

# Fixed Income Insights

August 2022 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

## Chinese government bonds lagged the global bond rally in July

Chinese government bond returns were modest in July, compared to their global peers, following concerns over the global economic downturn. YTD Chinese \$ high yield credit losses deepened compared to those of US HY, which rallied.

### Macroeconomic backdrop – China’s economic growth forecast was downgraded further away from its 5.5% target

Weaker China’s manufacturing PMI in July reflected contraction risks. (page 2)

### Chinese bonds – Resilient performance but foreign capital outflows persisted

Chinese domestic bond yields have been less correlated with G7 yields, driven by divergent monetary policy. (page 3)

### Chinese and Asian bonds – China’s country spreads vs G7 recovered in July from more-than-a-decade-low levels

Sharp falls in G7 bond yields drove Chinese spreads wider vs June, despite lower Chinese government bond yields. (page 4)

### Performance – US high-yield corporates outperformed governments and Chinese HY peers

Chinese sovereigns underperformed global peers, as did Chinese HY corporate vs US HY (pages 5-6)

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

Chart 1: Chinese yield spreads vs G7 widened in July, although they remained at relatively low levels historically.

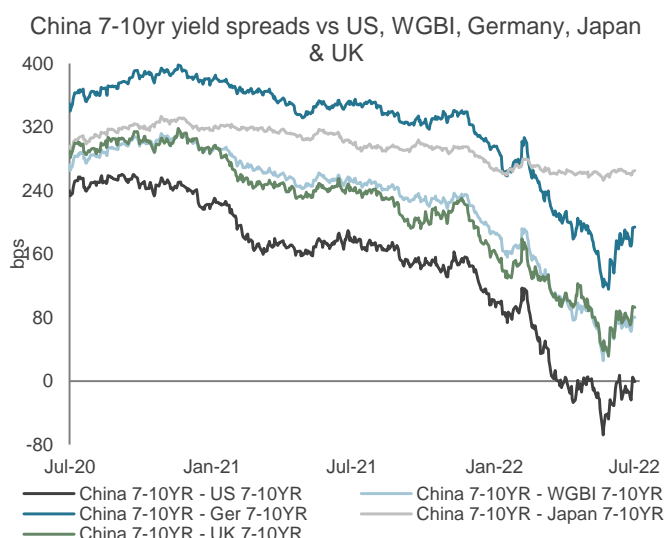
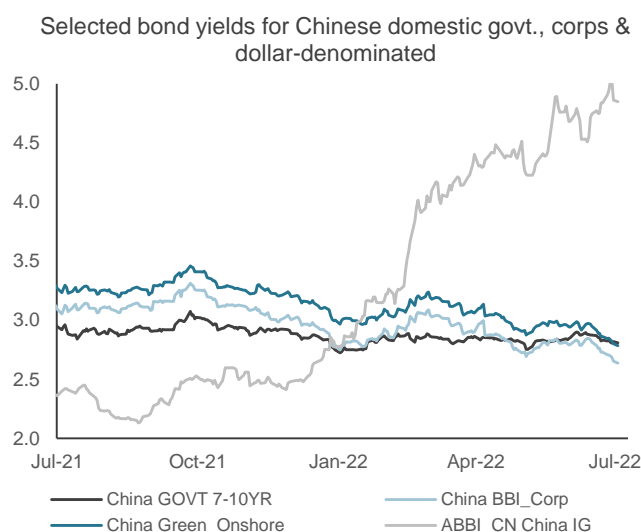


Chart 2: Investors looked for higher risk premium in offshore lending YTD due to the rising risk in dollar debt repayment.



Source: FTSE Russell. All data as of July 31, 2022. 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 Indexes. See Appendix for list of indexes used for each market.

# Macroeconomic Backdrop – Growth and Inflation Expectations

**A shallow or severe recession – that is the question? Most G7 central banks reaffirmed their inflation-fighting commitments in July as they implemented a series of aggressive rate rises. Despite the PBoC’s more dovish monetary policy vs G7 peers, China’s growth forecast was also significantly downgraded, mainly due to Covid-related restrictions.**

Consensus further slashed its G7 growth forecasts in July, as consumer demand and economic activity deteriorated. The main worry for investors during the month concerned the severity of the global economic downturn, as central banks reiterated their desire to prioritize taming inflation over boosting growth (Chart 1).

Rate hikes by central banks are seen almost everywhere, though at different paces, including in both developed and emerging markets within the APAC region. In line with the more dovish central bank stances in China and Japan, the Bank Indonesia held its rates on hold, projecting that core inflation would be manageable and committed to strengthening its currency stabilisation policy. (Chart 2).

Further slowdown in global economic activity was evidenced after manufacturing data weakened in the US and China. In the Eurozone, Manufacturing PMI contracted to below 50 – a gauge for recession risks (Chart 3).

The Chinese renminbi depreciated further against the US dollar in July, posing additional risks to foreign investors of Chinese bonds, as the lower yield versus other markets make them less attractive (Chart 4).

Chart 1: Consensus GDP growth forecasts for 2022 and 2023 were significantly downgraded in all regions in July, including China, which is struggling to meet its 5.5% target for 2022.

