

Fixed Income Insights

MONTHLY REPORT – JUNE 2023 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

Chinese spreads fall as very low inflation gives scope for more easing

Chinese sovereign spreads narrowed, reflecting inflation differentials, and US downgrade fears after the debt ceiling crisis. The Swap Connect programme may increase foreign participation by facilitating onshore rate risk hedging. China IG credits is in a sweet spot, though HY credits remain depressed by property woes.

Macroeconomic backdrop – Lower energy prices drive disinflation, but wide dispersion of inflation persists

Weak global growth, and low Chinese inflation, reinforce the case for domestic-led growth, and further PBoC easing. (page 2)

Chinese bonds – Onshore bond yields fell further in May, yield curve steepened with a sharper drop in short yields

The Chinese 10s/2s curve steepened in May, in contrast to the deepening US curve inversion. Longer dated Green spreads remain wider than broader corporates, a divergence from a year ago. (page 3)

Chinese and Asian bonds – Asian government spreads tightened further in May, as Treasury yields rose

Asian government bond spreads narrowed versus US Treasuries, as US Treasury yields rose. Chinese \$ high yield spreads widened further due to concerns about default and liquidation. (page 4)

Performance – Indonesian and Indian governments remained strongest performers, Bunds underperformed

Indonesian bonds led YTD gains, in both US dollars and renminbi, followed by Indian bonds. Australasian and German bonds lost most in May. Korean bonds benefitted from currency strength. (pages 5-6)

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

Chart 1: PMI shows manufacturing contracted globally, including in China (48.8), where growth momentum stayed weak.

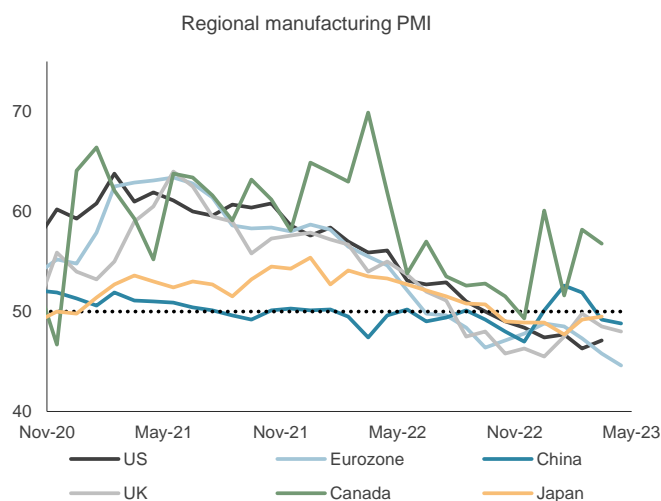
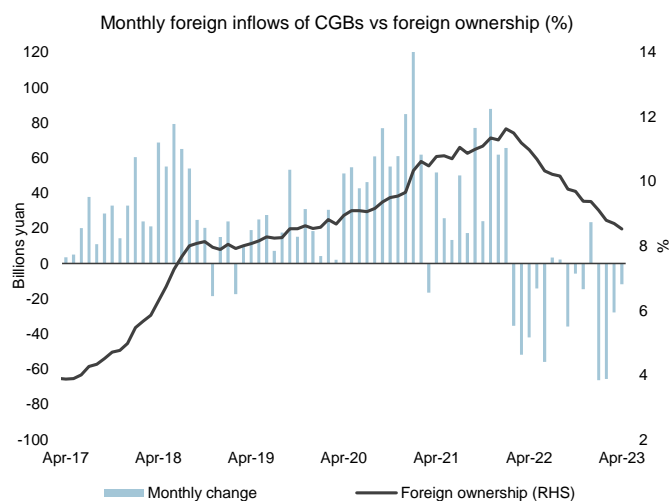


Chart 2: The scale of foreign capital outflows from CGBs has slowed, even if foreign ownership fell to 8.5%, a pre-Covid level.



Source: FTSE Russell. All data as of May 31, 2023. Past performance is no guarantee of future results. This report should not be considered 'research' for the purposes of MIFID II. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix for list of Indices used for each market.

Macroeconomic Backdrop – Growth and Inflation Expectations

Further declines in energy prices eased the global growth squeeze, and drove inflation lower, though pronounced G7 tightening restricts demand growth. The UK lags the general inflation decline, as in previous cycles, while China is also a global outlier with inflation sub-1%. Given weaker net exports, 5%+ growth in China may require further policy stimulus.

Consensus forecasts project China's GDP growth at 5.4% in 2023, as Chart 1 shows, with lingering concern about the property sector, but the PBoC is well placed to unveil further policy stimulus, if required. The IMF notes the need for structural reforms to facilitate a switch to domestic consumption as the main growth engine, given shrinking labour supply and returns to capex.

Chinese inflation fell further to 0.1% y/y in April, the lowest in two years, triggering concerns about deflation risks. Weak recoveries in domestic demand and the property sector, favourable base effects and lower car prices also put downward pressures on y/y inflation. Chinese inflation at these levels gives policymakers room to boost demand growth further in 2023.

China's unemployment rate for 16 to 24-years reached 20.4% in April, the highest since the series was first released in 2018. It may rise further in Q3, as the graduation season comes in July or August. Government support policies and a services recovery may help reduce unemployment. The overall unemployment rate fell to 5.2% in April, mean-reverting to pre-Covid average (Chart 3).

The US dollar rose again in May, helped at times, and ironically, by fears of a possible US debt default. The Japanese yen fell sharply against the dollar, joining its global peers and staying significantly lower compared to three years ago (Chart 4).

Chart 1: Consensus growth forecasts show the G7 avoiding recessions, apart from the UK, but only just. Chinese forecasts assume successful transition to domestic demand-led growth.

Latest Consensus Real GDP Forecasts (% , May 2023)			
	2022	2023	2024
US	2.1	1.1	0.8
UK	4.1	-0.1	0.8
Eurozone	3.3	0.7	1.0
Japan	1.6	1.1	1.2
China	3.0	5.4	5.0
Canada	3.5	0.7	1.4

Chart 2: Chinese inflation fell further to 0.1% y/y in April, the lowest in recent two years. US inflation drop to 5.0%, the lowest since April 2021. Forecast adjustments for 2024 are more modest.

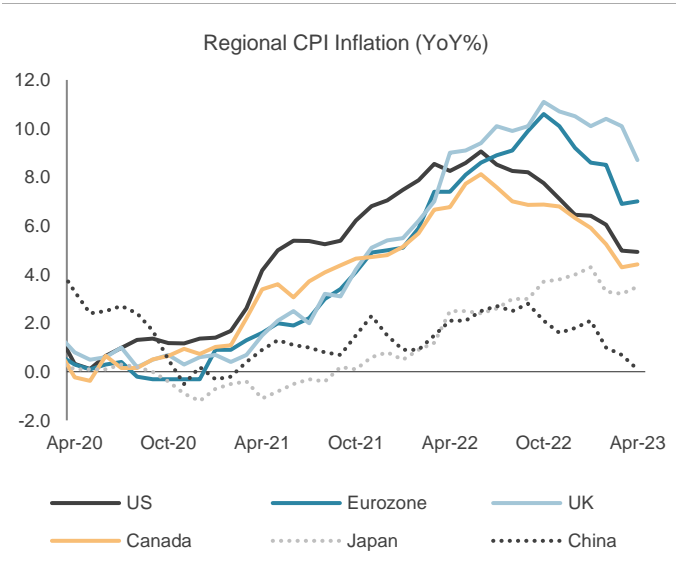


Chart 3: Overall urban jobless rate fell further to 5.2% in April. But more concerns fall on youth unemployment, which has surged to a historic high of 20.4% before the graduation season.

