

# Fixed Income Insights

MONTHLY REPORT- OCTOBER 2022 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

## Chinese government bonds show resilience amid market turmoil in Q3

Chinese government bond returns were positive in the third quarter in local currency terms, but the appreciation of the US dollar reduced yuan-based returns for dollar investors. Chinese \$ investment grade credit has outperformed within the dollar credit universe year-to-date.

### Macroeconomic backdrop – Different cycle of economic growth

In contrast to the G7 countries, China has a relatively low level of inflation, enabling the PBoC to loosen financial conditions to stimulate the slowing economy. (page 2)

### Chinese bonds – Foreign ownership of Chinese government bonds recovered in Q3

Foreign holdings of Chinese government bonds have continued to rise modestly in Q3, despite the 7-10-year Chinese government bond yield spreads vs US Treasuries falling sharply. (page 3)

### Chinese and Asian bonds – Asian bonds hurt by heightened market volatility

Asian government bond yields rose in the third quarter, but at a slower pace than US Treasury yields. (page 4)

### Performance – Chinese \$ investment grade corporates have outperformed dollar credit peers YTD

Chinese \$ IG corporates have been resilient amid the credit sell-off and outperformed in September and YTD. (pages 5-6)

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

Chart 1: The contrast in inflation levels between China and Japan, and the US, Canada, UK & Eurozone has never been so wide.

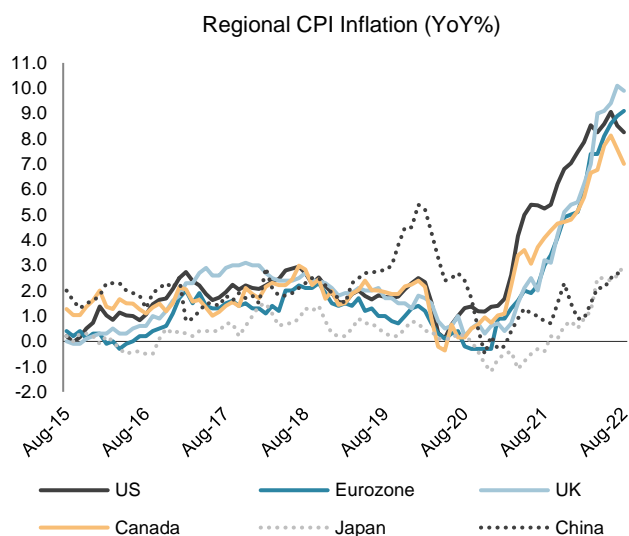
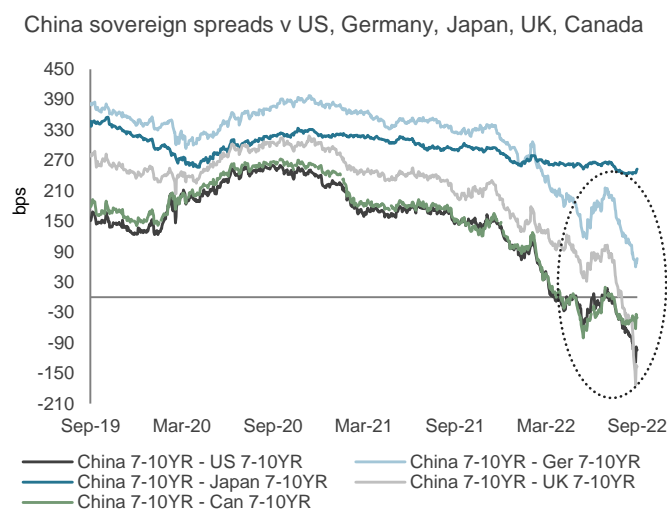


Chart 2: Chinese 7-10yr govt bond yield spreads vs G7 fell sharply in Q3, as the higher G7 rates further widened the gap.



Source: FTSE Russell. All data as of September 30, 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

**Over tightening risk - will the gamble pay off? Despite rising signs of contraction globally, most G7 central banks implemented another round of steep rate rises, after higher core inflation pointed to a broadening of price pressures. The question is how much economic deceleration are G7 central banks willing to tolerate to control inflation?**

Consensus growth estimates for 2023 were further revised down in September. The US and Eurozone are expected to barely grow, while the UK economy is earmarked to contract. Meanwhile, China is trying to boost its economy, which continued to lose momentum in August, and address its distressed property sector (Chart 1).

Central banks' series of sharp rate hikes is taking a toll on economic growth, but is still showing little by way of reducing the problematic high inflation levels. The UK stands out most among G7 countries for its high inflation (and potential stagflation in 2023), with the government's new 'pro-growth' measures seen to contradict BoE policy (Chart 2).

The upper limit of Fed funds target range reached 3.25% in September, surpassing the Chinese one-year MLF rate of 2.75%. Both BoE and ECB's policy rates also surged closer to the MLF rate. The BoJ maintained its minus 0.1% policy rate and a cap on 10-year JGB yields at zero, contrasting tighter policies elsewhere (Chart 3).

China's M2 YoY growth reached a new high of 12.2% in August - a much higher level than the growth in the US, Canada, UK and Eurozone (of around 3-6%). RMB loans growth of 10.8% is now lower than the M2 growth (Chart 4).

Chart 1: Consensus GDP growth for 2023 currently points to a severe economic downturn as most G7 central banks risk contraction to control rising inflation.

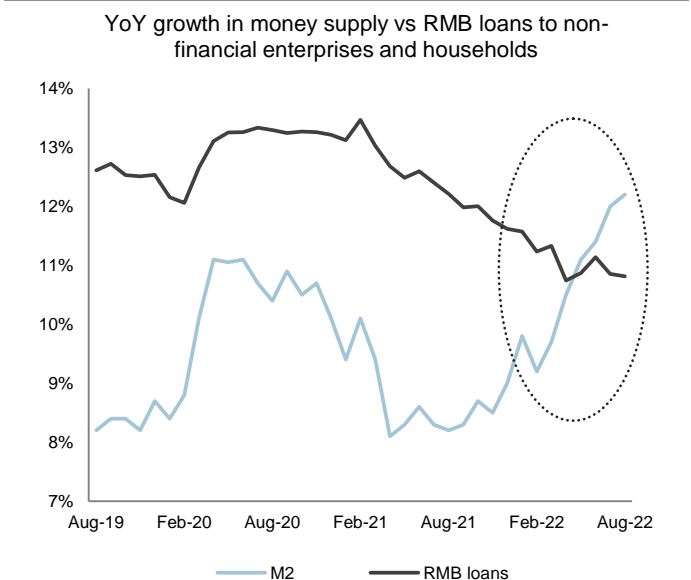
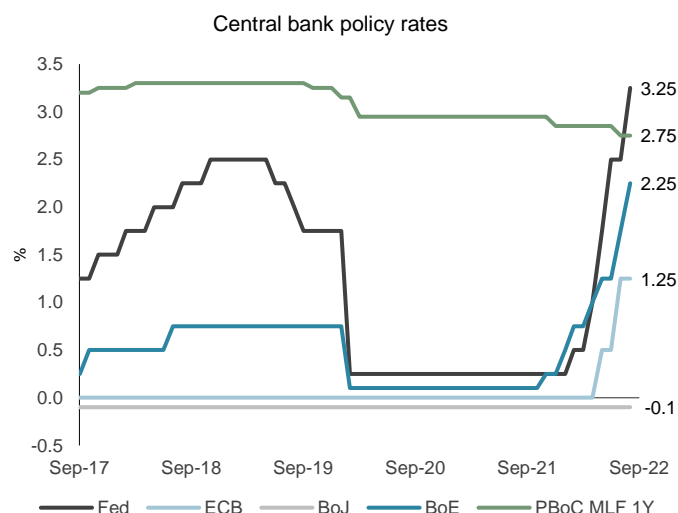
Latest Consensus GDP Forecasts (% September 2022)			
	2021	2022	2023
US	5.6	1.7	0.8
UK	7.2	3.4	-0.2
Eurozone	5.2	2.9	0.4
Japan	1.6	1.9	1.2
China	8.1	4.0	5.3
Canada	4.7	3.7	2.0