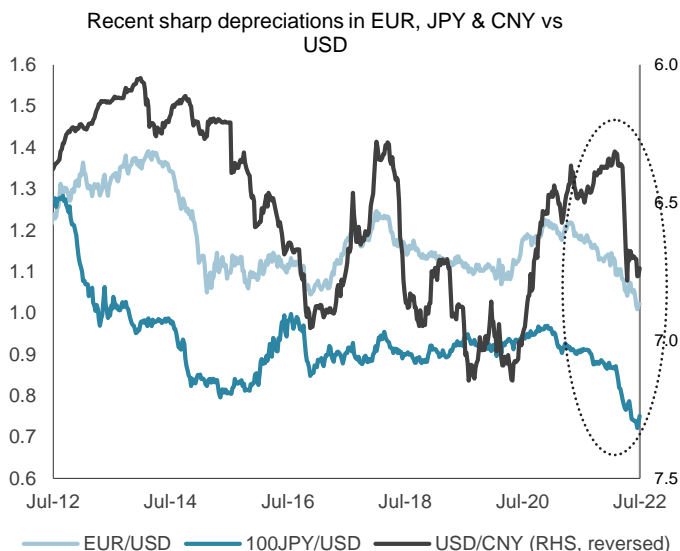
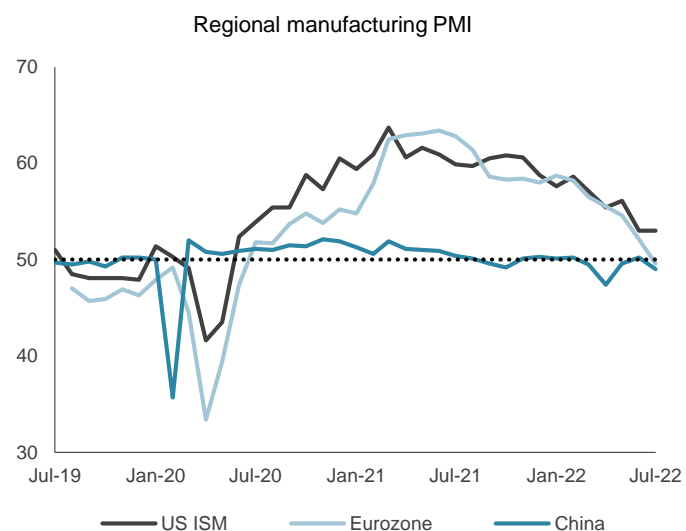
Latest Consensus GDP Forecasts (% July 2022)			
	2021	2022	2023
US	5.6	2.0	1.2
UK	7.2	3.4	0.6
Eurozone	5.2	2.7	1.5
Japan	1.6	1.9	1.6
China	8.1	4.0	5.3
Canada	4.7	3.7	2.0

Chart 2: Major central banks in APAC have taken actions to fight soaring inflation, led by Australasia. China, Japan and Indonesia, were exceptions, viewing current core inflation as ‘manageable’.

Key interest rates by central banks (% July 2022)					
	July	YTD Change (Bps)		July	YTD Change (Bps)
US	2.5	225	Australia	1.35	125
Canada	2.5	225	New Zealand	2.5	175
UK	1.25	100	Philippines	3.25	125
ECB	0.5	50	India	4.9	90
Japan	-0.1	0	Malaysia	2.25	50
China	2.85	-10	Indonesia	3.5	0

Chart 3: Manufacturing PMI dropped below 50 in the Eurozone in July, indicating recession risks; China’s PMI unexpectedly fell back below 50, due to insufficient demand and supply.

Chart 4: Dollar strength: the Chinese yuan’s depreciation in 2022 has increased currency risks for foreign investors in RMB assets.



Source: FTSE Russell and Refinitiv. All data as of July 31, 2022. 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 Indexes. See Appendix Glossary for list of indexes used for each market. For professional investors only.

# Chinese Government and Corporate Bonds

Chart 1: Chinese government bond yields modestly trended lower across all maturities in July.

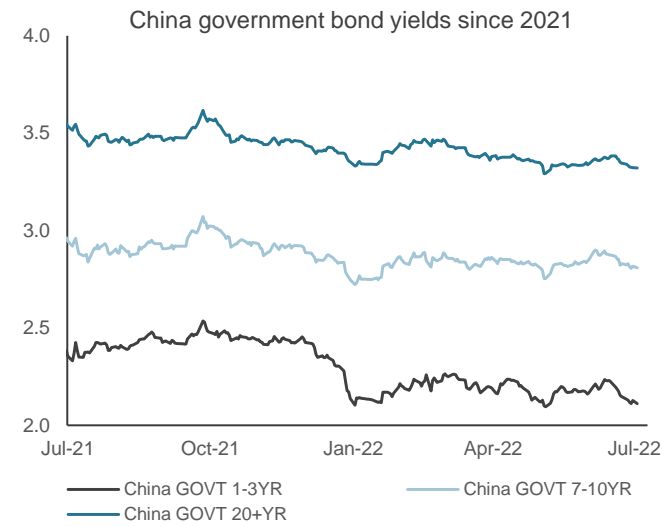


Chart 3: Regional government yield spreads versus those of sovereigns widened in July, surpassing again the spreads of policy banks.

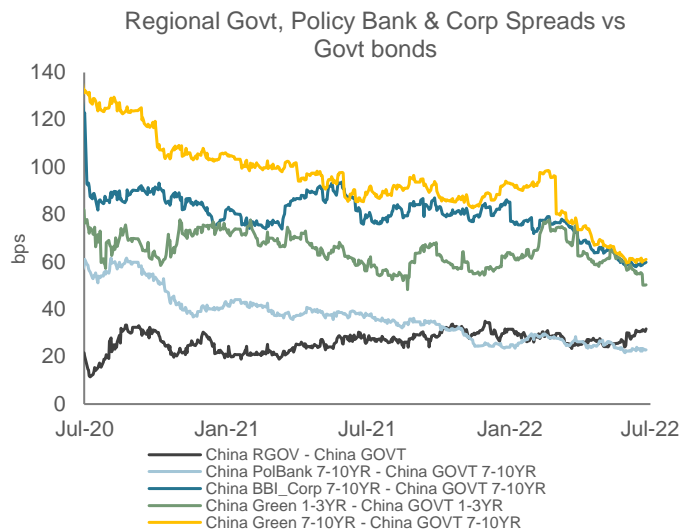


Chart 5: Outflows of foreign holdings of Chinese government bonds exacerbated in June with a monthly change of -55.9 billion yuan – a larger decline compared to a change of -51.8 billion in March.

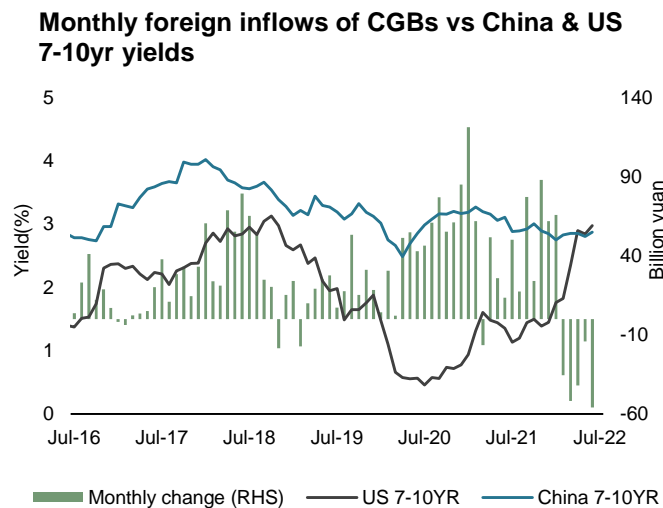


Chart 2: The Chinese yield curve was more stable versus its US equivalent, which inverted more significantly, following a second 75bps interest rate increase by the Fed.



