.838	-0.374	2.403	-0.183	1.561	
MX_TSY	Local	-2.721	1.809	0.217	1.341	1.280	2.666	-2.501	1.578	-0.933	2.143	3.292	1.538	9.930	5.107	7.129	
	JPY Base	-1.326	1.577	-4.325	-6.966	-7.047	1.076	1.579	-0.951	1.007	1.378	1.070	1.111	-11.750	5.285	3.601	
	JPY Hedge Base	-3.696	0.846	-0.688	0.354	0.300	1.730	-3.544	0.646	-1.944	1.222	2.469	0.731	-1.776	-0.545	4.479	
AU_TSY	Local	-2.427	0.343	0.875	1.665	1.341	0.290	-2.706	1.352	0.108	0.239	1.051	0.011	2.054	0.003	1.303	
	JPY Base	0.980	2.625	3.695	-7.022	1.901	0.738	-2.178	-0.613	-0.437	-0.500	-1.960	-0.548	-3.684	-6.092	-2.986	
	JPY Hedge Base	-2.895	-0.030	0.520	1.164	0.968	-0.071	-3.097	0.978	-0.287	-0.124	0.717	-0.318	-2.554	-2.164	0.273	
NZ_TSY	Local	-1.540	0.984	1.162	2.691	1.000	0.386	-0.828	0.716	0.383	-0.148	0.754	-0.090	5.544	0.781	0.515	
	JPY Base	1.281	4.703	2.702	-6.376	2.958	0.288	-1.212	-1.300	-0.513	-0.720	-2.817	0.206	-1.259	-6.215	-3.317	
	JPY Hedge Base	-2.049	0.537	0.717	2.015	0.557	-0.043	-1.236	0.341	0.002	-0.495	0.448	-0.394	0.343	-1.336	-0.443	
JP_TSY	Local	-1.737	-2.278	0.232	-0.002	1.491	0.334	-0.760	-0.805	-0.065	-0.790	-0.882	-1.417	-6.532	-4.631	-3.058	
	JPY Base	-1.737	-2.278	0.232	-0.002	1.491	0.334	-0.760	-0.805	-0.065	-0.790	-0.882	-1.417	-6.532	-4.631	-3.058	
	JPY Hedge Base	-1.737	-2.278	0.232	-0.002	1.491	0.334	-0.760	-0.805	-0.065	-0.790	-0.882	-1.417	-6.532	-4.631	-3.058	
CHINA	Local	0.376	0.430	0.926	0.733	0.120	0.119	0.351	0.895	1.702	0.182	-0.620	-0.251	5.058	2.264	-0.689	
	JPY Base	4.166	0.255	2.998	-5.272	-1.213	-0.634	5.370	-2.137	5.460	-0.819	-3.534	-0.585	3.457	3.437	-4.884	
	JPY Hedge Base	0.223	0.276	0.790	0.547	0.019	-0.009	0.213	0.718	1.572	0.032	-0.726	-0.403	3.282	1.397	-1.094	
MY_TSY	Local	-0.660	0.907	0.480	1.142	0.200	0.397	-0.652	0.984	0.216	0.392	0.405	0.571	4.454	1.925	1.375	
	JPY Base	2.436	2.168	2.627	-2.864	3.068	3.389	-0.376	-1.913	4.249	-0.773	-2.399	0.363	10.081	-0.984	-2.802	
	JPY Hedge Base	-0.946	0.643	0.219	0.842	-0.048	0.167	-0.907	0.735	-0.072	0.147	0.174	0.319	1.262	0.389	0.642	
SG_TSY	Local	-2.354	1.086	1.405	2.453	1.406	1.276	-0.998	0.390	-0.553	-0.156	1.204	0.789	6.013	0.661	1.844	
	JPY Base	0.476	1.845	3.531	-2.907	0.705	1.156	2.169	-2.331	2.269	-0.978	-1.037	0.366	5.177	0.373	-1.645	
	JPY Hedge Base	-2.748	0.772	1.116	2.015	1.092	1.018	-1.301	0.135	-0.860	-0.390	0.980	0.584	2.342	-0.868	1.174	
AT_TSY	Local	-1.574	-0.469	0.658	2.496	0.286	1.337	-1.080	2.938	-1.660	-0.511	0.638	-2.397	0.513	-2.143	-2.277	
	JPY Base	1.322	0.911	1.723	-3.204	-0.726	0.375	2.472	-1.261	0.891	-1.590	-2.020	0.599	-0.667	-0.983	-3.001	
	JPY Hedge Base	-1.964	-0.823	0.338	2.046	-0.031	1.028	-1.420	2.563	-1.995	-0.748	0.432	-2.674	-3.344	-3.868	-2.985	