Chart 2: YoY inflation expectations for G7 countries remained well above their 2% target, despite unrelenting rate hikes. Japan is the exception, where inflation expectations are within target.

Consensus Inflation Forecasts (% September 2022)				
	2022	Change Since Jan-22 (Bps)	2023	Change Since Jan-22 (Bps)
US	8.0	330	3.7	130
UK	9.1	460	6.7	450
Eurozone	8.0	500	4.5	280
Japan	2.4	150	1.2	50
China	2.3	10	2.3	20
Canada	6.6	310	3.2	100

Chart 3: The upper limit of Fed funds target range surpassed the Chinese one-year MLF rate in September. The policy rate gap between the PBoC and BoE (and ECB) also narrowed sharply.

Chart 4: China's money supply growth has been accelerating, driven by its loose monetary policy. But the growth in credit demand remains moderate.



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# Chinese Government and Corporate Bonds

Chart 1: Chinese government bond yields ended Q3 on a two-year-low, despite ticking up modestly at the end of the month.

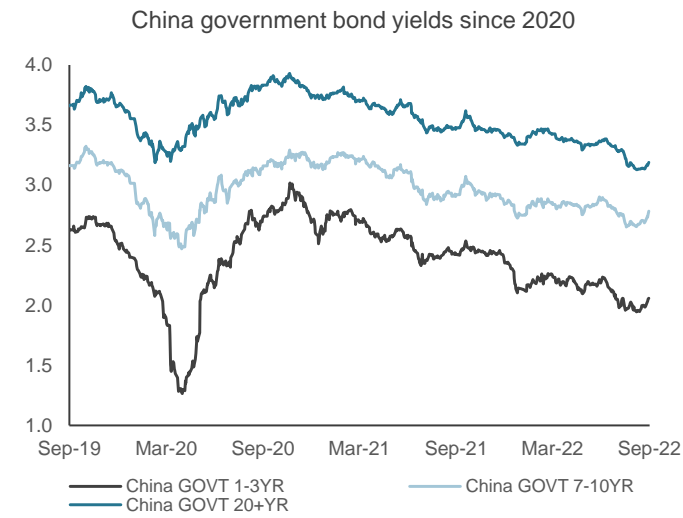


Chart 2: The Chinese bond yield curve has maintained a normal shape over the last 3M and 12M, contrasting the US curve, which has been deeply inverted since Q2.

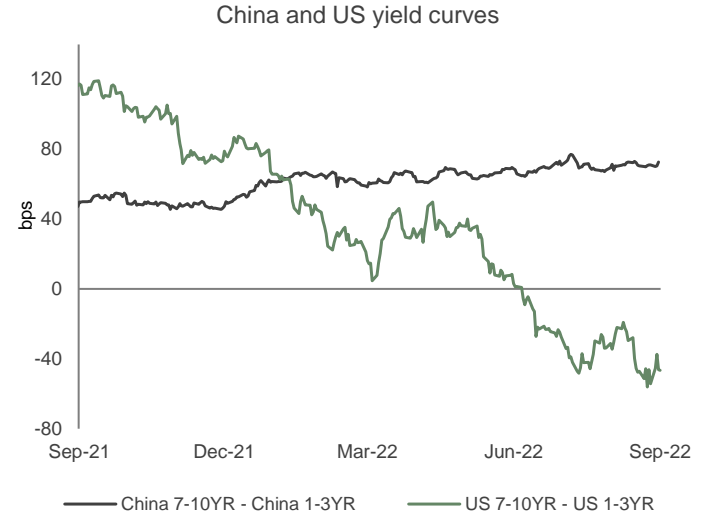


Chart 3: Chinese onshore corporate bond spreads narrowed in Q3, as did policy bank bonds. Regional government spreads widened marginally before falling back towards the end of September.

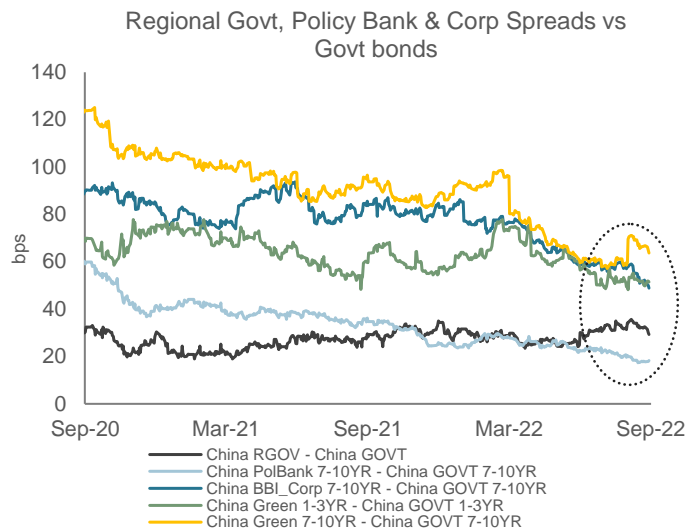


Chart 4: Chinese IG corporate (\$) yields have surged to 5.8% YTD, following rate hikes in the US. In contrast, domestic yields have stayed relatively stable at below 3%.

