

Fixed Income Insights

MONTHLY REPORT – AUGUST 2023 | CHINA EDITION

FOR PROFESSIONAL INVESTORS ONLY

Chinese bonds stabilise awaiting Politburo guidance on fiscal policy

Chinese regional government bonds outperformed YTD, with more issuance underway. China IG credit matched YTD performance of US peers, but HY fell again in July on default concerns. Foreign investors made largest net buying since January, as yuan strengthened. Stimulative measures boosted optimism.

Macroeconomic backdrop – China proposes measure to boost consumption and the property market

NDRC unveiled 20 measures to boost consumption, which contributed 77% to H1 growth. 11.3% growth in money supply reduces deflation risks. Mooted Chinese fiscal stimulus measures suggest shift in monetary/fiscal policy balance. (page 2)

Chinese bonds – Onshore bond yields edged lower, and curve remains upward sloped, as foreign investors returned

Chinese government bond yields trended towards Covid-low levels, led by longer dated. Chinese 10s/2s yield curve remains upward-sloping versus the deep US curve inversion. Foreign investors made largest inflows to CGBs since January. (page 3)

Chinese and Asian bonds – Asian government spreads at or near one-year lows, as US Treasury yields rose

Asian yield curves remained much flatter versus 18 months ago, tracking the US curve, except in China. Chinese spreads versus G7 remained near October lows. (page 4)

Performance – Malaysian, Korean and Thai bonds led gains in July; JGBs lost in USD terms despite a stronger yen

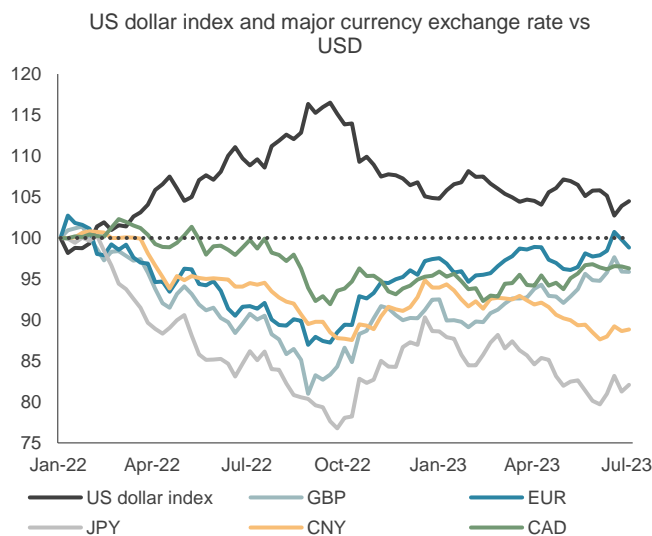
Top YTD performers Indonesian and Indian bonds underperformed most Asian and global peers in July, which gained up to 3.9%. JGBs and NZ bonds lagged YTD. (pages 5-6)

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

Chart 1: China's factory activity remains in contraction (PMI=49.3). Services show a weaker expansion, posing risks for the recovery.



Chart 2: RMB recovered to 7.1+ against the US dollar in July, from an eight-month low. Major currencies strengthened vs USD.



Source: FTSE Russell. All data as of July 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

A de-synchronised global economic cycle is manifest in divergent growth and inflation, due to different Covid lockdown policies and impacts from higher energy prices. Service sectors are more robust than manufacturing and tradeable goods, particularly in China and Japan. Politburo sets out plans for H2, including measures on monetary and fiscal policies.

China's GDP growth of 6.3% y/y in Q2 was mainly driven by consumer spending (a contribution of 77%), as shown in Chart 1, accompanied by a base effect. H1 growth of 5.5% y/y was higher than the three year average of 4.5%, with services (6.4%) outpacing overall growth. China's weaker exports and imports in June reflect weakening demand domestically and globally.

Chinese headline CPI was zero y/y in June (Chart 2), driven by lower pork and energy prices, together with a base effect. Overall food prices increased 2.3% y/y, while non-food prices declined 0.6%. Concerns about deflation risks mounted, though base effects from energy prices falling in 2023, after the sharp increases in 2022, may overstate the risks.

The Chinese authorities acknowledged the loss of momentum in growth in Q2 after a strong Q1 rebound. Measures on local govt debt, a commitment to further capital market reforms and property market support were discussed in the Politburo. The PBoC held policy unchanged (Chart 3). A key issue is whether the balance between monetary and fiscal policy stimulus changes in H2 2023.

China's money supply y/y growth remained strong at 11.3% in June, despite a downward trend in Q2 due to base effects. This reduces deflation risks. China's relatively high M2/GDP ratio reflects the high share of bank finance for economic activity. RMB loans (taking up about 63% of total social financing) increased 11.2% y/y, implying stable credit growth (Chart 4).

Chart 1: Consumption expenditures contributed 77% to real GDP growth by Q2 23, helped by base effects, but net exports lagged. China is committed to promoting a domestic demand-led growth.

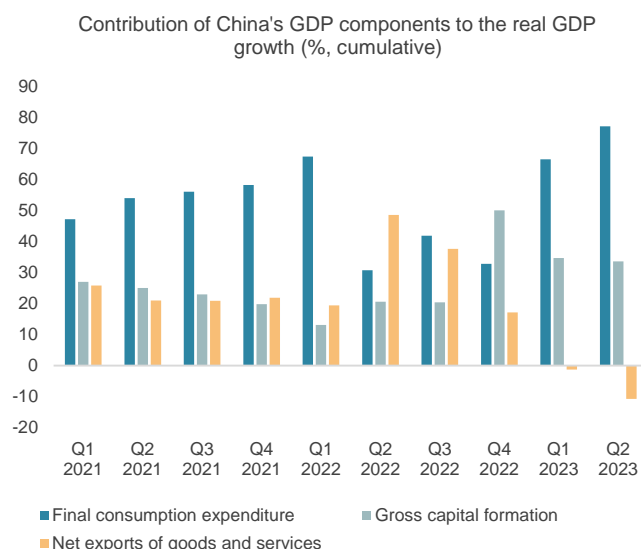


Chart 2: Headline US inflation continues to fall, though core inflation is stickier at around 5%, reflecting shelter costs, which have scope to fall further. China's CPI was flat y/y in June.

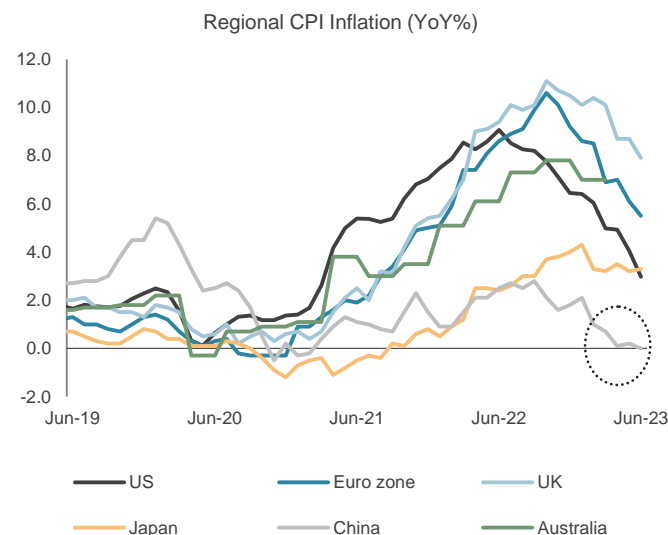


Chart 3: The Fed resumed rate hikes, widening rate differentials with China, where the PBoC held policy rates steady, awaiting guidelines for fiscal policy for H2 2023, from the Politburo.

