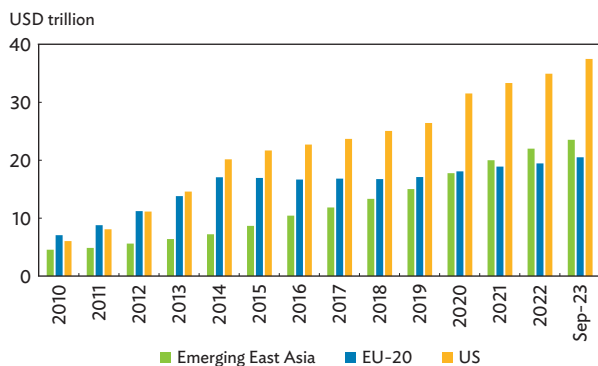


Bond Market Developments in the Third Quarter of 2023

Section 1. Local Currency Bonds Outstanding

The emerging East Asian local currency (LCY) bond market posted annual growth of 8.2% in the third quarter (Q3) of 2023, reaching a size of USD23.5 trillion at the end of September.³ Annual growth in the emerging East Asian LCY bond market continued to surpass that of the United States' (US) (8.1%) and the European Union 20's (EU-20) (6.1%). By the end of September 2023, the emerging East Asian LCY bond market was equivalent in size to 114.8% of the EU-20 bond market (USD20.5 trillion) and 62.8% of the US bond market (USD37.5 trillion) (Figure 1).

Figure 1: Local Currency Bonds Outstanding in Emerging East Asia, the EU-20, and the United States



EU = European Union, US = United States, USD = United States dollar.

Notes:

1. Emerging East Asia is defined to include the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
2. The EU-20 includes EU member markets Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Sources: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); EU-20 (Bloomberg LP); Indonesia (Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Republic of Korea (Bank of Korea and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority of Singapore, Singapore Government Securities, and Bloomberg LP); Thailand (Bank of Thailand); United States (Bloomberg LP); and Viet Nam (Vietnam Bond Market Association and Bloomberg LP).

All emerging East Asian LCY bond markets posted positive quarterly growth in Q3 2023, with growth in both regional government and corporate bonds outstanding picking up (Table 1). Growth in emerging East Asian outstanding government bonds rose to 3.0% quarter-on-quarter (q-o-q) in Q3 2023 from 2.4% q-o-q in the second quarter (Q2) of 2023, driven largely by accelerated sovereign and local government bond issuance in the People's Republic of China (PRC) aimed at supporting economic recovery. Meanwhile, growth in the region's LCY corporate bond market inched up to 1.5% q-o-q in Q3 2023 from 1.4% q-o-q in the preceding quarter (Figure 2).

LCY bonds outstanding among members of the Association of Southeast Asian Nations (ASEAN) reached USD2.1 trillion at the end of September, accounting for 9.0% of the emerging East Asian aggregate. Meanwhile, LCY bond markets in the PRC (USD18.7 trillion) and the Republic of Korea (USD2.3 trillion) accounted for 79.4% and 10.0% of the regional total, respectively. Government bonds comprised 62.4% of regional LCY bonds, totaling USD14.7 trillion at the end of September, followed by corporate bonds (USD8.3 trillion) and central bank bonds (USD0.5 trillion) accounting for 35.3% and 2.3%, respectively (Figure 3).

The majority of LCY Treasury bonds in emerging East Asia have a remaining maturity of more than 5 years, limiting the impact of higher interest rates. The region's Treasury bonds outstanding had a size-weighted-average tenor of 8.7 years at the end of September, with 53.7% of outstanding bonds carrying maturities of longer than 5 years. Across the region, the PRC; the Philippines; and Hong Kong, China had 52.4%, 53.8%, and 84.8%, respectively, of their outstanding Treasury bonds carrying maturities of 5 years or less at the end of September (Figure 4).

³ Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.