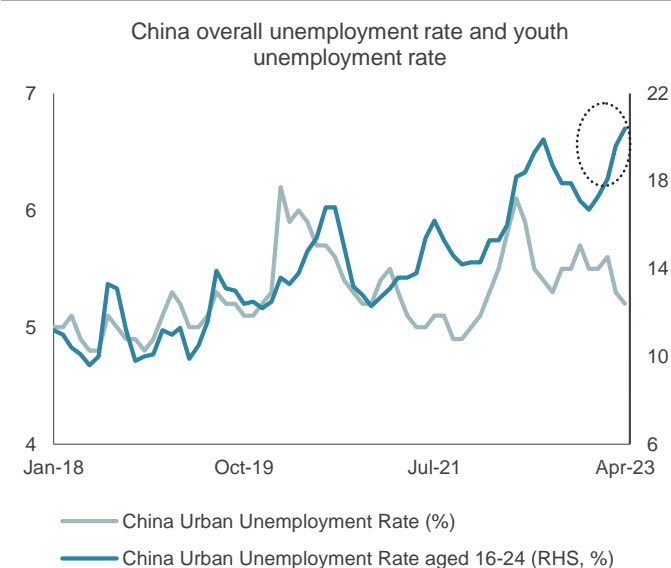
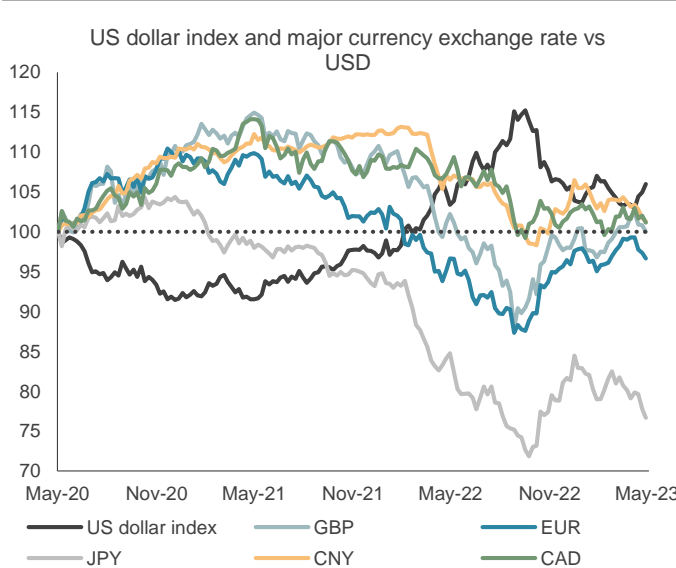


Chart 4: The threat of higher rates for longer has caused the US dollar and sterling to rebound in May. The yen and renminbi both fell back on the more accommodative monetary policy outlook.



Source: FTSE Russell and Refinitiv, China unemployment rate data from National Bureau of Statistics of China. All data as of May 31, 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 government yields fell further in May, led by the short end. Chinese 7-10-year yields dropped to levels last seen in Q4 2022, suggesting markets anticipate further policy easing.

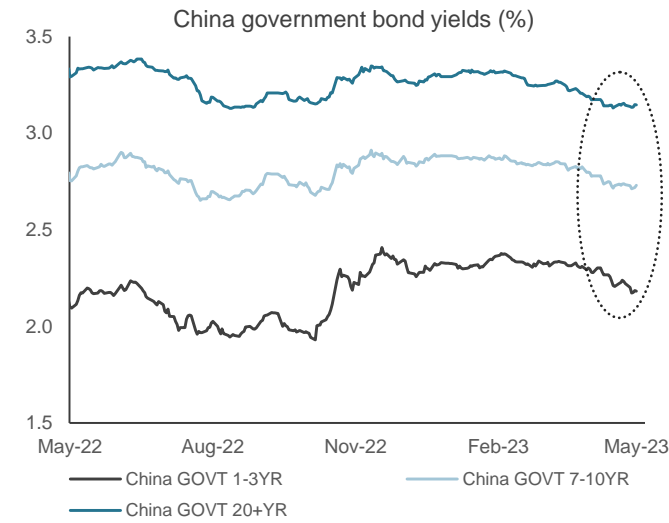


Chart 2: The Chinese 10s/2s curve steepened in May, as short yields fell more, with ample liquidity, although the PBoC held its policy rate steady. US curve inversion resumed, reaching 90bps.

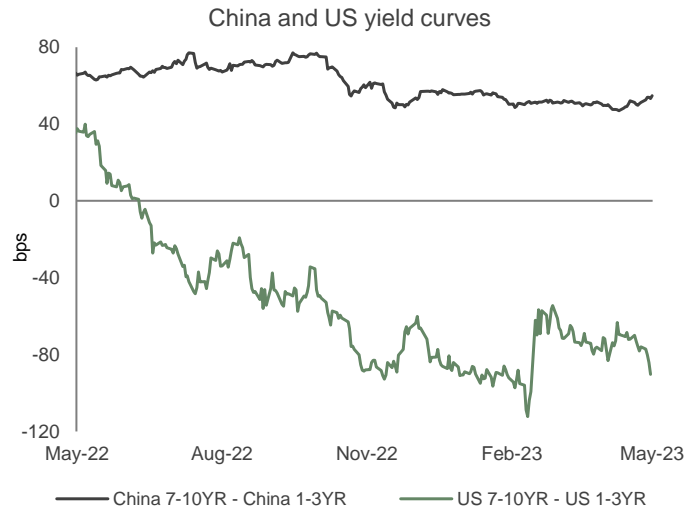


Chart 3: Domestic credit spreads stabilised at levels lower than the peak in last December, but were still higher than the October lows. Regional gov spreads are almost double those of policy banks.