Chart 4: Yield spreads between Chinese dollar IG corporate and domestic bonds continued to widen in July, as \$ IG bond yields almost doubled compared to one year ago.

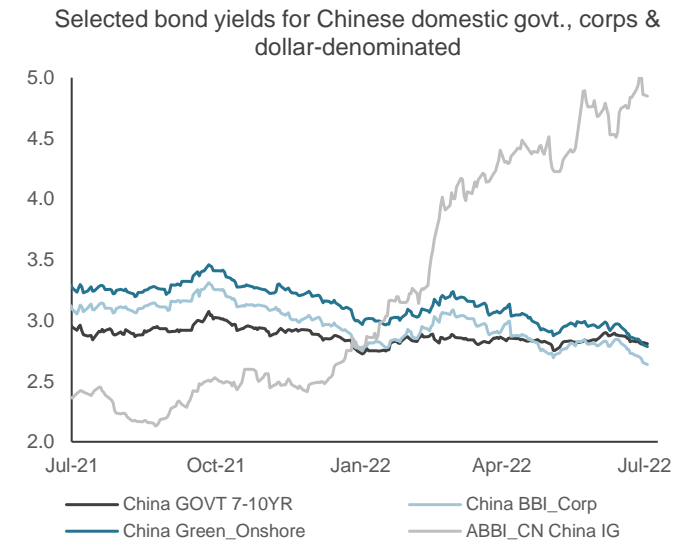


Chart 6: Offshore Chinese gov bond yield spreads vs onshore peers widened modestly in July, as the offshore market size bounced back to almost 50 billion, a level last seen two years ago.



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# China and Asian Bonds in Global Context

Chart 1: Malaysian and Thai government bond yields fell back in July, tracking US Treasuries lower. Elsewhere, rises in Asian government bond yield remained stable.

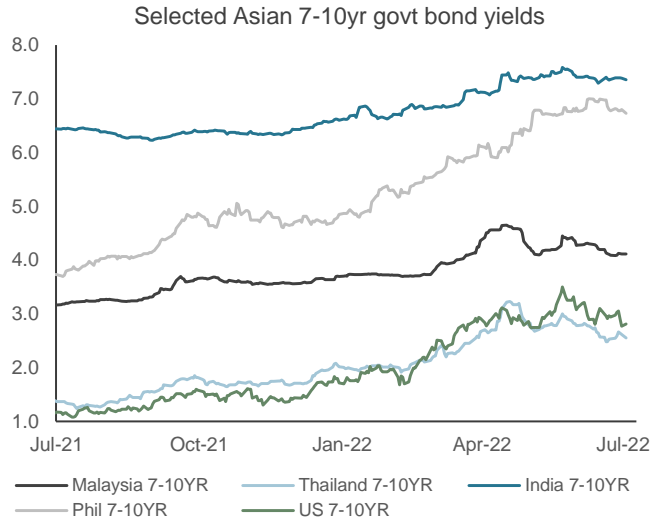


Chart 2: Asian EM yield curves broadly flattened in July, including in Indonesia, whose central bank has kept rates stable. The US yield curve inverted.



Chart 3: Chinese sovereign spreads vs G7 widened in July, as G7 bond yields eased on expectation of a slowdown in economic activity. China vs US 7-10yr spreads settled at around zero.

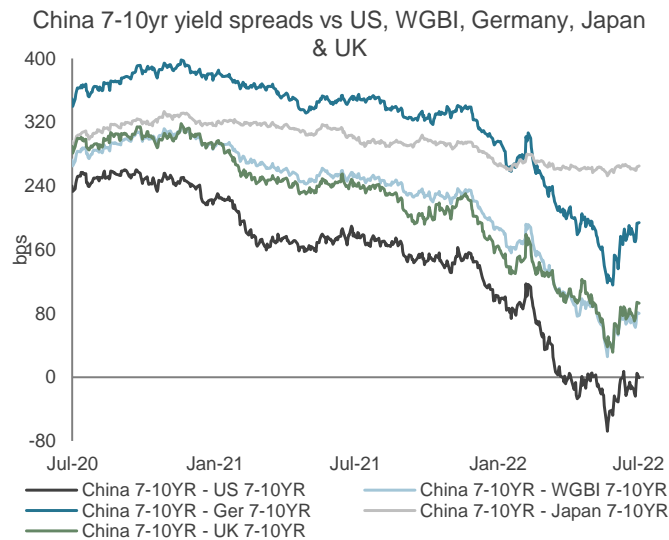


Chart 4: The Chinese \$ high-yield spreads remained close to their March peak, despite an injection of 300bn yuan to help property developers navigate the crisis. US HY spreads narrowed.

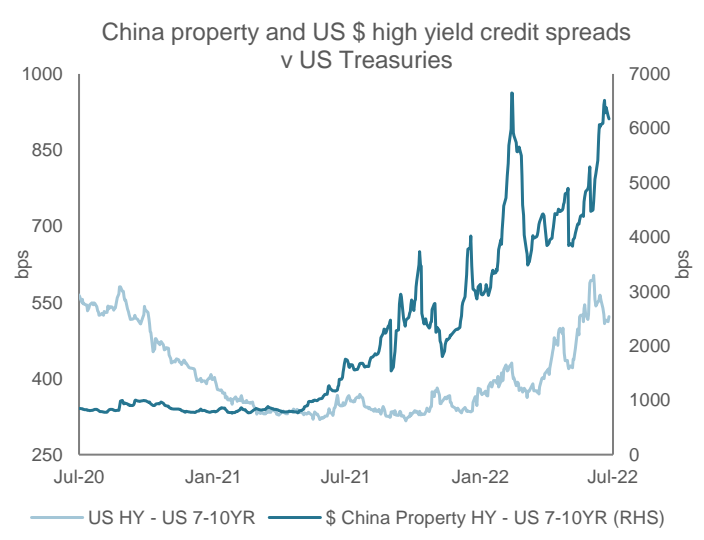


Chart 5: Chinese high yield (\$) corporate spreads vs US Treasuries have widened significantly more than their EM peers in July, and are close to being almost three times as wide.

