

Fixed Income Insights

MONTHLY REPORT – May 2023 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

Chinese yields fall further as lower inflation gives scope for more easing

Chinese spreads tightened versus the G7 in April, as yields fell more, helped by PBoC easing. A further fall in Chinese inflation, to below 1% y/y, gives policymakers more room to boost growth. Chinese \$ IG credits matched US IG credit returns, but Chinese HY credits remain negative. Indonesian bonds led April gains.

Macroeconomic backdrop – IMF retains 5.2% GDP growth forecast in 2023 for China, despite property challenges

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

Chinese bonds – onshore bond yields trended lower in April and YTD, stable yield curve

Domestic credit spreads continued to tighten in April, led by short green spreads. Chinese 10s/2s curve remains stable, and uncorrelated with inverted G7 curves. (page 3)

Chinese and Asian bonds – Asian govts spreads tightened in April, as yields fell more than G7

Asian government bond spreads tightened marginally versus US Treasuries, as Asian bond yields fell further in April. Chinese \$ high yield spreads widened further, as markets digested the debt restructurings and property sector report. (page 4)

Performance – Indonesian and Indian governments strongest performers in April, Korea underperformed

Indonesian, Indian and Singaporean government bonds performed best in April, in both dollars and renminbi. Korean, Japanese and Australasian bond returns in US dollar lagged on weaker currencies. (pages 5-6)

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

Chart 1: Chinese inflation fell further to 0.7% in March, with lower vegetable and car prices, despite an expanding service sector.

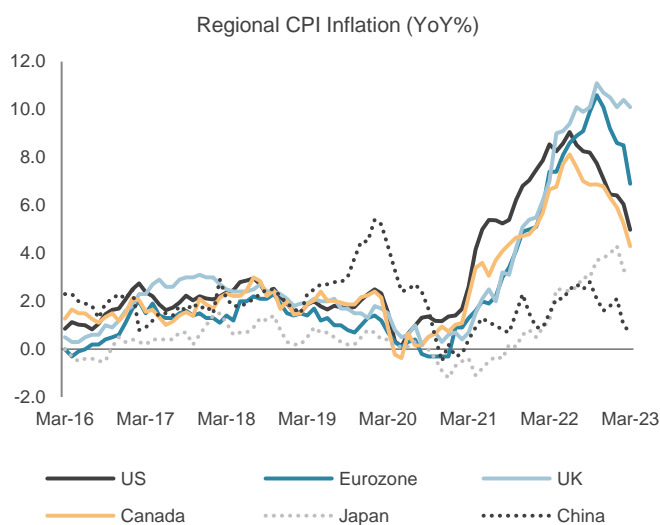
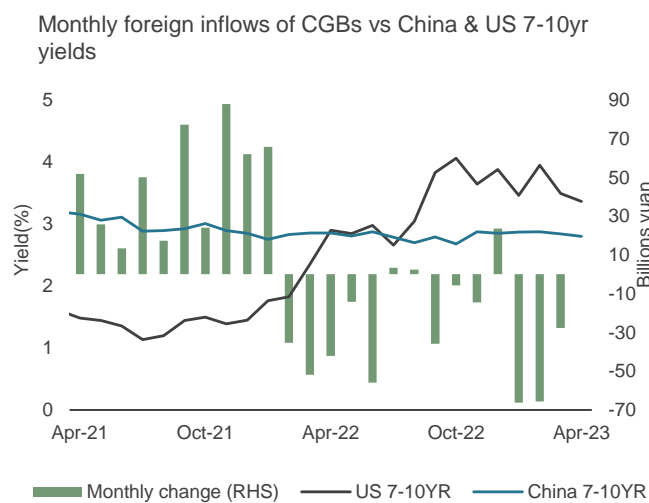


Chart 2: Foreign capital outflows from CGBs slowed down in March. China's low inflation helped with real returns.



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

The IMF's April growth forecasts show very modest upgrades for 2023, exc. the UK and Japan, with Chinese growth above 5%, reflecting easing in energy prices and inflation. G7 banking strains reinforce the need for China to switch to domestic-led growth, explaining recent PBoC easing moves. Chinese PB bond market liquidity has recovered sharply in March.

Latest IMF forecasts project Chinese GDP growth at 5.2% in 2023, as Chart 1 shows. This is a little higher than Consensus forecasts, with lingering concerns about the fragile property sector. The IMF notes the need for structural reforms to facilitate the switch to domestic consumption as the main growth engine, given the shrinking labour force and diminishing returns to capex.

Chinese inflation has decelerated further this year, from 2.1% y/y in January, to 0.7% in March. Lower vegetable prices were a main contributor, due to a surge in supply, despite a larger increase in service sector inflation in March. Lower car prices also put downward pressures on CPI. Chinese inflation at these levels gives policymakers room to boost demand growth further in 2023.

Chinese M2 YoY growth stayed elevated at 12.7% in March, reflecting recent monetary easing. RMB loans (which finance over 60% of the real economy) showed y/y growth of 11.7% in March, helped by growth in loans to state-owned entities, short-term consumer and residential mortgage loans.

Chinese policy bank bond liquidity in the secondary market (measured by the daily turnover ratio), recovered strongly in March, and is above the long-term average, after the slowdown in December and January (Lunar New Year). This recovery should ensure the transmission mechanism for policy works smoothly. Governments, less liquid than PBs, stayed slightly lower than mean (Chart 4).

Chart 1: Latest IMF (April) GDP forecasts are generally revised higher for 2023, though China's forecast is left at 5.2%. Weaker net exports increase China's dependence on consumer.

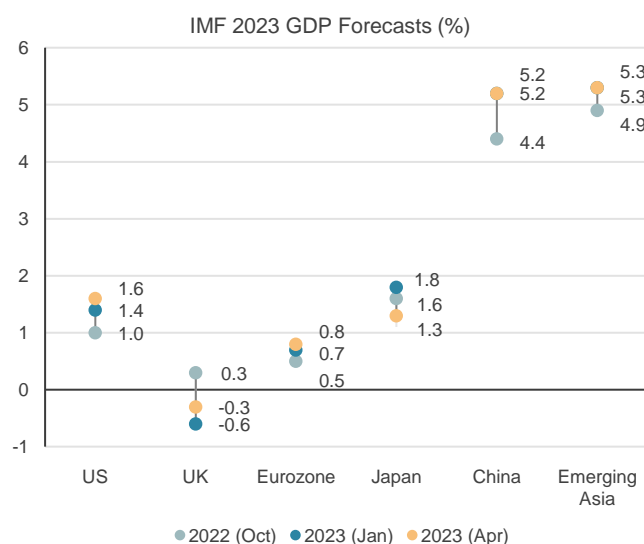


Chart 2: Chinese inflation fell further to 0.7% y/y in March, with 2023 forecasts still at 2.3%. US inflation drop to 5.0%, the lowest since April 2021. Forecast adjustments for 2024 are more modest.