Table 1: Size and Composition of Select Emerging East Asian Local Currency Bond Markets

	Q3 2022		Q2 2023		Q3 2023			Growth Rate (%)	
	Amount (USD billion)	% of GDP	Amount (USD billion)	% of GDP	Amount (USD billion)	% share	% of GDP	Q3 2023	
								q-o-q	y-o-y
China, People's Rep. of									
Total	17,676	104.8	18,325	107.4	18,675	100.0	109.2	2.5	8.4
Treasury and Other Government	11,510	68.2	12,122	71.0	12,440	66.6	72.7	3.3	10.9
Central Bank	2	0.01	2	0.01	2	0.01	0.01	0.0	0.0
Corporate	6,164	36.5	6,201	36.3	6,233	33.4	36.4	1.1	3.7
Hong Kong, China									
Total	350	96.9	366	99.6	385	100.0	103.0	5.1	9.7
Treasury and Other Government	30	8.3	30	8.1	37	9.6	9.9	23.2	22.2
Government	152	42.2	157	42.6	158	41.1	42.4	1.1	3.7
Corporate	168	46.4	180	48.8	190	49.3	50.8	5.6	13.0
Indonesia									
Total	377	30.3	409	29.9	399	100.0	29.8	0.5	7.2
Treasury and Other Government	344	27.6	376	27.5	366	91.9	27.3	0.5	8.0
Central Bank	3	0.2	4	0.3	4	0.9	0.3	6.8	23.9
Corporate	30	2.4	30	2.2	29	7.2	2.1	(0.02)	(3.0)
Korea, Rep. of									
Total	2,071	151.1	2,347	156.4	2,347	100.0	159.6	2.4	6.8
Treasury and Other Government	797	58.2	904	60.2	893	38.1	60.7	1.2	5.6
Central Bank	86	6.3	94	6.3	93	4.0	6.3	1.0	2.0
Corporate	1,188	86.7	1,349	89.9	1,361	58.0	92.5	3.3	8.0
Malaysia									
Total	400	124.8	419	126.7	422	100.0	127.5	1.5	7.0
Treasury and Other Government	225	70.4	239	72.3	240	56.8	72.5	1.1	7.9
Central Bank	0.9	0.3	3	0.8	3	0.8	1.0	29.2	273.5
Corporate	173	54.2	177	53.6	179	42.4	54.1	1.7	4.5
Philippines									
Total	190	52.6	212	50.4	210	100.0	50.2	1.8	6.5
Treasury and Other Government	157	43.4	175	41.6	171	81.3	40.8	0.3	4.8
Central Bank	7	1.9	8	2.0	12	5.7	2.9	44.8	65.4
Corporate	26	7.2	29	6.9	27	13.1	6.6	(2.4)	1.2
Singapore									
Total	450	101.9	504	105.7	512	100.0	107.9	2.6	8.2
Treasury and Other Government	160	36.2	180	37.7	183	35.7	38.5	2.8	8.8
Central Bank	167	37.8	198	41.4	204	39.9	43.0	4.4	16.5
Corporate	124	28.0	127	26.6	125	24.4	26.4	(0.5)	(3.7)
Thailand									
Total	411	90.4	459	91.7	455	100.0	92.9	1.9	6.9
Treasury and Other Government	227	50.1	257	51.4	256	56.3	52.3	2.3	8.6
Central Bank	67	14.7	67	13.4	67	14.8	13.7	3.1	(2.9)
Corporate	116	25.6	135	26.9	132	28.9	28.9	0.4	9.0
Viet Nam									
Total	98	25.3	108	26.0	109	100.0	26.6	3.9	12.5
Treasury and Other Government	66	17.0	78	18.9	77	71.2	18.9	1.5	19.0
Central Bank	1	0.3	0	0.0	4	3.6	0.9	-	208.6
Corporate	31	8.0	29	7.0	27	25.3	6.7	(3.1)	(9.4)
Emerging East Asia									
Total	22,024	101.0	23,148	103.2	23,514	100.0	104.9	2.5	8.2
Treasury and Other Government	13,517	62.0	14,360	64.0	14,664	62.4	65.4	3.0	10.3
Central Bank	486	2.2	532	2.4	548	2.3	2.4	4.2	8.9
Corporate	8,020	36.8	8,256	36.8	8,303	35.3	37.0	1.5	4.5
Japan									
Total	9,093	237.4	9,358	237.1	9,034	100.0	233.4	(0.1)	2.5
Treasury and Other Government	8,394	219.1	8,654	219.3	8,339	92.3	215.5	(0.3)	2.5
Central Bank	32	0.8	14	0.3	13	0.1	0.3	(3.7)	(58.5)
Corporate	667	17.4	691	17.5	682	7.6	17.6	2.2	5.6