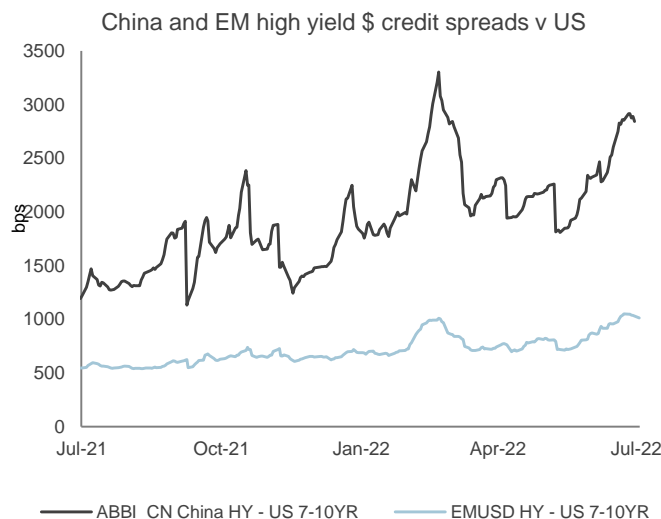
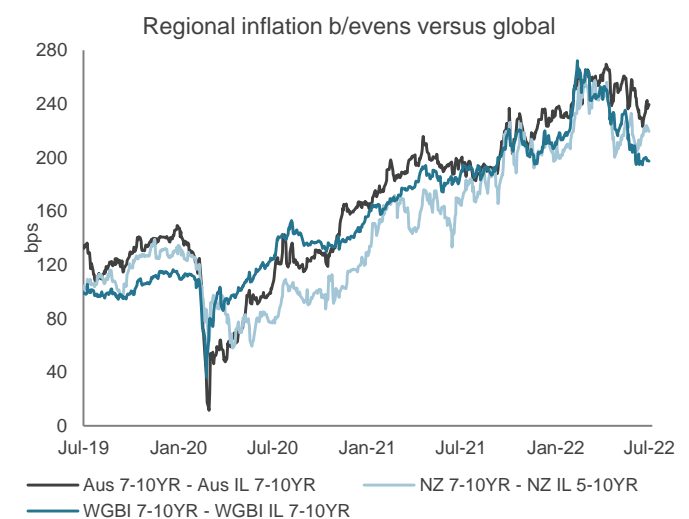


Chart 6: Breakeven inflation in Australasia remained higher than global peers, which dropped marginally below 2% – though still higher than pre-Covid levels.



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# China Bond Market Returns – 1M & YTD RMB & USD (TR) as of July 31, 2022

Chinese renminbi-denominated bonds (onshore & offshore) continued to add to YTD gains in July, with returns of up to 0.9% for RMB investors, though most of the returns were erased in US dollar terms, due to a weaker yuan. Chinese \$ IG credits were flat, but HY lost another 10% – despite a month-end rally.

Chinese onshore sovereign bonds made modest gains of 0.7% in July, outperforming their offshore peers. Chinese regional government bonds outperformed with a slightly higher returns of 0.9% vs sovereigns, although the issuance volume has met the target for the full year since H1 2022.

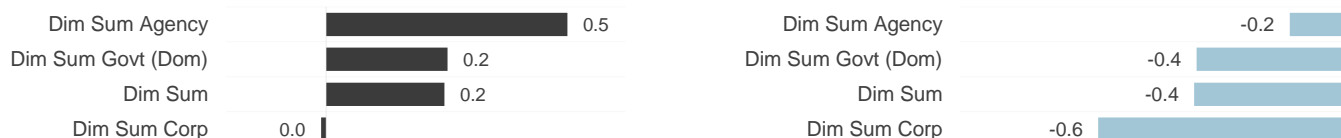
Dim sum agency bond returns almost doubled those of their peers over 1M & YTD. Only corporates posted negative YTD returns.

Chinese \$ high yield credits loss of 10% in July was still significantly, comparable to the performance in June, although they modestly recovered after the announcement of a real estate fund to support heavily-in-debt property developers, initiated by the country's State Council.

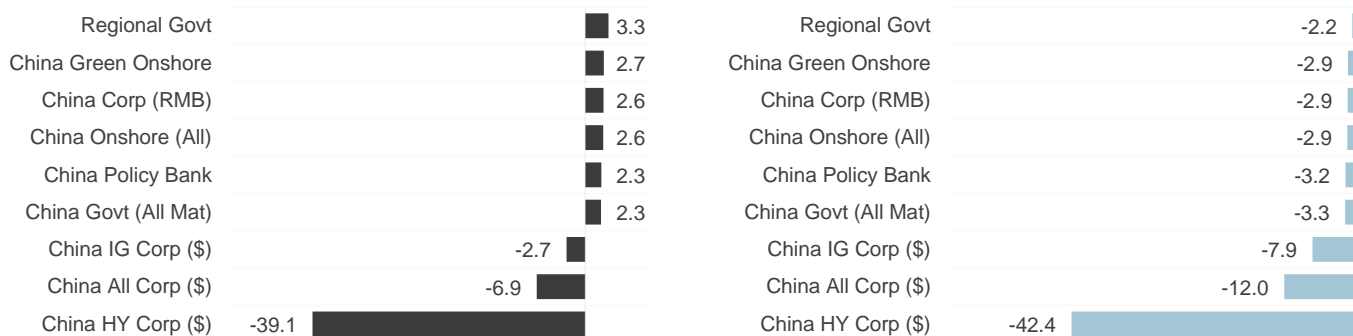
1M RMB 1M USD



## OFFSHORE BONDS



YTD RMB YTD USD



## OFFSHORE BONDS



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# Global Bond Market Returns – 1M & YTD RMB & USD (TR) as of July 31, 2022

**Australasian government bonds outperformed in July, delivering returns of 4.1 to 5.8% for US dollar investors, helped by a month-end rally and an appreciating currency. Japanese bond returns were also boosted by currency effects. US corporates outperformed Chinese peers, particularly in high yield credits.**