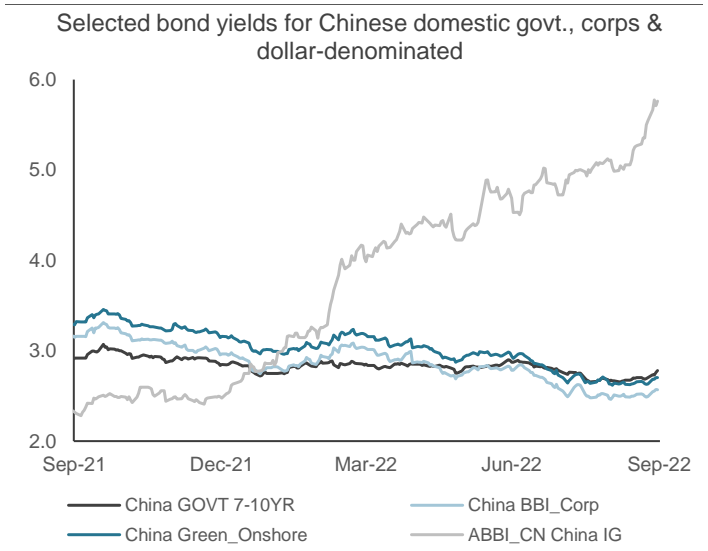


Chart 5: Foreign holdings of Chinese government bonds continued to recover modestly in August, but the widening yield gaps and the weaker yuan continue to pose short-term risks to dollar investors.

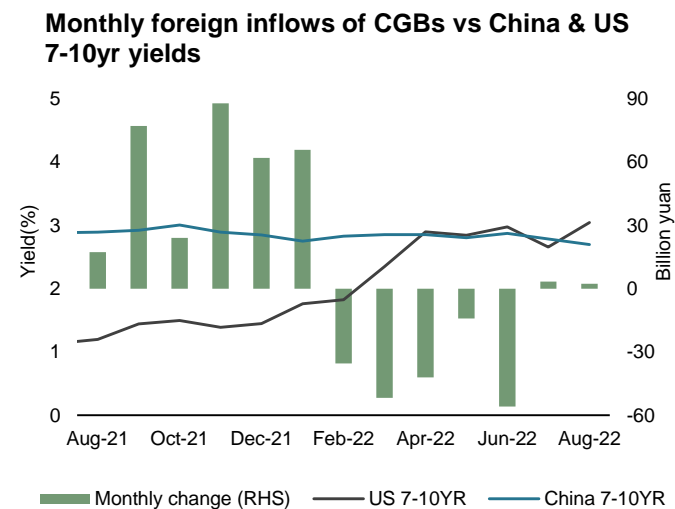


Chart 6: Onshore and offshore Chinese government bond yields have converged in Q3 and remained more stable compared to recent history.



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# China and Asian Bonds in Global Context

Chart 1: Asian 7-10yr government bond yields rose in September, but at a slower pace than US Treasury yields. Yields in the Philippines have been volatile.

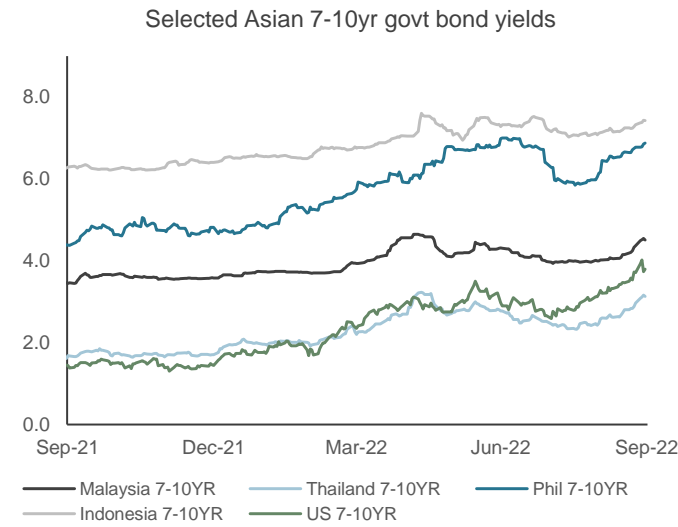


Chart 2: Asian EM yield curves broadly flattened in Q3, especially in Indonesia, where the yield spreads fell the most, helped by the first interest rate hike since late 2018.

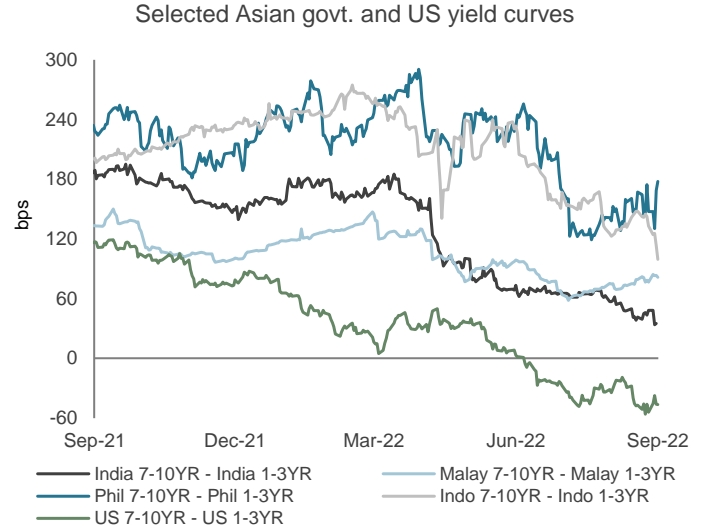


Chart 3: Chinese 7-10yr govt bond yield spreads vs G7 fell sharply in September, as higher G7 rates further widened the gap versus the US, UK and Canada, whose spreads are now negative.

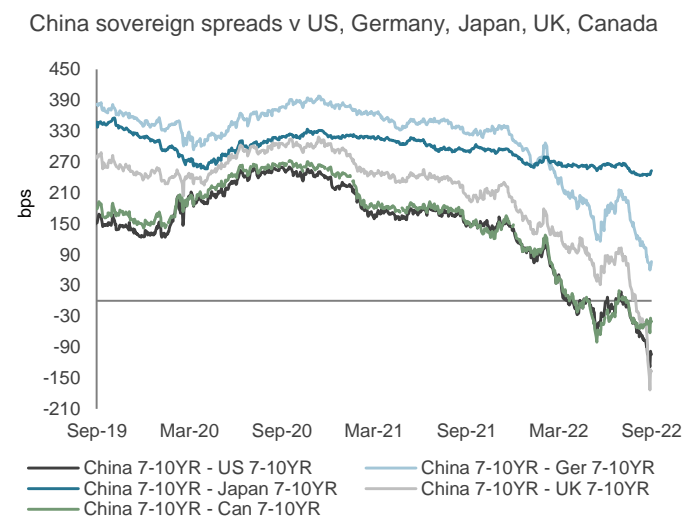


Chart 4: The Chinese \$ high-yield spreads remained volatile. After falling sharply in September, spreads rose to 5000bp. US HY spreads have widened further close to 550bp.