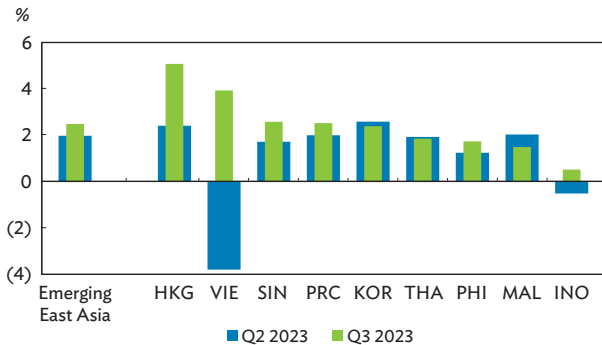
() = negative, - = not applicable, GDP = gross domestic product, q-o-q = quarter-on-quarter, Q2 = second quarter, Q3 = third quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. For the People's Republic of China, Q3 2023 bonds outstanding data are based on *AsianBondsOnline* estimates. For Singapore, corporate bonds outstanding are based on *AsianBondsOnline* estimates.
2. GDP data are from CEIC Data Company.
3. Bloomberg LP end-of-period local currency-USD rates are used.
4. Growth rates are calculated from a local currency base and do not include currency effects. For emerging East Asia, growth figures are based on 30 September 2023 currency exchange rates and do not include currency effects..

Sources: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Republic of Korea (Bank of Korea and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority of Singapore and Bloomberg LP); Thailand (Bank of Thailand); and Viet Nam (Vietnam Bond Market Association and Bloomberg LP).

Figure 2: Growth of Select Emerging East Asian Local Currency Bond Markets in the Second and Third Quarters of 2023 (q-o-q, %)



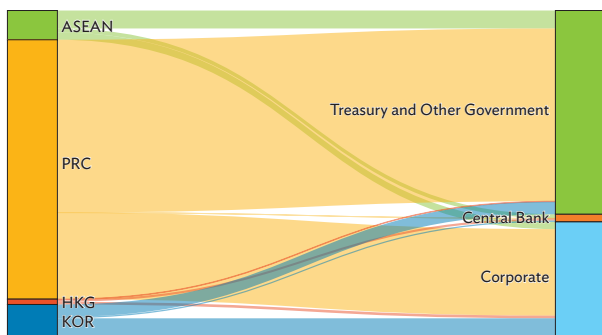
(-) = negative; HKG = Hong Kong, China; INO = Indonesia; KOR = Republic of Korea; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q2 = second quarter; Q3 = third quarter; q-o-q = quarter-on-quarter; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

Notes:

- For the People's Republic of China, Q3 2023 bonds outstanding data are based on *AsianBondsOnline* estimates. For the Republic of Korea, Q3 2023 government bonds outstanding data are as of August 2023. For Singapore, corporate bonds outstanding are based on *AsianBondsOnline* estimates.
- Growth rates are calculated from a local-currency base and do not include currency effects. For emerging East Asia, growth figures are based on 30 September 2023 currency exchange rates and do not include currency effects.

Sources: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Republic of Korea (Bank of Korea and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority of Singapore and Bloomberg LP); Thailand (Bank of Thailand); and Viet Nam (Vietnam Bond Market Association and Bloomberg LP).

