

iBoxx SGD Monthly Commentary

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June 2022 Performance

Persistent high inflation and monetary tightening have underscored a challenging global economic path ahead. The prospects of maintaining economic growth and waiting for inflation to subside without further hawkish action from central banks have come into question. Markets have responded with larger movements than have been seen in recent years. Major equity indexes have fallen into bear market territory, down over 20% from recent highs, while bonds have seemingly lost some of their diversification benefit in a stock-bond mix.

In Singapore, the economy is expected to grow by 3.8% in 2022, down from the forecast of 4.0%, according to a recent survey by the Monetary Authority of Singapore.¹ Meanwhile, the Straits Times Index sank 4.0% in June and was down 10% from its 52-week high. Not far behind in negative performance was the iBoxx Singapore Dollar (SGD) Overall Index, which fell 1.63% this month and has dropped 6.87% YTD.

¹ Monetary Authority of Singapore. "[MAS Survey of Professional Forecasters](#)." June 2022.

Exhibit 1: iBoxx SGD Rating and Maturity Month-to-Date Returns

Index/Rating	Overall	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10+ Years
iBoxx SGD Investment Grade	-1.68%	-0.41%	-0.96%	-1.42%	-1.63%	-3.64%
iBoxx SGD AAA	-1.77%	-0.41%	-1.01%	-1.40%	-1.68%	-3.64%
iBoxx SGD AA	-2.18%	-0.22%	-1.65%	-0.90%	-1.88%	-3.36%
iBoxx SGD A	-1.90%	-0.31%	-0.56%	-1.76%	-1.91%	-3.93%
iBoxx SGD BBB	-0.79%	-0.43%	-0.70%	-1.42%	-1.04%	-1.65%
iBoxx SGD High Yield	-0.71%	-	-	-	-	-

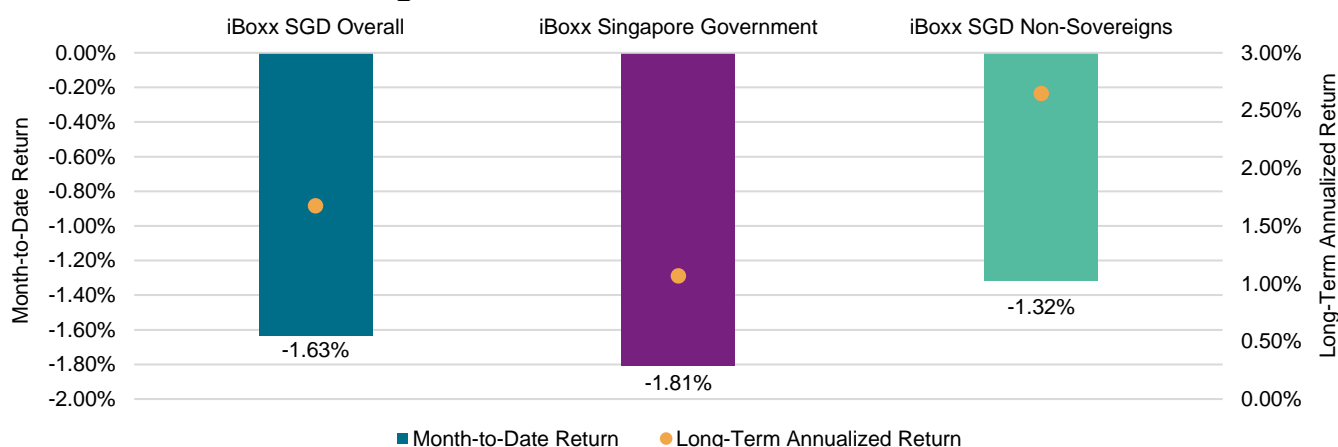
Source: IHS Markit, part of S&P Global. Data as of June 30, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

All rating subindices fell into red, with the worst performance coming from sectors rated A and above. While losses were observed across the maturity buckets, the sharpest declines were seen in the mid-to-long end of the curve.

The sovereign and non-sovereign subindices suffered losses over 1% this month. The top performers were short-dated corporate bonds from Consumer Goods, Financial Services and Real Estate sectors. In contrast, the worst performers were long-dated bonds issued by the Singapore government or one of Singapore's statutory boards.