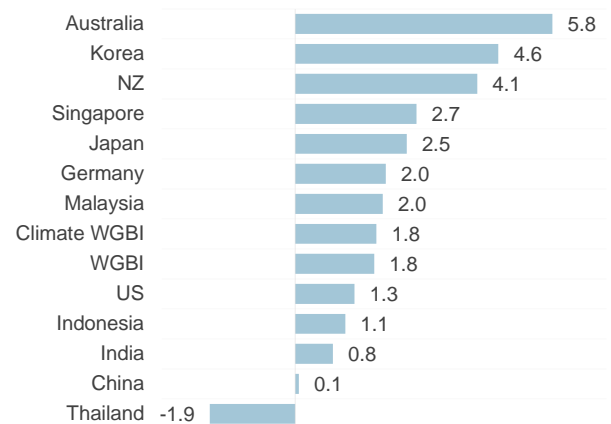
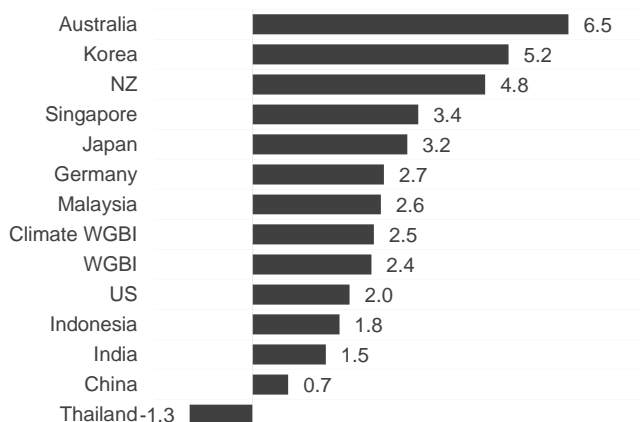
Japanese government bonds posted 2.5% returns in US dollar, driven by a stronger yen, as some investors started to revert previous short-yen strategies due to rising recession risks globally.

Thai government bonds lagged in July, suffering from weaker currencies, as its central banks held policy rates steady vs rate hikes elsewhere. In contrast, Indonesian bonds – also bucking the rate hike trend – benefitted from the resilient rupiah, as the Bank Indonesia adopted a mix monetary policy of on-hold policy rate and rupiah stabilisation.

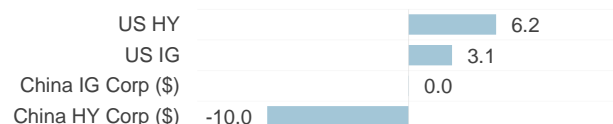
US corporates recovered some of their YTD losses in July, led by high yield bonds. YTD, Chinese \$ HY fell, by contrast, widening the performance gap between US high yield credits.

1M RMB 1M USD

## CONVENTIONAL GOVT BONDS

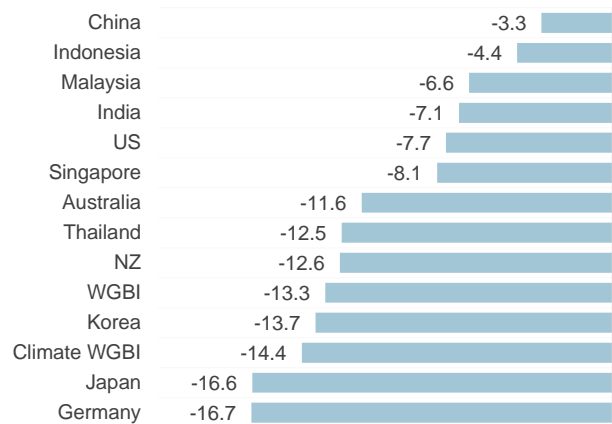
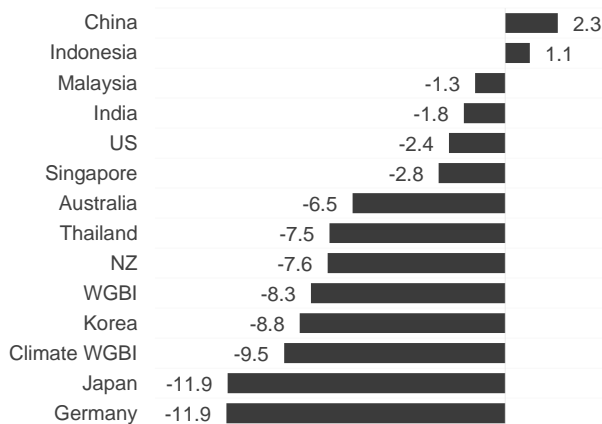


## CORPORATE BONDS

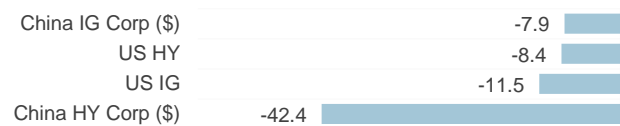
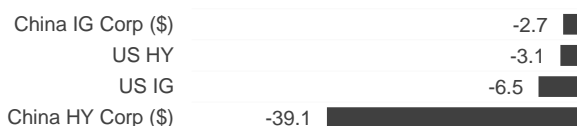


YTD RMB YTD USD

## CONVENTIONAL GOVT BONDS



## CORPORATE BONDS



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# Appendix – Global Bond Market Returns % (RMB vs USD, TR), July 31, 2022