Figure 3: Local Currency Bonds Outstanding by Economy and Type of Bond as of 30 September 2023

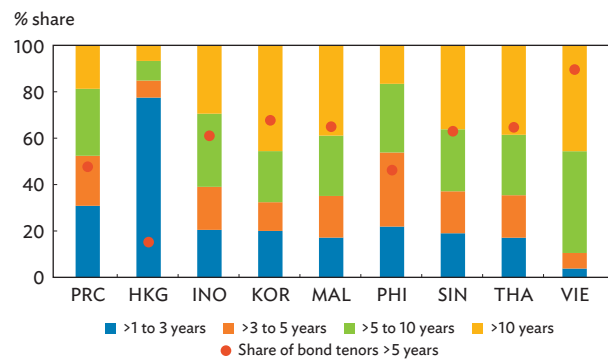


ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; KOR = Republic of Korea; PRC = People's Republic of China.

Note: ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

Source: *AsianBondsOnline* calculations based on various local sources.

Figure 4: Maturity Structure of Local Currency Treasury Bonds Outstanding in Select Emerging East Asian Markets



HKG = Hong Kong, China; INO = Indonesia; KOR = Republic of Korea; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

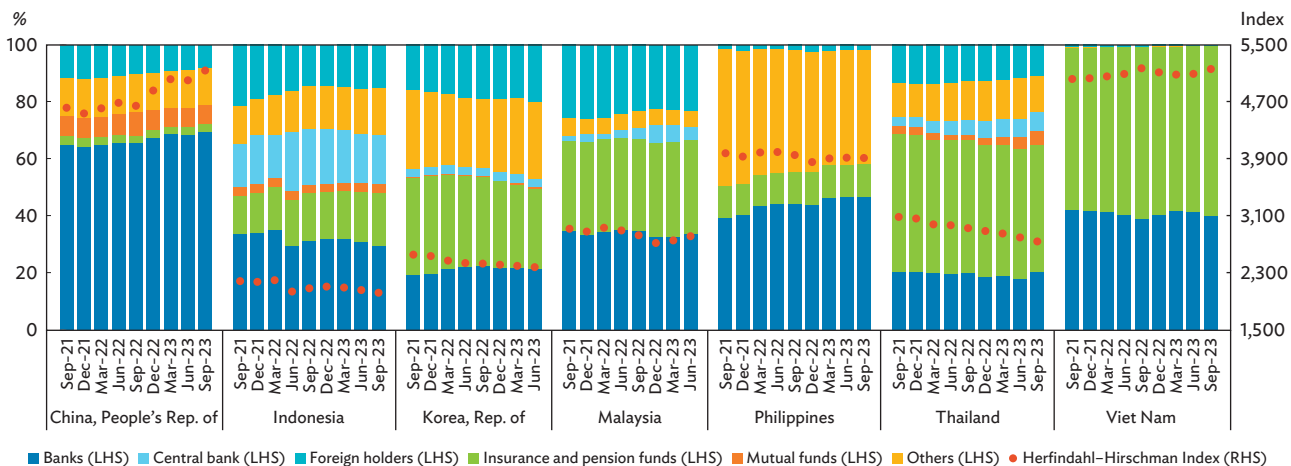
Note: Treasury bonds are local-currency-denominated fixed-income securities with maturities longer than 1 year and issued by the national government.

Sources: People's Republic of China (Bloomberg LP); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Directorate General of Budget Financing and Risk Management, Ministry of Finance); Republic of Korea (Bloomberg LP); Malaysia (Bank Negara Malaysia Fully Automated System for Issuing/Tendering); Philippines (Bureau of the Treasury); Singapore (Monetary Authority of Singapore); Thailand (Bank of Thailand); and Viet Nam (Bloomberg LP).

By the end of September, domestic investors held 89.4% of emerging East Asian LCY Treasury bonds.