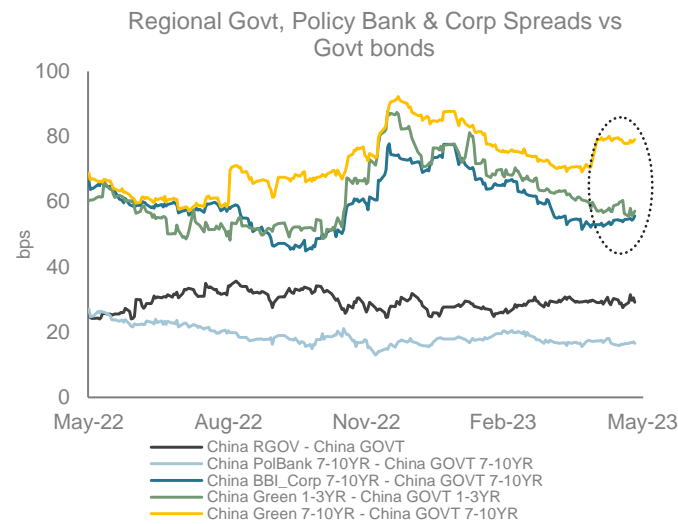


Chart 4: Chinese dollar IG corporate yields increased again in late May, tracking US Treasuries higher. Onshore and offshore RMB bond yields fell and remain less volatile.

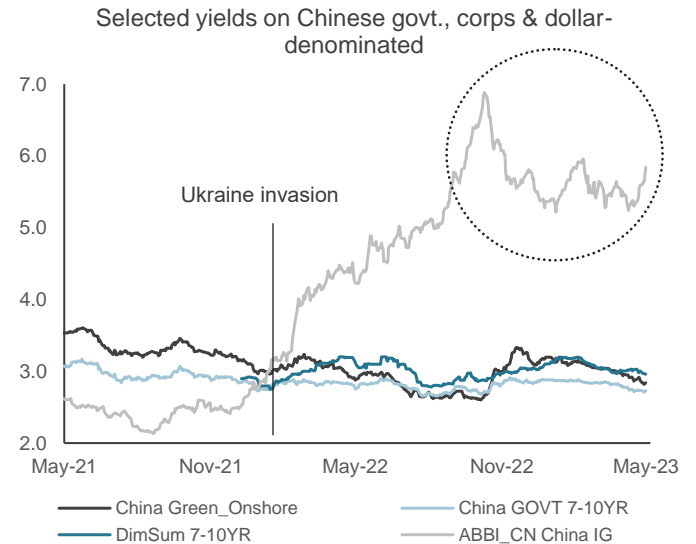


Chart 5: Foreign capital outflows from Chinese govt bonds slowed significantly in April, though foreign ownership of CGBs has fallen to 8.5%, a pre-Covid level, from a peak of 11.6% in January 2022.

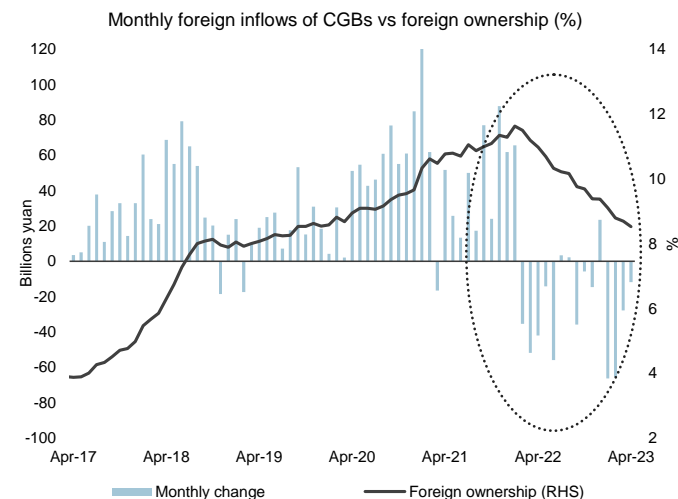
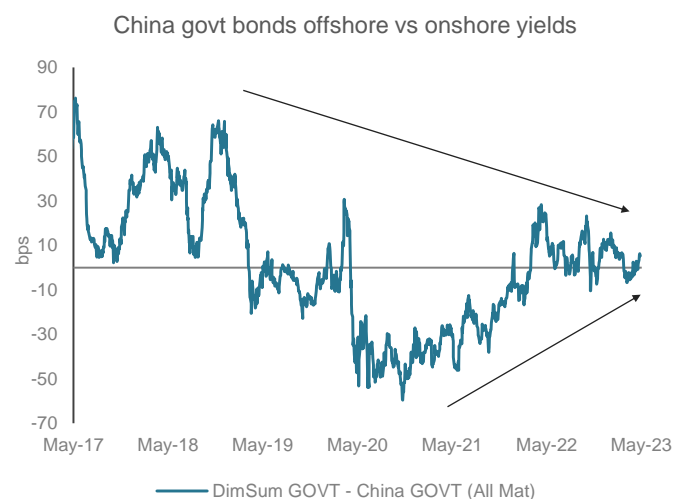


Chart 6: Yield differentials between offshore and onshore govt bonds continue to trade in a narrower range since Sep 2021. Spreads returned to positive in May as onshore yields fell more.



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China and Asian Bonds in Global Context

Chart 1: Only Korean yields followed the US Treasury yield back-up in May. Chinese and Indonesian yields edged lower, while Malaysian yields moved higher, but only marginally.

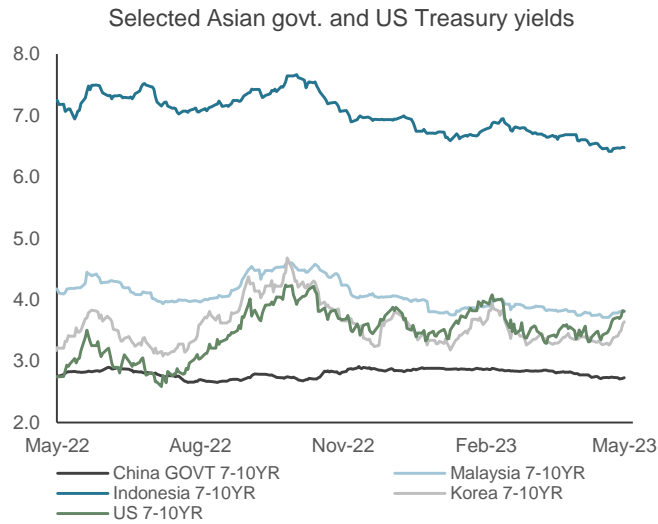


Chart 2: But the Korean 10s/2s yield curve decoupled from the US, where curve inversion deepened to 90bps in May. The Indonesian 10s/2s curve steepened on better-than-expected growth.

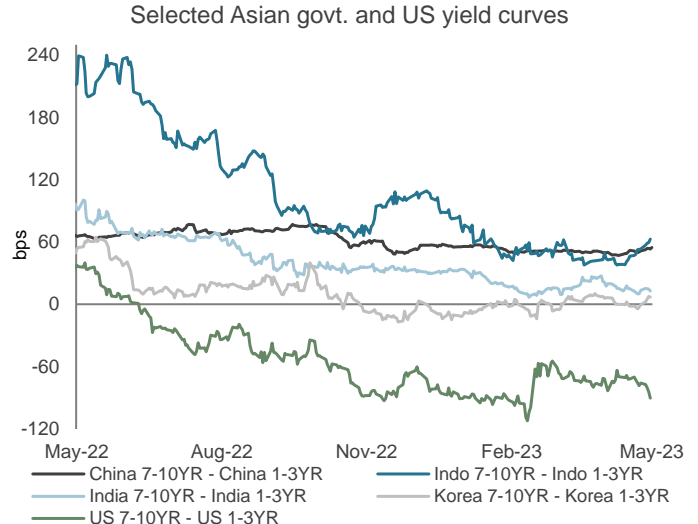


Chart 3: China 7-10 year sovereign spreads vs G7 fell sharply in May, notably versus the US and UK, which reverting to October 2022 lows. Lower spreads were mainly driven by higher G7 yields.