	2023	Change Since Jan-23 (Bps)	2024	Change Since Jan-23 (Bps)
US	4.1	40	2.5	0
UK	6.5	-50	2.4	-10
Eurozone	5.6	-40	2.6	10
Japan	2.1	30	1.5	20
China	2.3	0	2.3	0
Canada	3.7	0	2.2	0

Chart 3: YoY growth for both RMB loans and money supply has stayed at relatively high levels in Q1, as aggregate demand picked up and monetary policy supported growth.

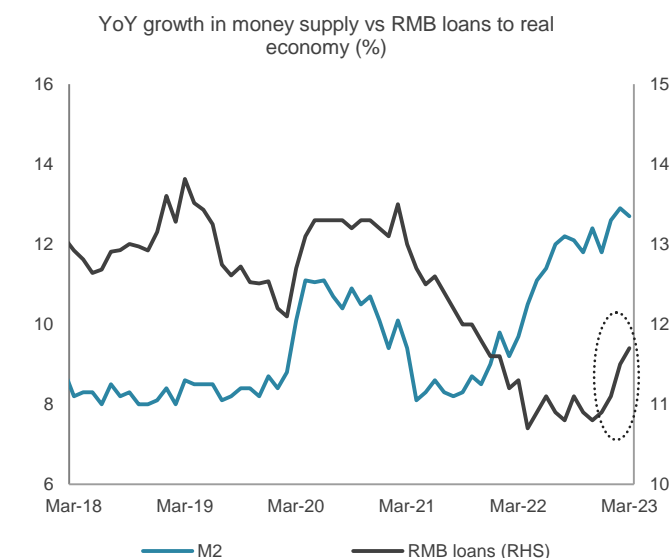


Chart 4: Chinese policy bank bonds' liquidity surged in March to above the long-term average, while government bond turnover fell back modestly. PB bonds are the most liquid in the market.



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Chinese Government and Corporate Bonds

Chart 1: Chinese government yields edged lower in April, led by the long end, but the expected economic recovery may put some upward pressure on Chinese yields throughout the year.

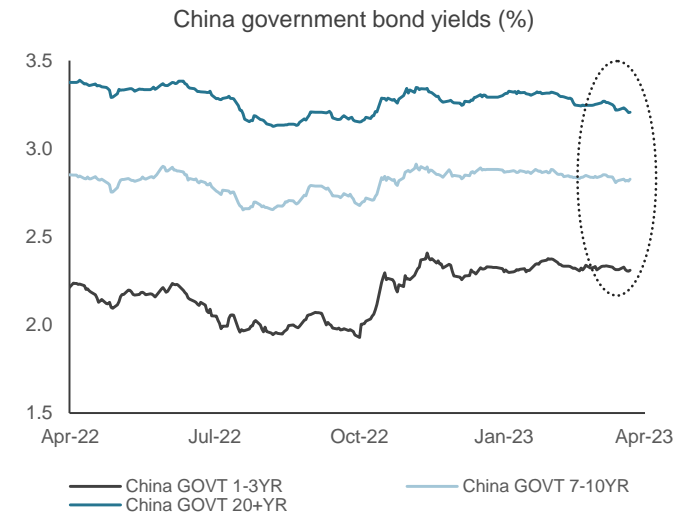


Chart 2: The US 10s/2s curve ended April inverted by 70bps. The Chinese curve remains stable with PBoC rates on hold, and has flattened vs one year ago, after short-term yields rose.

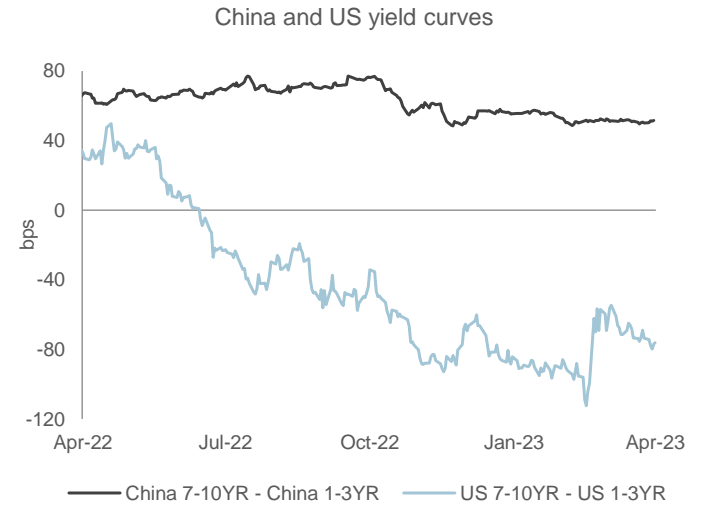


Chart 3: Domestic credit spreads tightened marginally in April, led by short green spreads. Regional government and policy bank spreads remain less volatile, despite a divergence vs a year ago.

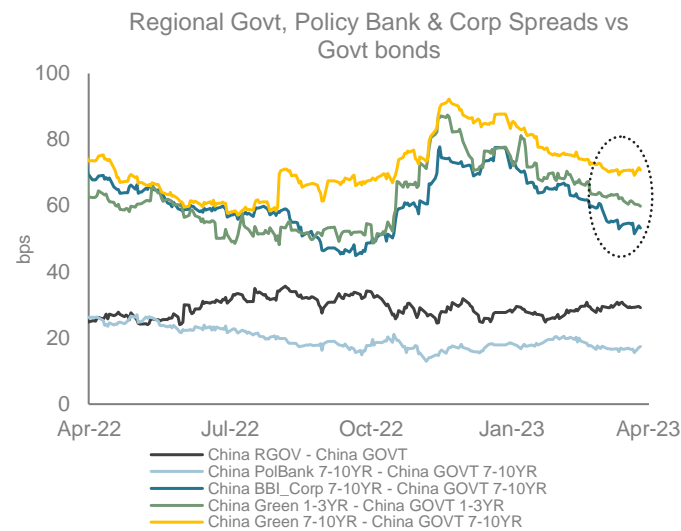


Chart 4: Chinese dollar IG corporate yields remained more volatile vs onshore yields and yields are almost double those of RMB bonds, despite falling from a peak of nearly 7%.



Chart 5: Foreign capital outflows from CGBs slowed in March, as yield differentials vs Treasuries tightened. China's low inflation helped with real returns, despite lower nominal yields.

