

# iBoxx SGD Monthly Commentary

## Contributor

**Jessica Tan**  
Senior Analyst  
Global Research & Design  
Fixed Income Indices  
[jessica.tan@spglobal.com](mailto:jessica.tan@spglobal.com)

## December 2022 Performance

Faced with record-high inflation, the Russia-Ukraine conflict, supply chain disruptions and interest rate hikes, 2022 was a turbulent year for the global financial markets. With China relaxing COVID-19 restrictions and the Bank of Japan adjusting its longstanding yield curve control measures, 2022 continued to deliver surprises even in the last month of the year.

Singapore's GDP growth halved from 7.6% in 2021 to 3.8% in 2022, which exceeded the government forecast of 3.5%.<sup>1</sup> GDP growth weakened in the fourth quarter of the year, as the reported estimates came in at 2.2%, almost one-half the 4.2% growth for Q3. The Monetary Authority of Singapore (MAS) Core Inflation level remained unchanged in November, at 5.1%, due to the easing in services and utilities inflation, which was offset by larger increases in the cost of food, as well as retail and other goods.<sup>2</sup>

With inflation remaining at elevated levels and signs pointing to an economic slowdown, markets cooled off in December after a relief rally in November. The Dow Jones Singapore Index<sup>3</sup> ended the year with a 2.45% loss for the month and a 14.95% loss for 2022.

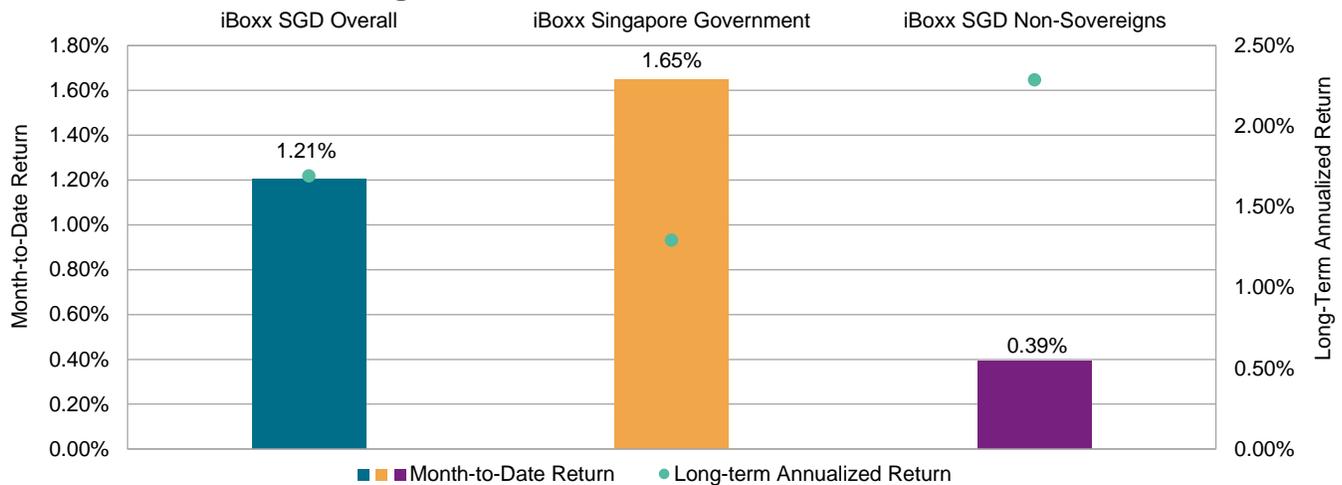
The iBoxx SGD Overall gained 1.21% this month, supported by a 1.65% gain from Singapore Government Securities (SGS) and a modest 0.39% gain from the non-sovereigns. Year-to-date, the index returned -5.92%.

<sup>1</sup> Singapore's Ministry of Trade and Industry, "[Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022](#)," Jan. 3, 2023.

<sup>2</sup> Monetary Authority of Singapore, "[Consumer Price Developments in November 2022](#)," Dec. 23, 2022.

<sup>3</sup> The Dow Jones Singapore Index aims to provide 95% market capitalization coverage of Singapore stocks using a float-adjusted market capitalization weighting method.