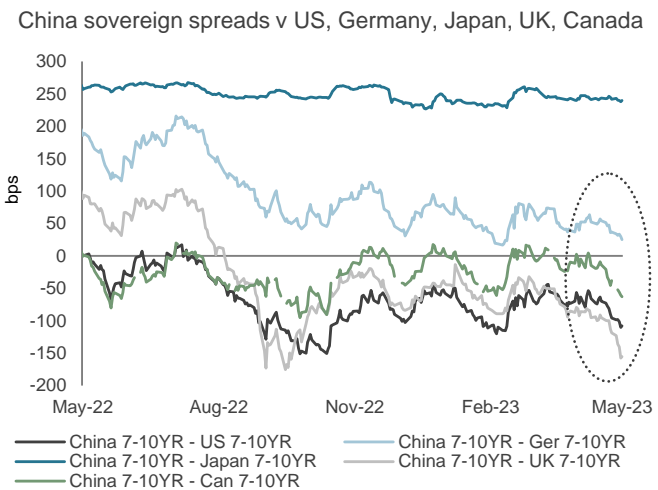


Chart 4: Asian spreads vs US narrowed in May as Treasury yields increased on the debt ceiling crisis, fears of downgrade and further rate hikes. China and Singapore still trade through US Treasuries.

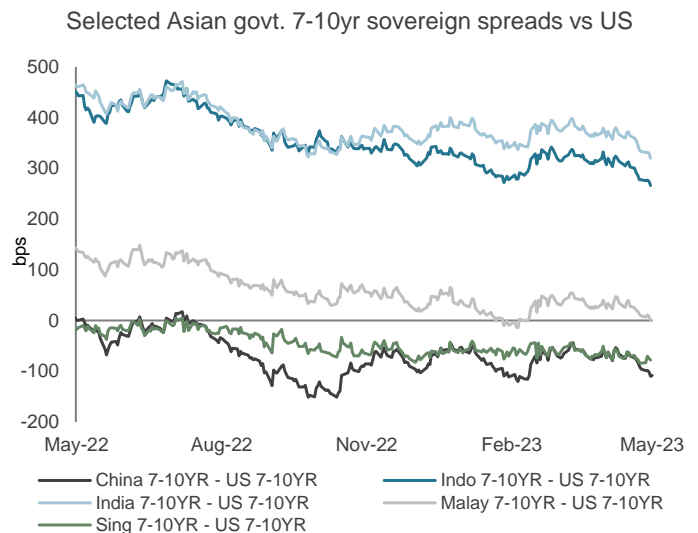
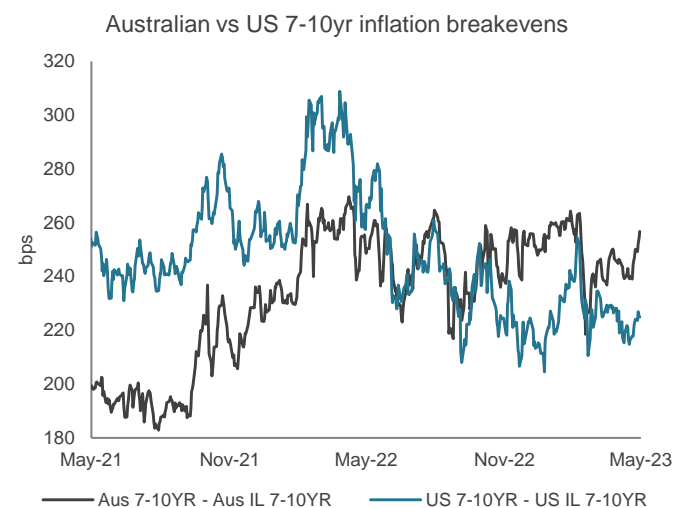


Chart 5: Chinese \$ HY spreads surged decisively in May, above 6300bps, as investors' concerns over default and liquidation mounted. US HY spreads remained less volatile at 500+bps.



Chart 6: Australian breakevens rose to 2.5%, near the peak a year ago, while B/E's in the US fell sharply to 2.25% from above 3%. Although they rebounded a little in May, they remain broadly stable.



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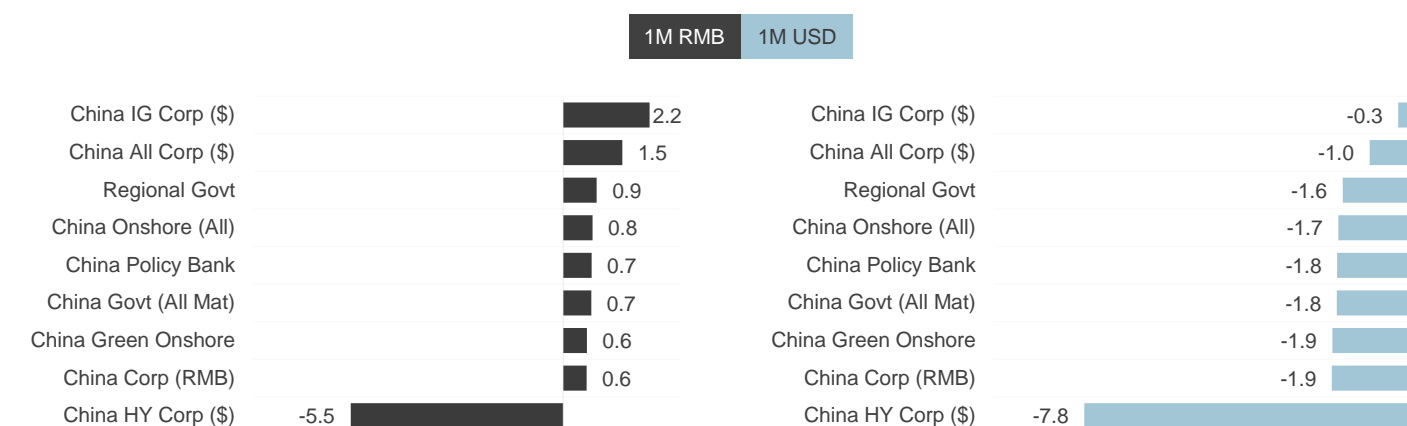
China Bond Market Returns – 1M & YTD in RMB & USD (TR) as of May 31, 2023

Onshore bonds posted positive returns in RMB terms in May, led by IG credits, but the stronger US dollar turned returns negative in dollar terms. Offshore RMB bonds underperformed onshore peers YTD. Chinese dollar HY corporates fell sharply again, depressing YTD returns, as property sector woes continued, and concern increased about default risks.