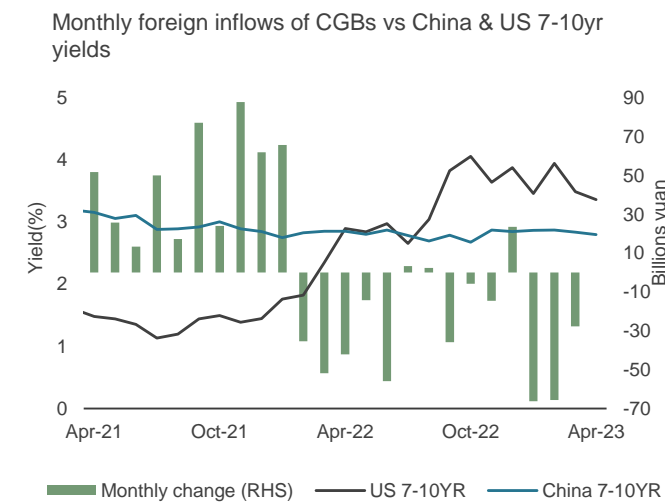
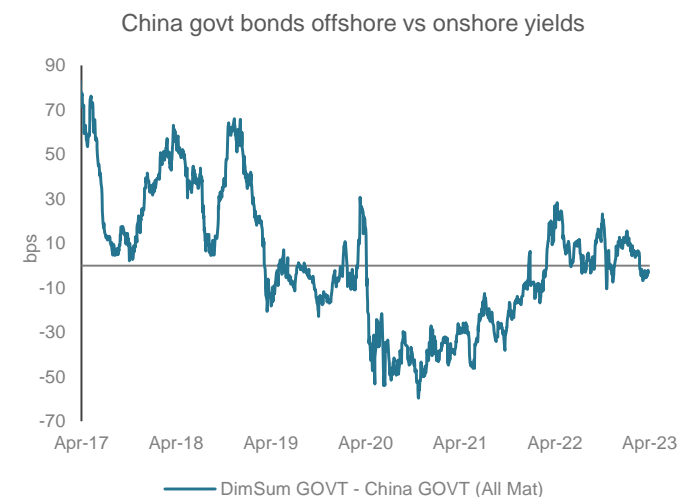


Chart 6: Yield differentials between offshore and onshore govt. bonds have been trading in a narrower range vs years ago, since September 2021 when Southbound Bond Connect was launched.



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China and Asian Bonds in Global Context

Chart 1: Asian government bond yields decreased in April, led by Malaysia. Singaporean 7-10-year bonds are now trading through Chinese peers, in line with the higher credit rating (AAA vs A+).

Chart 2: The Korean 10s/2s curve returned to a positive slope, joining Asian peers, unlike the US curve, which remained inverted by 70bps. The Chinese 10s/2s curve was the steepest at end-April.

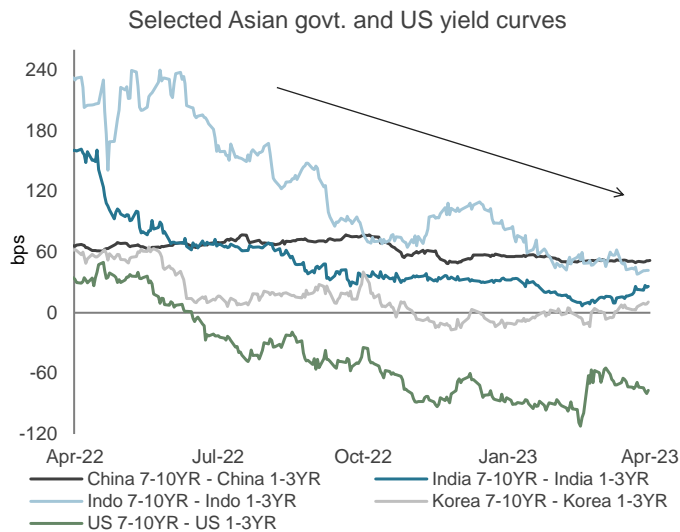
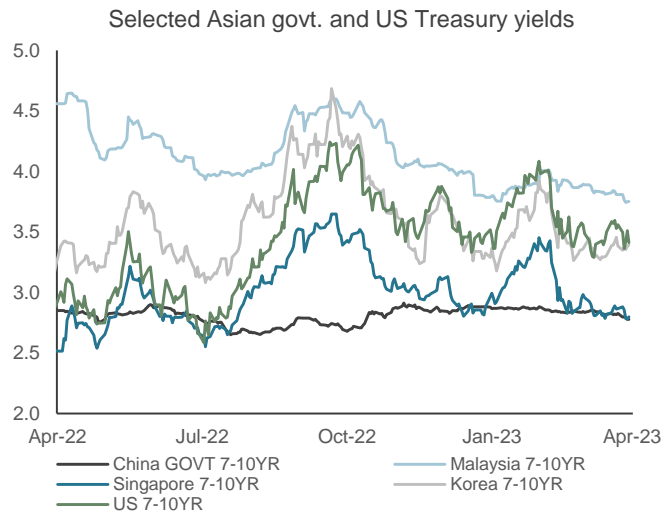


Chart 3: China 7-10 year sovereign spreads vs G7 fell sharply in the period of rising US Treasury and G7 yields from April-October 2022 but spreads have reversed as G7 yields fell since October.

Chart 4: Asian spreads vs US tightened in April, in line with recent trends. Singapore and China still trade through US Treasuries. Any downgrade of US Treasuries on debt ceiling fears might extend this.