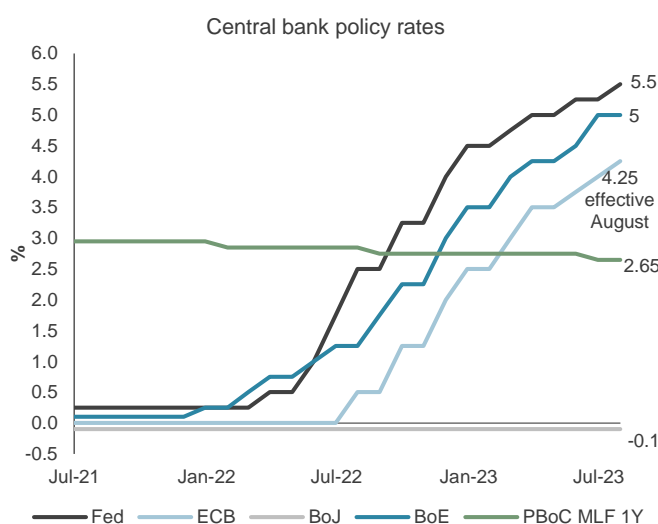
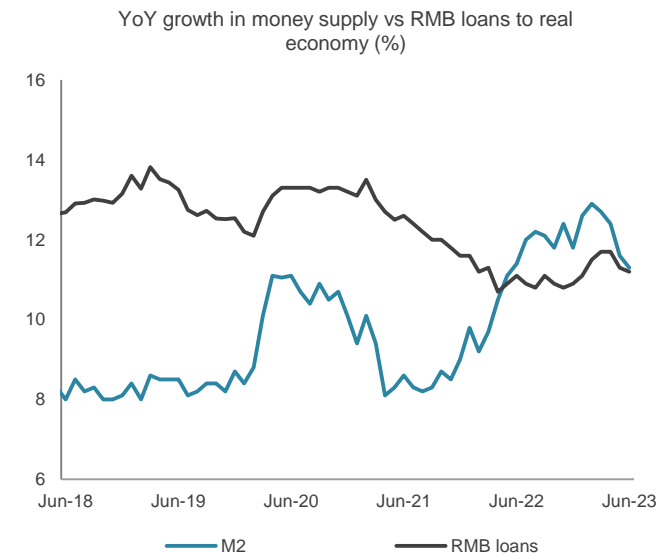


Chart 4: China's M2 growth of 11.3% reduces deflation risks, though (narrower) M1 growth is much weaker at 3.1% y/y. Credit growth remains healthy, with RMB loans up 11.2% y/y.



Source: FTSE Russell and Refinitiv, China unemployment rate data from National Bureau of Statistics of China. All data as of July 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: Medium and long-dated Chinese govt yields are near Covid lows, with steepest falls in the longer-end. Unchanged PBoC policy may suggest a shift towards fiscal policy to boost growth.

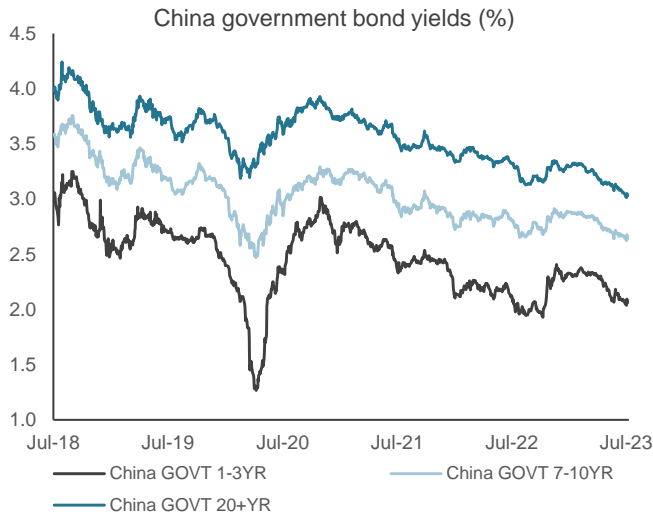


Chart 2: The Chinese 10s/2s curve has been much less volatile in recent years (except a Covid steepening) than the US curve, which flattened sharply before staying inverted for more than a year.

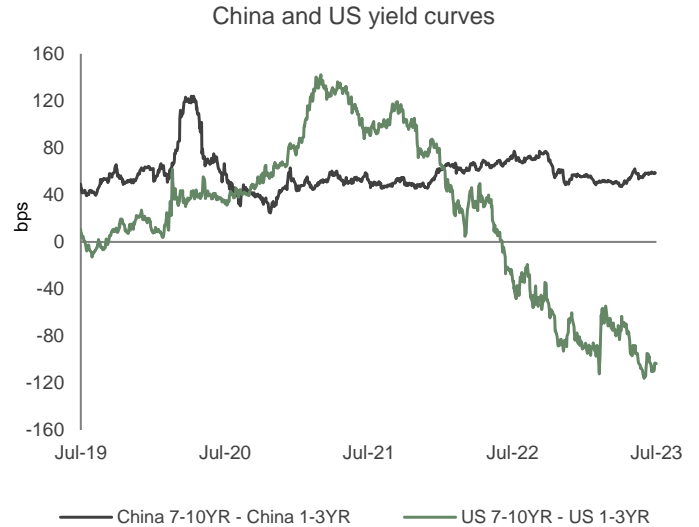


Chart 3: Regional spreads tightened in late July as the Politburo meeting unveiled a basket of plans to boost growth. Total and net issuance is expected to recover after a delay in July.

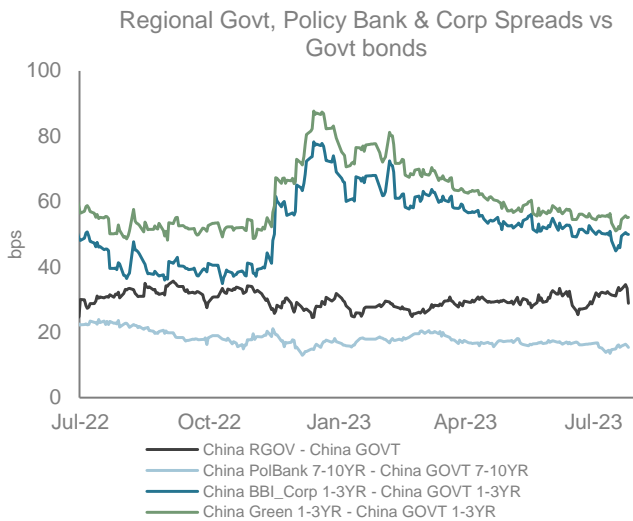


Chart 4: Chinese green yields are moving closer towards overall corporates in the recent year. Offshore 1-3yr govt yields are higher vs onshore, with a wider gap compared with two years ago.

