

Market Summaries

People's Republic of China

Yield Movements

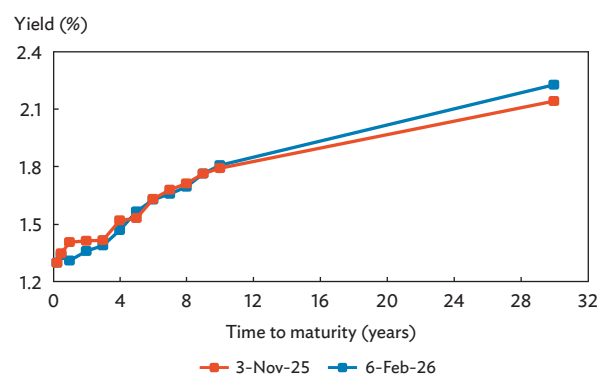
The local currency (LCY) government bond yield curve of the People's Republic of China (PRC) steepened between 3 November and 6 February on falling yields.

Yields fell for most tenors in the PRC over weak inflation data and increased liquidity from the central bank (Figure 1). Yields fell an average of 4 basis points (bps) for the 8-year tenor and below, excluding the 3-month and 5-year tenors. Meanwhile, yields for the 10-year and the 30-year tenors remained elevated during the review period as steep declines in January and February failed to fully offset previous increases. The PRC's yields rose mostly from the end of December through the first week of January over expectations of increasing inflation amid a positive growth outlook, which was also reflected in stock market gains at that time, reversing previous negative sentiment. Consumer price inflation rose strongly to 0.8% year-on-year (y-o-y) in December and 0.7% y-o-y in November from 0.2% y-o-y in October. Yields subsequently declined for the remainder of the review period on several factors. Consumer price inflation fell to 0.2% y-o-y in January. In addition, the PRC's efforts to slow the stock market's appreciation caused the return of some funds to the bond market. Lastly, the People's Bank of China added liquidity to financial markets via reverse repos and medium-term lending.

Local Currency Bond Market Size and Issuance

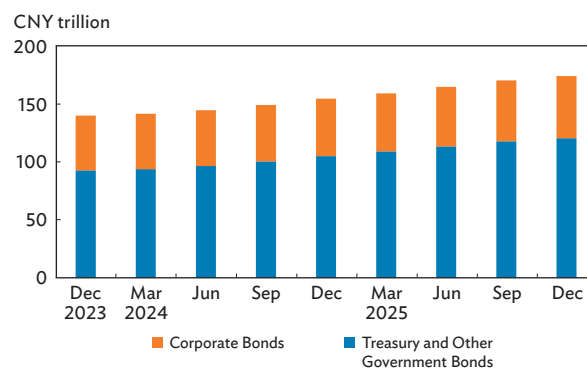
The PRC's bond market expansion decelerated slightly in Q4 2025, with the stock of outstanding bonds reaching CNY174.7 trillion, as the government had already completed most of its funding in previous quarters. The LCY bond market's expansion moderated to 2.2% quarter-on-quarter (q-o-q) in the fourth quarter (Q4) of 2025 from 3.4% q-o-q in the previous quarter (Figure 2). Slower gains were seen mostly in the government bond market over a decline in financing

Figure 1: The People's Republic of China's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in the People's Republic of China



CNY = Chinese yuan.

Source: CEIC Data Company.

activity as the end of the year approached. In particular, policy bank bonds outstanding were mostly unchanged at the end of December from the previous quarter, while both Treasury bonds and local government bonds posted slower growth rates. Meanwhile, corporate bonds outstanding maintained their rate of increase as fewer bonds matured in the quarter.

The PRC saw reduced bond issuance in Q4 2025 in both the government and corporate sectors. The largest decline was seen in government issuance, which fell 22.6% q-o-q (Figure 3). Issuance contracted the most for local government bonds (-42.3%) and policy bank bonds (-42.2%). Policy bank bond issuance declined as there had been accelerated issuance in the previous quarter to avoid the pending imposition of value-added taxes. Corporate bond issuance contracted 5.4% q-o-q over uncertainty in the PRC’s economy.

Investor Profile

Banks continued to purchase Treasury bonds amid increased liquidity as well as a slowdown in loan growth. Banks added significantly more Treasury bonds at the end of 2025, with the share of total Treasury bond holdings rising to 69.2% from 66.6% in the previous year. The move came following announcement that the People’s Bank of China had resumed bond buying in October and indications that it would support liquidity. Bond demand was also fueled by weak loan growth, as banks needed to reinvest their customer deposits. In contrast, the share of unincorporated products, which are bank products offered to retail clients such as wealth management products, fell to 7.7% at the end of 2025 from 8.3% a year earlier as retail investors allocated more to equities.

Sustainable Bond Market

Sustainable bonds outstanding in the PRC continued to expand in 2025 on robust issuance. The PRC’s sustainable bond market reached a size of USD409.4 billion at the end of 2025, representing 53.5% of emerging East Asia’s sustainable bond total.¹⁸ The rate of market expansion ticked up to 10.5% y-o-y in 2025 from 6.8% y-o-y in 2024, supported by strong issuance of USD147.8 billion, which comprised 64.0% of the regional total. The PRC’s outstanding sustainable bonds were predominantly green bonds, which accounted for 85.8% of the market’s total. The issuance surge in 2025 was driven by the PRC’s need to meet the goals stated in the 14th Five-Year Plan for a Modern Energy System, which required the PRC to attain certain green energy milestones by the end of 2025. The next largest share was for sustainability bonds, which comprised 8.4% of the PRC’s sustainable bonds outstanding.

Figure 3: Composition of Local Currency Bond Issuance in the People’s Republic of China

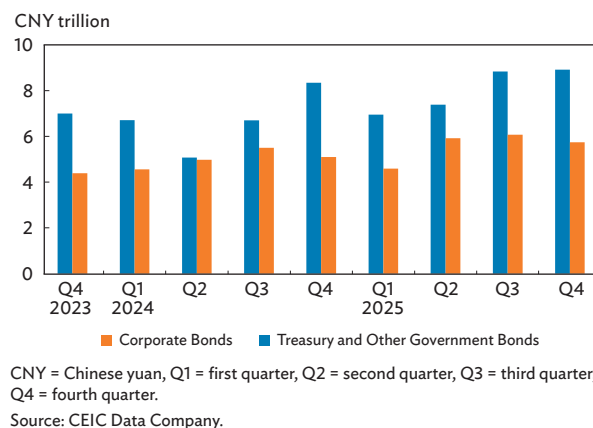


Figure 4: Investor Profile of Treasury Bonds

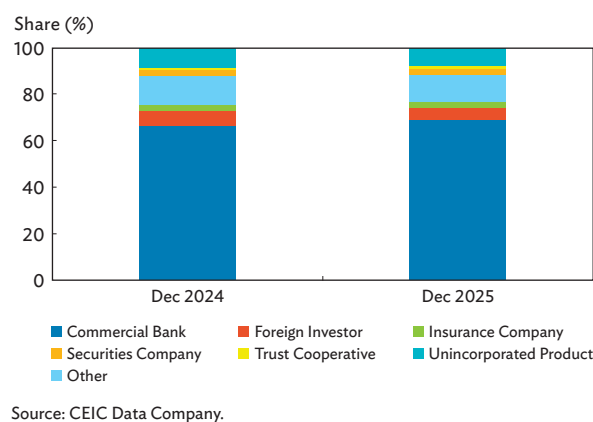
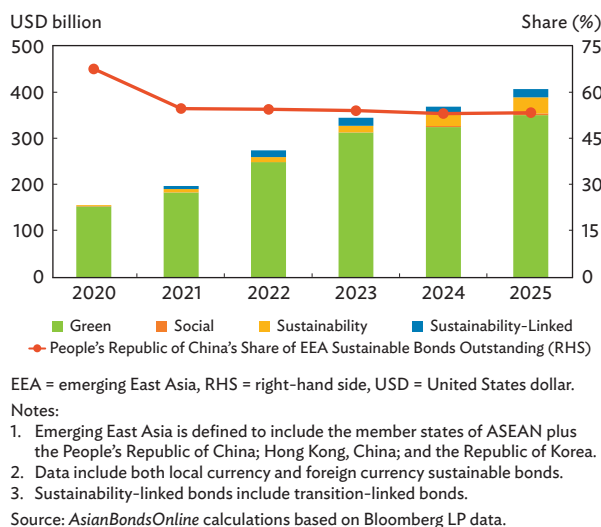


Figure 5: Sustainable Bonds Outstanding in the People’s Republic of China



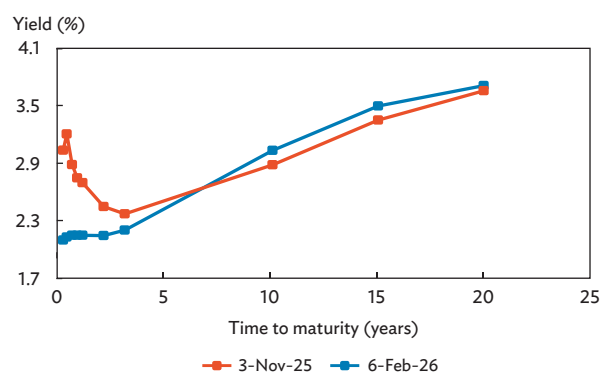
¹⁸ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Hong Kong, China

Yield Movements

Between 3 November and 6 February, the yield curve for local currency (LCY) government bonds in Hong Kong, China steepened. Yields fell an average of 63 basis points (bps) for bonds with maturities of up to 3 years but edged up an average of 12 bps for bonds with maturities of 10 years and longer (Figure 1). The yield spread between 2- and 10-year bonds widened to 89 bps from 44 bps during the review period. Yields at the shorter end of the curve declined after the 25 bps downward adjustment of the base rate by the Hong Kong Monetary Authority on 11 December, following the United States Federal Reserve's 25 bps rate cut. The rate adjustment lowered borrowing costs, including bond yields. Meanwhile, yields rose for longer-term bonds on increased supply with the reopening of 10-year and 15-year Hong Kong Special Administrative Region (HKSAR) government infrastructure bonds during the review period. The steepening of the yield curve also reflected market expectations of faster economic growth. Hong Kong, China's year-on-year (y-o-y) economic expansion quickened to 3.8% in the fourth quarter (Q4) of 2025 from 3.7% in the previous quarter, propelled by faster growth in exports, particularly electronics, and private consumption.