BE_TSY	Local	-1.605	-0.370	0.557	2.277	0.507	0.927	-1.220	2.664	-1.985	-0.361	0.760	-2.238	-0.224	-2.440	-1.850	
	JPY Base	1.290	1.012	1.621	-3.412	-0.507	-0.031	2.326	-1.524	0.557	-1.442	-1.901	0.763	-1.396	-1.283	-2.577	
	JPY Hedge Base	-1.996	-0.722	0.236	1.839	0.188	0.622	-1.566	2.301	-2.329	-0.600	0.552	-2.510	-4.046	-4.164	-2.560	
DE_TSY	Local	-1.785	-0.254	1.292	1.641	0.392	1.230	-1.332	2.393	-1.502	-0.569	0.636	-2.018	0.005	-2.435	-1.956	
	JPY Base	1.105	1.130	2.364	-4.012	-0.621	0.269	2.211	-1.784	1.053	-1.648	-2.022	0.989	-1.169	-1.278	-2.683	
	JPY Hedge Base	-2.180	-0.603	0.979	1.236	0.074	0.921	-1.679	2.039	-1.832	-0.806	0.430	-2.283	-3.758	-4.126	-2.654	
FI_TSY	Local	-1.453	-0.329	0.614	2.106	0.495	1.252	-1.159	2.585	-1.408	-0.327	0.736	-2.108	0.890	-1.740	-1.710	
	JPY Base	1.447	1.054	1.678	-3.573	-0.519	0.291	2.390	-1.600	1.149	-1.408	-1.924	0.897	-0.295	-0.575	-2.438	
	JPY Hedge Base	-1.839	-0.680	0.293	1.677	0.176	0.944	-1.501	2.224	-1.737	-0.567	0.528	-2.376	-2.935	-3.449	-2.416	
FR_TSY	Local	-1.537	-0.173	-0.618	2.296	0.416	0.766	-0.869	1.812	-1.534	-0.026	0.938	-1.790	-0.414	-1.510	-0.894	
	JPY Base	1.361	1.212	0.433	-3.394	-0.597	-0.190	2.690	-2.342	1.019	-1.110	-1.727	1.224	-1.584	-0.342	-1.629	
	JPY Hedge Base	-1.926	-0.522	-0.952	1.857	0.098	0.462	-1.202	1.483	-1.867	-0.268	0.725	-2.049	-4.174	-3.186	-1.603	
DE_TSY	Local	-1.785	-0.254	1.292	1.641	0.392	1.230	-1.332	2.393	-1.502	-0.569	0.636	-2.018	0.005	-2.435	-1.956	
	JPY Base	1.105	1.130	2.364	-4.012	-0.621	0.269	2.211	-1.784	1.053	-1.648	-2.022	0.989	-1.169	-1.278	-2.683	
	JPY Hedge Base	-2.180	-0.603	0.979	1.236	0.074	0.921	-1.679	2.039	-1.832	-0.806	0.430	-2.283	-3.758	-4.126	-2.654	
IE_TSY	Local	-1.588	-0.194	0.569	2.240	0.811	1.587	-1.153	2.539	-1.330	-0.579	0.580	-2.415	0.938	-2.407	-2.416	
	JPY Base	1.308	1.191	1.633	-3.447	-0.206	0.623	2.396	-1.644	1.229	-1.657	-2.076	0.581	-0.248	-1.250	-3.139	
	JPY Hedge Base	-1.978	-0.543	0.248	1.803	0.489	1.275	-1.494	2.179	-1.656	-0.815	0.376	-2.692	-2.902	-4.105	-3.122	
IT_TSY	Local	-1.075	0.033	-0.277	2.847	0.299	2.028	-0.928	2.525	-1.051	0.027	0.713	-1.465	3.619	-0.233	-0.736	
	JPY Base	1.836	1.421	0.779	-2.874	-0.713	1.059	2.630	-1.657	1.515	-1.057	-1.947	1.559	2.403	0.950	-1.471	
	JPY Hedge Base	-1.452	-0.314	-0.607	2.379	-0.018	1.712	-1.263	2.168	-1.372	-0.215	0.506	-1.715	-0.302	-1.929	-1.430	
NL_TSY	Local	-1.870	-0.232	0.917	2.020	0.435	1.142	-1.184	2.938	-1.701	-0.607	0.664	-2.305	0.073	-2.264	-2.253	
	JPY Base	1.018	1.152	1.985	-3.654	-0.579	0.181	2.364	-1.262	0.848	-1.685	-1.995	0.694	-1.102	-1.105	-2.977	
	JPY Hedge Base	-2.268	-0.581	0.600	1.595	0.116	0.834	-1.527	2.562	-2.037	-0.843	0.457	-2.579	-3.747	-3.988	-2.958	
ES_TSY	Local	-1.069	0.099	0.259	2												