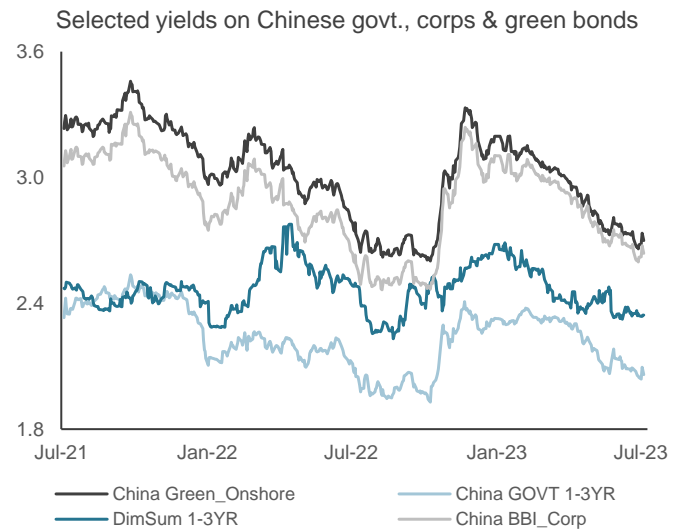


Chart 5: Foreign investors bought a net RMB 22 billion of Chinese govt bonds in June, marking the largest inflows in six months, on expectations of more rate cuts by the PBoC and a Fed policy pivot.

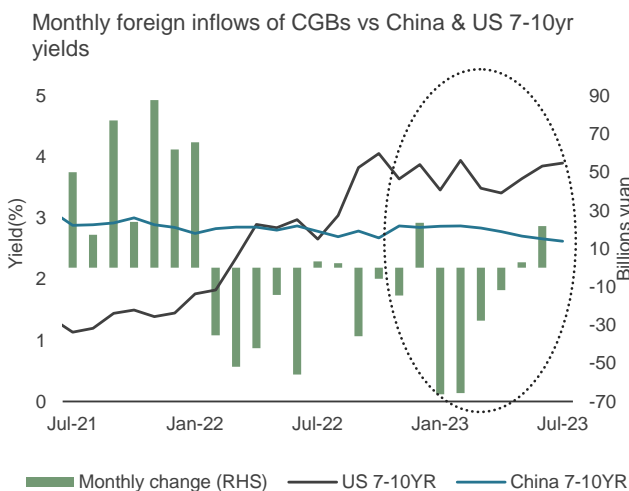
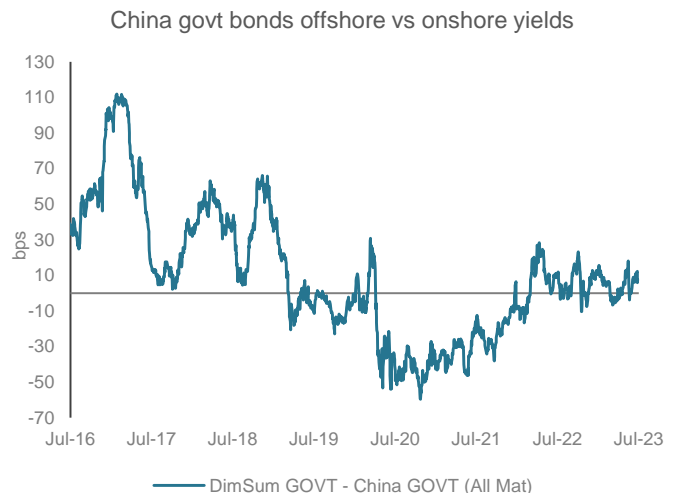


Chart 6: Offshore RMB government bonds have been offering higher yields than onshore peers in the recent year, unlike during 2020-22, despite their shorter average lives (3+yr vs 7+yr).



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China and Asian Bonds in Global Context

Chart 1: Asian 1-3 year yields have been surpassed by surging US Treasury yields in the past 18 months, including both DMs such as Korea and Singapore, and EMs, i.e., China, Malaysia & Thailand.

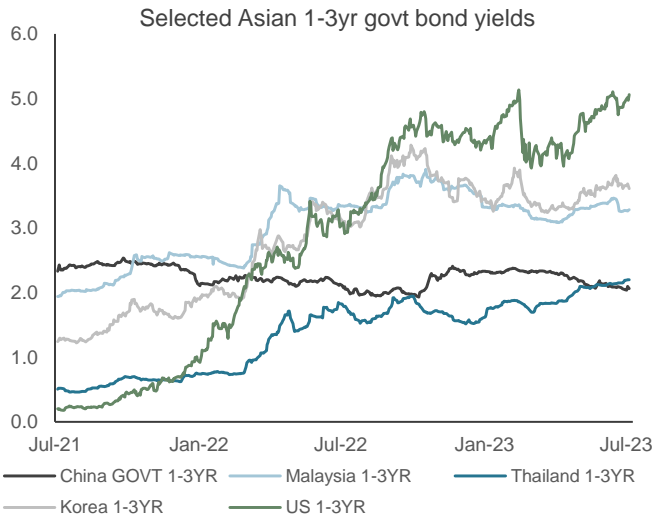


Chart 2: The Korean and Indian 10s/2s yield curves are almost flat, while US Treasuries remained deeply inverted. The Chinese 10s/2s curve remains an outlier with a stable, and positive gradient.

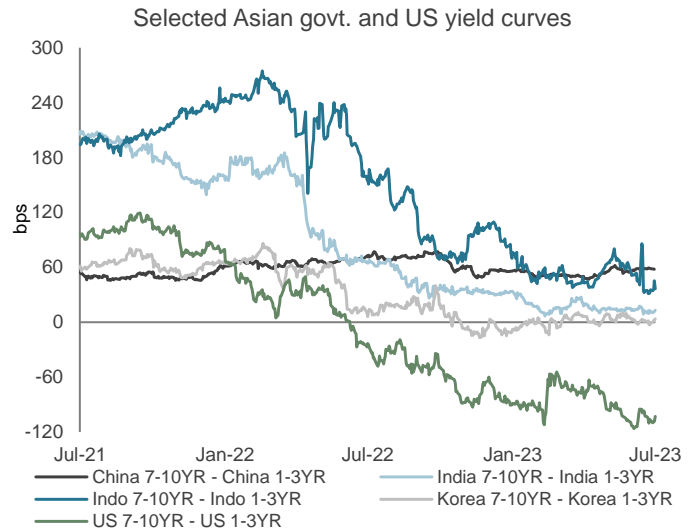


Chart 3: China 7-10 year sovereign spreads vs G7 swung towards October lows, particularly vs the UK. Spreads vs Japan also narrowed over the year, by a much smaller degree of 30bps.