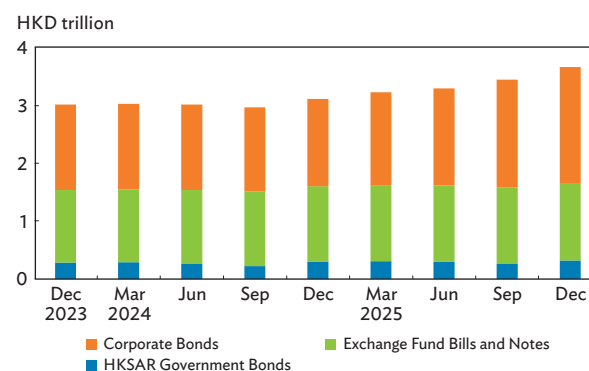
Figure 1: Hong Kong, China's Benchmark Yield Curve—Local Currency Government Bonds



Local Currency Bond Market Size and Issuance

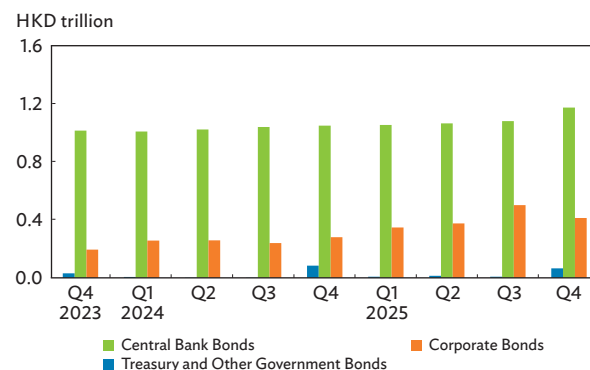
Hong Kong, China's LCY bond market expanded faster in Q4 2025, supported by a high volume of government bond issuance. LCY bonds outstanding reached HKD3,679.7 billion at the end of December, with growth accelerating to 6.3% quarter-on-quarter (q-o-q) from 4.7% q-o-q in the previous quarter (Figure 2). This faster expansion was underpinned by a rebound in the HKSAR government bond stock—which surged 24.4% q-o-q to HKD320.1 billion in Q4 2025 after contracting in the prior quarter—on robust issuance, including HKD55.0 billion worth of Silver Bonds.¹⁹ Corporate bonds outstanding (HKD2,017.6 billion) continued to expand in Q4 2025, although growth decelerated to 7.8% q-o-q from 11.1% q-o-q in the prior quarter as a slowdown in issuance and a larger volume of maturities capped growth.

Figure 2: Composition of Local Currency Bonds Outstanding in Hong Kong, China



LCY bond issuance growth moderated in Q4 2025 on lower debt sales from the private sector. New issues of LCY bonds grew 4.0% q-o-q to HKD1,643.7 billion, which was slower than the 9.2% q-o-q growth in the previous quarter (**Figure 3**). Corporate bond sales fell 17.7% q-o-q to HKD410.8 billion, dragged down by subdued issuance from real estate firms. Meanwhile, issuance of HKSAR government bonds jumped nearly ninefold to HKD64.8 billion, driven largely by a HKD55.0 billion issuance of Silver Bonds in October. Other government issuances during the quarter included reopenings of infrastructure bonds with maturities of 3–15 years totaling HKD5.8 billion, HKD2.5 billion of 2-year digital green bonds, and HKD1.5 billion of 1-year floating-rate notes.²⁰

Figure 3: Composition of Local Currency Bond Issuance in Hong Kong, China



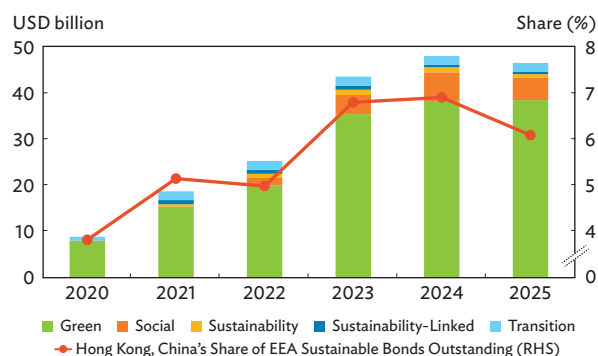
HKD = Hong Kong dollar, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.

Source: Hong Kong Monetary Authority.

Sustainable Bond Market

Sustained public sector issuance continued to spur Hong Kong, China's sustainable bond market in 2025. The stock of sustainable bonds has increased over fivefold since 2020, reaching USD46.6 billion at the end of 2025 and comprising 6.1% of the emerging East Asian total (**Figure 4**).²¹ Total sustainable bonds outstanding saw a decline of 3.1% y-o-y in 2025, reversing robust 10.3% y-o-y growth in 2024, as heightened global uncertainty dampened investor sentiment and capped private sector issuance in 2025. Private sector issuances tallied USD2.2 billion in 2025, down 61.3% from USD5.7 billion in the previous year. The largest corporate issuer in 2025 was CCB Shipping and Leasing, with USD800.0 million of green bonds, followed by Swire Properties, with total issuance worth USD526.5 million of green bonds denominated in Hong Kong dollars and Chinese yuan. Meanwhile, public sector issuances grew 2.0% y-o-y to USD4.0 billion in 2025. In June, the Government of the Hong Kong Special Administrative Region of the People's Republic of China issued a multicurrency tranche of green bonds worth a total of USD2.7 billion. This was followed by a multicurrency digital green bond offering in November worth the equivalent of USD1.3 billion and denominated in Hong Kong dollars, Chinese yuan, euros, and United States dollars. It was Hong Kong, China's third issuance of tokenized green bonds as part of initiatives to promote fintech and develop its sustainable bond market.

Figure 4: Sustainable Bonds Outstanding in Hong Kong, China



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.

Notes:

- Emerging East Asia is defined to include the member states of ASEAN plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
- Data include both local currency and foreign currency sustainable bonds.
- Sustainability-linked bonds include transition-linked bonds.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

²⁰ The 2-year green bonds were part of a multicurrency digital green bond issuance under the HKSAR Government Sustainable Bond Programme.

²¹ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.

Indonesia

Yield Movements

Indonesia's local currency (LCY) government bond yields collectively rose between 3 November and 6 February, rising an average of 19 basis points across the curve (Figure 1). Yields gained as investor sentiment was dampened over an equities market rout that occurred in January in response to MSCI warnings about a potential reduction in Indonesia's stock weighting in the MSCI Emerging Market Index or even a possible downgrade of Indonesia's stock market classification to the Frontier Market Index. In addition, concerns over the government's fiscal policy contributed to the negative sentiment as 2025's budget deficit (2.9% of gross domestic product) nearly breached the 3.0% statutory debt limit. Yields rose further after Moody's downgraded Indonesia's sovereign credit rating outlook from Stable to Negative on 5 February. Meanwhile, Bank Indonesia continued to maintain an accommodative monetary stance, having left the policy rate unchanged at 4.75% since September.

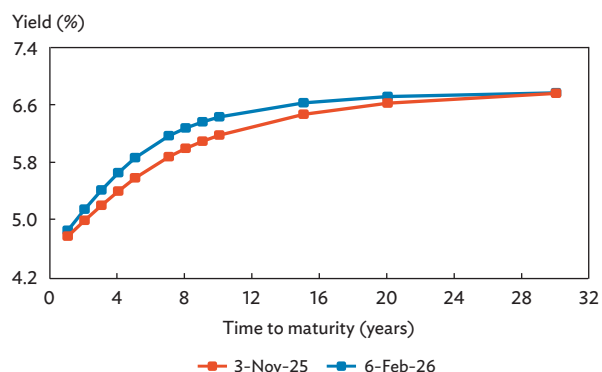
Local Currency Bond Market Size and Issuance

The expansion of Indonesia's LCY bond market accelerated slightly in the fourth quarter (Q4) of 2025, buoyed by both the government and corporate bond segments. By the end of 2025, the outstanding size of Indonesia's LCY bond market reached IDR8,067.1 trillion, with the expansion inching up to 1.6% quarter-on-quarter (q-o-q) in Q4 2025 from 1.4% q-o-q in the third quarter (Figure 2). Despite a slowdown in issuance, corporate bonds outstanding gained 3.9% q-o-q in Q4 2025, up from 3.7% q-o-q in the previous quarter, due to a reduced volume of maturities. Meanwhile, the government bond market's expansion moderated to 1.7% q-o-q from 2.4% q-o-q due to the front-loading of issuance in prior quarters.