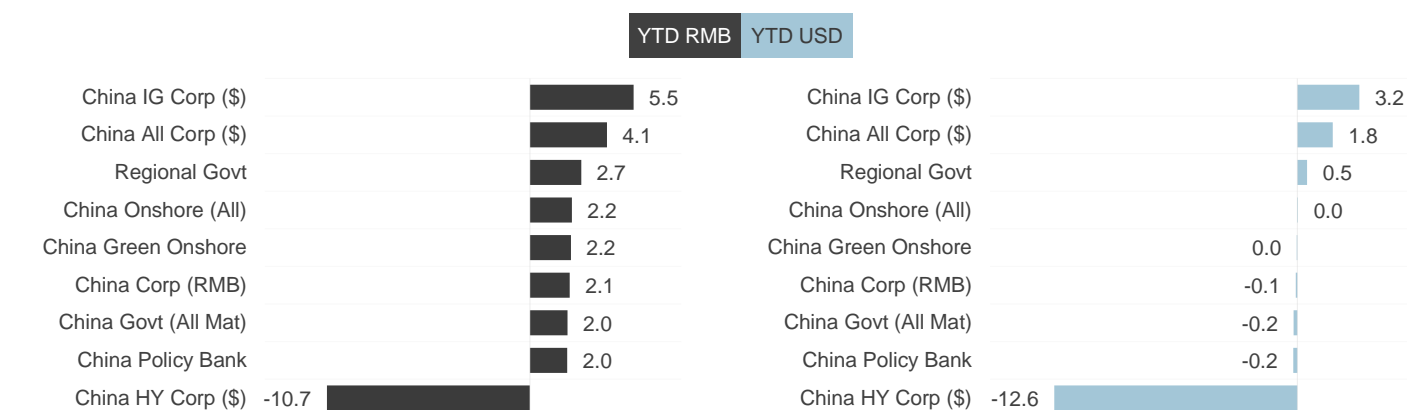
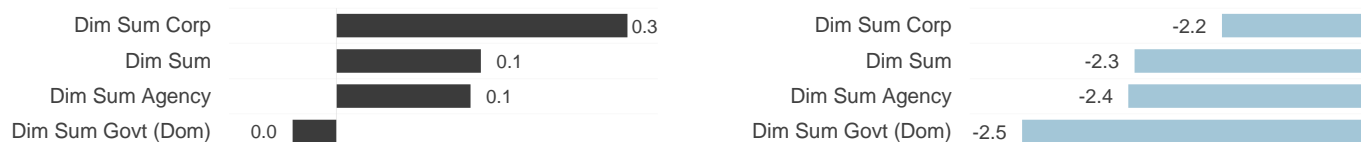
Chinese onshore bonds gained almost 1% in RMB in May, but dollar returns were squeezed by the strong dollar. Onshore regional government and \$ IG credits outperformed with YTD gains of up to 5.5% in RMB, or 3.2% in US dollar terms.

Dim Sum bonds posted YTD returns of 0.7-1.9%, underperforming their onshore peers. Foreign exchange risk remains a key factor in RMB bond investment generally, as the yuan depreciated further in May against the US dollar, reflecting monetary policy settings.

Chinese \$ HY corporates lost 7.8% in May, with losses from property developers, dragging YTD returns lower to -12.6%. Property sector dollar bonds also drove returns lower within \$ investment grade credit.



OFFSHORE BONDS



OFFSHORE BONDS



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Global Bond Market Returns – 1M & YTD RMB & USD (TR) as of May 31, 2023

Indian and Indonesian bonds outperformed in May and YTD, against their Asian and global peers. Japanese and Australasian bond returns were hit hardest by adverse currency effects. APAC government bonds in developed markets underperformed in dollar terms YTD, including Japan, Korea and Australasia.

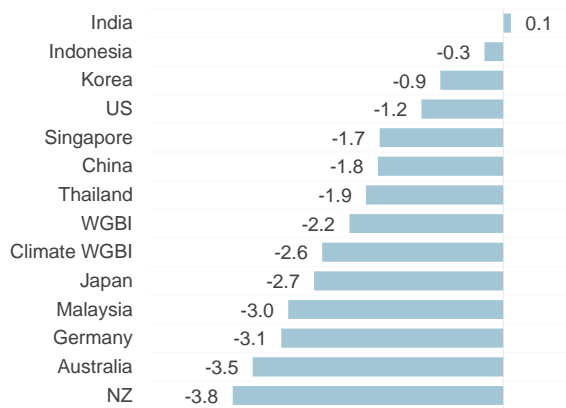
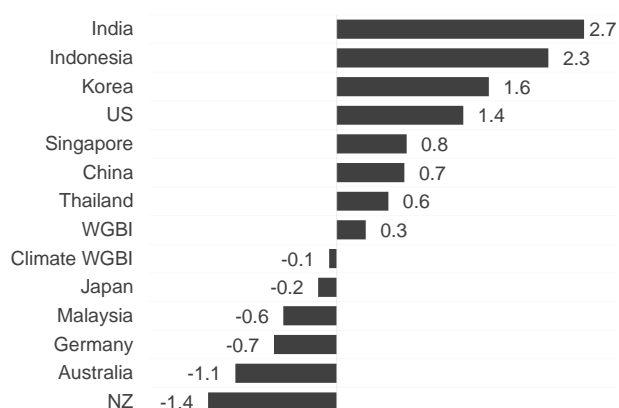
Indian and Indonesian government bonds outperformed in May, up by 2.3-2.7% in RMB terms. Only Indian bonds escaped a loss in US dollars, with the dollar strengthening generally. Korean bonds benefitted from won strength, returning 1.6% in RMB terms and losing only 0.9% for dollar based investors. German and Australasian govt. bonds lost most (3.1-3.8% in dollars) in May.

High-yielding Indonesian bonds led year-to-date gains, helped by the stronger rupiah. Japanese, Korean and Australasian bonds underperformed in YTD returns, driven by weaker currencies.

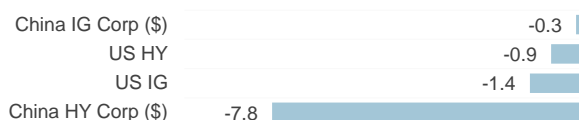
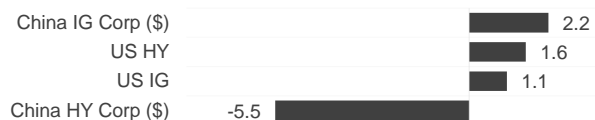
Chinese \$ IG and US high yield outperformed their corporate peers and also US Treasuries in May, leading YTD returns. Apart from Chinese HY corporates, which lost 12.6% YTD, other dollar corporates offered 3-3.7% returns so far this year.