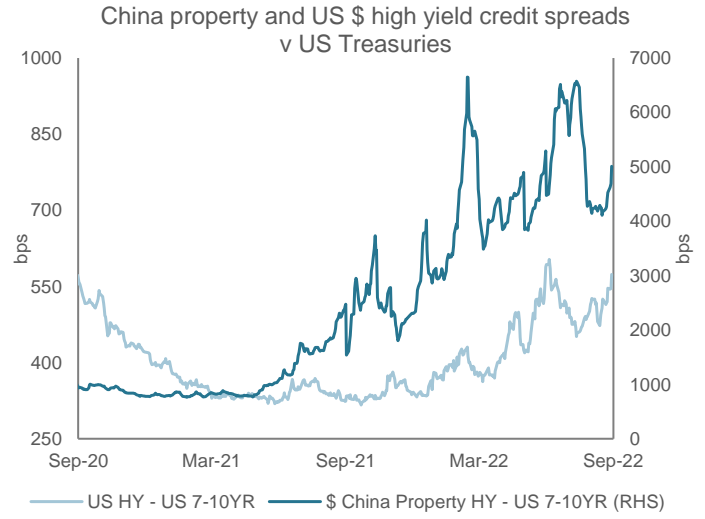


Chart 5: Chinese high yield (\$) corporate spreads versus US Treasuries widened again in September, due to the real estate yield spreads going up. EM HY spreads widened modestly in Q3.

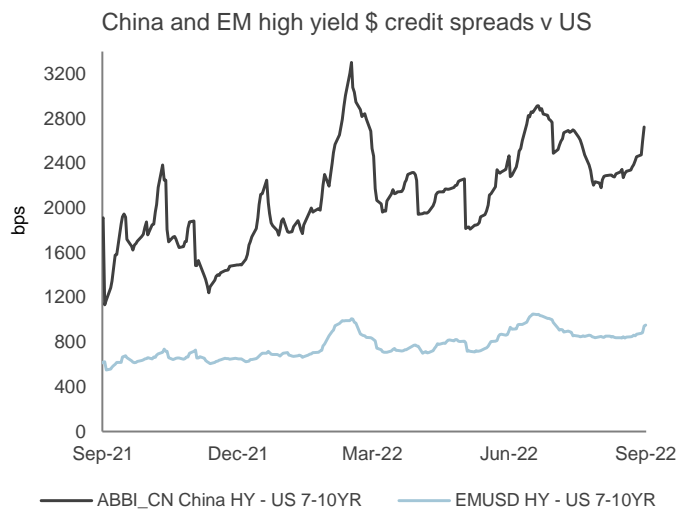
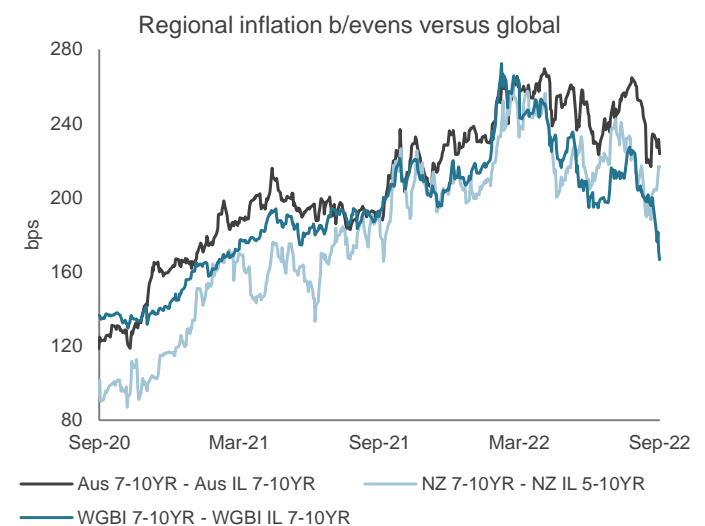


Chart 6: Australasian breakeven inflation settled at around 2.2% by end-Q3, while the global inflation expectation fell back sharply to about 1.7% in September.



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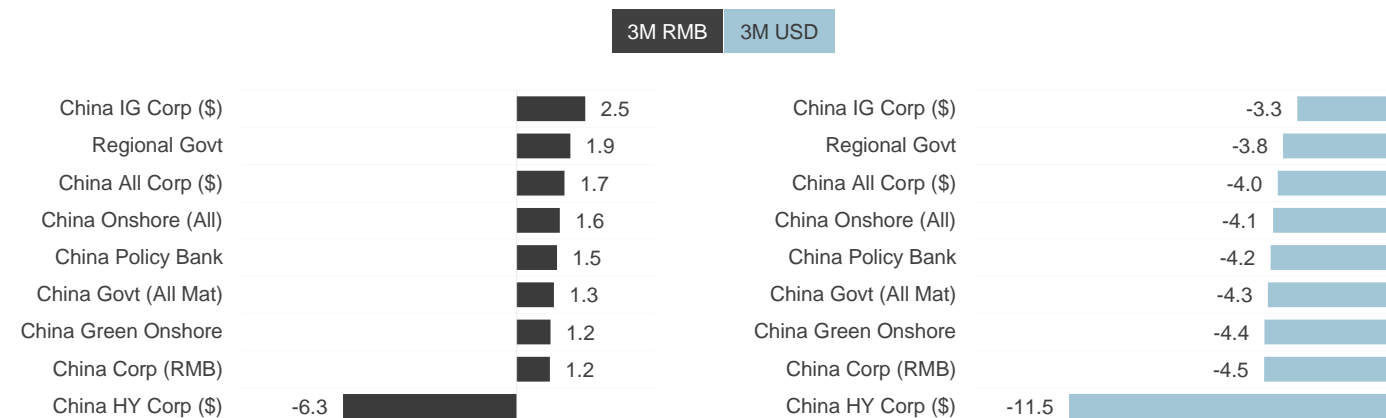
# China Bond Market Returns – 3M & YTD RMB & USD (TR) as of September 30, 2022

Chinese renminbi-denominated bonds (onshore & offshore) have gained 1.2-1.9% in Q3, although returns were reduced in US dollars, which appreciated in the third quarter. Chinese \$ HY credits have lost -43.4% since January, despite the short-lived rally in August.