LCY bond issuance marginally contracted in Q4 2025 over reduced government and corporate bond issuance.

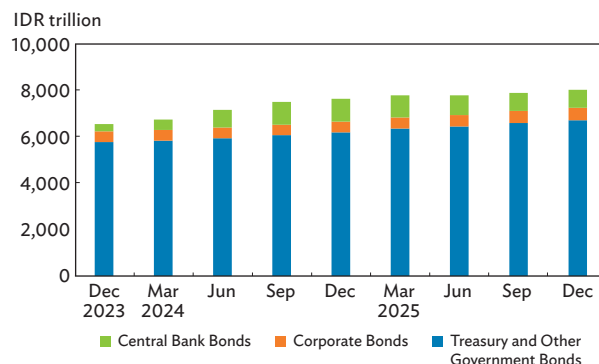
Total LCY bond issuance fell to IDR921.7 trillion in Q4 2025 on a marginal decline of 0.1% q-o-q (Figure 3). Government bond issuance contracted 24.3% q-o-q as the

Figure 1: Indonesia's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in Indonesia

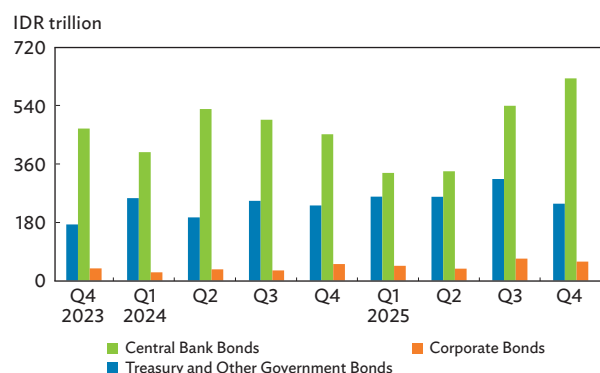


IDR = Indonesian rupiah.

Sources: Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange.

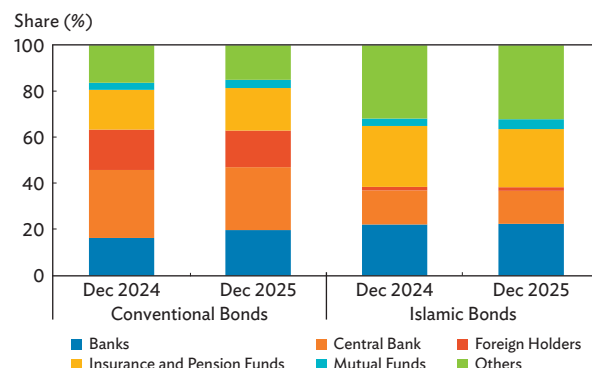
government had mostly fulfilled its annual borrowing in the prior quarters. Corporate bond issuance fell 13.9% q-o-q due to a high base effect resulting from increased third quarter issuance driven by lower borrowing costs following policy rate cuts by Bank Indonesia. The largest corporate bond issuance in Q4 2025 was from state-owned Sarana Multi Infrastruktur, which sold multitranches amounting to IDR6.5 trillion, comprising 11.1% of Indonesia's corporate bond issuance total during the quarter.

Figure 3: Composition of Local Currency Bond Issuance in Indonesia



IDR = Indonesian rupiah, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.
Sources: Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange.

Figure 4: Investor Profile of Tradable Government Bonds



Source: Directorate General of Budget Financing and Risk Management, Ministry of Finance.

Investor Profile

The central bank remained the largest holder of Treasury bonds in Indonesia at the end of 2025.

However, the central bank’s holdings share slightly dipped to 25.0% at the end of 2025 from 26.8% a year earlier. By instrument type, Bank Indonesia held 27.3% of conventional bonds and 14.3% of outstanding *sukuk* (Islamic bonds) at the end of 2025 (Figure 4). Foreign investors reduced their holdings of Treasury bonds to 13.4% in 2025 from 14.5% in 2024 as investor sentiment soured over concerns about the government’s fiscal policy. Meanwhile, domestic financial institutions continued to buy Treasury bonds, with banks increasing their holdings share to 20.2% from 17.4%.

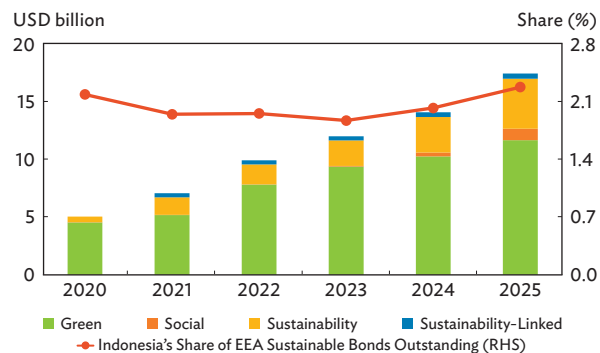
Sustainable Bond Market

Sustainable bonds outstanding in Indonesia expanded 23.7% year-on-year (y-o-y) in 2025, up from a 17.4% y-o-y gain in 2024, to reach USD17.5 billion at the end of December. The expansion lifted Indonesia’s share of emerging East Asia’s sustainable bond total to 2.3% in 2025 from 2.0% a year earlier (Figure 5).²²

Favorable financial conditions bolstered issuance during the year, with issuance rising 34.5% y-o-y to USD4.5 billion. Of this amount, 67.1% came from the Government of Indonesia, the largest of which was the USD1.1 billion green *sukuk* issued in July and the

EURO.6 billion sovereign sustainability bond issued in October. The active participation of the public sector in the sustainable bond market contributed to the lengthening of the maturity structure. Public sector sustainable bonds carried longer tenors than their private sector counterparts, with 62.9% having tenors of over 5 years, which resulted in an average size-weighted tenor of 8.6 years at the end of 2025. For private sector sustainable bonds, tenors of 5 years or less comprised 70.3% of the total, generating a size-weighted average tenor of 4.4 years.

Figure 5: Sustainable Bonds Outstanding in Indonesia



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.
Notes:
1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
2. Data include both local currency and foreign currency sustainable bonds.
3. Sustainability-linked bonds include transition-linked bonds.
Source: AsianBondsOnline calculations based on Bloomberg LP data.

²² Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Republic of Korea

Yield Movements

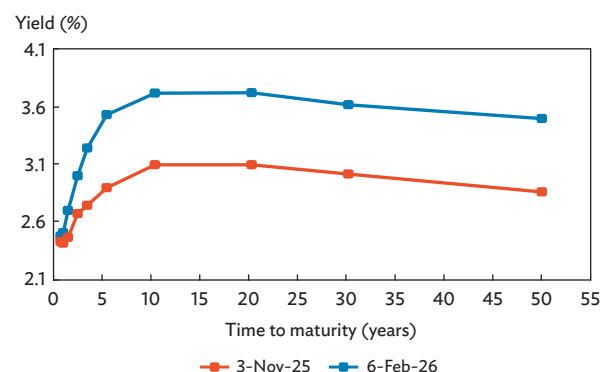
The Republic of Korea's local currency (LCY) government bond yield curve shifted upward between 3 November and 6 February as the Bank of Korea (BOK) pursued a hawkish policy stance. Yields rose an average of 43 basis points for all tenors following the BOK's 15 January monetary policy meeting signaling the possible end of its easing cycle (Figure 1). The BOK maintained the base rate at 2.50% at both its 27 November and 15 January meetings amid stable economic growth and inflation, and as risks to financial stability remained. Risks continued to include rising household debt and housing prices, and foreign exchange volatility. The BOK also removed language on any "further potential rate cuts," which had appeared in previous statements, from its January monetary policy statement. In addition, the number of members open to a rate cut within the next 3 months declined to one from three (out of six) in the November meeting, increasing the possibility of there being no rate cut in the near term. Subsequently, the BOK held the base rate unchanged at 2.50% in its 26 February meeting.

Local Currency Bond Market Size and Issuance

Expansion of the Republic of Korea's LCY bonds outstanding eased in the fourth quarter (Q4) of 2025 on reduced issuance of government bonds. Total LCY bonds outstanding in the Republic of Korea reached KRW3,496.1 trillion at the end of December, reflecting an increase of 1.4% quarter-on-quarter (q-o-q) (Figure 2). The expansion moderated from 2.3% q-o-q in the third quarter (Q3) of 2025 due to reduced issuance of government bonds. Government bonds outstanding marginally increased 0.6% q-o-q, while expansion in the corporate bond segment was roughly stable at 1.9% q-o-q in Q4 2025.