1M RMB 1M USD

CONVENTIONAL GOVT BONDS

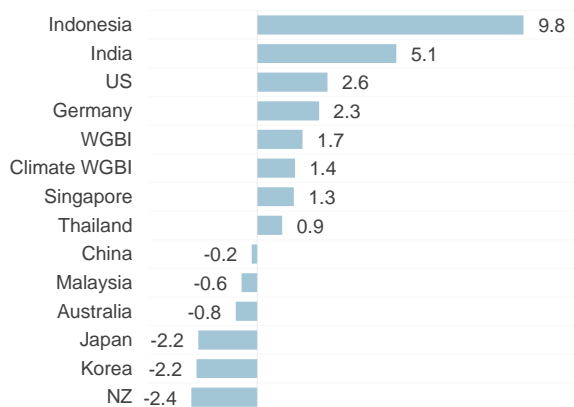


CORPORATE BONDS

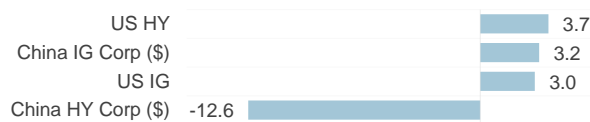
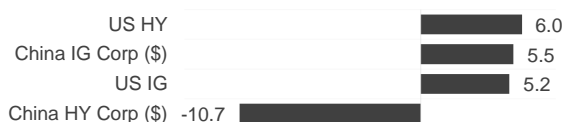


YTD RMB YTD USD

CONVENTIONAL GOVT BONDS



CORPORATE BONDS



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Appendix – Global Bond Market Returns % (RMB vs USD, TR), May 31, 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	-0.34	2.20	1.52	3.93	1.70	1.15	0.05	6.78
	7-10YR	-1.45	1.06	3.07	5.52	1.80	1.25	-2.88	3.65
	20+YR	-2.92	-0.45	2.15	4.58	1.89	1.34	-9.46	-3.37
	IG All	-1.44	1.06	2.04	4.47	2.50	1.95	-1.57	5.05
	HY All	-0.91	1.61	1.16	3.57	2.94	2.38	-0.02	6.71
China	1-3YR	-1.98	0.52	-1.22	1.13	2.09	1.54	-3.85	2.62
	7-10YR	-1.72	0.78	-0.46	1.91	3.38	2.83	-2.85	3.68
	20+YR	-1.59	0.91	1.58	4.00	5.83	5.25	0.02	6.74
	All	-1.77	0.73	-0.53	1.83	3.05	2.49	-2.93	3.60
China Policy Bank		-1.76	0.74	-0.48	1.89	2.91	2.35	-2.73	3.81
Regional Govt		-1.63	0.87	-0.09	2.28	3.32	2.76	-2.05	4.54
China Corp (LC)		-1.89	0.61	-0.84	1.52	2.57	2.02	-3.33	3.17
China Onshore (All)		-1.74	0.76	-0.40	1.97	3.07	2.52	-2.62	3.93
China Green Onshore		-1.88	0.62	-0.79	1.57	2.61	2.06	-3.26	3.25
China All Corp (\$)		-0.99	1.53	-0.04	2.33	4.07	3.51	-1.09	5.56
China IG Corp (\$)		-0.30	2.24	1.96	4.38	4.32	3.76	0.38	7.13
China HY Corp (\$)		-7.83	-5.48	-19.93	-18.02	1.85	1.30	-15.20	-9.50
Offshore Govt (DimSum)		-2.52	-0.04	-1.27	1.08	0.80	0.25	-3.57	2.92
Asia-Pac	1-3YR	-1.59	0.91	-0.71	1.65	1.86	1.31	-3.79	2.68
	7-10YR	-1.66	0.84	0.72	3.11	3.39	2.83	-2.66	3.89
	20+YR	-2.35	0.13	1.36	3.77	4.75	4.19	-3.56	2.93
	All	-1.71	0.79	0.33	2.72	3.07	2.52	-2.88	3.65
Australia	1-3YR	-2.67	-0.20	-3.14	-0.83	-2.64	-3.17	-8.57	-2.42
	7-10YR	-3.78	-1.34	-1.19	1.16	-2.15	-2.68	-8.31	-2.15
	20+YR	-5.81	-3.42	-1.76	0.58	-4.94	-5.45	-13.09	-7.24
	All	-3.54	-1.08	-1.78	0.56	-2.43	-2.95	-8.67	-2.53
India	1-3YR	-0.45	2.08	2.48	4.91	2.10	1.55	0.28	7.03
	7-10YR	0.09	2.64	4.25	6.73	3.70	3.14	3.39	10.34
	20+YR	0.47	3.03	4.91	7.40	4.92	4.35	6.45	13.61
	All	0.11	2.65	4.10	6.58	3.75	3.19	3.62	10.59
Indonesia	1-3YR	-0.82	1.70	4.50	6.98	9.39	8.80	2.59	9.49
	7-10YR	-0.56	1.97	5.84	8.36	12.33	11.73	8.64	15.95
	20+YR	0.64	3.19	7.00	9.54	14.36	13.74	12.28	19.83
	All	-0.26	2.27	5.90	8.42	12.21	11.61	8.37	15.66
Japan	1-3YR	-2.54	-0.06	-2.45	-0.13	-0.04	-0.58	-7.91	-1.72
	7-10YR	-2.71	-0.24	-0.75	1.61	-0.06	-0.60	-8.24	-2.07
	20+YR	-2.73	-0.26	0.97	3.37	5.37	4.80	-11.98	-6.06
	All	-2.67	-0.20	-0.24	2.13	1.76	1.21	-9.23	-3.13
Korea	1-3YR	0.77	3.33	0.97	3.38	1.49	0.94	-4.43	2.00
	7-10YR	-0.08	2.46	2.49	4.93	2.03	1.48	-5.09	1.29
	20+YR	-3.41	-0.95	0.04	2.42	2.44	1.89	-11.45	-5.50
	All	-0.89	1.63	1.26	3.67	1.98	1.43	-6.69	-0.42
Malaysia	1-3YR	-3.39	-0.94	-1.88	0.45	-1.21	-1.74	-1.61	5.00
	7-10YR	-2.74	-0.27	-0.55	1.81	1.50	0.95	1.52	8.35
	20+YR	-2.41	0.07	1.31	3.72	4.19	3.62	9.86	17.25
	All	-3.04	-0.57	-0.64	1.72	1.14	0.59	2.37	9.26
New Zealand	1-3YR	-2.83	-0.36	-1.99	0.34	-1.70	-2.23	-6.73	-0.46
	7-10YR	-4.03	-1.59	0.07	2.44	-2.66	-3.18	-9.20	-3.10
	20+YR	-6.53	-4.15	1.47	3.88	-4.47	-4.98	-11.34	-5.38
	All	-3.82	-1.38	-0.57	1.79	-2.34	-2.87	-8.41	-2.25
Singapore	1-3YR	-1.65	0.85	0.82	3.22	2.37	1.82	2.18	9.06
	7-10YR	-1.81	0.69	3.81	6.28	4.51	3.95	2.86	9.78
	20+YR	-0.99	1.53	10.01	12.63	12.29	11.68	12.12	19.66
	All	-1.75	0.75	4.12	6.60	5.16	4.59	4.59	11.62
Thailand	1-3YR	-2.03	0.46	1.71	4.13	1.70	1.15	-0.56	6.13
	7-10YR	-1.33	1.17	2.65	5.09	4.19	3.63	4.23	11.24
	20+YR	-3.30	-0.84	3.60	6.06	17.04	16.41	16.05	23.86
	All	-1.94	0.56	2.36	4.79	4.42	3.86	3.39	10.34