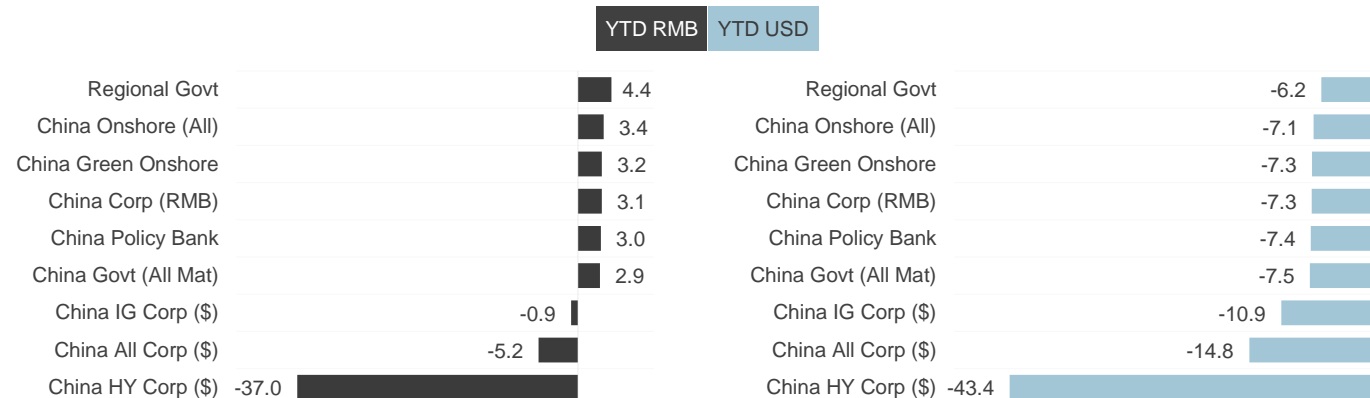
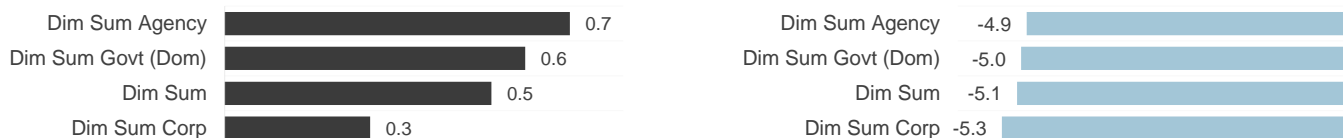
Within the domestic market, Chinese regional government bonds has outperformed both policy bank and sovereign bonds in Q3 in RMB terms.

Similarly to Q2, Dim sum bonds continued to underperform onshore RMB bonds in Q3, though managed to maintain their positive YTD returns broadly, despite the minor setback in September.

Chinese \$ high yield credits ended the third quarter 11.5% lower, erasing the August gains of 10.9%. Investment grade dollar corporate bonds from Chinese issuers held up much better than their HY peers after losing only 3.3% in Q3.



## OFFSHORE BONDS



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# Global Bond Market Returns – 3M & YTD RMB & USD (TR) as of September 30, 2022

High yielding Indonesian and Indian bonds outperformed in Q3, in both RMB and USD terms. US high yield credit loss of 0.5% in Q3 was much lower than that of their IG peers (-5%), helped by the rally in July. Chinese \$ investment grade corporates remained the top performer YTD in the dollar credit space.

Indian and Indonesian government bonds have lost 0.4% and 1.5%, respectively, in the third quarter, significantly outperforming their emerging Asian and global peers.

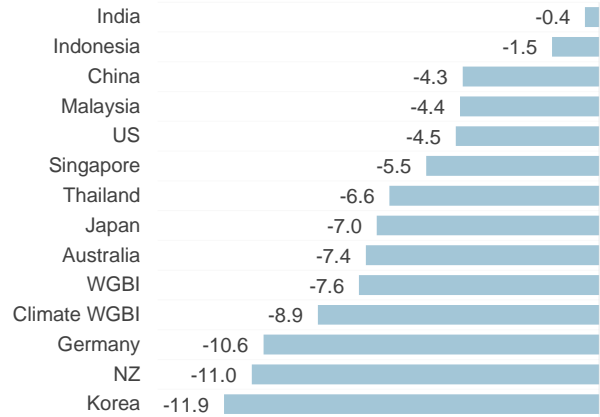
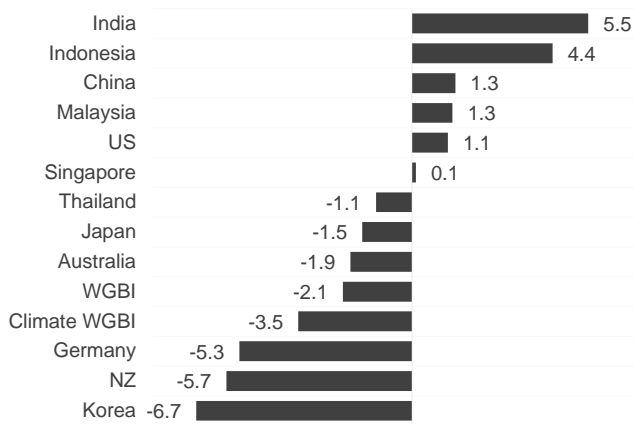
Chinese and Malaysian government bonds also performed defensively, delivering positive local returns in Q3, but both have lost about 4.4% in dollar terms.

Losses in Australasian government bonds of -7.4 to -11% in Q3 in dollar terms were mainly due to currency moves.

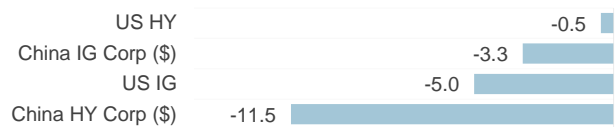
Chinese \$ IG corporates have outperformed both in September and YTD, amid the credit sell-off. US high yield corporates have also outperformed in Q3, helped by the returns of 6.2% in July.

3M RMB 3M USD

## CONVENTIONAL GOVT BONDS

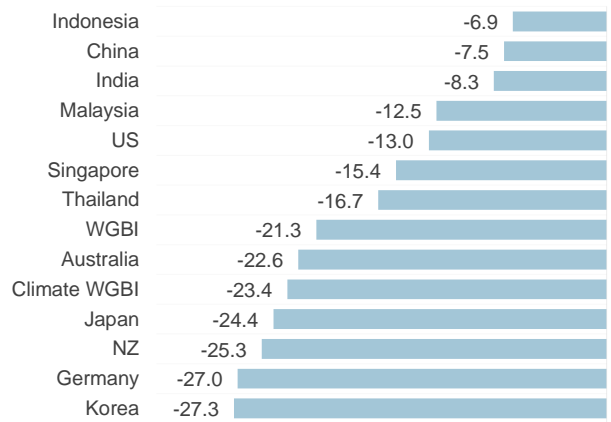
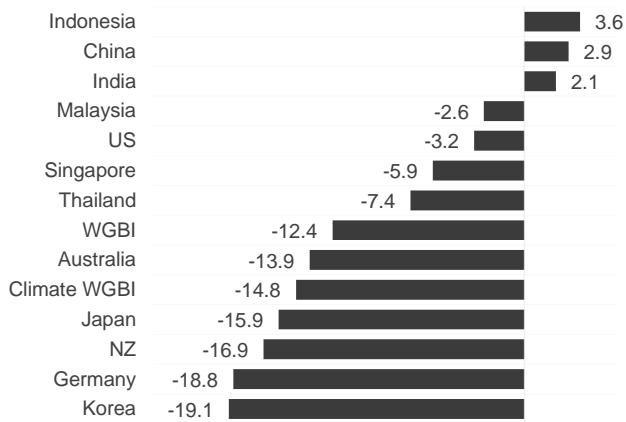