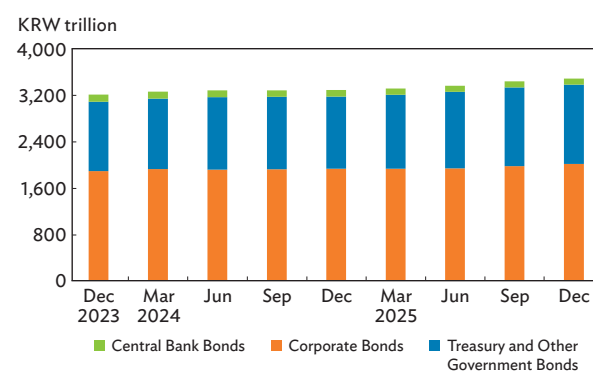
LCY bond issuance in the Republic of Korea rose in Q4 2025, solely driven by the corporate bond segment. Total LCY bond issuance grew 3.4% q-o-q in Q4 2025,

Figure 1: The Republic of Korea's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in the Republic of Korea

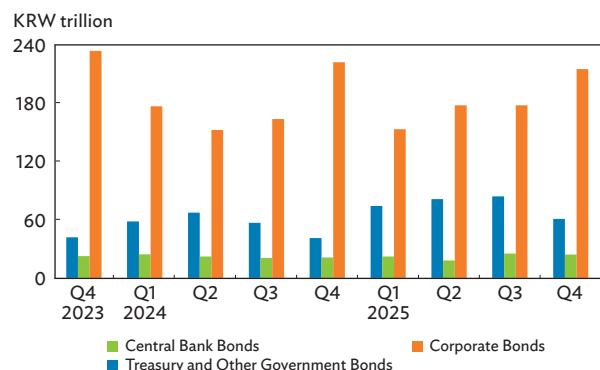


KRW = Korean won.

Sources: Bank of Korea and KG Zeroin Corp.

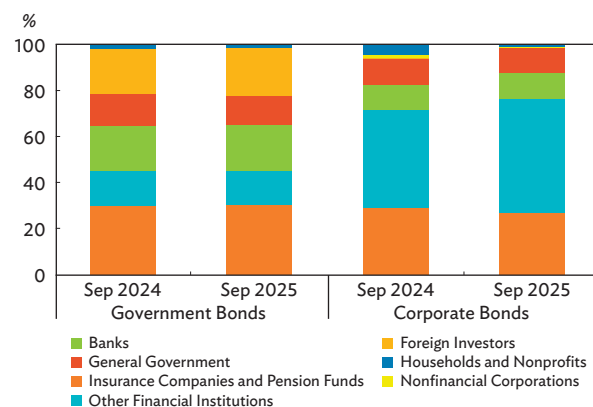
accelerating from a 2.8% q-o-q increase in Q3 2025, as the quarterly surge in corporate bond issuance outpaced the contraction in government bonds (Figure 3). Issuance of government bonds fell 30.4% q-o-q as the government had met most of its funding needs in prior quarters. Corporate bond sales surged 21.0% q-o-q, largely driven by the finance sector. Banks increased their issuance of bonds in Q4 2025 to secure liquidity amid an outflow of funds from low-yield bank deposits as investors sought higher returns in the equity market.

Figure 3: Composition of Local Currency Bond Issuance in the Republic of Korea



KRW = Korean won, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.
Sources: Bank of Korea and KG Zeroin Corp.

Figure 4: Local Currency Bonds Outstanding Investor Profile



Sources: AsianBondsOnline and Bank of Korea.

Investor Profile

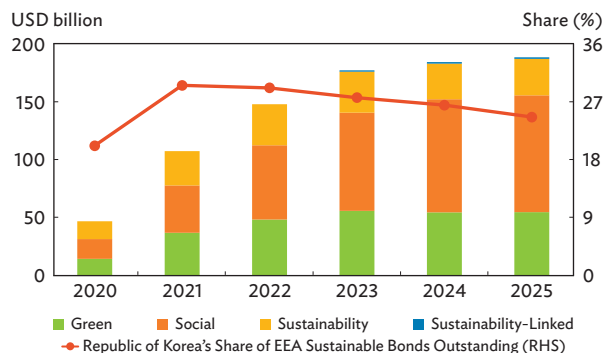
The Republic of Korea’s LCY government bond segment has a more diverse investor profile than the corporate bond segment. LCY government bonds outstanding continued to be held by five major investor groups—led by insurance companies and foreign investors with shares of 30.4% and 21.0%, respectively, at the end of September 2025 (Figure 4). Other major investor groups and their respective holdings share include banks (19.6%), other financial institutions (15.2%), and the general government (12.6%). Meanwhile, the LCY corporate bond market’s investor profile comprises two major groups. Other financial institutions held almost half of corporate bonds outstanding at the end of 2025, with their collective share increasing to 49.5% from 42.7% a year earlier, followed by insurance companies with a share of 27.0%, down from 29.0%.

Sustainable Bond Market

The Republic of Korea’s sustainable bond market reached a size of USD188.4 billion at the end of 2025, remaining the second-largest sustainable bond market in emerging East Asia.²³ The Republic of Korea’s sustainable bonds outstanding comprised 24.6% of the regional total. While its share of the regional total has declined in recent years, the Republic of Korea’s sustainable bond market continued to grow in 2025, albeit at a slower pace following rapid expansion during the COVID-19 pandemic (Figure 5). Total sustainable

bonds outstanding rose 2.3% year-on-year (y-o-y) in 2025, moderating from 4.0% y-o-y in 2024, as issuance marginally declined 1.9% y-o-y. By bond type, social bonds continued to dominate the Republic of Korea’s sustainable bond market with a share of 53.6%. Most social bonds come from the public sector, led by Korea Housing Finance, which provides sustainable housing finance. Green bonds comprise the second-largest share at 28.9%, primarily comprising issuances from the private sector. Around 70% of total sustainable bonds outstanding have remaining maturities of less than 3 years, resulting in a size-weighted average tenor of 2.9 years.

Figure 5: Sustainable Bonds Outstanding in the Republic of Korea



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.

Notes:

- Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
- Data include both local currency and foreign currency sustainable bonds.
- Sustainability-linked bonds include transition-linked bonds.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

²³ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Malaysia

Yield Movements

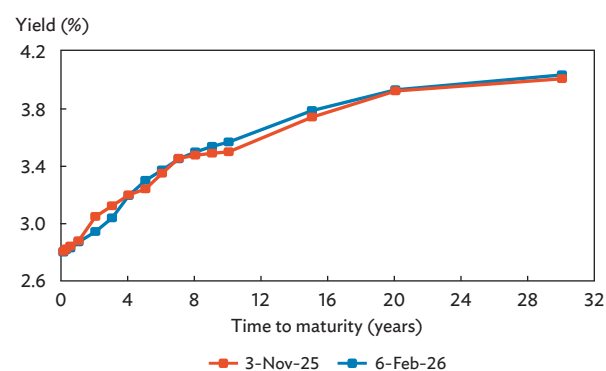
Malaysia's yield curve slightly steepened between 3 November and 6 February. Bond yields declined an average of 3 basis points (bps) for maturities of 4 years or less, with the 2-year and 3-year bonds posting the largest declines of 10 bps and 8 bps, respectively (**Figure 1**). Yields declined amid improved sentiment as the government aims to reduce the budget deficit in 2026 to 3.5% of gross domestic product from 3.7% in 2025. The improved fiscal outlook spurred investor interest, with foreign inflows skewed toward the **front end** of the yield curve, exerting downward pressure on shorter-dated yields. Meanwhile, yields rose an average of 4 bps for all maturities of 5 years and longer except for the 7-year maturity, which declined less than 1 bp. The uptick in longer tenors was driven by rising inflation, as consumer price inflation ticked up to 1.6% year-on-year (y-o-y) in January and December from 1.4% y-o-y in November but remained below the government's target range of 2.0%–3.5%.

Local Currency Bond Market Size and Issuance

Malaysia's local currency (LCY) bond market posted a slower expansion in Q4 2025, as issuance fell during the quarter. Total LCY bonds outstanding increased 0.8% quarter-on-quarter (q-o-q) to MYR2.2 trillion, easing from the 2.2% q-o-q expansion recorded in the third quarter (Q3) of 2025 (**Figure 2**). Corporate bonds outstanding inched up 1.1% q-o-q in Q4 2025, decelerating from their 4.1% q-o-q gain in the prior quarter, as softer issuance and higher redemptions capped net growth. Meanwhile, the stock of Treasury and other government bonds advanced 0.5% q-o-q in Q4 2025, moderating from a 0.9% q-o-q expansion in the prior quarter, due to reduced issuance. *Sukuk* (Islamic bonds), remained the dominant segment of the LCY bond market, comprising 63.8% of total bonds outstanding at the end of December.

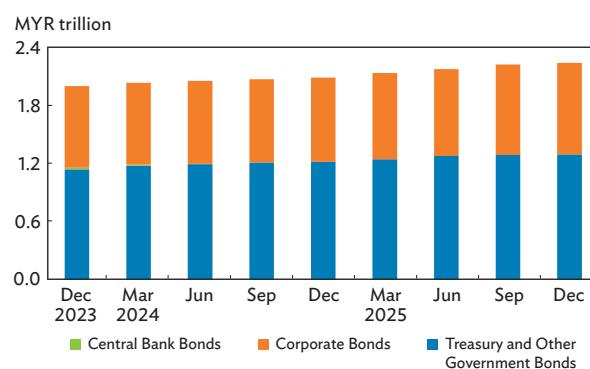
Total LCY bond issuance contracted in Q4 2025, driven by reduced sales of government securities. LCY bond issuance declined 14.5% q-o-q to MYR109.9 billion in

Figure 1: Malaysia's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in Malaysia

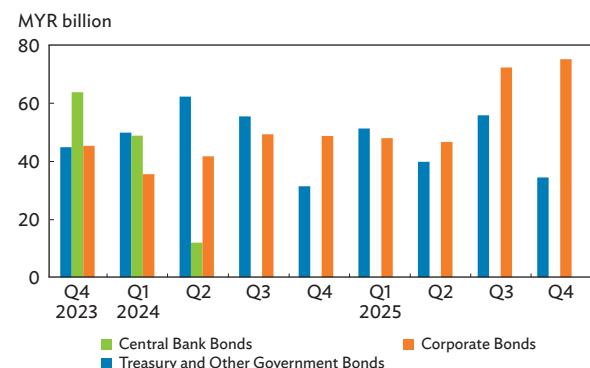


MYR = Malaysian ringgit.