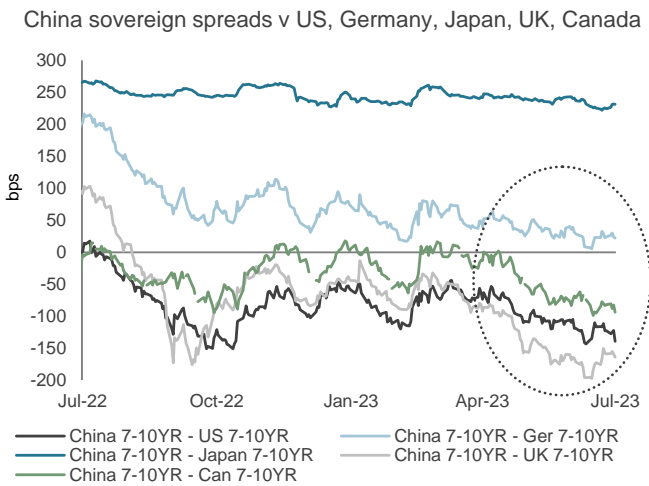


Chart 4: Asian spreads versus the US stabilised, until US Treasury yields rose on the BoJ decision to flex YCC. Korean spreads remained negative, but much less so than Chinese spreads.

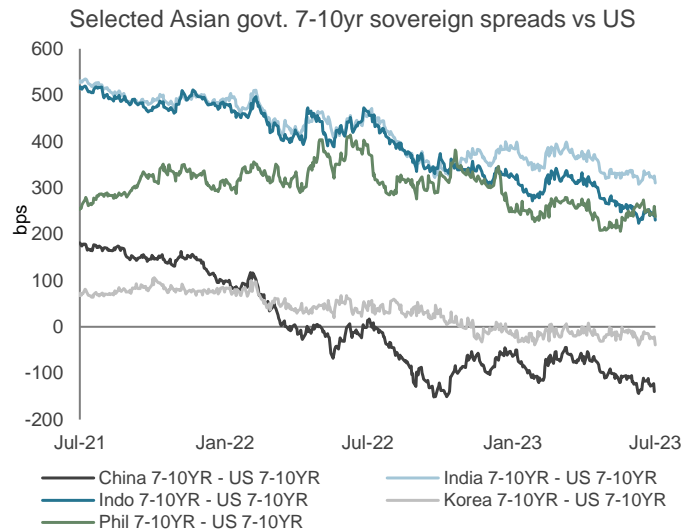
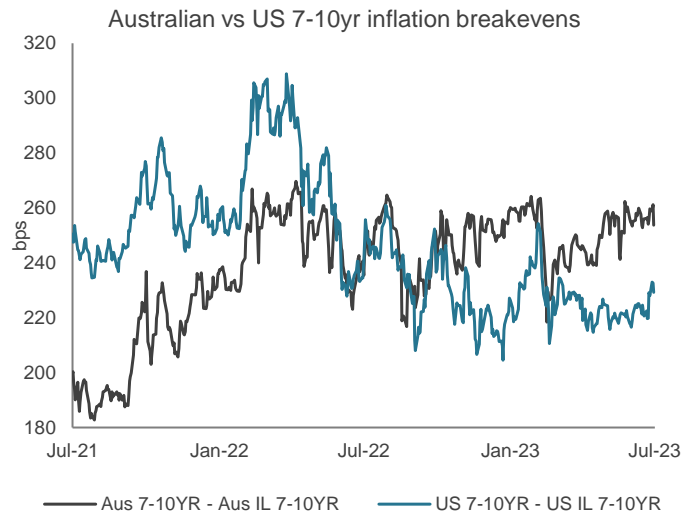


Chart 5: Chinese \$ HY spreads widened above 8000 bps in July, as investors digested Evergrande's delayed financial results and its debt restructuring. US HY spreads narrowed.



Chart 6: Australian breakevens stayed around 2.5%, as Australian inflation eased modestly to 6%. US breakevens have fallen by about 100bp since the Ukraine shock in 2022, as inflation fell.



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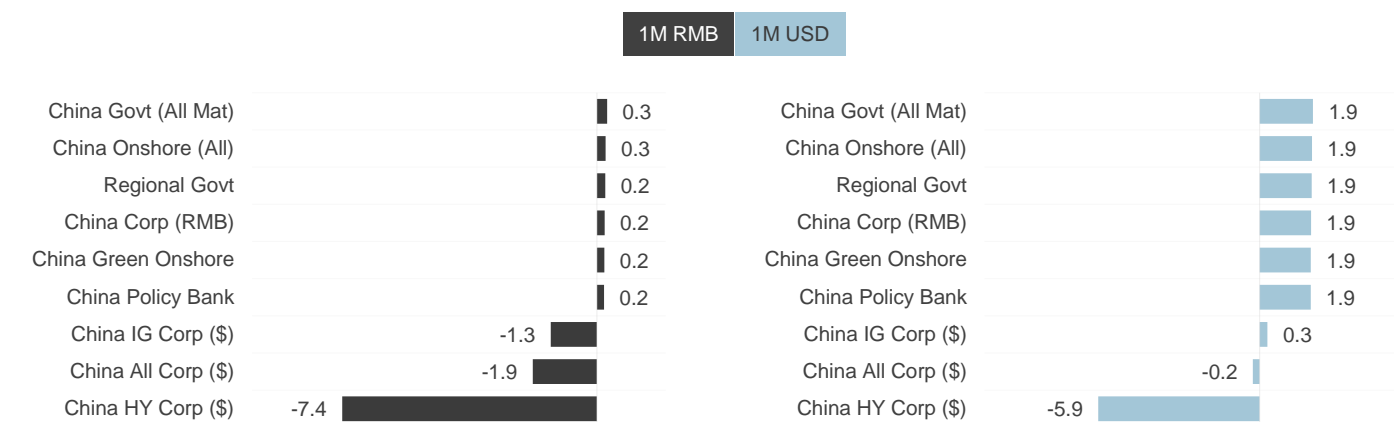
China Bond Market Returns – 1M & YTD in RMB & USD (TR) as of July 31, 2023

Onshore bonds gained modestly in July in RMB terms, led by sovereigns, but a stronger yuan drove returns higher in US dollar terms to 1.9%. Offshore RMB bonds underperformed onshore YTD, except corporates. Chinese dollar HY credit fell further in July on default concerns, following a recovery in June.