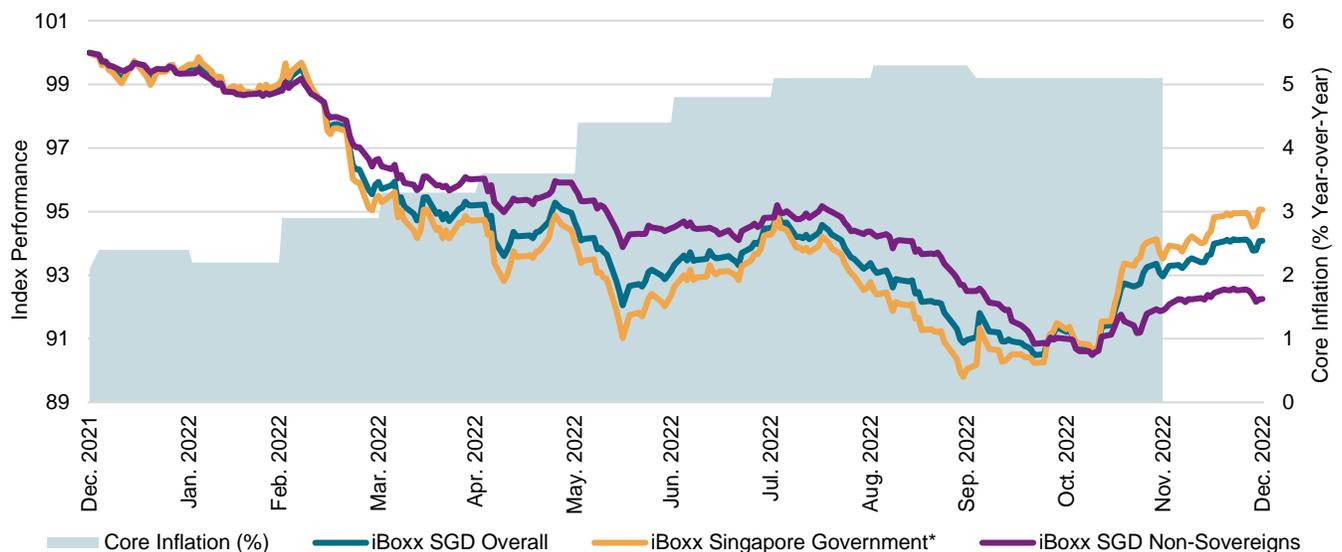
### Exhibit 1: Recent and Long-Term Index Performance



Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance based on total return in SGD. Long-term annualized return is based on index performance from June 30, 2012, to Dec. 31, 2022. The iBoxx SGD Indices were launched June 25, 2013. All data prior to index launch date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

In the first two months of 2022, the SGS and non-sovereign segments moved in tandem. Performance in the SGS segment began to lag the non-sovereign segment in March amid rising inflation and interest rate hikes. After the year-over-year core inflation reached a 14-year high of 5.3% in September (and stabilized in Q4 2022), the SGS segment overtook the non-sovereigns and finished the year at -4.93%, while the non-sovereigns ended at -7.75%.

### Exhibit 2: Total Index Level Returns and MAS Core Inflation in 2022



Source: IHS Markit, part of S&P Global, and MAS. Data as of Dec. 31, 2022. MAS Core Inflation (% Year-over-year) measure is sourced from [Consumer Price Developments](#). Index performance based on total return in SGD. \*All three index levels were rebased to 100 on Dec. 31, 2021. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Except for the AA and A 10+ year segments, all other rating subindices picked up this month, with the best relative performance coming from the AAA segment. Muted gains were generally seen across the 1-10 year maturity buckets, while the long-end maturity buckets logged the largest gains and losses. The worst relative performance, at -7.27%, came from the 10+ year AA rated bonds, which brought that segment's YTD losses to 25.08%, making it the worst-performing segment of 2022.