## CORPORATE BONDS

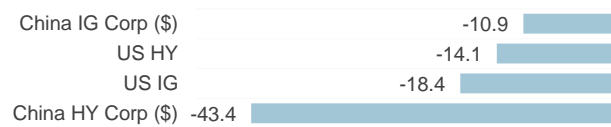


YTD RMB YTD USD

## CONVENTIONAL GOVT BONDS



## CORPORATE BONDS



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# Appendix – Global Bond Market Returns % (RMB vs USD, TR), September 30, 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	-1.14	1.69	-1.56	4.28	-2.07	9.48	-4.94	4.32
	7-10YR	-4.69	-1.96	-5.79	-0.21	-9.82	0.82	-15.36	-7.13
	20+YR	-8.22	-5.59	-10.80	-5.51	-21.65	-12.41	-27.48	-20.42
	IG All	-5.27	-2.56	-4.99	0.64	-11.79	-1.39	-18.48	-10.54
	HY All	-4.20	-1.46	-0.46	5.44	-10.15	0.45	-13.44	-5.01
<b>China</b>	1-3YR	-2.76	0.03	-4.79	0.85	-9.14	1.58	-6.00	3.15
	7-10YR	-3.43	-0.67	-4.42	1.25	-8.90	1.84	-5.46	3.75
	20+YR	-3.36	-0.60	-2.36	3.43	-5.68	5.44	-1.50	8.09
	All	-3.06	-0.29	-4.33	1.35	-8.60	2.18	-5.17	4.06
China Policy Bank		-2.91	-0.13	-4.22	1.46	-8.38	2.43	-4.61	4.68
Regional Govt		-2.66	0.13	-3.77	1.94	-7.68	3.21	-3.69	5.68
China Corp (LC)		-2.77	0.01	-4.46	1.20	-8.27	2.55	-4.89	4.36
China Onshore (All)		-2.87	-0.09	-4.13	1.56	-8.21	2.61	-4.52	4.78
China Green Onshore		-2.79	-0.01	-4.44	1.22	-8.23	2.59	-4.69	4.59
China All Corp (\$)		-3.09	-0.31	-3.97	1.73	-7.64	3.25	-17.08	-9.01
China IG Corp (\$)		-2.39	0.40	-3.25	2.48	-5.67	5.46	-10.80	-2.12
China HY Corp (\$)		-11.36	-8.83	-11.54	-6.30	-26.75	-18.11	-53.27	-48.72
Offshore Govt (DimSum)		-3.39	-0.62	-5.03	0.60	-9.39	1.29	-7.37	1.65
<b>Asia-Pac</b>	1-3YR	-3.75	-1.00	-5.60	0.00	-10.73	-0.20	-9.14	-0.29
	7-10YR	-5.56	-2.86	-6.04	-0.47	-13.32	-3.10	-14.32	-5.98
	20+YR	-6.87	-4.20	-7.33	-1.84	-16.09	-6.19	-19.80	-12.00
	All	-4.99	-2.27	-5.93	-0.35	-12.51	-2.19	-13.02	-4.55
<b>Australia</b>	1-3YR	-6.61	-3.94	-6.77	-1.24	-15.67	-5.72	-14.46	-6.13
	7-10YR	-8.12	-5.49	-7.39	-1.90	-19.81	-10.35	-24.82	-17.50
	20+YR	-10.21	-7.64	-9.56	-4.20	-25.16	-16.33	-34.05	-27.63
	All	-7.85	-5.22	-7.40	-1.91	-19.11	-9.57	-23.22	-15.74
<b>India</b>	1-3YR	-2.39	0.40	-1.79	4.03	-6.47	4.56	-7.11	1.93
	7-10YR	-2.59	0.19	-0.78	5.10	-6.46	4.58	-8.51	0.40
	20+YR	-1.34	1.48	1.18	7.18	-6.05	5.04	-7.92	1.04
	All	-2.24	0.55	-0.44	5.46	-6.40	4.63	-7.90	1.06
<b>Indonesia</b>	1-3YR	-3.11	-0.33	-2.98	2.77	-6.22	4.84	-4.39	4.91
	7-10YR	-3.82	-1.07	-1.26	4.60	-6.08	4.99	-6.05	3.10
	20+YR	-3.07	-0.29	-0.03	5.90	-3.61	7.76	-2.97	6.48
	All	-3.66	-0.91	-1.49	4.35	-5.80	5.31	-5.20	4.03
<b>Japan</b>	1-3YR	-4.29	-1.55	-6.17	-0.60	-16.13	-6.24	-23.02	-15.53
	7-10YR	-4.71	-1.98	-6.20	-0.64	-16.63	-6.80	-24.15	-16.76
	20+YR	-8.08	-5.45	-9.15	-3.77	-23.95	-14.98	-33.63	-27.17
	All	-5.71	-3.01	-7.05	-1.53	-18.69	-9.10	-26.88	-19.76
<b>Korea</b>	1-3YR	-6.93	-4.27	-9.28	-3.90	-16.28	-6.40	-18.63	-10.71
	7-10YR	-8.81	-6.20	-11.66	-6.42	-20.94	-11.62	-26.20	-19.01
	20+YR	-11.56	-9.03	-14.99	-9.95	-29.04	-20.67	-38.23	-32.22
	All	-9.06	-6.46	-11.90	-6.67	-21.92	-12.72	-27.75	-20.72
<b>Malaysia</b>	1-3YR	-3.86	-1.11	-4.66	0.99	-9.13	1.58	-8.93	-0.06
	7-10YR	-6.33	-3.65	-5.17	0.45	-10.98	-0.48	-12.81	-4.32
	20+YR	-9.05	-6.45	-4.36	1.31	-12.73	-2.44	-14.43	-6.10
	All	-6.13	-3.45	-4.41	1.26	-10.52	0.03	-11.64	-3.04
<b>New Zealand</b>	1-3YR	-8.09	-5.46	-9.38	-4.01	-19.12	-9.58	-19.89	-12.10
	7-10YR	-9.87	-7.29	-11.23	-5.97	-23.63	-14.63	-29.07	-22.16
	20+YR	-11.91	-9.39	-15.11	-10.08	-33.17	-25.29	-39.18	-33.26
	All	-9.42	-6.83	-11.02	-5.74	-23.13	-14.06	-27.18	-20.09
<b>Singapore</b>	1-3YR	-3.72	-0.96	-3.88	1.82	-7.07	3.89	-8.40	0.51
	7-10YR	-6.60	-3.93	-6.51	-0.97	-12.34	-2.00	-16.67	-8.56
	20+YR	-7.79	-5.15	-6.47	-0.93	-16.40	-6.54	-24.49	-17.14
	All	-5.80	-3.10	-5.48	0.12	-11.16	-0.68	-15.57	-7.35
<b>Thailand</b>	1-3YR	-3.88	-1.13	-6.04	-0.47	-12.51	-2.19	-11.20	-2.56
	7-10YR	-7.55	-4.91	-7.36	-1.87	-15.86	-5.93	-16.43	-8.29
	20+YR	-10.45	-7.89	-5.06	0.57	-17.74	-8.04	-26.33	-19.16
	All	-6.50	-3.83	-6.65	-1.11	-14.94	-4.90	-15.94	-7.76