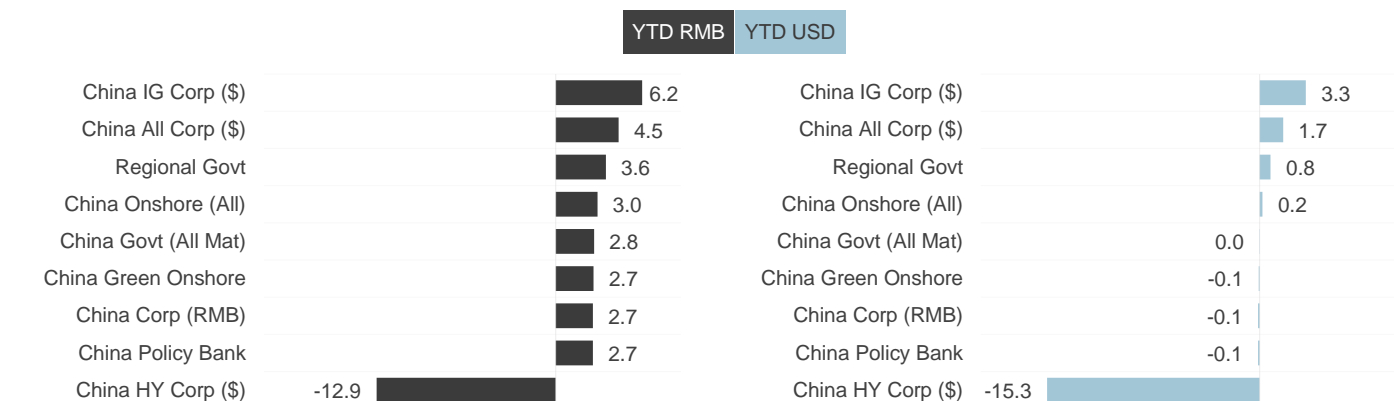
Chinese onshore bonds edged higher in RMB terms in July, while US dollar returns of 1.9% were boosted by a stronger yuan. Onshore bonds traded in narrow ranges as investors considered new policy measures and guidelines in the July Politburo meeting. Focus on reducing risk for regional government debt was highlighted, helping regional debt advance a little YTD.

DimSum bonds slightly outperformed onshore peers with returns of 0.4-2.1% over the month. Corporates outperformed government bonds in the offshore RMB market YTD, in contrast to the onshore market.

Chinese \$ IG held up well in July, adding to YTD gains of 3.3%. Chinese HY corporates lost 5.9%, led by property bonds of Country Garden and Sino-Ocean Land Treasure. Further re-pricing and re-structurings of property debt may be required to clear excess supply, and the property sector remains a drag on GDP growth, given very weak investment.



OFFSHORE BONDS



OFFSHORE BONDS



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

Malaysian, Korean and Thai government bonds outperformed in July, helped by strong currencies. Australasian bonds and currencies were also higher. A weaker dollar in July drove bond returns in USD broadly higher, with APAC gov bonds outperforming global peers. A stronger yen against the dollar reduced Japanese gov bonds losses in USD terms.

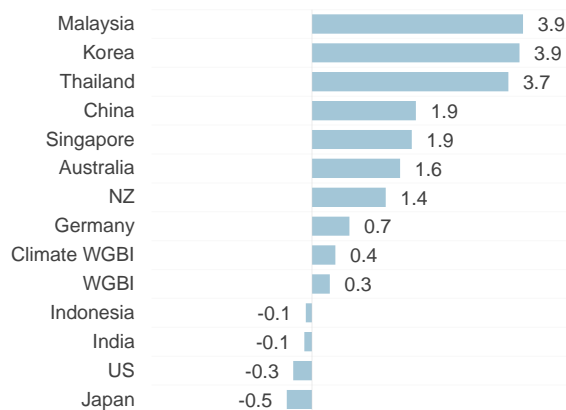
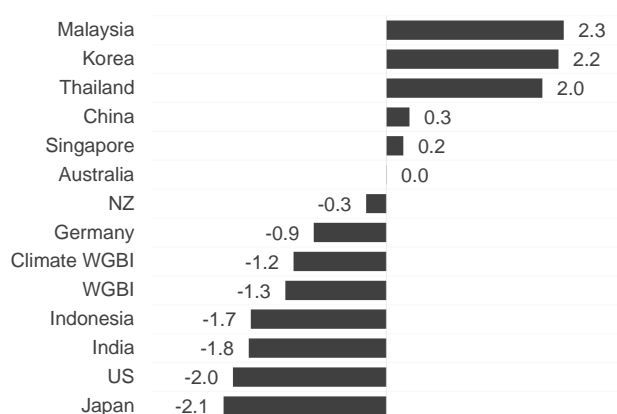
Malaysian, Korean and Thai bonds led gains in both RMB and US dollar terms in July, up by 2-4%. Korean bonds benefited from a stable monetary policy, which stopped rate hikes since January, and the inflation easing through June.

Australian bond returns of 1.6% were driven by the stronger Australian dollar, while the RBA paused rate hikes, allowing time to reflect on the economy and outlook. The Australian dollar rose against the US dollar but depreciated against the RMB in July.

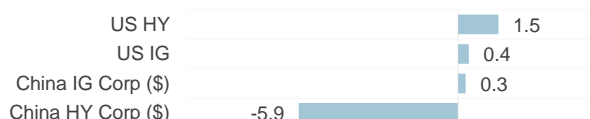
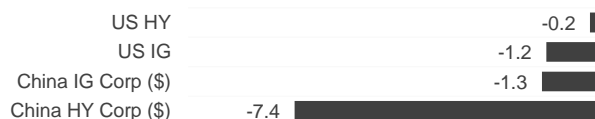
Chinese HY corporates fell by another 5.9% in July, underperforming US HY returns of 1.5% during the risk rallies. US and Chinese investment grade corporates, more sensitive to interest rate changes than high yield credits, were muted in July. US HY (up by 7.1%) has led corporate performance since January.

1M RMB 1M USD

CONVENTIONAL GOVT BONDS

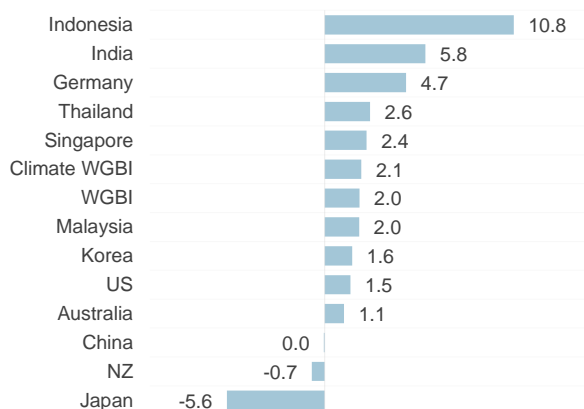
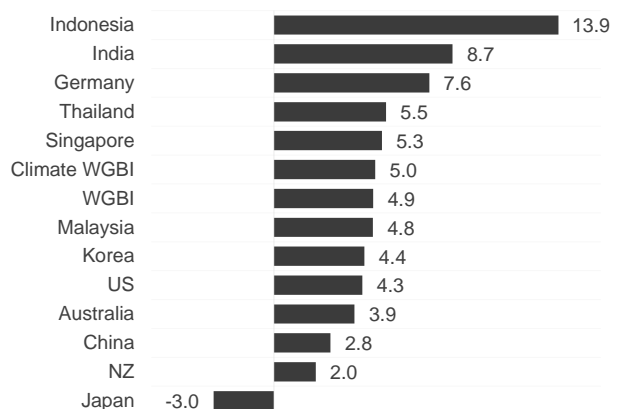