## 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
<b>US</b>	1-3YR	0.34	0.99	0.32	2.60	-1.90	3.83	-3.20	1.01
	7-10YR	2.79	3.45	2.63	4.97	-5.85	-0.35	-9.50	-5.56
	20+YR	1.69	2.34	-1.62	0.63	-16.98	-12.14	-20.11	-16.63
	IG All	3.07	3.73	1.06	3.37	-8.66	-3.33	-12.68	-8.88
	HY All	6.20	6.88	-0.69	1.58	-5.81	-0.30	-7.08	-3.04
<b>China</b>	1-3YR	-0.20	0.44	-1.34	0.91	-4.27	1.32	-1.20	3.09
	7-10YR	0.24	0.89	-0.99	1.27	-4.44	1.14	-0.70	3.62
	20+YR	0.57	1.21	-0.22	2.06	-3.44	2.21	2.22	6.66
	All	0.09	0.73	-1.03	1.23	-4.23	1.36	-0.50	3.83
China Policy Bank		0.13	0.77	-0.91	1.35	-4.10	1.50	0.01	4.37
Regional Govt		0.27	0.91	-0.71	1.56	-3.59	2.04	0.51	4.88
China Corp (LC)		0.05	0.69	-0.88	1.38	-3.61	2.02	-0.13	4.22
China Onshore (All)		0.15	0.80	-0.88	1.38	-3.95	1.66	0.01	4.36
China Green Onshore		0.09	0.73	-0.79	1.48	-3.59	2.04	0.09	4.44
China All Corp (\$)		-0.80	-0.16	-3.00	-0.79	-9.82	-4.55	-15.08	-11.38
China IG Corp (\$)		0.01	0.65	-0.71	1.56	-6.52	-1.06	-7.29	-3.25
China HY Corp (\$)		-10.04	-9.47	-25.30	-23.59	-37.20	-33.53	-56.08	-54.17
Offshore Govt (DimSum)		-0.39	0.24	-0.30	1.98	-4.86	0.69	-2.01	2.25
<b>Asia-Pac</b>	1-3YR	0.06	0.70	-1.82	0.42	-4.94	0.61	-4.22	-0.06
	7-10YR	2.18	2.84	-1.31	0.94	-6.64	-1.18	-8.56	-4.58
	20+YR	4.15	4.82	-0.13	2.15	-9.10	-3.79	-13.23	-9.46
	All	1.57	2.22	-1.29	0.97	-6.34	-0.87	-7.60	-3.58
<b>Australia</b>	1-3YR	2.58	3.24	-1.05	1.20	-2.61	3.08	-7.53	-3.51
	7-10YR	6.75	7.43	-0.36	1.91	-8.29	-2.93	-16.63	-13.00
	20+YR	10.02	10.73	-0.44	1.83	-16.60	-11.72	-25.89	-22.67
	All	5.79	6.47	-0.62	1.64	-7.74	-2.35	-15.45	-11.78
<b>India</b>	1-3YR	0.39	1.03	-3.33	-1.12	-5.05	0.49	-3.95	0.23
	7-10YR	0.99	1.64	-2.93	-0.71	-5.93	-0.44	-4.67	-0.52
	20+YR	0.64	1.28	-4.42	-2.24	-6.22	-0.74	-5.21	-1.08
	All	0.85	1.49	-3.28	-1.07	-5.72	-0.21	-4.49	-0.33
<b>Indonesia</b>	1-3YR	0.15	0.79	-1.38	0.87	-2.54	3.16	0.43	4.80
	7-10YR	1.48	2.13	-1.35	0.90	-3.51	2.13	-1.31	2.98
	20+YR	1.67	2.32	-0.91	1.35	-2.61	3.08	1.24	5.65
	All	1.13	1.78	-1.44	0.81	-3.41	2.23	-0.45	3.88
<b>Japan</b>	1-3YR	1.70	2.35	-2.99	-0.78	-13.72	-8.68	-17.97	-14.40
	7-10YR	2.76	3.41	-2.32	-0.09	-13.67	-8.63	-18.68	-15.14
	20+YR	2.58	3.24	-7.06	-4.94	-20.89	-16.27	-26.91	-23.73
	All	2.51	3.17	-3.84	-1.65	-15.78	-10.86	-21.11	-17.67
<b>Korea</b>	1-3YR	1.21	1.86	-2.77	-0.55	-7.26	-1.84	-11.85	-8.02
	7-10YR	4.20	4.87	-1.66	0.58	-9.45	-4.16	-17.48	-13.89
	20+YR	8.71	9.41	-0.34	1.94	-15.13	-10.17	-27.42	-24.26
	All	4.57	5.24	-1.54	0.71	-10.41	-5.18	-18.77	-15.23
<b>Malaysia</b>	1-3YR	-0.72	-0.09	-1.23	1.02	-5.42	0.10	-4.27	-0.11
	7-10YR	1.69	2.34	2.90	5.24	-5.74	-0.23	-6.81	-2.76
	20+YR	5.10	5.78	6.05	8.46	-6.30	-0.83	-5.07	-0.94
	All	1.97	2.63	2.28	4.61	-5.63	-0.12	-5.50	-1.38
<b>New Zealand</b>	1-3YR	1.74	2.39	-2.30	-0.08	-4.59	0.98	-11.50	-7.65
	7-10YR	5.25	5.92	-0.38	1.89	-8.13	-2.76	-19.49	-15.99
	20+YR	9.27	9.97	-0.41	1.87	-16.29	-11.40	-21.72	-18.39
	All	4.09	4.76	-1.31	0.94	-7.97	-2.59	-17.72	-14.14
<b>Singapore</b>	1-3YR	0.94	1.59	-0.30	1.97	-3.63	2.00	-4.14	0.03
	7-10YR	2.95	3.61	-0.50	1.77	-7.23	-1.81	-10.05	-6.14
	20+YR	5.06	5.73	-3.16	-0.95	-14.40	-9.40	-19.64	-16.14
	All	2.73	3.39	-0.75	1.51	-7.48	-2.07	-10.07	-6.16
<b>Thailand</b>	1-3YR	-3.81	-3.19	-7.00	-4.88	-10.56	-5.34	-11.72	-7.88
	7-10YR	-1.32	-0.69	-4.44	-2.27	-11.44	-6.26	-15.48	-11.81
	20+YR	2.40	3.05	0.03	2.31	-17.06	-12.22	-25.40	-22.15
	All	-1.92	-1.29	-5.03	-2.86	-11.95	-6.80	-15.62	-11.95

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## Appendix – Global Bond Market Yields %, July 31, 2022