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## Appendix – Global Bond Market Yields %, September 30, 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	4.31	4.18	3.83	3.95	2.11	1.82	1.95	5.72	9.55
	3M Ago	2.96	3.03	2.97	3.28	-0.04	0.64	1.14	4.74	8.86
	6M Ago	2.20	2.49	2.35	2.54	-1.68	-0.66	0.01	3.64	6.10
	12M Ago	0.27	0.78	1.44	2.08	-2.03	-1.18	-0.20	2.19	4.69
UK	Current	4.39	4.44	4.16	3.72	-0.88	0.08	-0.16		
	3M Ago	1.94	1.91	2.15	2.57	-2.66	-1.56	-0.70		
	6M Ago	1.38	1.43	1.55	1.75	-4.28	-3.02	-1.92		
	12M Ago	0.31	0.57	0.95	1.40	-4.22	-3.10	-2.16		
Japan	Current	-0.07	0.01	0.26	1.27	-1.37	-0.78			
	3M Ago	-0.09	-0.02	0.24	1.12	-1.29	-0.73			
	6M Ago	-0.06	0.00	0.16	0.84	-1.21	-0.83			
	12M Ago	-0.12	-0.09	0.03	0.63	-0.54	-0.41			
China	Current	2.06	2.42	2.79	3.21					
	3M Ago	2.19	2.53	2.87	3.36					
	6M Ago	2.24	2.52	2.85	3.43					
	12M Ago	2.42	2.81	3.07	3.62					
EM	Current	3.70	4.31	5.05	4.78	2.51	3.42	5.19	6.09	13.35
	3M Ago	3.64	4.45	5.07	4.92	2.79	3.28	5.25	5.08	12.30
	6M Ago	3.39	4.01	4.56	4.87	2.05	2.91	4.85	4.09	10.46
	12M Ago	3.17	3.79	4.67	4.99	3.48	3.79	4.69	2.46	7.69
Germany	Current	1.66	1.82	2.03	2.11	-0.52	-0.10	-0.07		
	3M Ago	0.56	0.93	1.26	1.61	-1.62	-0.95	-0.59		
	6M Ago	-0.17	0.26	0.47	0.59	-4.10	-2.17	-1.83		
	12M Ago	-0.70	-0.52	-0.26	0.05	-2.35	-2.11	-1.98		
Italy	Current	2.87	3.45	4.16	4.37	-0.14	2.02	2.10		
	3M Ago	1.34	2.12	3.04	3.60	-1.94	0.78	1.49		
	6M Ago	0.31	1.03	1.78	2.43	-3.58	-0.88	0.17		
	12M Ago	-0.35	0.10	0.83	1.79	-1.88	-0.80	0.13		
France	Current	1.91	2.12	2.46	2.99	-0.58	0.21	0.63		
	3M Ago	0.81	1.23	1.76	2.49	-2.85	-0.79	0.17		
	6M Ago	-0.08	0.41	0.78	1.38	-3.66	-2.05	-1.07		
	12M Ago	-0.64	-0.54	-0.15	0.67	-2.30	-2.00	-1.42		
Sweden	Current	2.31	2.41	2.22		-0.72	-0.23			
	3M Ago	1.74	1.82	1.75		-1.30	-1.01			
	6M Ago	0.70	1.10	1.21		-2.06	-1.63			
	12M Ago	-0.28	-0.01	0.27		-1.98	-1.82			
Australia	Current	3.44	3.64	3.87	4.10	0.80	1.58	2.01		
	3M Ago	2.92	3.30	3.62	3.86	-0.46	0.97	1.65		
	6M Ago	1.66	2.48	2.80	3.27	-0.59	0.09	0.81		
	12M Ago	0.06	1.21	1.73	2.53	-1.21	-0.64	0.27		
NZ	Current	4.20	4.25	4.30	4.62	1.21	2.13			
	3M Ago	3.54	3.67	3.87	4.17	0.81	1.78			
	6M Ago	2.68	3.06	3.22	3.43	0.13	0.89			
	12M Ago	1.13	2.21	2.49	2.95	-0.50	0.30			
Canada	Current	3.65		3.19	3.13			1.43	5.20	7.38
	3M Ago	3.08		3.21	3.18			1.23	4.83	6.98
	6M Ago	2.24		2.38	2.40			0.34	3.76	5.39
	12M Ago	0.68		1.41	1.92			-0.05	2.29	4.22

Source: FTSE Russell. All data as of September 30, 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.



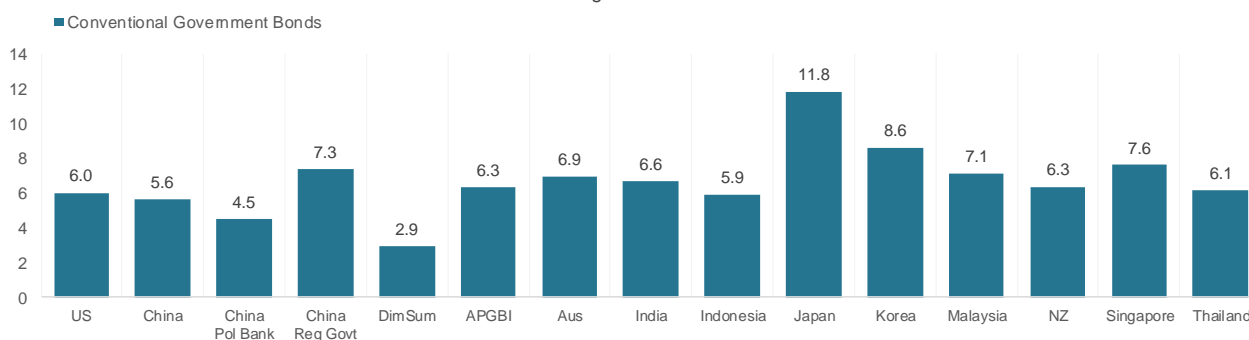
## Appendix – Duration and Market Value (USD, Bn), September 30, 2022

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.8	17.6	6.0	2,088.7	902.0	1,184.8	9,759.1
China	3.6	7.4	17.6	5.6	468.4	277.6	215.0	1,797.6
China Pol Bank				4.5				2,482.2
China Reg Govt				7.3				1,843.4
DimSum	3.9			2.9	1.5			7.0
APGBI	3.6	7.3	17.7	6.3	727.5	569.2	399.2	3,211.2
Aus	3.6	7.7	18.2	6.9	50.5	77.5	14.4	282.0
India	3.3	6.1	11.5	6.6	156.1	209.0	211.3	952.5
Indonesia	3.4	6.3	11.1	5.9	38.0	50.3	9.3	210.0
Japan	3.9	8.1	23.7	11.8	341.6	497.9	664.8	3,240.7
Korea	3.6	7.3	18.7	8.6	82.9	93.1	128.7	507.5
Malaysia	3.5	7.1	14.2	7.1	20.7	11.3	14.0	96.5
NZ	3.8	8.1	17.4	6.3	7.1	5.2	1.9	36.1
Singapore	3.7	7.5	19.6	7.6	18.3	10.9	10.7	81.6
Thailand	3.9	7.7	16.8	6.1	21.2	25.5	5.3	118.0