Source: Bank Negara Malaysia Fully Automated System for Issuing/Tendering.

Q4 2025, reversing the previous quarter's 48.1% q-o-q expansion (**Figure 3**). The issuance of Treasury and other government securities dropped 38.4% q-o-q as the Government of Malaysia had front-loaded annual borrowing earlier in the year. Corporate bond issuance edged up 4.0% q-o-q but moderated from the previous quarter's 55.0% growth due to a high base effect in Q3 2025 when companies took advantage of lower yields following a policy rate cut in July. State-owned PNB Merdeka Ventures accounted for the largest share (8.0%) of corporate issuance in Q4 2025 with issuance totaling MYR6.0 billion to finance property development projects.

Figure 3: Composition of Local Currency Bond Issuance in Malaysia

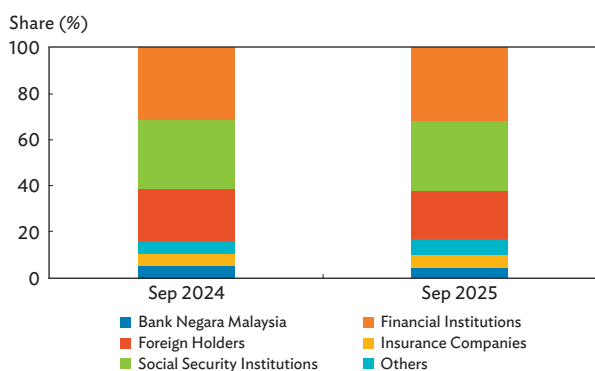


MYR = Malaysian ringgit, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.
 Source: Bank Negara Malaysia Fully Automated System for Issuing/Tendering.

Investor Profile

At the end of September, domestic investors remained the largest investor group in Malaysia’s LCY government bond market. Collectively, domestic investors comprised 79.2% of total holdings in Malaysia’s LCY bond market. Among these local investors, financial institutions and social security funds remained the largest investor groups, holding shares of 31.8% and 30.5%, respectively (Figure 4). Meanwhile, foreign holdings edged down to 20.8% from 22.4% a year earlier amid intermittent foreign outflows driven by weaker global risk sentiment and external trade-policy

Figure 4: Local Currency Government Bonds Investor Profile



Note: “Others” include statutory bodies, nominees and trustee companies, and cooperatives and unclassified items.
 Source: Bank Negara Malaysia.

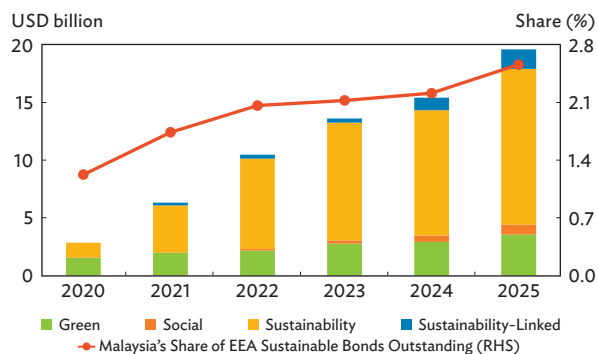
uncertainties. Malaysia nonetheless recorded one of the highest shares of foreign participation among emerging East Asian economies.²⁴

Sustainable Bond Market

Malaysia’s sustainable bond market continued to expand in 2025, buoyed by private sector issuance.

Outstanding sustainable bonds reached USD19.6 billion at the end of 2025, representing 2.6% of the emerging East Asian total (Figure 5). The market expanded 27.2% in 2025, accelerating from a 13.1% increase in 2024 amid increased private sector issuance. Private sector financing comprised 82.1% of total outstanding sustainable bonds and reached USD16.1 billion at the end of 2025. Private sector issuance climbed to USD4.9 billion on 67.3% y-o-y growth, supported by sales from PNB Merdeka Ventures, which issued USD1.4 billion worth of MYR-denominated sustainability *sukuk* as part of its funding diversification strategy. In contrast, the public sector has not issued any sustainable bonds since its last offering in 2023, but outstanding public sector sustainable bonds still comprised 17.9% of the total. At the end of 2025, 61.9% of outstanding sustainable bonds carried tenors exceeding 3 years, resulting in a size-weighted average tenor of 8.1 years. By instrument type, sustainability bonds accounted for 68.8% of the total, followed by green (18.1%), sustainability-linked (8.6%), and social (4.5%) bonds.

Figure 5: Sustainable Bonds Outstanding in Malaysia



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.

Notes:

1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
2. Data include both local currency and foreign currency sustainable bonds.
3. Sustainability-linked bonds include transition-linked bonds.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

²⁴ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Philippines

Yield Movements

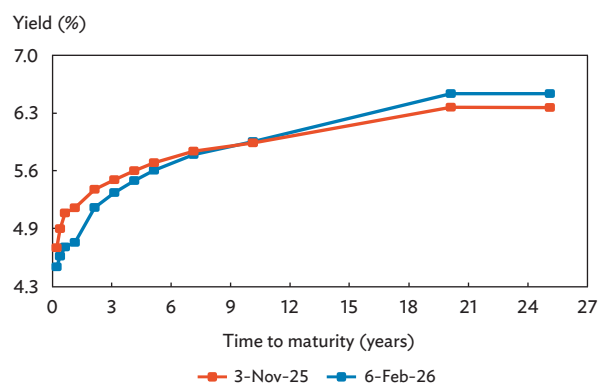
Yields for short-term securities declined amid expectations of a February rate cut. Between 3 November and 6 February, yields on local currency (LCY) government bonds with maturities of up to 7 years fell by an average of 23 basis points (bps) amid expectations that the Bangko Sentral ng Pilipinas (BSP) would cut its policy rate in February to support the economy (**Figure 1**). In the fourth quarter (Q4) of 2025, the Philippines' gross domestic product growth slowed to a 5-year low of 3.0% year-on-year (y-o-y) on weak household consumption and reduced government spending. As expected, the BSP reduced its policy rate by 25 bps on 19 February, following a rate cut in December. The BSP also noted that future policy direction depends on [consumer confidence](#), which may recover in the coming months. The BSP's 5 February statement also noted that its rate-cutting cycle is nearing conclusion given benign inflation conditions, which pushed the yields for maturities of 10 years and longer to rise by an average of 12 bps during the review period.

Local Currency Bond Market Size and Issuance

LCY bonds outstanding marginally declined in Q4 2025 due to a contraction in the stock of central bank securities. Total LCY bonds outstanding edged down by 0.7% quarter-on-quarter (q-o-q) to PHP13.7 trillion at the end of December, extending the 0.1% q-o-q contraction in the previous quarter (**Figure 2**). The decline was mainly driven by a 43.6% q-o-q decline in the stock of central bank securities due to reduced issuance. Meanwhile, outstanding Treasury and other government bonds and corporate bonds recorded q-o-q gains of 1.2% and 2.1% in Q4 2025, respectively, as issuance volumes surpassed maturities.

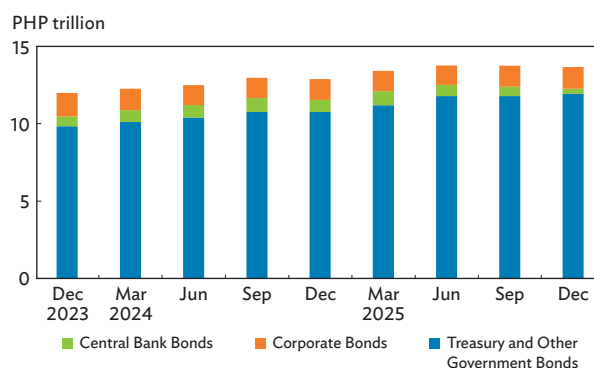
Reduced bond sales were observed across all bond segments during the quarter. Overall issuance tallied PHP1.7 trillion in Q4 2025, reflecting a 39.8% q-o-q drop from the previous quarter's PHP2.9 trillion (**Figure 3**).

Figure 1: The Philippines' Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in the Philippines



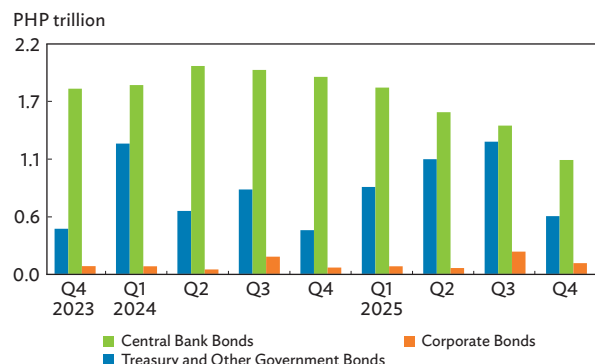
PHP = Philippine peso.

Note: Treasury and other government bonds comprise Treasury bonds, Treasury bills, and bonds issued by government agencies, entities, and corporations for which repayment is guaranteed by the Government of the Philippines.

Sources: Bangko Sentral ng Pilipinas, Bureau of the Treasury, and Bloomberg LP.