### Exhibit 3: iBoxx SGD Rating and Maturity Month-to-Date Performance

Index/Rating	Overall (%)	1-3 Years (%)	3-5 Years (%)	5-7 Years (%)	7-10 Years (%)	10+ Years (%)
<b>iBoxx SGD Investment Grade</b>	1.24	0.49	0.80	0.40	0.22	3.20
iBoxx SGD AAA	1.43	0.42	0.77	0.35	0.21	3.71
iBoxx SGD AA	-1.62	0.51	0.00	0.27	0.89	-7.27
iBoxx SGD A	-0.24	0.40	0.24	0.17	0.07	-1.33
iBoxx SGD BBB	0.95	0.96	1.05	0.90	0.42	3.14
<b>iBoxx SGD High Yield</b>	0.47	-	-	-	-	-

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Four out of the top five performers were long-dated bonds issued by the Singapore Government (SIGB), while the remaining top five performer was a long-dated AAA rated bond issued by Temasek Financial I Ltd.

The worst bond performance of the month came from a subordinated fixed-to-float perpetual bond issued by CPI Property Group SA, at -33.21%. It was also the worst performer of the year, dropping 38.26% in 2022. The second-worst performance in December, at -9.68%, was posted by the long-dated bond issued by the statutory board Public Utilities Board (PUBLSP), which was the top performer from last month. Four out of the bottom five performers were all bonds issued by Real Estate companies.

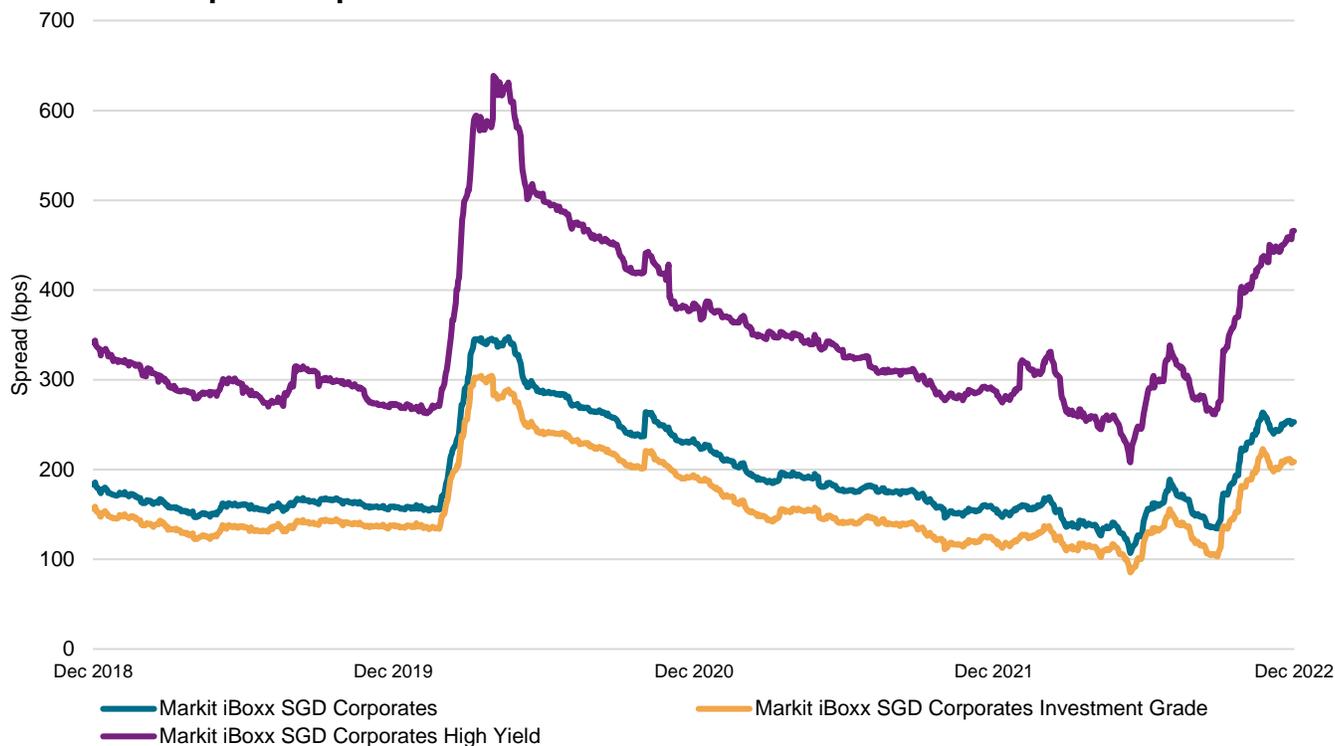
### Exhibit 4: Best and Worst Bond Performers in the Index