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SE_TSY	Local	-0.691	0.492	1.990	1.497	0.400	0.662	-0.816	1.331	-2.429	1.227	-0.523	-1.153	1.911	-2.392	-0.464
	JPY Base	0.593	4.729	3.682	-6.193	1.684	-0.095	0.060	-2.095	0.898	-0.352	-0.268	4.827	7.186	2.973	4.178
	JPY Hedge Base	-1.040	0.176	1.711	1.079	0.100	0.380	-1.098	1.054	-2.748	1.007	-0.677	-1.397	-1.535	-3.851	-1.079
GB_TSY	Local	-3.384	0.854	1.371	1.913	0.538	0.021	-2.830	1.851	-2.571	0.737	0.851	-1.221	-2.044	-3.234	0.354
	JPY Base	-0.423	2.406	3.026	-3.141	-0.449	0.285	-0.819	-0.720	0.458	-1.524	-0.543	0.482	-1.105	-2.653	-1.588
	JPY Hedge Base	-3.939	0.410	0.946	1.383	0.105	-0.388	-3.320	1.422	-3.089	0.334	0.515	-1.610	-7.184	-5.708	-0.772
PL_TSY	Local	-0.473	0.507	0.746	1.547	0.585	1.248	-1.982	2.043	-1.089	0.628	0.774	0.813	5.407	1.139	2.231
	JPY Base	1.989	3.153	0.997	-3.783	0.020	0.134	-0.096	-0.781	1.845	1.006	-0.459	3.051	7.098	4.598	3.611
	JPY Hedge Base	-0.977	0.002	0.251	0.984	0.091	0.759	-2.517	1.520	-1.730	0.153	0.347	0.349	-0.837	-1.919	0.851
NO_TSY	Local	-1.329	0.806	0.797	1.410	1.217	0.100	-2.389	1.963	-1.536	0.710	0.485	-1.144	0.994	-1.961	0.041
	JPY Base	0.506	6.153	1.765	-7.636	1.117	-1.107	-0.743	0.310	0.292	-0.306	-1.682	4.699	2.763	2.475	2.624
	JPY Hedge Base	-1.740	0.445	0.419	0.920	0.835	-0.269	-2.823	1.568	-1.985	0.331	0.156	-1.583	-3.765	-4.325	-1.102
IL_TSY	Local	-1.592	-0.954	0.546	0.926	0.884	-0.130	0.691	2.327	0.790	0.616	0.898	-0.802	4.217	4.579	0.705
	JPY Base	0.438	-0.769	1.642	-5.450	1.228	-4.321	6.619	3.810	5.239	1.083	-2.493	-4.953	1.227	9.119	-6.319
	JPY Hedge Base	-1.972	-1.288	0.209	0.547	0.654	-0.436	0.359	2.057	0.448	0.323	0.600	-1.054	0.384	2.739	-0.139
KR_TSY	Local	-1.200	0.912	2.561	2.443	0.066	1.164	-0.600	3.772	-1.705	1.181	1.904	-0.093	10.755	4.443	3.011
	JPY Base	0.065	0.593	5.600	-4.197	-0.198	1.521	0.306	1.210	-2.527	1.007	-1.501	-1.505	0.051	-3.031	-2.006
	JPY Hedge Base	-1.509	0.603	2.336	2.001	-0.211	0.927	-0.839	3.415	-1.991	0.903	1.644	-0.282	7.074	2.789	2.272