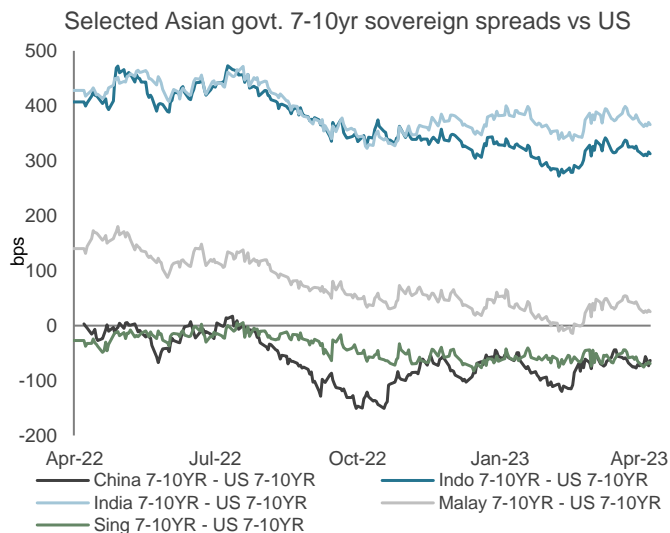
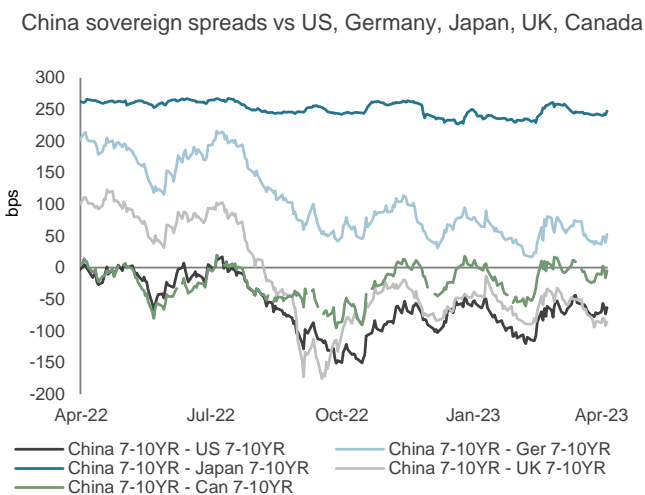
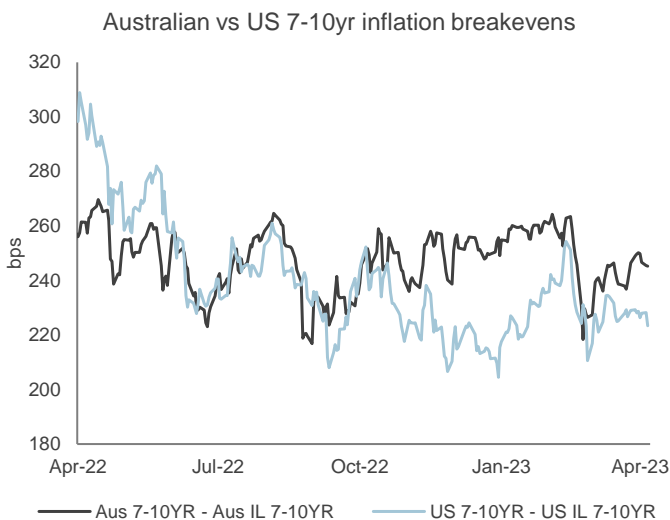


Chart 5: Chinese \$ HY spreads widened above 4500bps in April, although property sales data show recovery signs. High yield \$ debt restructurings have not helped investor confidence.

Chart 6: Australian inflation breakevens ended April higher, decoupling from those in the US. Australian inflation remains higher than target, despite easing from the peak in December 2022.



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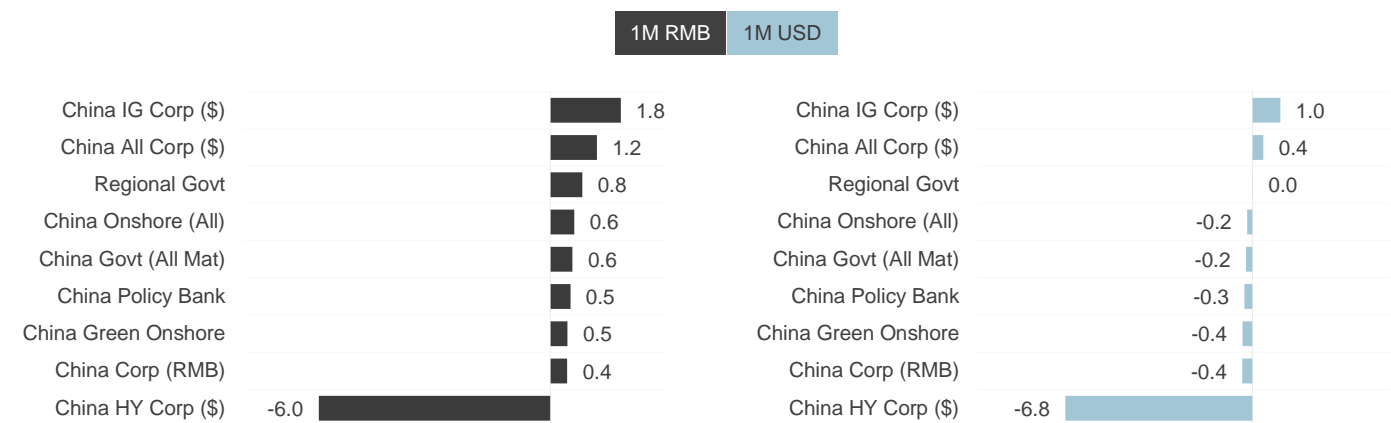
China Bond Market Returns – 1M & 12M in RMB & USD (TR) as of April 30, 2023

Onshore bonds posted positive returns in RMB terms in April, but the stronger US dollar turned returns negative for dollar investors. Offshore RMB bonds' gains in April matched those of onshore peers, but outperformed onshore over 12M. Chinese dollar IG corporates did best in April, helped by financials, while property sector woes depressed HY 12M returns.

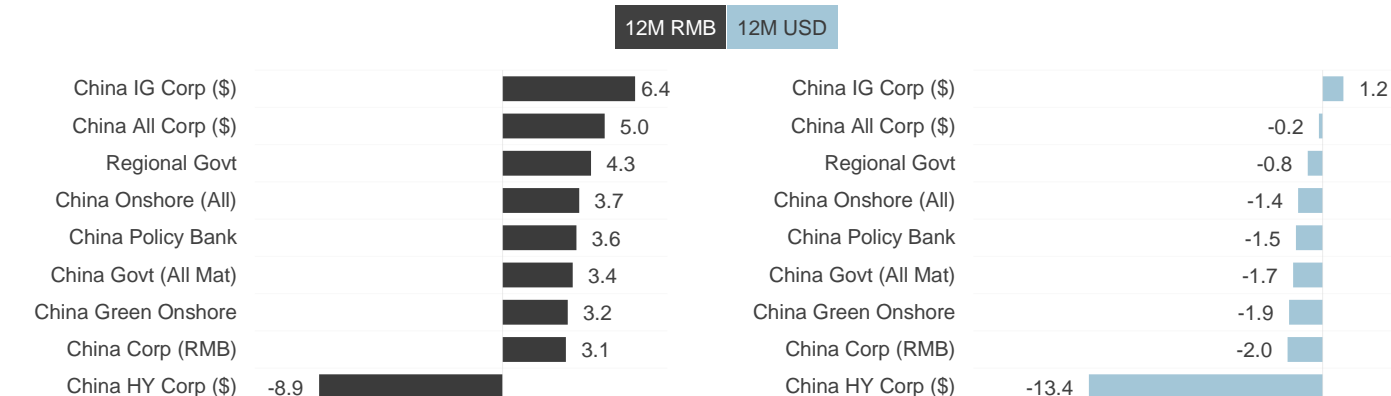
Chinese onshore bonds made modest gains of 0.4-0.8% in RMB in April, but returns in US dollar were mostly negative (corporate underperformed with returns of -0.4%) as the US dollar rebounded vs RMB this month. Onshore bonds rose 3.1-4.3% in RMB terms over 12M, but a stronger dollar during this period reduced returns in dollar terms (-2.0% to -0.8%).