Best Performers	Yield	Return (%)	Worst Performers	Yield	Return (%)
SIGB 1.875% 2050-03-01	2.46	8.36	CPIPGR 5.8% Perp	36.32	-33.21
SIGB 1.875% 2051-10-01	2.46	7.86	PUBLSP 3.433% 2052-08-30	4.19	-9.68
SIGB 2.75% 2046-03-01	2.50	7.39	SLHSP 3.5% 2030-01-29	5.75	-5.04
SIGB 2.75% 2042-04-01	2.62	4.84	OUECT 3.95% 2026-06-02	5.55	-4.47
TEMASE 2.8% 2071-08-17	4.21	4.27	SUNSP 3.8% Perp	8.30	-4.07

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

In December 2022, the semiannual index benchmark spread for SGD Corporates and SGD Corporates Investment Grade stabilized and remained unchanged from November levels, while the SGD Corporates High Yield segment widened by 35 bps to 466 bps. In Q4 2022, investment grade and high yield segment spreads rose from 108 bps to 209 bps and from 275 bps to 466 bps, respectively.

**Exhibit 5: Corporate Spreads**



Source: IHS Markit, part of S&P Global. Data from Dec. 21, 2018, to Dec. 31, 2022. Spread refers to semiannual spread to benchmark curve in basis points. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**Exhibit 6: Key Index Analytics**

<b>iBoxx SGD Overall</b>							
<b>Category</b>	<b>December-2022</b>	<b>November-2022</b>	<b>December-2021</b>	<b>December-2019</b>	<b>Δ Month-to-Date</b>	<b>Δ YTD</b>	<b>Δ 3-Year</b>
Index Level	119.27	117.85	126.77	121.98	1.21%	-5.92%	-2.23%
Market Value (SGD Billions)	215	214	221	189	0.95	-5.97	25.86
Yield (%)	3.28	3.43	2.04	2.08	-0.15	1.24	1.19
Duration (Years)	6.89	6.80	7.18	6.44	0.09	-0.30	0.44
Nominal (SGD Billions)	223	225	210	178	-1.21	13.05	45.18
Number of Bonds	254	257	251	241	-	-	-
<b>iBoxx SGD Government</b>							
<b>Category</b>	<b>December-2022</b>	<b>November-2022</b>	<b>December-2021</b>	<b>December-2019</b>	<b>Δ Month-to-Date</b>	<b>Δ YTD</b>	<b>Δ 3-Year</b>
Index Level	148.47	146.06	156.18	152.16	1.65%	-4.93%	-2.42%
Market Value (SGD Billions)	140	138	142	119	2.08	-2.48	21.26
Yield (%)	2.78	2.97	1.81	1.82	-0.19	0.97	0.96
Duration (Years)	7.79	7.68	7.77	7.14	0.11	0.02	0.65
Nominal (SGD Billions)	142	142	134	110	0.00	8.00	31.90
Number of Bonds	21	21	20	19	-	-	-
<b>iBoxx SGD Non-Sovereigns</b>							
<b>Category</b>	<b>December-2022</b>	<b>November-2022</b>	<b>December-2021</b>	<b>December-2019</b>	<b>Δ Month-to-Date</b>	<b>Δ YTD</b>	<b>Δ 3-Year</b>
Index Level	126.82	126.32	137.47	128.99	0.39%	-7.75%	-1.68%
Market Value (SGD Billions)	75	76	79	71	-1.13	-3.49	4.60
Yield (%)	4.64	4.64	2.55	2.68	-0.01	2.09	1.96
Duration (Years)	5.20	5.22	6.12	5.28	-0.02	-0.92	-0.08
Nominal (SGD Billions)	81	82	76	68	-1.21	5.05	13.28
Number of Bonds	233	236	231	222	-	-	-