From January to October of 2024, Portugal was not included in WGBI

Source: FTSE Russell, as of March 31, 2025.

## Return Attribution of WGBI on FY2024

The return attribution for WGBI ex Japan and WGBI ex Japan and China are shown below. Local-based returns are decomposed into two components: rolling yield (carry) and market factors. The yen-hedged return (return assuming 100% currency hedging) is calculated by taking into account the cost of currency hedging and the factor of hedging error. The difference between this yen-hedged return and the yen-based return is defined as the FX advantage (currency factor).

During the Q1 of 2025 (January to March), local base return of both WGBI ex Japan and WGBI ex Japan and China are positive and even accounted for currency hedge cost, JPY Hedged Returns are somewhat positive numbers. However, FX advantage is negative 2.5% in WGBI (ex-Japan, and -2.3% in Non WGBI ex China/Japan) and as this results, JPY Base returns are negative territory.

In regard to annual performance of FY2024 (April 2024 to March 2025), local base return is positive, but it cannot compensate currency hedge cost, and the JPY Hedge return become negative. On the other hand, in FY2024, JPY was almost flat against major currencies, but there were months in which hedging errors worked in our favour (rising interest rates led to over-hedging and at the same time the yen weakened), resulting in yen-based returns of 1.8% for WGBI ex Japan and 1.6% for WGBI ex Japan/China.

### WGBI ex Japan return attribution result

	Local Base			JPY Hedge Return	FX Adv	JPY Base Return
	Rolling Yield	Market Eff	ROR local			
April	0.295	-2.062	-1.773	-2.237	3.975	1.649
May	0.332	0.457	0.790	0.392	0.920	1.316
June	0.313	0.440	0.755	0.382	2.178	2.568
July	0.318	1.695	2.019	1.523	-5.644	-4.207
August	0.294	0.528	0.824	0.433	-1.708	-1.283
September	0.281	0.757	1.040	0.671	-0.871	-0.206
October	0.280	-1.894	-1.619	-2.070	5.405	3.223
November	0.299	1.044	1.346	0.989	-2.167	-1.200
December	0.297	-1.396	-1.104	-1.513	4.083	2.508
January	0.318	-0.034	0.284	-0.023	-1.014	-1.037
February	0.288	0.989	1.280	0.989	-2.331	-1.365
March	0.305	-0.803	-0.501	-0.805	0.874	0.062
2025 Q1	<b>0.914</b>	<b>0.144</b>	<b>1.059</b>	<b>0.153</b>	<b>-2.476</b>	<b>-2.327</b>
Oct-Mar	<b>1.800</b>	<b>-2.113</b>	<b>-0.352</b>	<b>-2.449</b>	<b>4.673</b>	<b>2.109</b>
FY2024	<b>3.681</b>	<b>-0.362</b>	<b>3.306</b>	<b>-1.348</b>	<b>3.178</b>	<b>1.786</b>

Source: FTSE Russell, Yield Book, as of March 31, 2025.