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	2.93	2.78	2.66	3.19	-0.23	0.06	0.87	4.39	7.63
	3M Ago	2.60	2.93	2.90	3.07	-1.34	-0.20	0.46	4.33	6.98
	6M Ago	1.10	1.52	1.76	2.13	-1.84	-0.94	-0.13	2.83	5.55
	12M Ago	0.19	0.53	1.13	1.88	-2.44	-1.56	-0.38	2.01	4.63
UK	Current	1.78	1.66	1.79	2.39	-3.22	-2.08	-0.92		
	3M Ago	1.63	1.66	1.84	2.01	-4.23	-2.78	-1.55		
	6M Ago	1.00	1.08	1.26	1.43	-3.66	-3.02	-2.12		
	12M Ago	0.08	0.19	0.47	0.89	-3.60	-3.15	-2.44		
Japan	Current	-0.11	-0.07	0.11	1.09	-1.17	-0.80			
	3M Ago	-0.06	-0.03	0.19	0.91	-1.38	-0.81			
	6M Ago	-0.06	-0.04	0.10	0.71	-0.47	-0.54			
	12M Ago	-0.13	-0.13	-0.03	0.57	-0.33	-0.29			
China	Current	2.05	2.42	2.78	3.30					
	3M Ago	2.21	2.51	2.85	3.38					
	6M Ago	2.14	2.37	2.75	3.34					
	12M Ago	2.35	2.65	2.92	3.49					
EM	Current	3.45	4.27	4.77	4.77	3.54	3.65	5.21	4.99	12.42
	3M Ago	3.49	4.18	4.66	4.94	2.23	2.91	4.96	4.58	10.52
	6M Ago	3.37	3.80	4.72	4.71	3.14	3.26	4.84	3.14	8.81
	12M Ago	2.90	3.36	4.23	4.79	2.79	3.69	4.31	2.42	7.11
Germany	Current	0.20	0.36	0.67	1.04	-2.37	-1.60	-1.16		
	3M Ago	0.15	0.57	0.85	1.03	-4.20	-2.15	-1.61		
	6M Ago	-0.58	-0.36	-0.12	0.17	-2.64	-1.96	-1.78		
	12M Ago	-0.77	-0.76	-0.55	-0.05	-1.82	-1.98	-1.72		
Italy	Current	1.37	2.00	2.80	3.35	-2.34	0.45	1.23		
	3M Ago	0.82	1.65	2.50	3.13	-3.62	-0.58	0.64		
	6M Ago	-0.14	0.32	1.07	2.04	-2.30	-0.78	0.28		
	12M Ago	-0.40	-0.15	0.48	1.64	-1.71	-1.08	-0.09		
France	Current	0.40	0.67	1.13	1.95	-3.30	-1.52	-0.38		
	3M Ago	0.32	0.79	1.22	1.87	-3.79	-2.00	-0.85		
	6M Ago	-0.50	-0.20	0.21	0.98	-2.71	-1.84	-1.07		
	12M Ago	-0.70	-0.54	-0.18	0.76	-2.07	-1.85	-1.12		
Sweden	Current	1.71	1.57	1.39		-1.66	-1.45			
	3M Ago	1.15	1.54	1.70		-2.00	-1.52			
	6M Ago	-0.06	0.21	0.37		-2.08	-1.86			
	12M Ago	-0.31	-0.18	0.20		-2.02	-1.87			
Australia	Current	2.56	2.76	3.03	3.44	-0.75	0.40	1.24		
	3M Ago	2.31	2.81	3.09	3.47	-0.38	0.34	0.96		
	6M Ago	0.86	1.44	1.84	2.47	-1.20	-0.65	0.22		
	12M Ago	0.05	0.40	1.15	2.17	-1.50	-0.92	0.07		
NZ	Current	3.28	3.28	3.40	3.75	0.07	1.03			
	3M Ago	3.11	3.51	3.63	3.86	0.36	1.18			
	6M Ago	1.96	2.36	2.57	2.96	-0.20	0.57			
	12M Ago	0.82	1.46	1.88		-0.49	0.01			
Canada	Current	2.87		2.60	2.77			0.80	4.44	6.84
	3M Ago	2.64		2.84	2.85			0.73	4.33	5.84
	6M Ago	1.34		1.73	2.05			0.12	2.93	4.55
	12M Ago	0.48		1.11	1.68			-0.23	2.10	4.30

Source: FTSE Russell. All data as of July 31, 2022. 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 Indexes. See Appendix Glossary for list of indexes used for each market. For professional investors only.



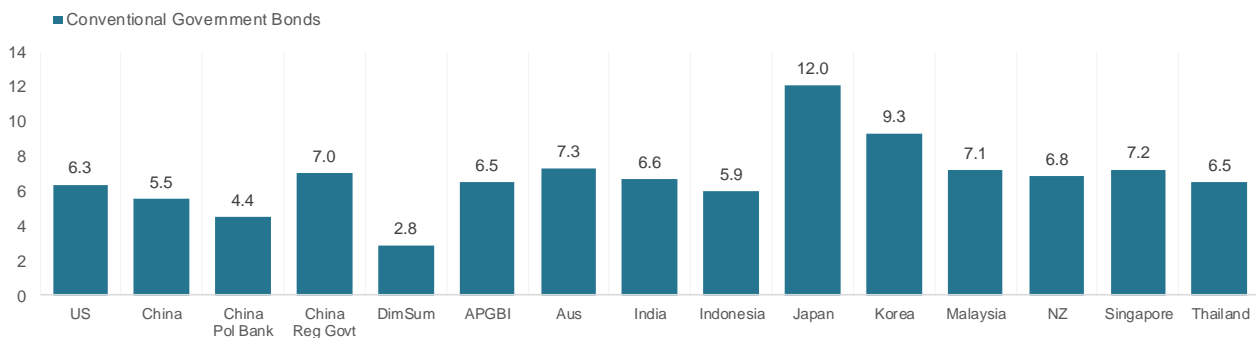
## Appendix – Duration and Market Value (USD, Bn), July 31, 2022

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.9	18.3	6.3	2,162.6	961.7	1,335.6	10,149.8
China	3.7	7.4	17.5	5.5	450.3	266.3	213.7	1,827.3
China Pol Bank				4.4				2,566.6
China Reg Govt				7.0				1,906.6
DimSum	3.8			2.8	1.9			7.3
APGBI	3.7	7.4	18.1	6.5	727.3	587.4	432.7	3,385.4
Aus	3.8	8.0	18.8	7.3	54.4	87.9	17.0	314.3
India	3.3	6.1	11.3	6.6	143.6	178.5	203.5	945.0
Indonesia	3.5	6.3	11.0	5.9	37.6	47.6	9.6	217.0
Japan	4.0	8.2	23.9	12.0	354.9	529.4	734.8	3,516.9
Korea	3.7	7.5	19.5	9.3	93.9	106.0	160.8	591.5
Malaysia	3.6	6.8	14.6	7.1	21.8	14.8	13.3	102.3
NZ	4.0	8.3	18.6	6.8	7.2	6.1	2.2	40.5
Singapore	3.8	7.1	18.9	7.2	19.8	15.3	10.4	89.6
Thailand	4.0	7.9	17.3	6.5	22.0	26.0	5.7	120.3

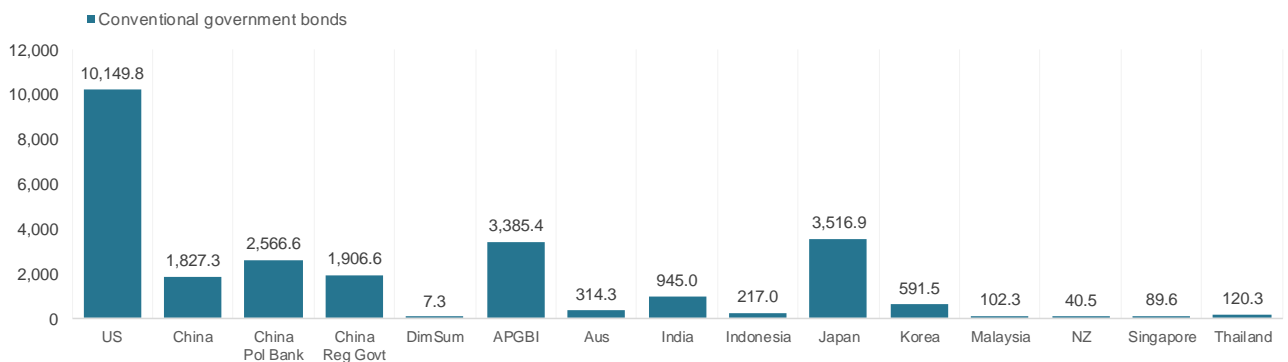
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	7.7	4.6		6,293.5	1,085.1	
China Corp (LC)			2.4			525.9
China Green Onshore			2.8			102.5
China Corp (\$)	4.2	2.4	7.0	315.6	24.5	340.1
DimSum	2.7	0.8	2.6	7.3	0.1	8.7
EM	5.2	3.8	4.9	648.3	214.2	862.5
EUxUK	4.9	3.5		2,614.6	426.6	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	1.6	2.6	2.4	1.2	5.9	1.2