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Appendix – Global Bond Market Yields %, May 31, 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	4.61	3.92	3.65	3.94	2.08	1.52	1.68	5.43	8.86
	3M Ago	4.90	4.34	3.93	4.01	1.82	1.57	1.65	5.55	8.62
	6M Ago	4.47	3.97	3.64	3.95	1.76	1.40	1.59	5.38	8.81
	12M Ago	2.44	2.80	2.84	3.21	-0.87	0.08	0.81	4.25	7.09
UK	Current	4.55	4.33	4.10	4.45	1.18	0.54	1.06		
	3M Ago	3.95	3.79	3.72	4.07	0.45	0.18	0.67		
	6M Ago	3.36	3.26	3.20	3.39	-1.95	-0.58	0.10		
	12M Ago	1.64	1.85	2.14	2.46	-3.51	-2.20	-1.05		
Japan	Current	-0.08	0.01	0.33	1.22	-1.51	-0.77			
	3M Ago	-0.04	0.11	0.53	1.35	-1.25	-0.36			
	6M Ago	-0.04	0.05	0.28	1.40	-1.44	-0.76			
	12M Ago	-0.07	-0.04	0.22	1.00	-1.46	-0.88			
China	Current	2.13	2.36	2.70	3.14					
	3M Ago	2.38	2.62	2.86	3.32					
	6M Ago	2.26	2.54	2.87	3.34					
	12M Ago	2.13	2.48	2.83	3.34					
EM	Current	3.74	4.16	4.62	4.44	4.34	4.24	5.00	5.78	12.12
	3M Ago	3.71	4.48	4.88	4.57	1.46	3.33	5.35	5.95	10.85
	6M Ago	3.72	4.51	4.89	4.89	2.45	3.14	5.10	6.08	12.18
	12M Ago	3.48	4.43	5.08	4.93	2.29	2.94	5.02	4.60	10.77
Germany	Current	2.71	2.30	2.20	2.40	0.37	-0.04	-0.13		
	3M Ago	3.09	2.78	2.59	2.57	0.22	0.08	0.03		
	6M Ago	2.04	1.95	1.91	1.81	-0.59	-0.41	-0.54		
	12M Ago	0.32	1.25	1.54	1.81	-1.46	-0.84	-0.50		
Italy	Current	3.35	3.42	3.89	4.43	1.11	1.62	1.80		
	3M Ago	3.65	3.81	4.18	4.55	0.84	1.69	1.90		
	6M Ago	2.73	3.09	3.59	3.86	0.12	1.32	1.35		
	12M Ago	1.10	2.06	2.99	3.58	-2.21	0.64	1.44		
France	Current	2.83	2.63	2.68	3.24	0.22	0.20	0.53		
	3M Ago	3.18	3.03	3.01	3.37	-0.05	0.24	0.69		
	6M Ago	2.25	2.19	2.27	2.59	-0.94	-0.39	0.09		
	12M Ago	0.46	1.10	1.67	2.49	-3.03	-0.93	0.26		
Sweden	Current	2.97	2.62	2.31		0.74	0.55			
	3M Ago	3.18	2.96	2.65		0.64	0.72			
	6M Ago	2.52	2.21	1.93		-0.29	-0.26			
	12M Ago	1.17	1.69	1.57		-1.53	-1.31			
Australia	Current	3.51	3.38	3.58	4.12	0.42	1.03	1.59		
	3M Ago	3.66	3.65	3.83	4.19	0.50	1.26	1.78		
	6M Ago	3.12	3.22	3.49	3.92	-0.08	0.90	1.43		
	12M Ago	2.69	3.31	3.52	3.77	-0.27	0.91	1.70		
NZ	Current	5.08	4.35	4.28	4.46	1.23	1.85			
	3M Ago	5.06	4.68	4.57	4.67	1.40	2.07			
	6M Ago	4.67	4.39	4.12	4.28	1.49	1.97			
	12M Ago	3.41	3.53	3.60	3.84	0.46	1.42			
Canada	Current	4.04		3.22	3.18			1.44	5.24	7.61
	3M Ago	4.04		3.35	3.26			1.34	5.16	7.19
	6M Ago	3.70		2.96	3.02			1.20	5.07	7.37
	12M Ago	2.65		2.88	2.90			0.91	4.44	6.43

Source: FTSE Russell. All data as of May 31, 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.

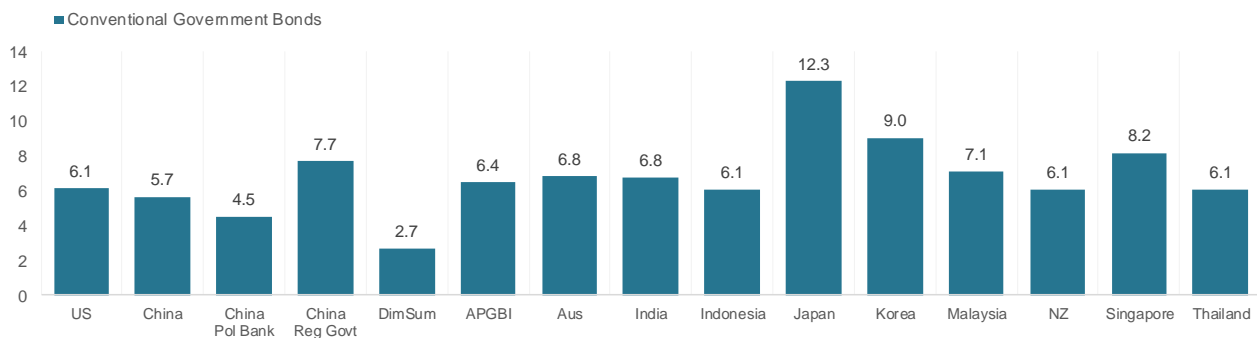
Appendix – Duration and Market Value (USD, Bn), May 31, 2023

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.5	17.5	6.1	2,270.3	1,104.8	1,295.2	10,351.4
China	3.6	7.4	17.6	5.7	449.7	342.9	239.1	2,030.8
China Pol Bank				4.5				2,688.0
China Reg Govt				7.7				1,973.7
DimSum	3.4			2.7	1.6			7.2
APGBI	3.6	7.3	17.9	6.4	686.9	697.2	463.2	3,673.7
Aus	3.6	7.7	17.8	6.8	41.1	101.7	15.3	317.6
India	3.3	6.0	11.8	6.8	129.8	194.1	236.1	1,038.0
Indonesia	3.2	6.1	11.3	6.1	27.1	64.0	13.0	232.1
Japan	3.9	8.0	24.0	12.3	354.9	376.7	719.0	3,224.0
Korea	3.6	7.1	19.0	9.0	81.4	97.6	154.5	589.6
Malaysia	3.6	7.3	15.0	7.1	20.2	14.0	15.4	115.5
NZ	3.3	7.5	17.6	6.1	8.9	12.6	2.3	48.6
Singapore	3.3	7.2	20.4	8.2	18.1	14.3	14.9	93.9
Thailand	3.5	7.5	16.4	6.1	27.4	23.4	8.8	144.8