## WGBI ex Japan and China

	Local Base			JPY		JPY
	Rolling	Market Eff	ROR	Hedge	FX Adv	Base
	Yield		local	Return		Return
April	0.305	-2.287	-1.989	-2.484	3.979	1.396
May	0.346	0.481	0.829	0.404	1.021	1.429
June	0.327	0.408	0.736	0.336	2.177	2.521
July	0.333	1.828	2.167	1.635	-5.627	-4.084
August	0.308	0.597	0.906	0.482	-1.764	-1.291
September	0.294	0.857	1.153	0.755	-0.901	-0.153
October	0.293	-2.153	-1.867	-2.357	5.439	2.953
November	0.315	1.086	1.404	1.023	-2.082	-1.080
December	0.313	-1.766	-1.458	-1.903	4.117	2.135
January	0.341	-0.043	0.297	-0.030	-1.035	-1.065
February	0.309	1.214	1.527	1.216	-2.271	-1.083
March	0.325	-0.855	-0.532	-0.857	1.009	0.144
2025 Q1	<b>0.978</b>	<b>0.305</b>	<b>1.287</b>	<b>0.318</b>	<b>-2.307</b>	<b>-1.996</b>
Oct-Mar	<b>1.911</b>	<b>-2.540</b>	<b>-0.678</b>	<b>-2.927</b>	<b>5.015</b>	<b>1.940</b>
FY2024	<b>3.876</b>	<b>-0.737</b>	<b>3.109</b>	<b>-1.875</b>	<b>3.550</b>	<b>1.607</b>

Source: FTSE Russell, Yield Book, as of March 31, 2025.



## The Profile of WGBI (April 2025)

	Issue	Par amount (Mln USD)	Mkt Value (Mln USD)	Weight		Coupon	Remaining	Yield (%)	Mod Dur	Rating
				WGBI	WGBI xJP					
WGBI	1,323	32,575	30,590	100.0%	-	2.58	9.49	3.32	6.84	AA
WGBI_X_JP	1,049	29,238	27,575	90.1%	100.0%	2.75	8.96	3.51	6.35	AA
WGBI_X_JP_X_CN	965	26,310	24,463	80.0%	88.7%	2.77	9.23	3.74	6.42	AA
EGBI	412	8,628	8,094	26.5%	29.4%	2.15	9.62	2.87	6.99	AA-
US_TSY	284	14,001	13,090	42.8%	47.5%	3.06	8.36	4.11	5.82	AA+
CA_TSY	42	548	536	1.8%	1.9%	2.64	9.10	2.76	6.84	AAA
MX_TSY	16	219	206	0.7%	0.7%	7.80	9.52	9.13	5.00	BBB+
AU_TSY	28	370	339	1.1%	1.2%	2.73	8.10	4.12	6.25	AAA
NZ_TSY	15	84	78	0.3%	0.3%	2.94	8.28	4.24	6.18	AAA
JP_TSY	274	3,337	3,015	9.9%	-	1.10	14.12	1.63	11.35	A+
WGBI_CN	84	2,928	3,113	10.2%	11.3%	2.52	6.56	1.70	5.76	A+
MY_TSY	29	134	139	0.5%	0.5%	4.07	10.17	3.74	7.45	A
SG_TSY	22	108	107	0.4%	0.4%	2.59	10.96	2.62	8.22	AAA
AT_TSY	31	329	294	1.0%	1.1%	1.73	14.04	2.81	8.21	AA+
BE_TSY	34	456	417	1.4%	1.5%	2.16	12.08	3.02	8.35	AA
DK_TSY	25	155	138	0.5%	0.5%	1.40	9.35	2.78	7.26	AA+
FI_TSY	52	2,186	2,002	6.5%	7.3%	1.93	9.96	2.96	7.04	AA-
FR_TSY	64	1,664	1,553	5.1%	5.6%	1.61	9.15	2.44	7.07	AAA
DE_TSY	18	144	128	0.4%	0.5%	1.24	9.56	2.74	7.55	AA
IE_TSY	93	1,875	1,834	6.0%	6.7%	3.04	8.60	3.17	6.35	BBB
IT_TSY	23	383	349	1.1%	1.3%	1.56	10.39	2.66	8.07	AAA
NL_TSY	53	1,266	1,216	4.0%	4.4%	2.39	9.06	2.91	6.64	A
ES_TSY	19	171	163	0.5%	0.6%	2.25	8.65	2.79	6.69	A-
PT_TSY	8	51	49	0.2%	0.2%	1.35	6.00	2.42	5.44	AAA
SE_TSY	7	62	59	0.2%	0.2%	1.82	11.16	2.45	8.62	AAA
GB_TSY	11	47	44	0.1%	0.2%	2.34	6.85	3.96	5.78	AAA
PL_TSY	16	175	170	0.6%	0.6%	3.59	4.46	5.22	3.72	A
NO_TSY	62	1,786	1,462	4.8%	5.3%	2.83	14.90	4.62	8.79	AA
IL_TSY	13	98	89	0.3%	0.3%	2.97	8.95	4.38	6.41	A
KR_TSY	68	663	661	-	-	2.69	14.71	2.67	10.99	AA