CORPORATE BONDS

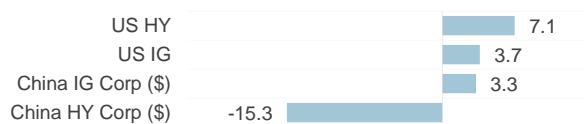
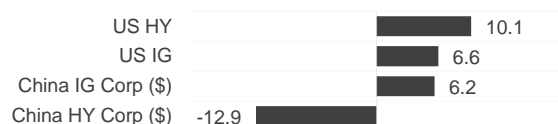


YTD RMB YTD USD

CONVENTIONAL GOVT BONDS



CORPORATE BONDS



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Appendix – Global Bond Market Returns % (RMB vs USD, TR), July 31, 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	0.35	-1.27	-0.47	2.66	0.64	6.45	0.16	6.25
	7-10YR	-0.62	-2.22	-3.29	-0.24	-2.10	3.55	-6.52	-0.84
	20+YR	-2.44	-4.02	-5.15	-2.16	-5.06	0.41	-12.19	-6.85
	IG All	0.39	-1.23	-0.75	2.38	-0.43	5.32	-1.18	4.83
	HY All	1.48	-0.15	2.33	5.56	3.12	9.07	4.22	10.55
China	1-3YR	1.88	0.24	-2.08	1.01	-3.86	1.68	-3.33	2.55
	7-10YR	1.84	0.19	-1.54	1.56	-2.65	2.97	-2.16	3.79
	20+YR	2.66	1.00	0.01	3.17	0.62	6.43	1.78	7.97
	All	1.94	0.30	-1.61	1.50	-2.89	2.72	-2.26	3.68
China Policy Bank		1.86	0.21	-1.67	1.43	-2.94	2.66	-2.28	3.66
Regional Govt		1.89	0.25	-1.36	1.75	-2.32	3.32	-1.49	4.49
China Corp (LC)		1.87	0.22	-1.92	1.17	-3.23	2.36	-3.03	2.87
China Onshore (All)		1.90	0.26	-1.57	1.53	-2.74	2.87	-2.08	3.87
China Green Onshore		1.86	0.22	-1.92	1.17	-3.17	2.42	-3.04	2.85
China All Corp (\$)		-0.25	-1.86	-1.15	1.97	-1.58	4.10	1.70	7.88
China IG Corp (\$)		0.28	-1.33	-0.20	2.94	0.75	6.57	1.71	7.89
China HY Corp (\$)		-5.87	-7.39	-10.58	-7.76	-24.28	-19.91	3.68	9.98
Offshore Govt (DimSum)		2.05	0.40	-2.03	1.06	-3.32	2.26	-2.58	3.34
Asia-Pac	1-3YR	2.17	0.52	-0.60	2.53	-3.29	2.29	-1.17	4.83
	7-10YR	1.85	0.21	-0.75	2.38	-2.78	2.83	-0.61	5.44
	20+YR	3.11	1.45	-0.05	3.11	-2.57	3.05	-0.55	5.50
	All	2.18	0.53	-0.60	2.53	-2.93	2.67	-0.58	5.46
Australia	1-3YR	1.86	0.21	0.95	4.14	-4.49	1.02	-3.25	2.63
	7-10YR	1.50	-0.14	-2.58	0.49	-6.35	-0.95	-7.28	-1.64
	20+YR	0.82	-0.81	-6.04	-3.07	-9.81	-4.61	-15.51	-10.37
	All	1.64	0.00	-1.69	1.42	-5.96	-0.53	-6.67	-1.00
India	1-3YR	0.18	-1.44	0.95	4.13	3.18	9.13	2.59	8.83
	7-10YR	-0.17	-1.78	0.83	4.01	4.24	10.26	4.09	10.42
	20+YR	-0.32	-1.93	0.05	3.20	4.50	10.53	7.18	13.69
	All	-0.14	-1.76	0.71	3.88	4.20	10.22	4.64	11.00
Indonesia	1-3YR	-0.50	-2.11	-1.01	2.11	2.48	8.39	3.95	10.27
	7-10YR	-0.26	-1.87	0.27	3.43	4.46	10.48	10.94	17.69
	20+YR	0.84	-0.79	2.67	5.90	7.68	13.89	14.18	21.12
	All	-0.12	-1.73	0.63	3.80	4.71	10.75	10.12	16.81
Japan	1-3YR	1.62	-0.03	-4.24	-1.21	-8.46	-3.18	-6.05	-0.34
	7-10YR	0.26	-1.36	-5.37	-2.38	-7.76	-2.44	-7.98	-2.39
	20+YR	-2.65	-4.22	-8.11	-5.21	-4.46	1.05	-10.77	-5.34
	All	-0.47	-2.08	-6.08	-3.12	-6.55	-1.16	-8.50	-2.93
Korea	1-3YR	3.77	2.09	5.26	8.58	-2.23	3.41	4.43	10.78
	7-10YR	3.52	1.85	3.20	6.46	-4.46	1.05	0.82	6.95
	20+YR	4.39	2.71	0.67	3.84	-7.68	-2.36	-5.52	0.23
	All	3.87	2.20	2.98	6.23	-4.77	0.72	0.03	6.12
Malaysia	1-3YR	3.88	2.21	-0.63	2.50	-3.81	1.74	2.44	8.67
	7-10YR	3.83	2.15	-0.57	2.56	-3.77	1.78	3.77	10.08
	20+YR	3.88	2.20	-0.20	2.95	-2.05	3.60	8.71	15.32
	All	3.94	2.26	-0.54	2.60	-3.31	2.27	4.46	10.81
New Zealand	1-3YR	1.73	0.08	0.47	3.64	-3.14	2.45	-0.74	5.30
	7-10YR	1.29	-0.35	-2.75	0.32	-5.90	-0.47	-6.66	-0.99
	20+YR	0.26	-1.36	-8.88	-6.00	-9.18	-3.94	-15.16	-10.01
	All	1.38	-0.26	-2.15	0.93	-5.06	0.41	-5.19	0.57
Singapore	1-3YR	2.41	0.76	0.70	3.88	0.01	5.77	5.61	12.03
	7-10YR	2.63	0.97	-0.42	2.72	0.26	6.05	4.51	10.86
	20+YR	-0.67	-2.28	-2.96	0.10	2.11	8.00	12.39	19.22
	All	1.86	0.22	-0.72	2.41	0.60	6.40	6.37	12.83
Thailand	1-3YR	3.62	1.94	-0.28	2.87	-3.36	2.22	8.90	15.52
	7-10YR	3.32	1.65	0.00	3.15	-3.05	2.54	10.52	17.24
	20+YR	4.96	3.27	-0.75	2.38	-1.29	4.41	21.29	28.67
	All	3.67	1.99	-0.30	2.84	-3.08	2.51	11.06	17.81