Regional government bonds outperformed in April and over 12M, followed by sovereigns and policy banks.

Chinese \$ HY corporates lost another 6.8% in April, led by Wanda Properties, resulting in losses of 13.4% over the last twelve months. Huarong Financials led gains in Chinese \$ IG, which delivered returns of 1.0-1.8% in USD and RMB terms.



OFFSHORE BONDS



OFFSHORE BONDS



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Global Bond Market Returns – 1M & 12M RMB & USD (TR) as of April 30, 2023

Indonesian and Indian bonds led gains in RMB and USD terms in April, outperforming their Asian and global peers. Korean and Japanese bond returns were hit hardest by currency effects. ASEAN government bonds are the best 12M performers, including Indonesia, Malaysia, Singapore and Thailand.

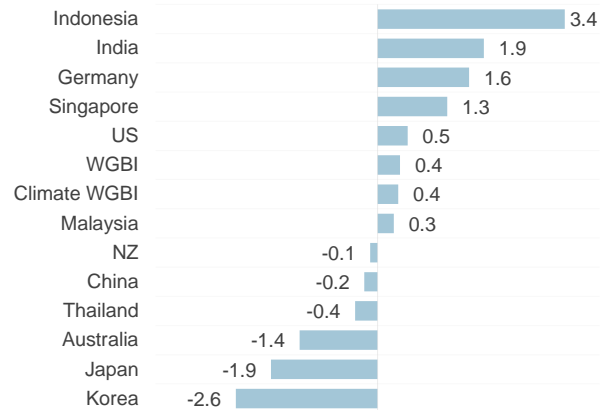
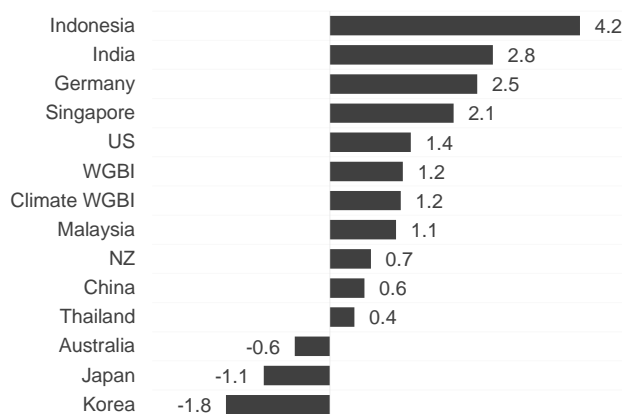
Indonesian and Indian government bonds outperformed in April, returning 1.9-4.2% in RMB and USD terms. Korean, Japanese, and Australian government bonds lost most in April, dragged lower by weaker currencies. The Bank of Korea left policy rates unchanged, citing weaker growth and easing inflation, but the RBA did increase rates by 25bp in early May to 3.85%, on inflation risks, following a pause in April.

Weaker Australian and NZ dollars drove 12M losses of 4.4 –5.7%. Bunds and JGBs were also weak on 12M in US dollar terms, losing up to 6.3%, although the stronger Euro boosted returns in both RMB and USD in April.

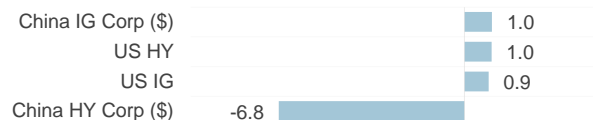
Chinese \$ IG returns in April (helped by financials) matched those by US domestic corporates, which gained about 1% in both IG and HY. However, Chinese \$ HY fell by 6.8% in April, dragging 12M losses deeper to -13.4%, despite some signs of improvement in the sector, including recovering home sales and ongoing offshore debt restructuring by Chinese property developers.

1M RMB 1M USD

CONVENTIONAL GOVT BONDS

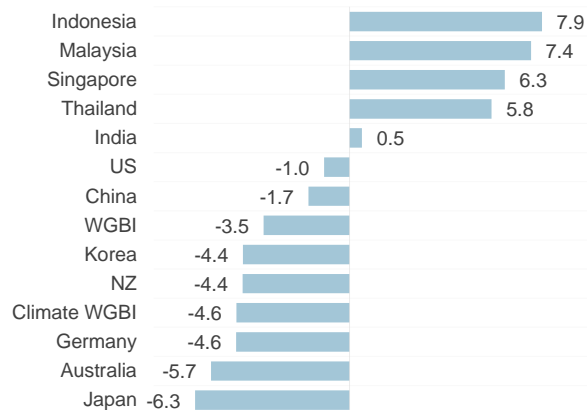
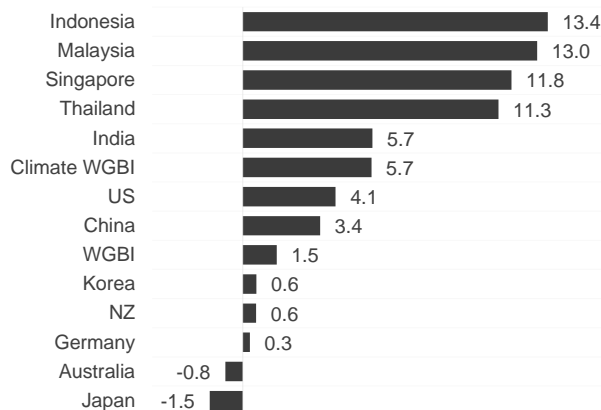