Source: FTSE Russell, as of March 31, 2025. Korea has not included in WGBI at this moment.

# Market review of WGBI for Q1, 2025

Robin Marshall, Director GIR, April 7th, 2025.

## WGBI performance in Q1 2025

Q1 2025 (Jan 2025 – Mar 2025)	Local	JPY Base	JPY Hedged
WGBI	0.643	-2.402	-0.170
WGBI exc Japan	1.060	-2.328	0.155
WGBI exc.Japan & China	1.287	-1.995	0.317
US	2.901	-2.088	1.790
EGBI	-1.311	-2.042	-2.010
UK	0.354	-1.588	-0.772
China	-0.689	-4.884	-1.094
Japan	-3.058	-3.058	-3.058

Source: FTSE Russell, as of March 31, 2025

## US Treasuries rally on equity market weakness in Q1...

US Treasuries rallied across the curve in Q1, despite the US Federal Reserve holding rates unchanged and US inflation remaining above the 2% target. Sharp falls in US equities on tariff fears and policy uncertainty, and signs of weaker economic growth all helped Treasuries as investors sought safe havens.

In contrast, European govt bond performance was more mixed, and although short-dated German Bunds, and French OATs rallied on ECB rate cuts, longer dated Bunds and Eurozone bonds suffered from Germany's commitment to increase defence and infrastructure spending and relax government debt rules. This caused yield curves to steepen, and long Bunds lost 5% in Q1, versus gains of 5% in long US Treasuries.

JGBs also suffered losses in Q1, in local currency terms, with losses led by long maturities, as the yield curve steepened further, and with the BoJ allowing yields to rise. Long JGBs also lost about 5% in Q1, and mediums about 3%.

## Causing WGBI ex Japan and WGBI ex Japan and China to outperform

After very strong performance in 2024, China govt bonds fell back in Q1 after the PBOC took steps to cool speculative buying of govt bonds by suspending its own purchases in January. The PBOC also left policy rates unchanged throughout Q1, as the govt unveiled fiscal stimulus measures to boost the economy. As a result, China govt bonds suffered small losses in Q1, and the WGBI ex Japan and China showed stronger performance than both the WGBI and WGBI ex Japan, though Treasuries outperformed overall.

The other key feature of Q1 was US dollar weakness, despite the risk-off phase in US equities as markets deserted the US dollar as a safe haven in favour of gold, and the yen. Expectations of higher BoJ rates helped the yen rally, and a perception that the new US administration would prefer a lower US dollar to increase US competitiveness. Thus, US treasury and WGBI returns were both negative in yen terms, with the yen rallying about 5% versus the dollar in Q1. In contrast, yen-hedged returns were still modestly positive in Q1 in WGBI ex Japan and WGBI ex Japan and China and show returns of 0.2%- 0.3%.