Issuance of Treasury and other government bonds posted contraction of 56.4% q-o-q as the government fulfilled most of its annual financing target in the preceding quarters. Similarly, corporate bond issuance fell 51.5% q-o-q in Q4 2025. Issuance of central bank securities declined 23.3% q-o-q as the BSP discontinued its 56-day securities since November.

Figure 3: Composition of Local Currency Bond Issuance in the Philippines



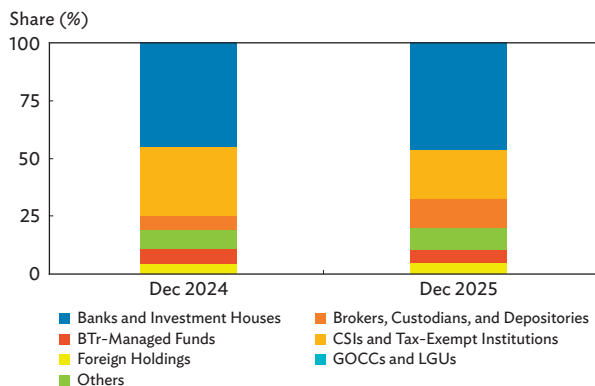
PHP = Philippine peso, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.
 Note: Treasury and other government bonds comprise Treasury bonds, Treasury bills, and bonds issued by government agencies, entities, and corporations for which repayment is guaranteed by the Government of the Philippines.
 Sources: Bangko Sentral ng Pilipinas, Bureau of the Treasury, and Bloomberg LP.

as well as **optimism** following JPMorgan’s decision to place Philippine LCY government bonds on Index Watch-Positive in September 2025 for potential inclusion in its Government Bond Index for Emerging Markets. Market participants expect a final decision on the proposed 1% inclusion in March 2026. Meanwhile, the share held by contractual savings institutions and tax-exempt institutions stood at 21.2% in Q4, broadly similar to 21.5% in Q3. This was lower than 29.6% a year earlier and 28.1% in June 2025. The decline was largely driven by the BSP’s reverse repo operations as part of its open market operations. These transactions materially affected the reported holdings under the tax-exempt institutions category and were a key factor behind the declines observed in Q3 and Q4 2025.

Investor Profile

The investor profile remained largely stable in 2025. Banks and investment houses remained the largest investor group in the Philippines’ LCY government bond market, with their share rising to 46.4% at the end of December from 45.3% a year earlier (**Figure 4**). Holdings by brokers, custodians, and depositories increased to 12.9% from 6.1% over the same period, while foreign holdings edged up to 4.8% from 4.2%, supported by improving market liquidity, transparency, and resilience,

Figure 4: Investor Profile of Local Currency Government Bonds

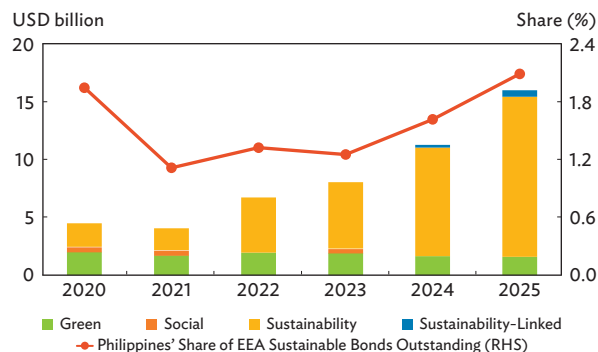


BTr = Bureau of the Treasury, CSI = contractual savings institution, GOCC = government-owned or -controlled corporation, LGU = local government unit.
 Note: At the end of December 2025, the aggregate holdings share for GOCCs and LGUs was 0.001%, amounting to PHP0.2 billion.
 Source: BTr.

Sustainable Bond Market

The Philippines’ outstanding sustainable bonds totaled USD16.0 billion at the end of 2025. The total sustainable bond stock increased 41.9% y-o-y in 2025, up from USD11.3 billion in 2024 (**Figure 5**). This lifted the Philippines’ market share in emerging East Asia’s total sustainable bond market to 2.1% from 1.6%.²⁵ The expansion was supported by **strong investor demand**, with total sustainable issuance tallying USD5.9 billion, about the same as the previous year’s volume. Both the private (53.3%) and public (46.7%) sectors were active market participants, with over 90% of sustainable bonds from the public sector carrying tenors of more than 5 years.

Figure 5: Sustainable Bonds Outstanding in the Philippines



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.
 Notes:
 1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
 2. Data include both local currency and foreign currency sustainable bonds.
 3. Sustainability-linked bonds include transition-linked bonds.
 Source: AsianBondsOnline calculations based on Bloomberg LP data.

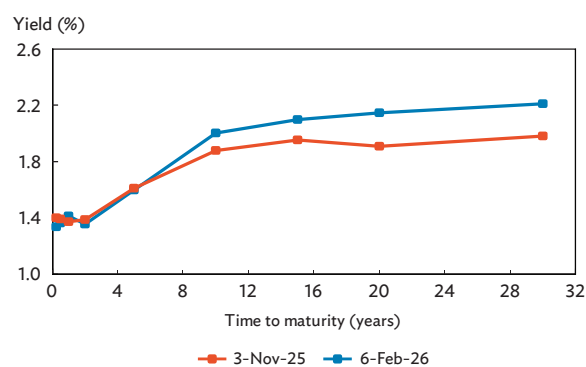
²⁵ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Singapore

Yield Movements

Between 3 November and 6 February, local currency (LCY) government bond yields in Singapore largely tracked the yield movements of United States Treasuries. Sovereign bond yields for maturities of 5 years and shorter (except 1-year bonds) ticked down an average of 3 basis points, while yields for maturities of 10 years and longer increased an average of 18 basis points (Figure 1). In addition to following the rise in yields for United States Treasuries, longer-dated LCY bond yields edged higher as domestic inflation trended upwards. On January, consumer price inflation rose to 1.4% year-on-year (y-o-y) from 1.2% y-o-y in December, driven by rising costs for accommodations and retail and other goods. In January, the Monetary Authority of Singapore (MAS) raised its inflation forecast for 2026 to 1.0%–2.0% from its October estimate of 0.5%–1.5%.

Figure 1: Singapore's Benchmark Yield Curve—Local Currency Government Bonds

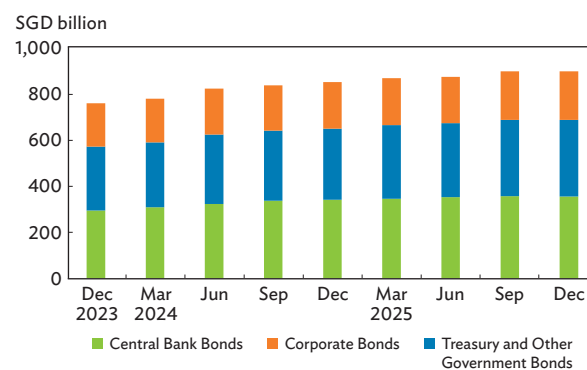


Source: Based on data from Bloomberg LP.

Local Currency Bond Market Size and Issuance

Singapore's LCY bond market was broadly unchanged in the fourth quarter (Q4) of 2025, totaling **SGD896.9 billion**. During the quarter, modest corporate bond expansion was offset by slight contractions in government and central bank securities. Consequently, Singapore's total LCY bonds outstanding posted minimal growth of 0.03% quarter-on-quarter (q-o-q) in Q4 2025 (Figure 2). Outstanding corporate bonds inched up 0.7% q-o-q in Q4 2025 despite a contraction in issuance due to a lower volume of maturities during the quarter. Outstanding government securities and MAS bills narrowed 0.1% q-o-q and 0.3% q-o-q, respectively, partly due to reduced issuances during the quarter.

Figure 2: Composition of Local Currency Bonds Outstanding in Singapore



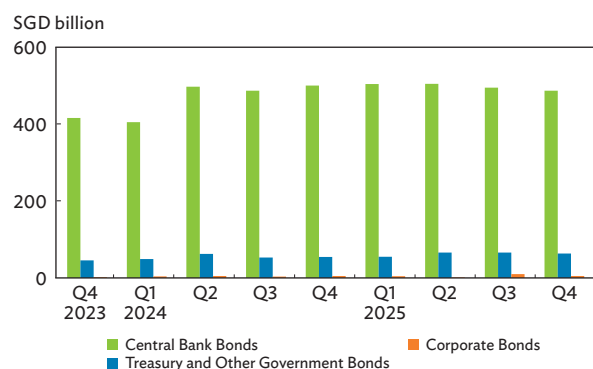
SGD = Singapore dollar.

Note: Corporate bonds are based on *AsianBondsOnline* estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

Total LCY bond issuance declined in Q4 2025 as bond sales weakened across all segments during the quarter. Aggregate issuance contracted 2.6% q-o-q, falling to SGD556.8 billion, and extending the previous quarter’s 0.3% q-o-q decrease (**Figure 3**). Total issuance was weighed down by reduced sales of MAS bills and Treasuries and other government securities, which decreased 1.6% q-o-q and 3.3% q-o-q, respectively. Corporate issuance fell 50.5% q-o-q primarily due to a high base effect. Issuance surged over sevenfold in the previous quarter, driven by a heavy volume of real estate bond sales. Almost half (45.7%) of corporate issuance in Q4 2025 came from the Housing and Development Board for the purpose of project funding.