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Appendix – Global Bond Market Yields %, July 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	5.01	4.33	3.97	4.11	2.44	1.72	1.80	5.50	8.36
	3M Ago	4.24	3.62	3.41	3.75	1.68	1.23	1.58	5.15	8.50
	6M Ago	4.35	3.74	3.46	3.71	1.85	1.32	1.54	5.01	8.23
	12M Ago	2.93	2.78	2.66	3.19	-0.23	0.06	0.87	4.39	7.63
UK	Current	5.04	4.69	4.25	4.39	1.86	0.65	1.00		
	3M Ago	4.05	3.77	3.64	4.02	0.39	0.14	0.63		
	6M Ago	3.42	3.26	3.33	3.70	0.31	0.00	0.30		
	12M Ago	1.78	1.76	1.83	2.25	-3.27	-2.17	-1.01		
Japan	Current	-0.04	0.08	0.50	1.40	-1.70	-0.74			
	3M Ago	-0.07	0.02	0.30	1.20	-1.31	-0.63			
	6M Ago	-0.02	0.11	0.52	1.55	-1.33	-0.34			
	12M Ago	-0.11	-0.05	0.12	1.02	-1.06	-0.73			
China	Current	2.08	2.34	2.66	3.04					
	3M Ago	2.28	2.51	2.78	3.17					
	6M Ago	2.30	2.57	2.87	3.31					
	12M Ago	2.05	2.30	2.68	3.22					
EM	Current	3.58	4.17	4.80	4.41	3.05	4.07	4.88	5.93	
	3M Ago	3.74	4.37	4.66	4.46	3.84	4.04	5.15	5.61	
	6M Ago	3.59	4.30	4.76	4.57	3.11	3.37	5.25	5.52	
	12M Ago	3.45	4.13	4.71	4.63	2.31	3.43	5.12	4.99	
Germany	Current	3.09	2.60	2.41	2.53	0.60	0.07	0.01		
	3M Ago	2.72	2.35	2.25	2.37	0.16	-0.06	-0.11		
	6M Ago	2.59	2.31	2.21	2.22	0.38	0.13	-0.09		
	12M Ago	0.20	1.03	1.25	1.52	-2.09	-1.34	-0.84		
Italy	Current	3.60	3.55	3.86	4.35	1.30	1.64	1.69		
	3M Ago	3.36	3.49	3.97	4.45	0.80	1.65	1.83		
	6M Ago	3.17	3.42	3.92	4.29	1.18	1.87	1.85		
	12M Ago	1.37	2.85	3.62	4.03	-1.72	1.17	1.80		
France	Current	3.15	2.90	2.90	3.35	0.58	0.37	0.60		
	3M Ago	2.84	2.66	2.73	3.23	-0.06	0.17	0.58		
	6M Ago	2.71	2.58	2.64	3.01	0.24	0.30	0.52		
	12M Ago	0.40	1.46	1.87	2.52	-1.44	-0.53	0.15		
Sweden	Current	3.33	2.83	2.57		0.96	0.74			
	3M Ago	2.89	2.59	2.31		0.71	0.73			
	6M Ago	2.50	2.27	2.05		-0.17	0.14			
	12M Ago	1.71	2.27	2.01		-1.11	-0.83			
Australia	Current	4.02	3.86	4.03	4.40	1.03	1.47	1.79		
	3M Ago	3.13	3.05	3.30	3.88	0.09	0.84	1.50		
	6M Ago	3.17	3.24	3.51	3.96	0.23	0.92	1.37		
	12M Ago	2.56	3.45	3.65	3.98	0.76	1.31	1.88		
NZ	Current	5.21	4.80	4.70	4.87	1.94	2.39			
	3M Ago	4.89	4.15	4.08	4.23	0.95	1.61			
	6M Ago	4.67	4.18	4.11	4.41	1.28	1.79			
	12M Ago	3.28	4.14	4.15	4.45	1.07	2.10			
Canada	Current	4.55		3.58	3.34			1.78	5.49	
	3M Ago	3.55		2.83	2.94			1.26	4.84	
	6M Ago	3.68		2.91	3.00			1.20	4.83	
	12M Ago	2.87		2.60	2.77			0.80	4.44	

Source: FTSE Russell. All data as of July 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.

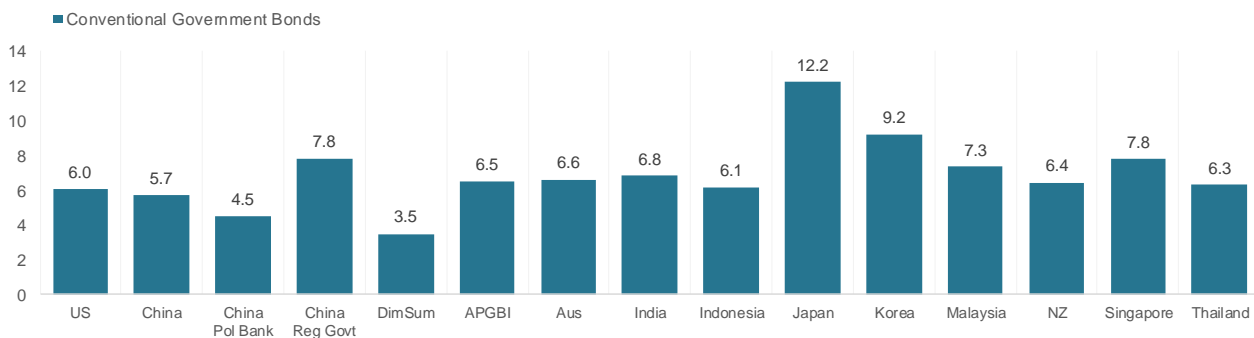
Appendix – Duration and Market Value (USD, Bn), July 31, 2023

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.7	7.4	17.2	6.0	2,305.7	1,077.6	1,277.3	10,376.1
China	3.7	7.5	17.6	5.7	474.9	329.7	252.5	2,121.6
China Pol Bank				4.5				2,763.3
China Reg Govt				7.8				2,032.8
DimSum	3.5			3.5	1.9			6.2
APGBI	3.7	7.3	17.9	6.5	748.9	671.5	490.4	3,813.3
Aus	3.6	7.7	17.5	6.6	51.7	88.9	15.2	326.4
India	3.2	6.1	11.7	6.8	146.8	193.4	238.8	1,050.2
Indonesia	3.3	6.1	11.5	6.1	34.8	71.2	11.3	230.0
Japan	4.0	8.1	23.9	12.2	353.4	357.0	677.2	3,085.2
Korea	3.7	7.2	18.8	9.2	89.1	88.4	172.1	626.1
Malaysia	3.6	7.2	15.0	7.3	26.1	14.2	15.5	116.5
NZ	3.9	7.6	17.0	6.4	9.7	10.9	2.4	46.4
Singapore	3.6	7.0	20.0	7.8	19.2	14.5	14.6	97.3
Thailand	3.8	7.6	17.2	6.3	29.7	28.5	6.7	143.2