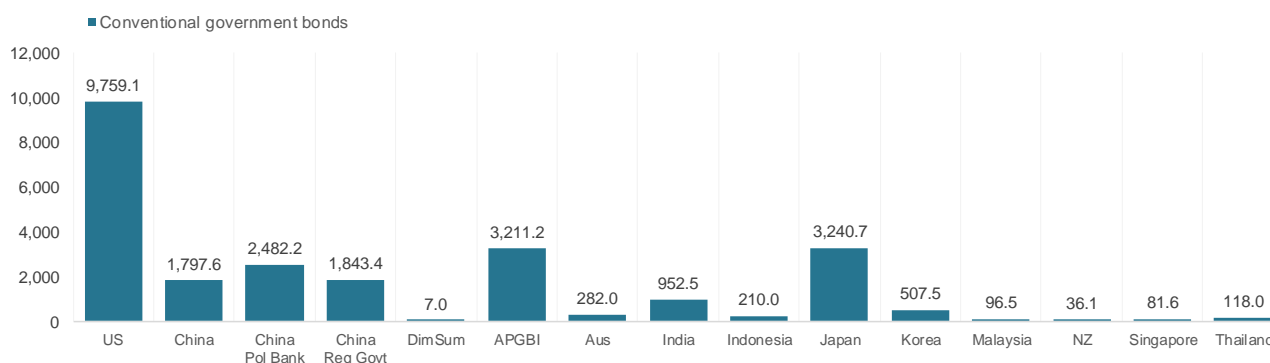
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	7.1	4.4		5,870.0	972.2	
China Corp (LC)			2.4			491.3
China Green Onshore			2.7			104.9
China Corp (\$)	4.0	2.4	7.3	299.1	22.7	321.9
DimSum	2.5		2.5	7.9		9.1
EM	4.9	3.7	4.6	606.9	201.8	808.7
EUxUK	4.6	3.2		2,315.8	379.5	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	1.5	2.7	2.5	1.1	5.6	1.1

Average Duration



Total Market Value (USD Billions)

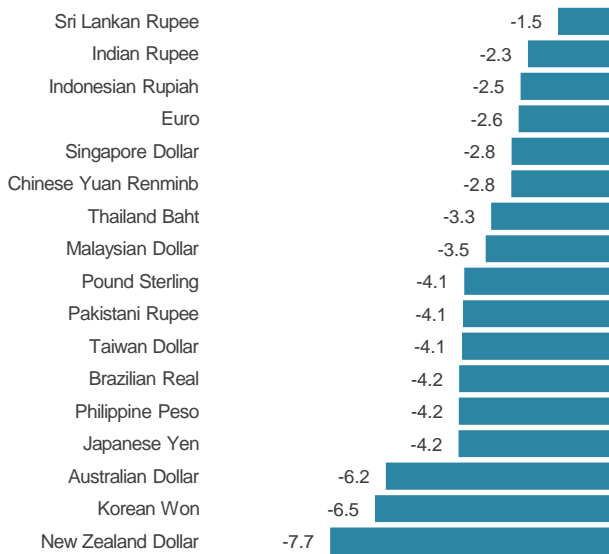


Data as of 2022-09-30

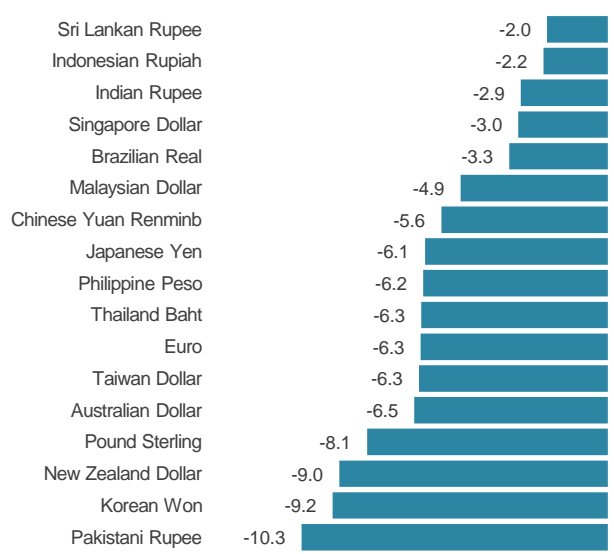
Source: FTSE Russell. All data as of September 30, 2022. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indexes. See Appendix Glossary for list of indexes used for each market. For professional investors only.

# Appendix – Foreign Exchange Returns % as of September 30, 2022

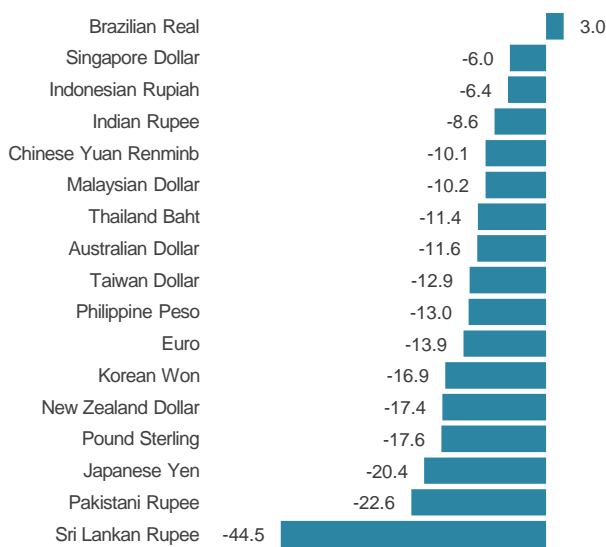
FX Moves vs USD - 1M



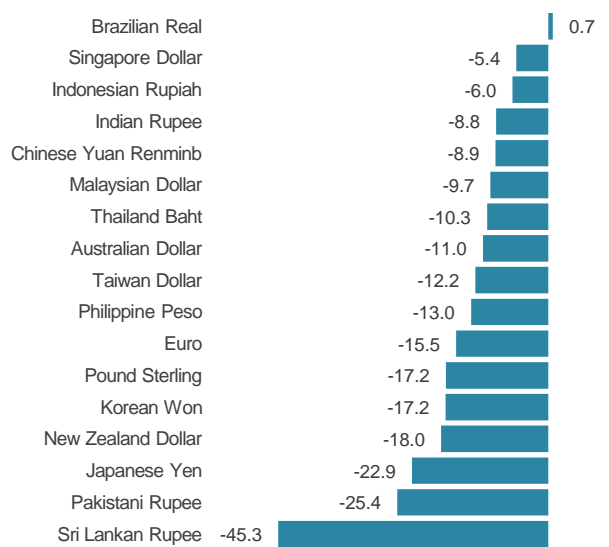
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



Source: FTSE Russell and Refinitiv. All data as of September 30, 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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