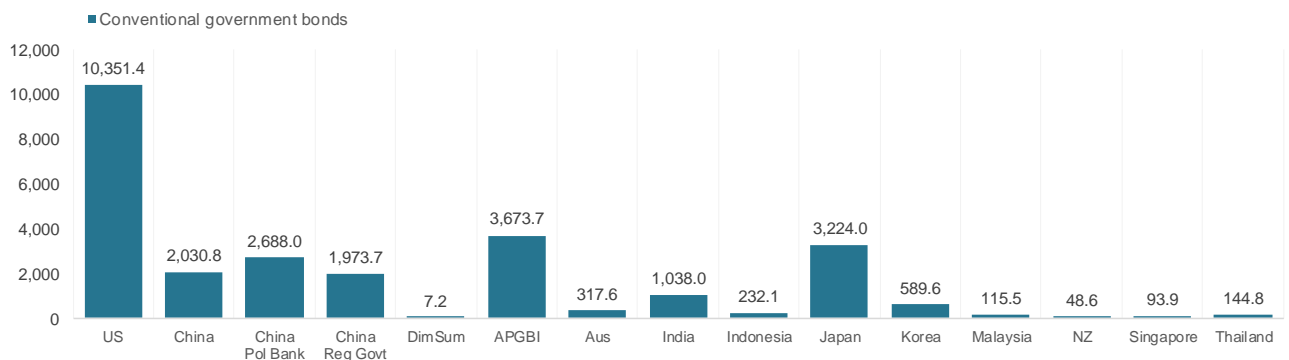
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	7.1	4.1		6,331.7	996.5	
China Corp (LC)			2.4			516.0
China Green Onshore			2.5			133.8
China Corp (\$)	4.0	2.4	7.7	263.7	24.5	288.1
DimSum	2.3		2.2	9.1		10.9
EM	5.0	3.3	4.6	607.2	191.1	798.2
EUxUK	4.5	3.1		2,715.8	410.4	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	2.3	2.6	2.0	1.3	6.3	1.8

Average Duration



Total Market Value (USD Billions)

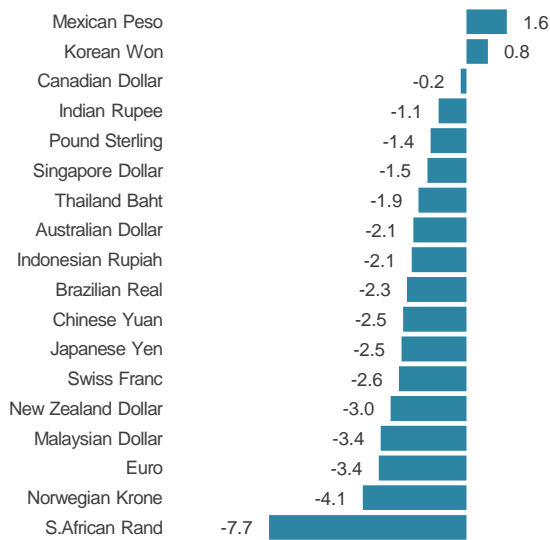


Data as of 2023-05-31

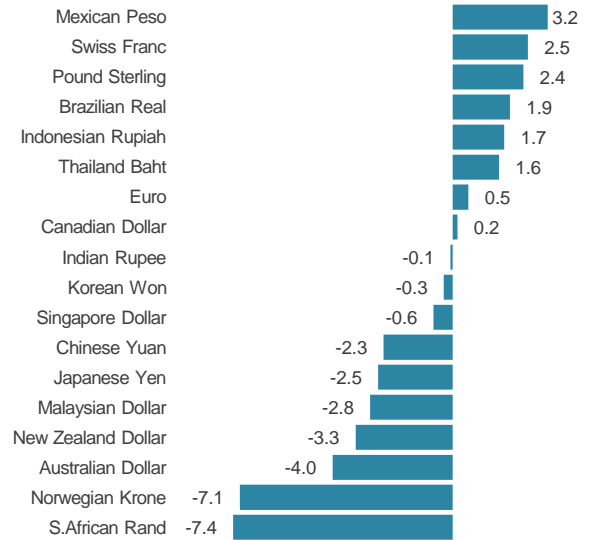
Source: FTSE Russell. All data as of May 31, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Appendix – Foreign Exchange Returns % as of May 31, 2023

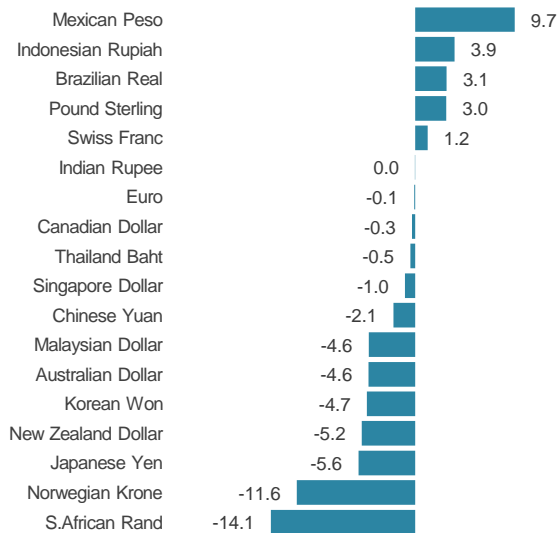
FX Moves vs USD – 1M



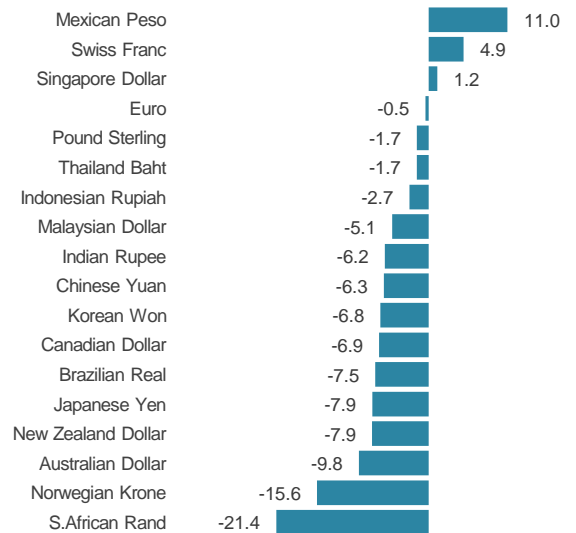
FX Moves vs USD – 3M



FX Moves vs USD – YTD



FX Moves vs USD – 12M



Source: FTSE Russell and Refinitiv. All data as of May 31, 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

Total Returns

Historical Yields

Growth/Inflation

Financial Conditions

Curves

Spreads

Credit/Equities

MBS

Appendix



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