Figure 3: Composition of Local Currency Bond Issuance in Singapore

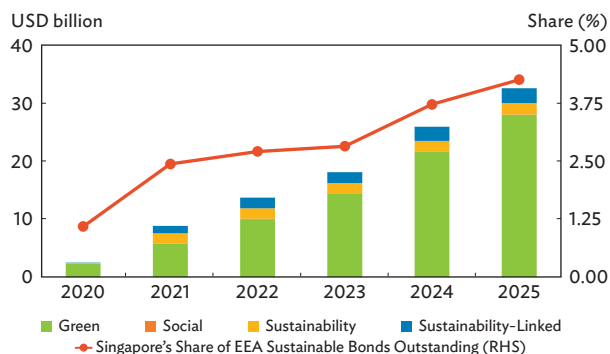


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, SGD = Singapore dollar.
 Note: Corporate bonds are based on *AsianBondsOnline* estimates.
 Sources: Monetary Authority of Singapore and Bloomberg LP.

Sustainable Bond Market

By end-2025, public and private sector issuers held comparable shares of Singapore’s total outstanding sustainable bonds. Singapore’s sustainable bond market reached a size of USD32.6 billion at the end of 2025, accounting for 4.3% of the emerging East Asian total (**Figure 4**).²⁶ The sustainable bond stock expanded 25.6% y-o-y in 2025, extending the previous year’s 43.4% y-o-y increase. Outstanding sustainable bonds from the private sector comprised 47.2% of the total at the end of 2025. Private sector issuance in 2025 amounted to USD3.1 billion, rising 29.7% y-o-y, led by bond sales from CapitaLand, which issued USD778.0 million worth of SGD-denominated green bonds for sustainability projects. Public sector bonds made up the remaining 52.8%, entirely consisting of green instruments. Public sector issuance tallied USD4.1 billion in 2025, including USD1.4 billion in SGD-denominated sovereign green bonds to serve as a benchmark to further develop Singapore’s green finance market and to solidify its position as a regional sustainable finance hub. At the end of 2025, Singapore’s size-weighted average tenor stood at 14.9 years, partly driven by outstanding sustainable bonds from the Government of Singapore, which carried tenors of 28 years and longer.

Figure 4: Sustainable Bonds Outstanding in Singapore



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.
 Notes:
 1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
 2. Data include both local currency and foreign currency sustainable bonds.
 3. Sustainability-linked bonds include transition-linked bonds.
 Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

²⁶ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Thailand

Yield Movements

Thailand's local currency (LCY) government bond yield curve steepened between 3 November and 6 February.

Yields fell an average of 12 basis points (bps) for bonds with maturities of up to 7 years but gained an average of 21 bps for bonds with longer maturities (**Figure 1**). Shorter-term bond yields declined as the Bank of Thailand resumed its policy easing cycle in December, after holding its rate steady during its 8 October meeting. To boost economic growth, the central bank reduced its policy rate by 25 bps to 1.25% at its 17 December meeting, and by another 25 bps to 1.00% during its 25 February meeting. Meanwhile, longer-term bond yields rose on expectations of increased government borrowing to fund the new administration's [stimulus](#) plans.

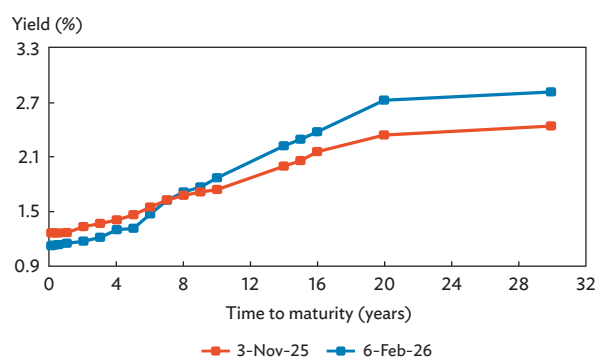
Local Currency Bond Market Size and Issuance

Thailand's LCY bond market edged up 1.1% quarter-on-quarter (q-o-q) in the fourth quarter (Q4) of 2025 to reach a size of THB17.8 trillion at the end of December.

The bond market's quarterly expansion slowed from the previous quarter's 2.5% q-o-q rise on a slower increase in government bonds and a contraction in corporate bonds (**Figure 2**). Government bonds outstanding reached THB10.7 trillion, with expansion moderating to 1.1% q-o-q in Q4 2025 from 2.0% q-o-q in the prior quarter due to reduced issuance and a larger volume of maturities. Meanwhile, corporate bonds outstanding (THB4.4 trillion) fell 0.1% q-o-q as the volume of maturities outpaced issuance.

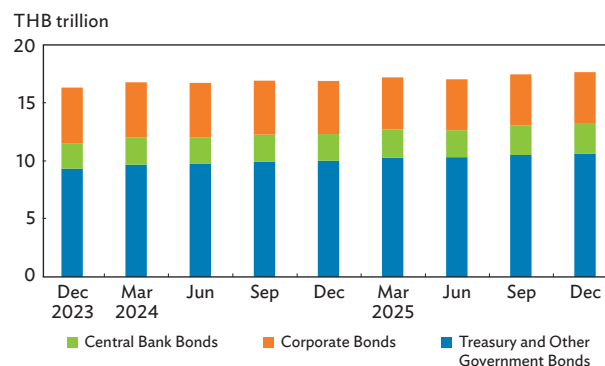
LCY bond issuance fell in Q4 2025 on reduced government borrowing and tepid corporate debt sales. Issuance of new bonds edged down 0.9% q-o-q to THB2.2 trillion in Q4 2025, reversing the 2.6% q-o-q increase posted in the previous quarter (**Figure 3**). Government bond sales continued to contract, falling 5.3% q-o-q in Q4 2025 after a 16.5% q-o-q decline in Q3 2025. Government issuances in Q4 2025 included

Figure 1: Thailand's Benchmark Yield Curve—Local Currency Government Bonds



Sources: Based on data from Bloomberg LP and Thai Bond Market Association.

Figure 2: Composition of Local Currency Bonds Outstanding in Thailand

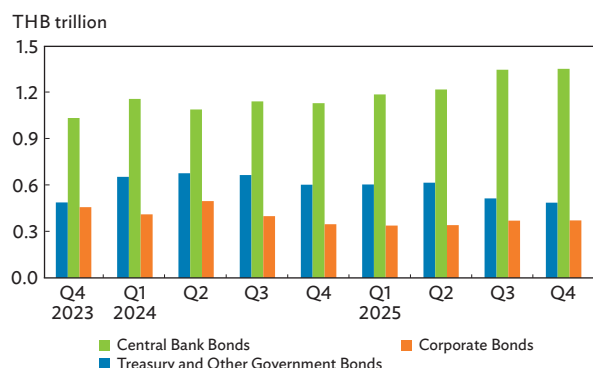


THB = Thai baht.

Sources: Bank of Thailand and Thai Bond Market Association.

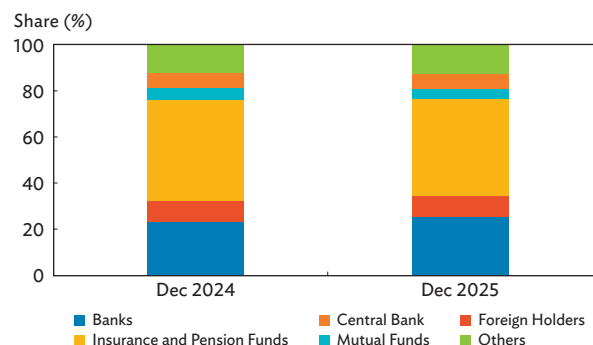
THB31.4 billion of sustainability-linked bonds (SLBs). Growth in corporate debt sales decelerated to 0.2% q-o-q in Q4 2025 from 8.7% q-o-q in the prior quarter as a surge in defaults dampened investor demand for new issues. Bond payment defaults rose to THB3.8 billion in Q4 2025 from THB2.2 billion in the previous quarter. Bond defaults were largely from capital-intensive companies that were heavily affected by the slowdown in domestic demand.

Figure 3: Composition of Local Currency Bond Issuance in Thailand



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, THB = Thai baht.
Sources: Bank of Thailand and Thai Bond Market Association.

Figure 4: Investor Profile of Government Bonds in Thailand



Source: Bank of Thailand.

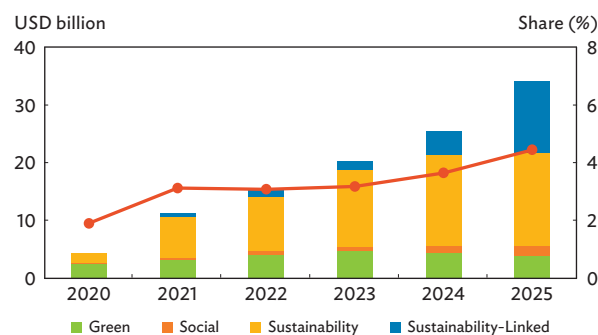
Investor Profile

Banks and insurance and pension funds remained the primary holders of Thai Treasury bonds. At the end of December, the holdings share of banks for Thai Treasury bonds increased to 25.5% from 23.3% a year earlier amid a contraction in loan growth. Meanwhile, the holdings share of insurance and pension funds inched down to 42.2% from 43.8%. These two investor groups remained the top holders of Thai Treasury bonds, with a combined holdings share of 67.6% at the end of December. The holdings share of other investor groups posted marginal changes. As such, the investor profile of Thai Treasury bonds was little changed in December from a year earlier (Figure 4).