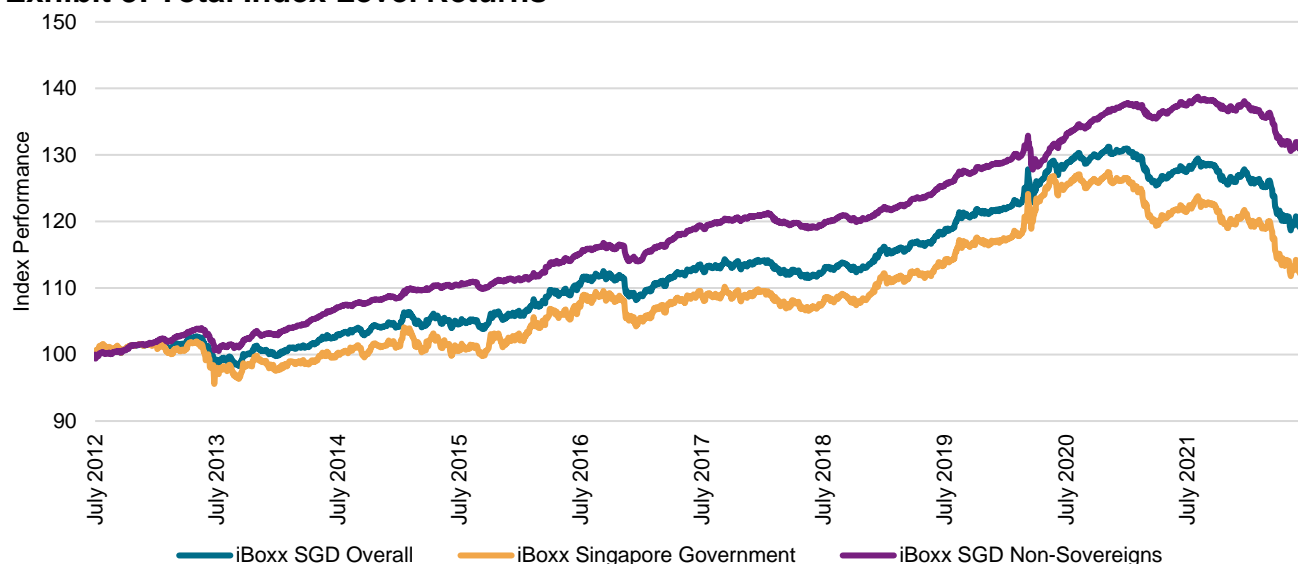
The overall index ended the month with a yield of 3.23% and a duration of 6.57 years.

Exhibit 2: Recent and Long-Term Index Performance



Source: IHS Markit, part of S&P Global. Data as of June 30, 2022. Index performance based on total return in SGD. Long-term annualized return is based on index performance from June 30, 2012, to June 30, 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.

Exhibit 3: Total Index Level Returns



Source: IHS Markit, part of S&P Global. Data as of June 30, 2022. Index performance based on total return in SGD. iBoxx Singapore Government level is rebased to 100 on June 30, 2012, to match the other two indices' levels. 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.

Exhibit 4: Best and Worst Bond Performers in the Index

Top Performers	Yield	Return (%)	Worst Performers	Yield	Return (%)
SUNSP 4.25% Perp	4.92	3.68%	SIGB 1.875% 2051-10-01	2.97	-6.48%
SINTEC 4.1% Perp	4.42	2.61%	SIGB 1.875% 2050-03-01	3.04	-6.10%
HKLSP 3.95% 2038-11-28	4.03	2.52%	LTAZSP 3.38% 2059-01-30	4.04	-5.13%
OLGPSP 5.375% Perp	6.43	1.80%	LTAZSP 3.45% 2058-07-30	4.02	-5.08%
TSHSP 6.9% 2024-10-18	6.77	1.01%	NEASP 2.5% 2051-09-15	3.92	-5.02%

Source: IHS Markit, part of S&P Global. Data as of June 30, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 5: Key Index Analytics