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

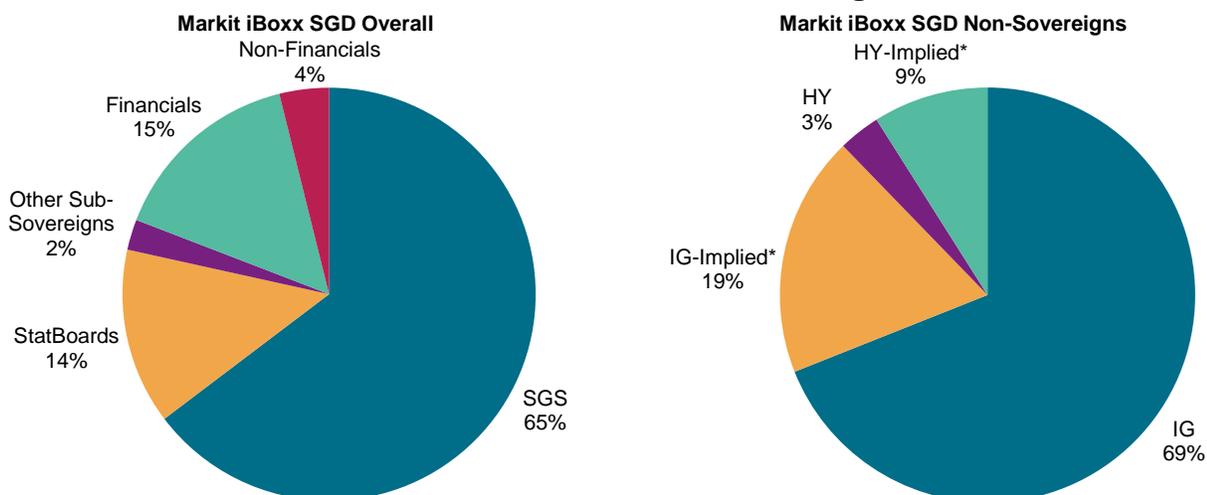
# January 2023 Rebalance

This rebalance, SGD 1.48 billion of new notional was inserted into the iBoxx SGD Overall Index via five bonds.

Concurrently, three bonds left the index, removing close to SGD 400 million of notional. All three of the departing bonds left the index due to their expected remaining lives falling below one year.

Additionally, there were four bond rating changes in the index this month; all based on the iBoxx implied credit quality methodology.

## Exhibit 7: iBoxx SGD Overall and iBoxx SGD Non-Sovereigns Breakdown



Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Implied rated bonds denoted by (\*) are included in the index at 50% of their full market notional amounts. Charts are provided for illustrative purposes.

## Exhibit 8a: iBoxx SGD Overall – Insertions

Issue	iBoxx Rating	Notional (SGD Millions)
EREIT 6.632% Perp	BB*	75
FPLSP 4.38% Perp	BB*	150
GUOLSP 4.6% Perp	BB*	200
PUBLSP 3.663% 2025-11-28	AA*	150
HDBSP 3.995% 2029-12-06	AAA	900

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Implied rated bonds denoted by (\*) are included in the index at 50% of their full market notional amounts. Table is provided for illustrative purposes.

**Exhibit 8b: iBoxx SGD Overall – Deletions**

Issue	iBoxx Rating	Notional (SGD Millions)
KEPSP 3.725% 2023-11-30	BBB*	100
MAPLSP 1.2% 2023-12-14	BBB*	100
CAGA 1.25% 2023-12-08	A	200

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Implied rated bonds denoted by (\*) are included in the index at 50% of their full market notional amounts. Table is provided for illustrative purposes.

**Exhibit 8c: iBoxx SGD Overall – Rating Changes**

Issue	November 2022	December 2022
SMMSP 3.85% 2029-09-10	A*	AA*
SINTEC 4.05% 2025-12-02	BBB*	A*
STHSP 3.95%	BBB*	BB*
STRTR 3.75% 2025-10-29	BB*	BBB*

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Implied rated bonds denoted by (\*) are included in the index at 50% of their full market notional amounts. Table is provided for illustrative purposes.

## Performance Disclosure/Back-Tested Data

The iBoxx SGD Indices were launched June 25, 2013. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Complete index methodology details are available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji). Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

## General Disclaimer

© 2023 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, Select Sector, S&P MAESTRO, S&P PRISM, S&P STRIDE, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, LCDX, MBX, MCDX, PRIMEX, TABX, HHPI, IRXX, I-SYND, SOVX, CRITS, CRITR are registered trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.