CORPORATE BONDS

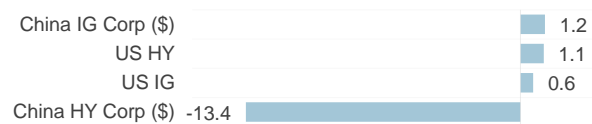


12M RMB 12M USD

CONVENTIONAL GOVT BONDS



CORPORATE BONDS



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Appendix – Global Bond Market Returns % (RMB vs USD, TR), April 30, 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	0.26	1.08	1.12	3.68	2.68	-2.53	0.96	6.19
	7-10YR	0.87	1.70	1.23	3.80	7.00	1.57	-0.81	4.33
	20+YR	0.44	1.27	0.09	2.63	12.59	6.88	-8.92	-4.20
	IG All	0.88	1.71	0.32	2.86	9.17	3.63	0.62	5.84
	HY All	0.99	1.82	0.77	3.32	5.33	-0.01	1.14	6.38
China	1-3YR	-0.53	0.28	-1.82	0.67	6.08	0.69	-2.59	2.46
	7-10YR	-0.16	0.66	-1.12	1.39	6.15	0.76	-1.61	3.49
	20+YR	0.83	1.65	0.61	3.16	6.53	1.13	1.55	6.81
	All	-0.24	0.58	-1.30	1.20	6.15	0.77	-1.68	3.41
China Policy Bank		-0.29	0.53	-1.28	1.22	6.10	0.72	-1.52	3.58
Regional Govt		0.02	0.84	-0.97	1.54	6.37	0.97	-0.84	4.30
China Corp (LC)		-0.37	0.44	-1.33	1.17	6.00	0.62	-2.00	3.08
China Onshore (All)		-0.19	0.62	-1.19	1.32	6.19	0.80	-1.39	3.72
China Green Onshore		-0.37	0.45	-1.27	1.23	6.00	0.63	-1.92	3.16
China All Corp (\$)		0.39	1.22	-0.44	2.08	10.89	5.27	-0.21	4.96
China IG Corp (\$)		1.01	1.84	0.96	3.52	8.77	3.25	1.19	6.44
China HY Corp (\$)		-6.79	-6.03	-15.31	-13.17	42.87	35.62	-13.38	-8.89
Offshore Govt (DimSum)		-0.56	0.26	-1.31	1.19	7.11	1.67	-0.86	4.28
Asia-Pac	1-3YR	-0.75	0.06	-2.70	-0.23	7.09	1.66	-2.38	2.68
	7-10YR	-0.34	0.48	-2.05	0.44	10.10	4.51	-1.17	3.95
	20+YR	-0.32	0.49	-2.53	-0.06	14.20	8.41	-0.63	4.52
	All	-0.46	0.36	-2.34	0.14	9.58	4.02	-1.26	3.85
Australia	1-3YR	-1.24	-0.43	-5.39	-2.99	5.24	-0.10	-5.17	-0.26
	7-10YR	-1.31	-0.50	-3.87	-1.43	8.58	3.07	-5.16	-0.25
	20+YR	-2.13	-1.33	-4.02	-1.59	9.63	4.07	-10.48	-5.84
	All	-1.40	-0.60	-4.35	-1.92	7.66	2.20	-5.66	-0.78
India	1-3YR	1.35	2.18	2.21	4.80	5.15	-0.19	-1.75	3.34
	7-10YR	1.90	2.73	3.39	6.01	6.76	1.35	0.22	5.41
	20+YR	2.54	3.38	4.45	7.10	8.47	2.97	2.39	7.69
	All	1.91	2.75	3.47	6.10	6.93	1.51	0.50	5.71
Indonesia	1-3YR	2.76	3.60	3.53	6.15	11.10	5.47	3.57	8.93
	7-10YR	3.37	4.22	4.18	6.82	16.96	11.02	9.15	14.81
	20+YR	3.54	4.39	4.88	7.54	16.38	10.47	10.20	15.91
	All	3.37	4.22	4.06	6.70	15.66	9.79	7.86	13.45
Japan	1-3YR	-2.28	-1.48	-4.41	-1.99	9.21	3.67	-4.82	0.11
	7-10YR	-2.20	-1.40	-2.53	-0.06	9.14	3.61	-5.02	-0.10
	20+YR	-1.70	-0.90	3.97	6.60	13.21	7.46	-9.75	-5.07
	All	-1.92	-1.12	-0.50	2.02	10.50	4.90	-6.32	-1.47
Korea	1-3YR	-2.47	-1.67	-7.11	-4.76	9.96	4.38	-3.53	1.47
	7-10YR	-2.54	-1.74	-7.42	-5.08	15.58	9.72	-3.93	1.05
	20+YR	-2.71	-1.91	-8.30	-5.97	24.71	18.39	-6.46	-1.61
	All	-2.55	-1.76	-7.53	-5.19	16.38	10.47	-4.36	0.60
Malaysia	1-3YR	-0.73	0.08	-3.19	-0.74	9.11	3.57	1.83	7.10
	7-10YR	0.18	1.00	-3.21	-0.76	13.74	7.96	7.39	12.96
	20+YR	1.98	2.82	-1.86	0.63	21.20	15.05	15.51	21.49
	All	0.29	1.11	-2.79	-0.33	13.88	8.10	7.42	12.98
New Zealand	1-3YR	-0.99	-0.17	-3.59	-1.14	7.84	2.37	-3.48	1.52
	7-10YR	0.21	1.03	-3.25	-0.79	9.38	3.83	-4.39	0.56
	20+YR	1.54	2.37	-0.33	2.19	12.74	7.02	-7.28	-2.47
	All	-0.13	0.69	-2.97	-0.52	9.26	3.71	-4.37	0.58
Singapore	1-3YR	-0.13	0.69	-0.69	1.83	7.77	2.30	4.56	9.98
	7-10YR	1.04	1.87	0.69	3.24	12.85	7.13	4.43	9.84
	20+YR	3.30	4.15	5.23	7.89	24.10	17.81	12.16	17.97
	All	1.25	2.08	1.33	3.90	13.24	7.50	6.34	11.85
Thailand	1-3YR	0.14	0.96	-3.09	-0.63	12.48	6.77	1.55	6.82
	7-10YR	-0.88	-0.06	-3.05	-0.59	19.00	12.96	5.61	11.08
	20+YR	-0.87	-0.06	-0.54	1.98	35.89	28.99	22.24	28.58
	All	-0.40	0.41	-2.78	-0.32	18.02	12.03	5.79	11.28