iBoxx SGD Overall							
Category	June 2022	May 2022	Dec. 2021	June 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	118.05	120.02	126.77	118.15	-1.63%	-6.87%	-0.08%
Market Value (SGD Billions)	205.18	206.78	221.08	183.16	-1.60	-15.90	22.02
Yield	3.23	2.94	2.04	2.41	0.28	1.19	0.82
Duration	6.57	6.80	7.18	5.95	-0.23	-0.62	0.62
Nominal (SGD Billions)	212.43	210.63	210.29	176.05	1.80	2.13	36.37
Number of Bonds	245	248	251	243	-	-	-
iBoxx SGD Government							
Category	June 2022	May 2022	Dec. 2021	June 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	144.25	146.91	156.18	147.12	-1.81%	-7.64%	-1.95%
Market Value (SGD Billions)	131.83	131.52	142.31	112.98	0.31	-10.48	18.85
Yield	2.99	2.71	1.81	2.16	0.28	1.18	0.83
Duration	7.18	7.51	7.77	6.63	-0.33	-0.59	0.55
Nominal (SGD Billions)	136.20	133.30	134.30	107.80	2.90	1.90	28.40
Number of Bonds	19	19	20	20	-	-	-
iBoxx SGD Non-Sovereigns							
Category	June 2022	May 2022	Dec. 2021	June 2019	Δ MTD	Δ YTD	Δ 3-Year
Index Level	129.87	131.60	137.47	125.31	-1.32%	-5.53%	3.64%
Market Value (SGD Billions)	73.35	75.26	78.76	70.18	-1.92	-5.41	3.17
Yield	3.79	3.50	2.55	2.95	0.29	1.24	0.84
Duration	5.47	5.56	6.12	4.87	-0.09	-0.66	0.60
Nominal (SGD Billions)	76.23	77.33	75.99	68.25	-1.11	0.23	7.97
Number of Bonds	226	229	231	223	-	-	-

Source: IHS Markit, part of S&P Global. Data as of June 30, 2022. Index performance based on total return in SGD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

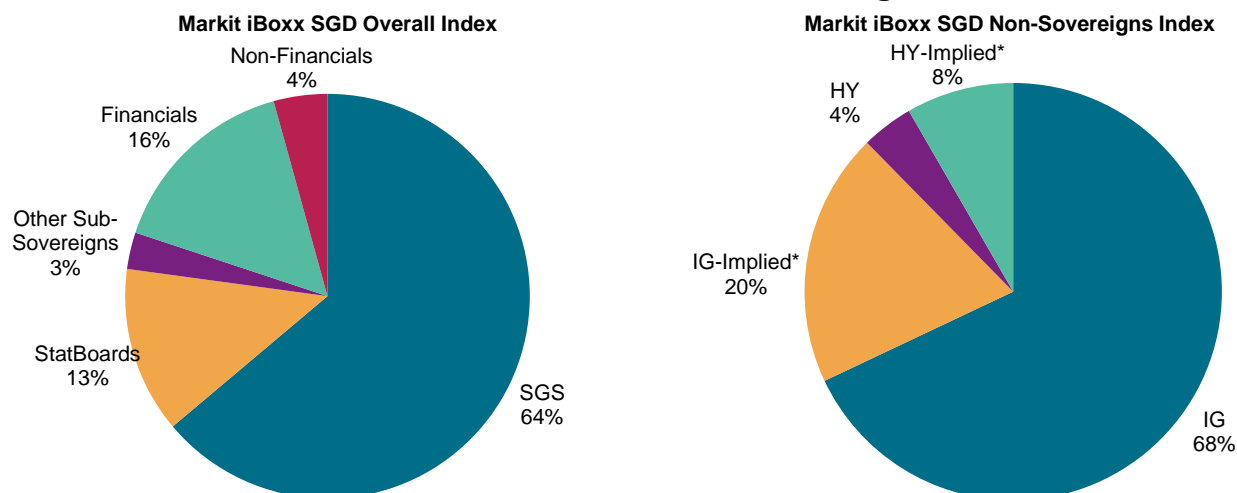
July 2022 Rebalance

This rebalance, SGD 2.96 billion of new notional was inserted into the iBoxx SGD Overall via six bonds.

Concurrently, four bonds left the index, removing about SGD 600 million of notional. All departing bonds left the index due to their expected remaining lives falling below one year.

Additionally, there was no bond rating change in the index this month.

Exhibit 6: iBoxx SGD Overall and iBoxx SGD Non-Sovereigns Breakdown



Source: IHS Markit, part of S&P Global. Data as of June 30, 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 7: Index Changes

iBoxx SGD Overall – Insertions		
Issue	Rating	Notional (MM)
HDBSP 2.627% 2025-06-09	AAA	900
HSBC 5.25% 2032-06-27	BBB	900
OCBCSP 3.9% Perp	BBB	500
CCB 2.85% 2024-06-13	A	350
STANLN 4.5% 2033-06-14	A	235
EREIT 5.5% Perp	BB*	75
iBoxx SGD Overall – Deletions		
Issue	Rating	Notional (MM)
RCSTRU 2.6% 2023-06-05	A	300
CITSP 2.8% 2023-06-27	BBB*	125
LTAZSP 2.9% 2023-06-19	A*	100
SPHSP 4.5% Perp	BB*	75
iBoxx SGD Overall – Rating Changes		
Issue	May 2022	June 2022
-	-	-

Source: IHS Markit, part of S&P Global. Data as of June 30, 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. 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.

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