Average Duration



Total Market Value (USD Billions)

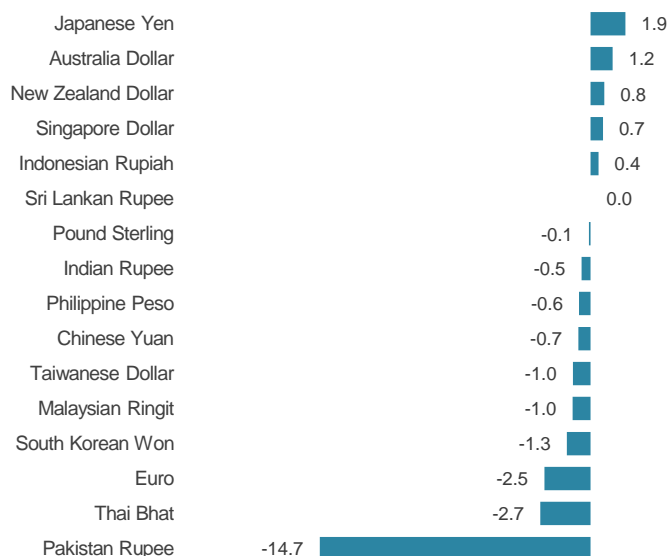


Data as of 2022-07-29

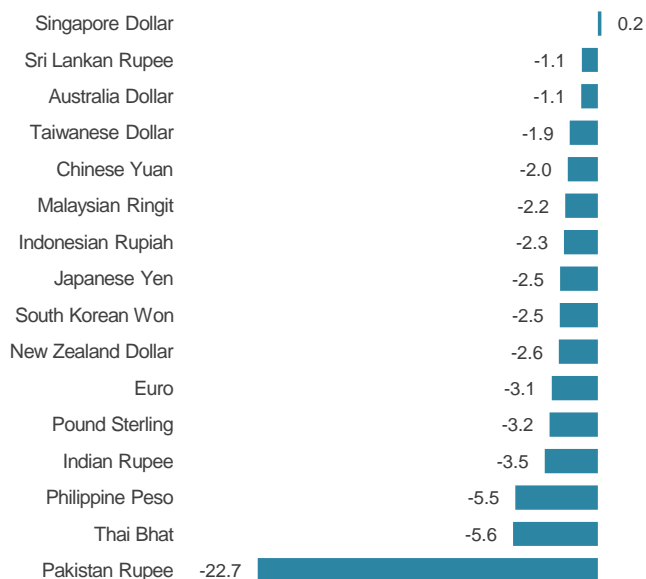
Source: FTSE Russell. All data as of July 31, 2022. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indexes. See Appendix Glossary for list of indexes used for each market. For professional investors only.

## Appendix – Foreign Exchange Returns % as of July 31, 2022

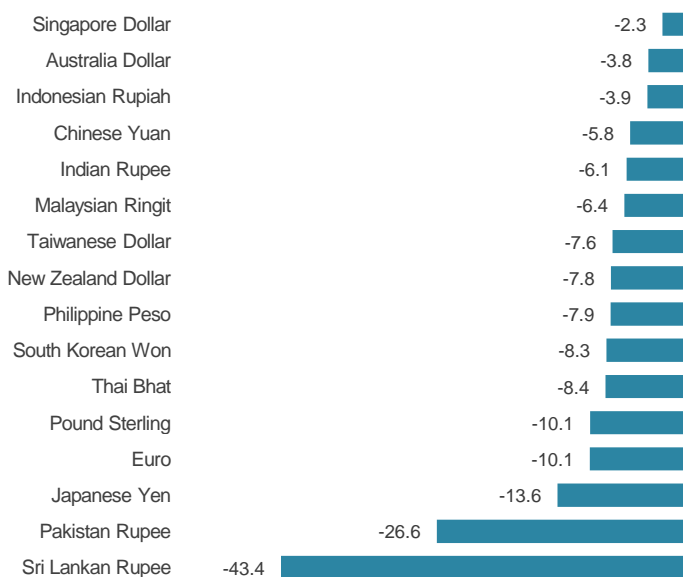
FX Moves vs USD - 1M



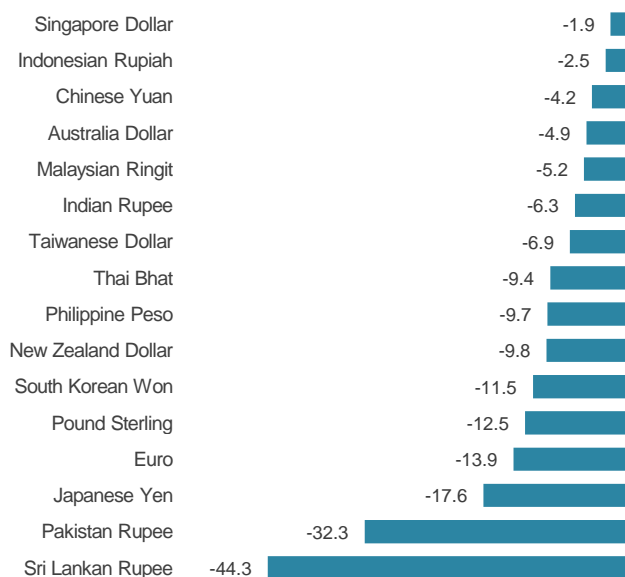
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



Source: FTSE Russell and Refinitiv. All data as of July 31, 2022. 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 Indexes. See Appendix Glossary for list of indexes used for each market. For professional investors only.

## Appendix – Glossary

### Bond markets are based on the following indexes:

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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