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Appendix – Global Bond Market Yields %, April 30, 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	4.24	3.62	3.41	3.75	1.68	1.23	1.58	5.15	8.50
	3M Ago	4.35	3.74	3.46	3.71	1.85	1.32	1.54	5.01	8.23
	6M Ago	4.58	4.37	4.05	4.34	1.76	1.65	1.84	5.97	8.97
	12M Ago	2.60	2.93	2.90	3.07	-1.34	-0.20	0.46	4.33	6.98
UK	Current	4.05	3.77	3.64	4.02	0.39	0.14	0.63		
	3M Ago	3.42	3.26	3.33	3.70	0.31	0.00	0.30		
	6M Ago	3.38	3.55	3.56	3.62	-2.33	-0.13	0.24		
	12M Ago	1.63	1.62	1.87	2.08	-4.34	-2.71	-1.44		
Japan	Current	-0.07	0.02	0.30	1.20	-1.31	-0.63			
	3M Ago	-0.02	0.11	0.52	1.55	-1.33	-0.34			
	6M Ago	-0.06	0.02	0.24	1.31	-1.37	-0.81			
	12M Ago	-0.06	-0.01	0.22	0.95	-1.46	-0.85			
China	Current	2.28	2.51	2.78	3.17					
	3M Ago	2.30	2.57	2.87	3.31					
	6M Ago	1.93	2.30	2.68	3.15					
	12M Ago	2.21	2.47	2.83	3.36					
EM	Current	3.74	4.37	4.66	4.46	3.84	4.04	5.15	5.61	11.71
	3M Ago	3.59	4.30	4.76	4.57	3.11	3.37	5.25	5.52	10.25
	6M Ago	3.67	4.37	5.03	4.77	1.66	3.00	5.23	6.70	13.96
	12M Ago	3.49	4.30	4.85	4.95	1.88	2.93	4.94	4.58	10.52
Germany	Current	2.72	2.35	2.25	2.37	0.16	-0.06	-0.11		
	3M Ago	2.59	2.31	2.21	2.22	0.38	0.13	-0.09		
	6M Ago	1.94	1.95	2.07	2.22	-0.76	-0.35	-0.17		
	12M Ago	0.15	0.56	0.86	1.18	-2.14	-1.50	-1.01		
Italy	Current	3.36	3.49	3.97	4.45	0.80	1.65	1.83		
	3M Ago	3.17	3.42	3.92	4.29	1.18	1.87	1.85		
	6M Ago	2.82	3.30	3.95	4.36	0.25	1.64	1.84		
	12M Ago	0.82	2.13	3.00	3.54	-2.01	0.41	1.39		
France	Current	2.84	2.66	2.73	3.23	-0.06	0.17	0.58		
	3M Ago	2.71	2.58	2.64	3.01	0.24	0.30	0.52		
	6M Ago	2.15	2.20	2.44	3.02	-0.91	-0.16	0.46		
	12M Ago	0.32	1.18	1.67	2.35	-3.14	-1.32	-0.18		
Sweden	Current	2.89	2.59	2.31	0.00	0.71	0.73			
	3M Ago	2.50	2.27	2.05	0.00	-0.17	0.14			
	6M Ago	2.34	2.38	2.25	0.00	-0.59	-0.17			
	12M Ago	1.15	2.06	1.99	0.00	-1.48	-1.14			
Australia	Current	3.13	3.05	3.30	3.88	0.09	0.84	1.50		
	3M Ago	3.17	3.24	3.51	3.96	0.23	0.92	1.37		
	6M Ago	3.21	3.35	3.70	4.10	-0.01	1.05	1.67		
	12M Ago	2.31	3.78	4.05	4.30	0.09	1.32	1.94		
NZ	Current	4.89	4.15	4.08	4.23	0.95	1.61	0.00		
	3M Ago	4.67	4.18	4.11	4.41	1.28	1.79	0.00		
	6M Ago	4.31	4.28	4.18	4.44	1.43	2.04	0.00		
	12M Ago	3.11	3.80	4.00	4.28	0.86	1.83	0.00		
Canada	Current	3.55		2.83	2.94			1.26	4.84	7.37
	3M Ago	3.68		2.91	3.00			1.20	4.83	6.99
	6M Ago	3.81		3.29	3.35			1.38	5.42	7.60
	12M Ago	2.64		2.84	2.85			0.73	4.33	5.84

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

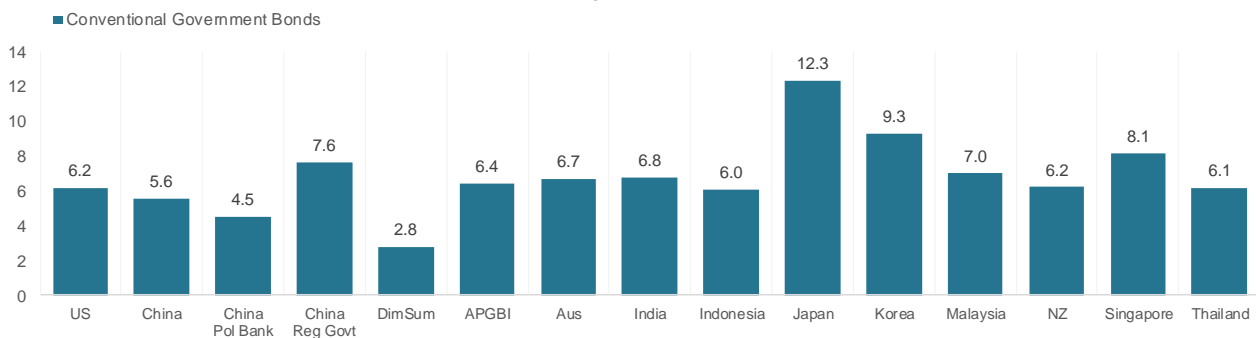
Appendix – Duration and Market Value (USD, Bn), April 30, 2023

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.6	17.6	6.2	2,276.4	1,094.8	1,326.9	10,472.5
China	3.6	7.4	17.6	5.6	445.8	352.3	242.9	2,110.3
China Pol Bank				4.5				2,708.3
China Reg Govt				7.6				1,972.9
DimSum	3.5			2.8	1.7			7.4
APGBI	3.6	7.3	18.0	6.4	710.3	690.8	468.2	3,766.6
Aus	3.5	7.7	18.1	6.7	55.9	90.1	16.2	329.4
India	3.2	6.0	11.8	6.8	155.0	190.8	230.7	1,029.4
Indonesia	3.1	6.2	11.1	6.0	36.9	62.6	12.9	232.1
Japan	4.0	7.9	24.0	12.3	351.4	365.7	725.9	3,256.9
Korea	3.7	7.2	19.4	9.3	81.0	96.5	155.6	585.4
Malaysia	3.5	6.9	14.9	7.0	22.7	15.5	13.9	117.1
NZ	3.3	7.2	17.6	6.2	9.0	9.3	2.5	50.0
Singapore	3.4	7.2	20.4	8.1	18.5	14.6	15.1	94.2
Thailand	3.6	7.6	16.6	6.1	26.9	23.8	9.1	146.8