## WGBI performance for the full year FY2024

### Performance of WGBI and constituents in FY2024

FY2024 (Apr 2024 to Mar 2025)	Local	JPY Base	JPY Hedged
WGBI	2.274	0.880	-1.870
WGBI ex Japan	3.307	1.787	-1.346
WGBI ex Japan and China	3.109	1.607	-1.875
US	4.610	3.362	-1.083
EGBI	1.117	-0.070	-2.699
UK	-2.044	-1.105	-7.184
China	5.058	3.457	3.282
Japan	-6.532	-6.532	-6.532

Source: FTSE Russell, as of March 31, 2025

### WGBI performance for FY2024 shows US Treasuries helped by short duration...

Overall, FY2024 proved a year in which the yen's recovery in 2025 gave a different look to WGBI returns for the full year, since the yen actually gained about 1-1.5%% versus other WGBI currencies over the 12 months. This means that WGBI returns were slightly lower to a yen base than in local currency terms over the full year.

Drilling down into WGBI components, US Treasury returns of 4.6% over the full year in local currency were only exceeded by Chinese govt bond returns of 5.06%. The short duration of the US Treasury market (which is only 5.8 yrs, versus 8.8 yrs in the UK, 11.2yrs in JGBs, and 6.9 yrs in Bunds) helped Treasuries out-perform when yield curves were steepening, and the Fed began easing from September 2024 onwards (reducing rates by 100 bp from Sept to December 2024).

Chinese bonds also showed strong gains over the FY2024, as deflation fears persisted, and investors drove govt bond yields lower across the Chinese yield curve, in contrast to the pronounced steepening of G7 yield curves. Indeed, the yield curve flattened over the course of the FY by 10-20 bp, in contrast to the steepening of about 60bp in US Treasuries in the 10s/2s yield curve, as short rates fell further than 10-year yields.

### ...and other markets with longer duration hit hard by steepening yield curves, including JGBs as curve control ended

In an environment of steepening yield curves, other markets, with longer duration, like UK gilts, Bunds and JGBs suffered significant losses at the long end of 9 – 13%, causing WGBI returns to be much lower than US Treasury returns over the year (2.27% versus 4.6%). JGB returns were particularly weak, with the market losing 6.5% overall, as the end of yield curve control by the BoJ, and the move to raise rates in March 2024 occurred just before the new financial year. This meant that WGBI ex Japan and WGBI showed returns 9-10% higher than JGBs in local currency terms, though less in yen terms, given the yen made modest gains over the year. Yen hedged returns were also lower, given the cost of hedging out the FX exposure in higher yielding currencies like the US dollar and sterling.

# Index announcement

## Price Source Change for US Treasury, European Government Bonds and UK Gilts in FTSE Global Fixed Income Indices

The FTSE Russell has changed the price source for US Treasury, EMU Government Bonds, and UK Gilts from LSEG Pricing Service to FTSE Tradeweb closing price on March 10th, 2025. The change was effective across all FTSE global fixed income indices, including the FTSE World Government Bond Index (WGBI), the FTSE World Broad Investment Grade Index (WorldBIG), the FTSE US Broad Investment Grade Index (USBIG), the FTSE Euro Broad Investment Grade Index (EuroBIG), the FTSE UK Broad Investment Grade Index (UKBIG) and indices that derive their membership from these. The price quote conventions for snap time of 4 p.m. New York for US Treasuries, and 4:15 p.m. London for European Government bonds and UK Gilts, and the bid-side quote convention, will remain the same. On dates when the US bond market closes early, the snap time for US Treasury prices will be 1:00 p.m. New York time. FTSE Russell, as the benchmark administrator, is responsible for the governance and oversight of the calculation of these prices by Tradeweb. The closing prices are administered in accordance with the EU and UK Benchmark Regulation and the IOSCO Principles for Financial Benchmarks.

## Fixing Date for 2025

FTSE Fixed Income Index rules stipulate that there must be a minimum of four business days following each index fixing date and before calendar month-end in all of the following business regions: US, UK, Eurozone, Japan, and Australia. Index fixing dates are subject to change if unforeseen circumstances arise affecting these business days.

The following are the fixing dates for 2025.

April 22, 2025  
May 23, 2025  
June 24, 2025  
July 25, 2025  
August 22, 2025  
September 24, 2025  
October 27, 2025  
November 20, 2025  
December 19, 2025

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