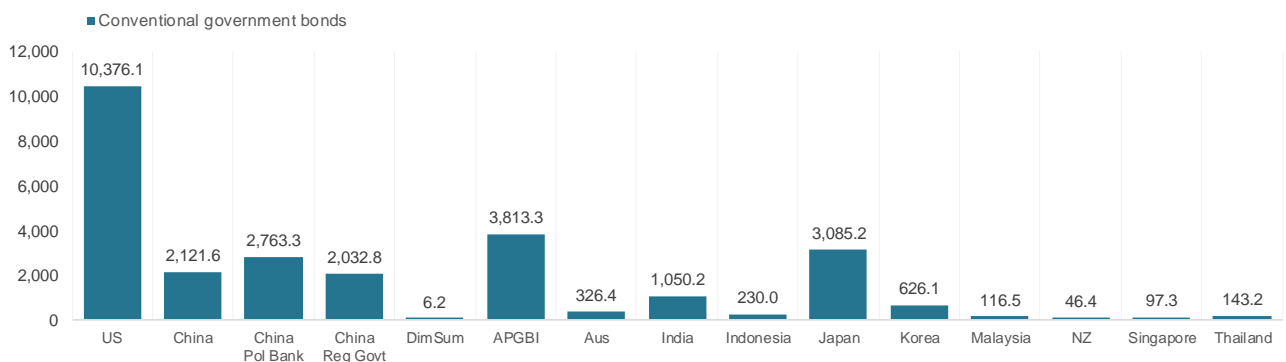
Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	7.1	4.0		6,442.3	1,036.7	
China Corp (LC)			2.3			553.6
China Green Onshore			2.4			154.8
China Corp (\$)	4.0	2.3	7.8	248.0	21.8	269.9
DimSum	2.2		2.2	9.6		10.4
EM	5.1	3.3	4.7	592.7	190.1	782.8
EUxUK	4.5	3.1		2,859.9	426.3	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	2.2	2.5	2.5	1.5	5.8	0.8

Average Duration



Total Market Value (USD Billions)

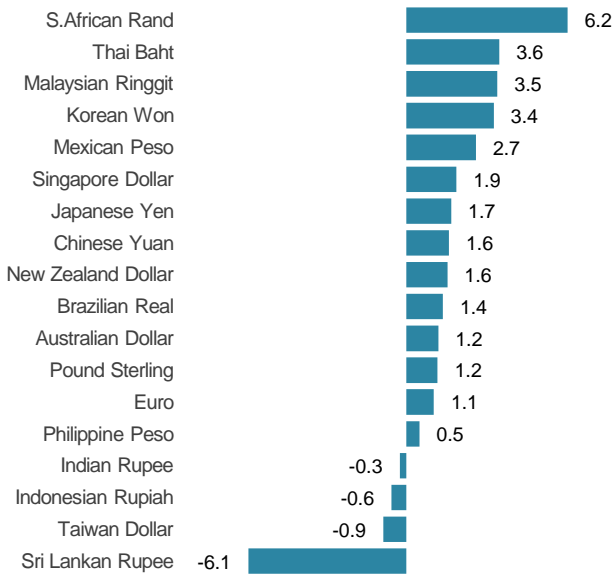


Data as of 2023-07-31

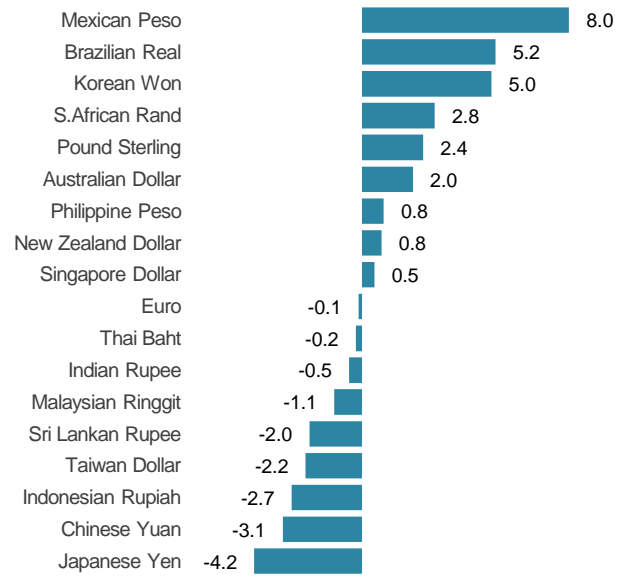
Source: FTSE Russell. All data as of July 31, 2023. Past performance is no guarantee of future results. Please see the end for important legal disclosures. Bond market data is derived from FTSE Fixed Income Indices. See Appendix Glossary for list of Indices used for each market. For professional investors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

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

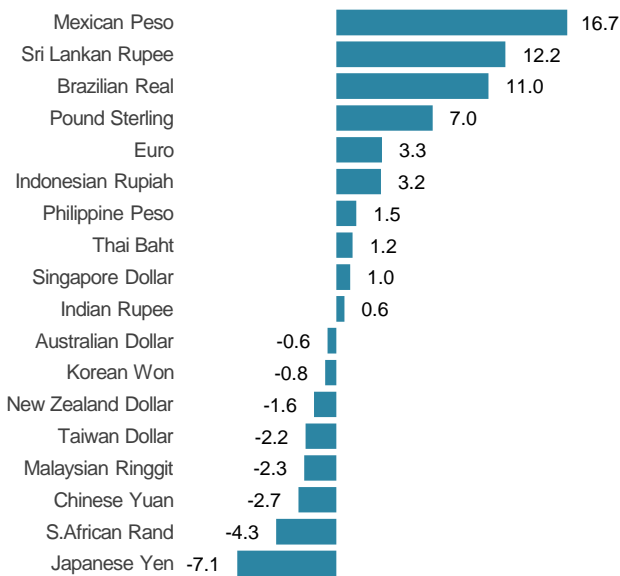
FX Moves vs USD - 1M



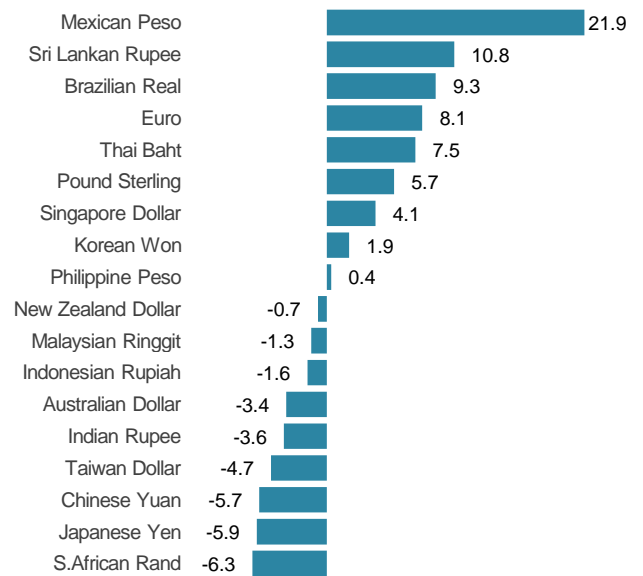
FX Moves vs USD - 3M



FX Moves vs USD - YTD



FX Moves vs USD - 12M



Source: FTSE Russell and Refinitiv. All data as of July 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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