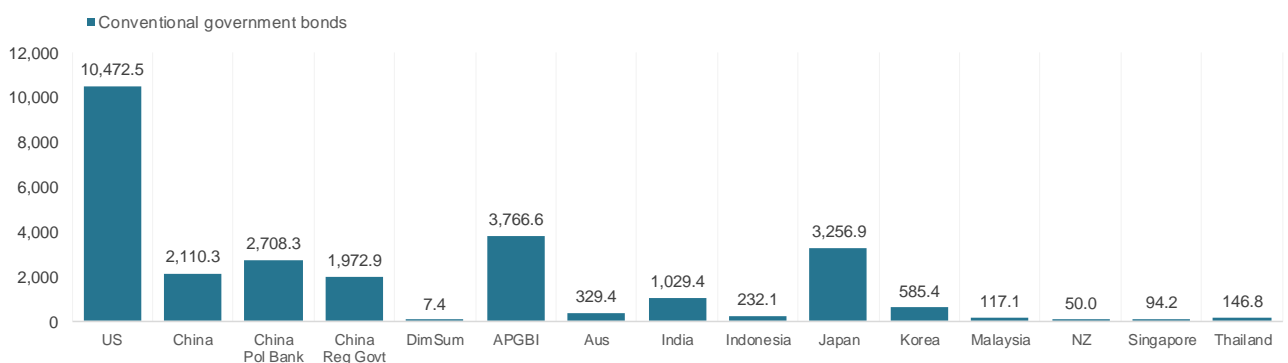
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	7.2	4.1		6,447.5	1,004.7	
China Corp (LC)			2.3			522.1
China Green Onshore			2.5			132.3
China Corp (\$)	4.0	2.3	7.6	276.7	21.8	298.4
DimSum	2.3		2.2	9.9		11.3
EM	5.0	3.3	4.6	615.3	191.9	807.2
EUxUK	4.5	3.1		2,820.0	432.9	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	2.2	2.6	2.0	1.6	6.3	1.4

Average Duration



Total Market Value (USD Billions)

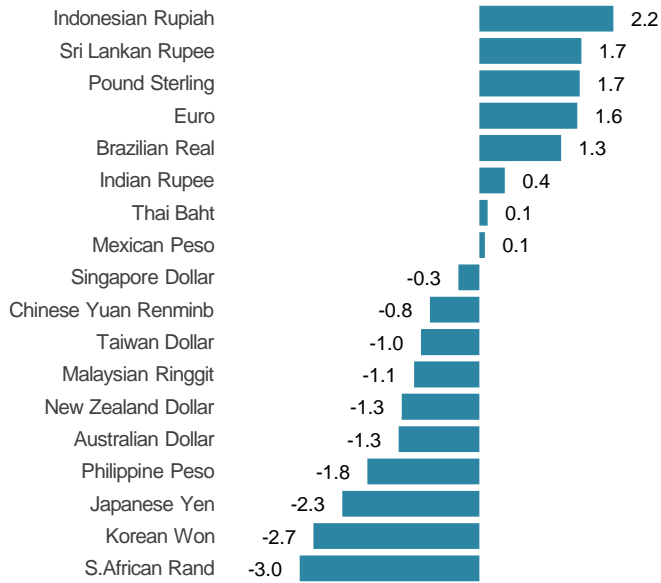


Data as of 2023-04-28

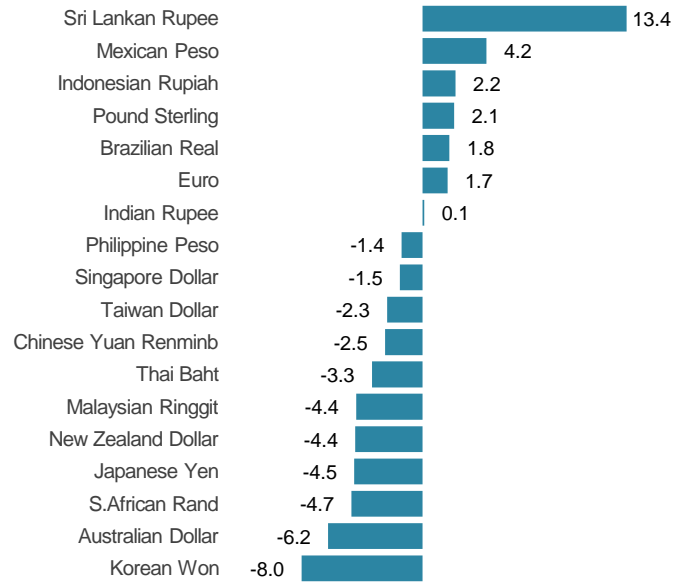
Source: FTSE Russell. All data as of April 30, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors only.

Appendix – Foreign Exchange Returns % as of April 30, 2023

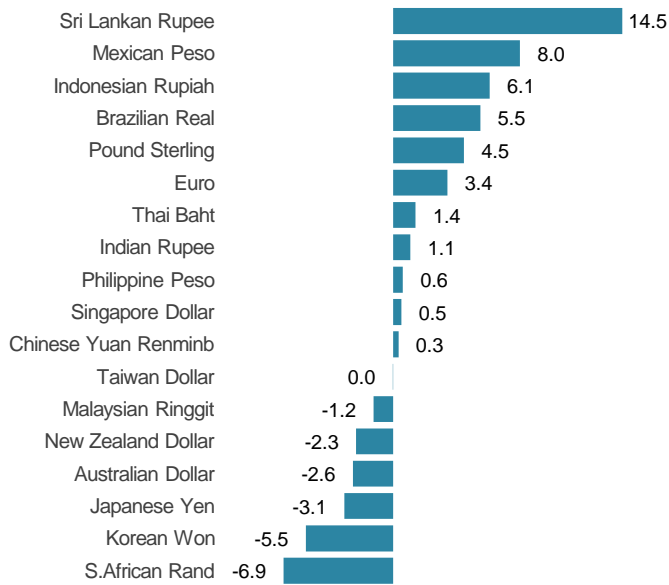
FX Moves vs USD - 1M



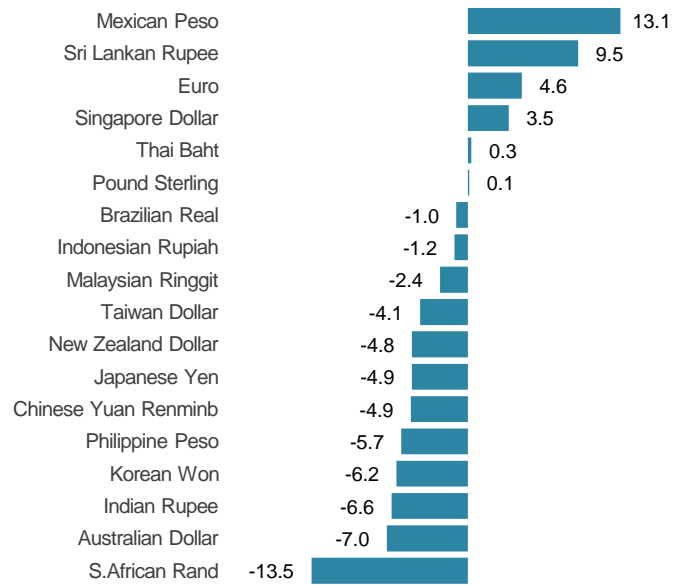
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



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