Sustainable Bond Market

The expansion of Thailand’s sustainable bond market accelerated in 2025, propelled by robust issuance of SLBs. The stock of sustainable bonds has steadily increased since 2020, reaching a size of USD34.0 billion at the end of 2025 (Figure 5). The market registered robust growth of 34.1% year-on-year in 2025, up from 24.6% year-on-year in 2024, driven largely by increased issuance of SLBs. While sustainability bonds remained the predominant type of sustainable bond instrument,

Figure 5: Sustainable Bonds Outstanding in Thailand



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.

Notes:

- Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
- Data include both local currency and foreign currency sustainable bonds.
- Sustainability-linked bonds include transition-linked bonds.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

comprising 47.5% of the total, the share of SLBs has increased markedly since 2024. In 2025, SLB issuance amounted to USD8.3 billion, representing 82.3% of total sustainable bond issuance. Almost 90% of SLB issuance in 2025 came from the public sector, largely from reopenings and bond switch transactions to an existing 15-year sovereign SLB.²⁷ The private sector also actively issued SLBs in 2025, with an equivalent of USD897.2 million of issuance.

²⁷ The 15-year government sustainability-linked bonds was launched on 25 November 2024 and was the first sovereign sustainability-linked instrument issued in Asia. At the end of December 2025, the bond had an outstanding amount of THB159.4 billion.

Viet Nam

Yield Movements

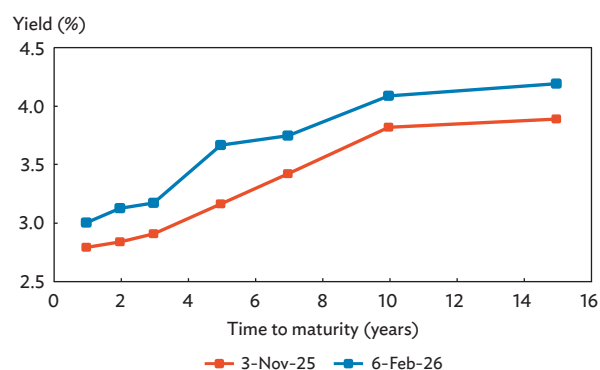
Between 3 November and 6 February, local currency (LCY) government bond yields rose an average of 31 basis points across the curve (Figure 1). The yield uptick was partly driven by an expected increase in the bond supply as the government plans to issue bonds worth VND500.0 trillion in 2026, 34.6% higher than the VND371.5 trillion worth of bonds issued in 2025. The expanded borrowing plan is intended to finance public investment projects, cover the budget deficit and debt repayments, and support attainment of the government's growth target of 10% for full-year 2026.

Local Currency Bond Market Size and Issuance

The LCY bond market's expansion accelerated in Q4 2025 on gains in both the government and corporate bond segments. Outstanding LCY bonds reached VND3,972.9 trillion at the end of December, increasing 10.5% quarter-on-quarter (q-o-q) from VND3,595.8 trillion in the previous quarter (Figure 2). The government and corporate bond segments recorded accelerated q-o-q expansions of 4.5% and 7.0%, respectively, on increased issuance. Despite decreased q-o-q issuance in Q4 2025, central bank securities posted the fastest quarterly expansion among all bond types, reaching VND384.0 trillion of outstanding securities—more than double the previous quarter's VND185.0 trillion—due to a low volume of maturities during the quarter.

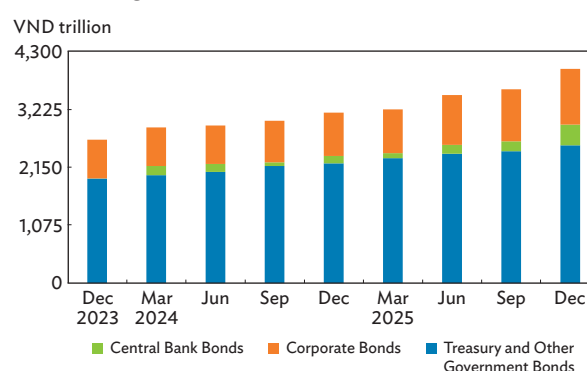
LCY bond issuance contracted in Q4 2025, driven by the reduced issuance of central bank securities. In Q4 2025, LCY bond issuance tallied VND1,168.0 trillion, reflecting a 7.6% q-o-q drop from the previous quarter (Figure 3). The overall decline was mainly driven by the 17.1% q-o-q contraction in central bank securities issuance. Meanwhile, issuance of Treasury and other government bonds recorded the sharpest gain, more than twice the previous quarter's volume to VND121.9 trillion as the government ramped up bond sales to meet its full-year 2025 issuance target of VND500.0 trillion. At the end of 2025, the government

Figure 1: Viet Nam's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in Viet Nam



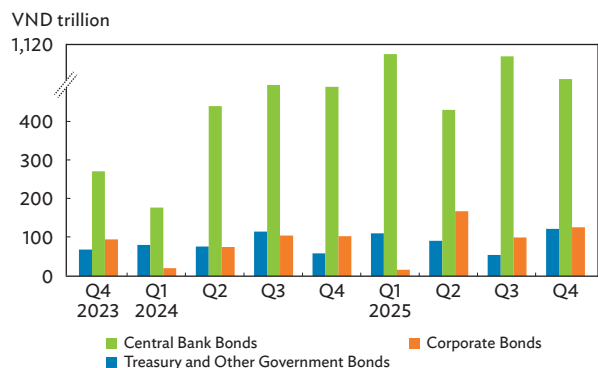
VND = Vietnamese dong.

Note: Other government bonds comprise government-guaranteed and municipal bonds.

Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

completed about 74.3% (VND371.5 billion) of its bond issuance plan. Corporate bond issuance rebounded in Q4 2025, gaining 26.5% q-o-q after the previous quarter's 40.6% q-o-q contraction, as corporates accelerated their capital refinancing ahead of repayment pressure in December. The banking and property sectors remained the main drivers of issuance during the quarter, comprising 55.5% and 34.4%, respectively, of the market's Q4 2025 corporate issuance total.

Figure 3: Composition of Local Currency Bond Issuance in Viet Nam

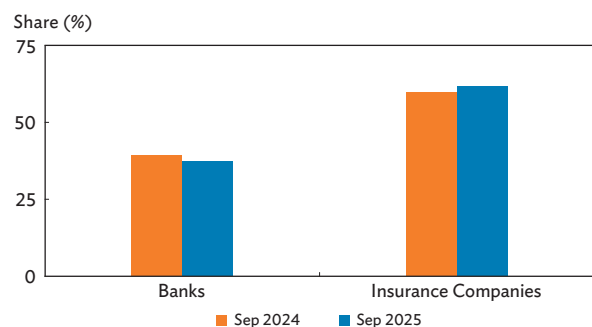


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, VND = Vietnamese dong.
 Note: Other government bonds comprise government-guaranteed and municipal bonds.
 Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

Investor Profile

LCY government bonds outstanding remained largely held by two dominant investor groups. Insurance companies, the largest investor group in Viet Nam’s bond market, held 61.6% of the LCY government debt stock at the end of September, up from 59.8% a year earlier (Figure 4). In contrast, banks’ investment share declined to 37.4% from 39.4% during the same period.

Figure 4: Market Profile of the Two Dominant Investors for Local Currency Government Bonds



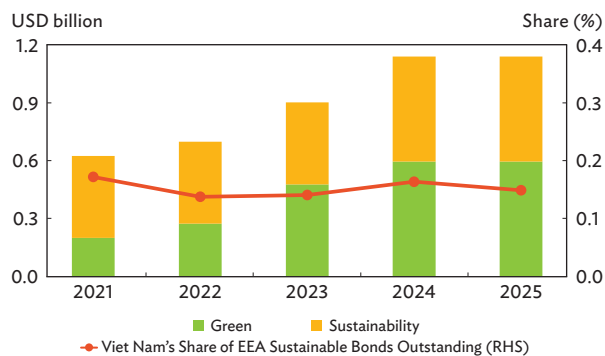
Source: Ministry of Finance, Viet Nam.

These two investor groups collectively accounted for 99.0% of the total LCY government debt stock at the end of September. This lack of investor diversity in the economy’s bond market led to Viet Nam once again posting the highest Herfindahl–Hirschman Index score in the region.²⁸

Sustainable Bond Market

Viet Nam’s sustainable bond market was solely driven by the private sector. Total sustainable bonds outstanding remained unchanged at the end of 2025 from a year earlier at USD1.1 billion, resulting in a slight dip (from 0.16% to 0.15%) in its share of emerging East Asia’s sustainable bond market (Figure 5).²⁹ The economy’s sustainable debt stock only comprises green and sustainability instruments, which accounted for 52.2% and 47.8%, respectively, of the 2025 sustainable bond market. About 80% of outstanding sustainable bonds carried tenors of 3 years or less, resulting in a size-weighted average tenor of 1.9 years, one of the shortest in the region. By currency profile, nearly 55% of outstanding sustainable bonds were denominated in United States dollars, while the remaining 45% were denominated in Vietnamese dong.

Figure 5: Sustainable Bonds Outstanding in Viet Nam



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.
 Notes:
 1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.
 2. Data include both local currency and foreign currency sustainable bonds.
 Source: AsianBondsOnline calculations based on Bloomberg LP data.

²⁸ The Herfindahl–Hirschman Index is a common measure of market concentration. The index is used to measure the investor profile diversification of the LCY bond market by summing the squared share of each investor group in the bond market.

²⁹ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.