Banking institutions, on average, held more than half of outstanding Treasury bonds in the region at the end of September (Figure 5). The largest shares of bank holdings were observed in the PRC (almost 70%) and the Philippines (nearly 50%). The major presence of banking institutions among investors in the PRC translated to the region's second-highest Herfindahl-Hirschman Index score, which is a measure of market concentration used to determine market competitiveness. Meanwhile, Viet Nam had the highest Herfindahl-Hirschman Index score in emerging East Asia as its market has only two dominant investors: insurance companies with a share of 59.7% and banks with 39.9%. Insurance and pension fund investors comprised a substantial share of investment in the Treasury bond market in Thailand (44.4%), Malaysia (33.3%), and the Republic of Korea (28.2%). Indonesia was the region's most diversified bond market at the end of Q3 2023, having the lowest Herfindahl-Hirschman Index score in emerging East Asia. For all investor types except banks (29.7%) and mutual funds (3.3%), the average market share was 16.7%. Indonesia was also the only market in the region whose central bank had substantial investor holdings (16.9%).

Figure 5: Investor Profiles of Local Currency Treasury Bonds in Select Emerging East Asian Markets



LHS = left-hand side, RHS = right-hand side.

Notes:

1. Data for the Republic of Korea and Malaysia are up to June 2023.
2. "Others" include government institutions, individuals, securities companies, custodians, private corporations, and all other investors not elsewhere classified.
3. The Herfindahl-Hirschman Index is a commonly accepted measure of market concentration. In this case, the index was used to measure the investor profile diversification of the local currency bond markets and is calculated by summing the squared share of each investor group in the bond market.

Sources: People's Republic of China (CEIC Data Company); Indonesia (Directorate General of Budget Financing and Risk Management, Ministry of Finance); Republic of Korea (Bank of Korea); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury); Thailand (Bank of Thailand); and Viet Nam (Ministry of Finance).

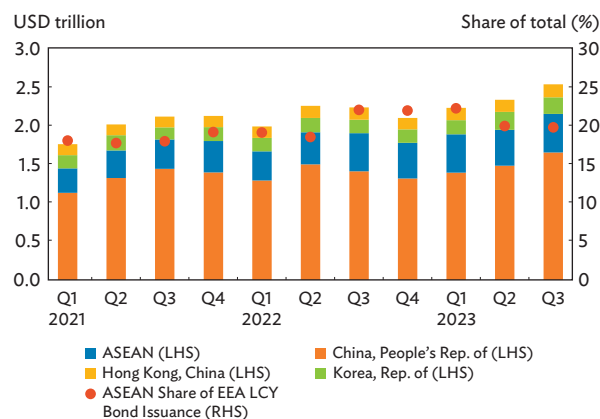
Section 2. Local Currency Bond Issuance

LCY bond issuance in emerging East Asia accelerated to USD2.5 trillion in Q3 2023 on 8.6% q-o-q growth, almost doubling the 4.6% q-o-q expansion in Q2 2023.

Emerging East Asian LCY bond issuance in Q3 2023 was equivalent to 81.5% of that of the US (USD3.1 trillion) and was over three times that of the EU-20 (USD0.8 trillion) during the same period. The PRC, ASEAN markets, and the Republic of Korea comprised 65.1%, 19.7%, and 8.5% of total regional issuance in Q3 2023, respectively (Figure 6).

Government bond issuance surged 13.2% q-o-q to USD1.1 trillion in Q3 2023, following a 2.3% q-o-q increase in Q2 2023, driven by higher issuance in the PRC. Government bond issuance accounted for 43.5% of the regional total, with the PRC comprising 87.2% of the region's total government bond issuance (Figure 7). Issuance of government bonds in the PRC and ASEAN markets rose 15.5% q-o-q and 0.8% q-o-q, respectively. Meanwhile, government bond issuance in the Republic of Korea fell 12.9% q-o-q as the government had frontloaded its financing needs in the first half of the year. Central bank bond issuance rose 5.9% q-o-q in Q3 2023, driven by ASEAN markets.

Figure 6: Local Currency Bond Issuance in Select Emerging East Asian Markets



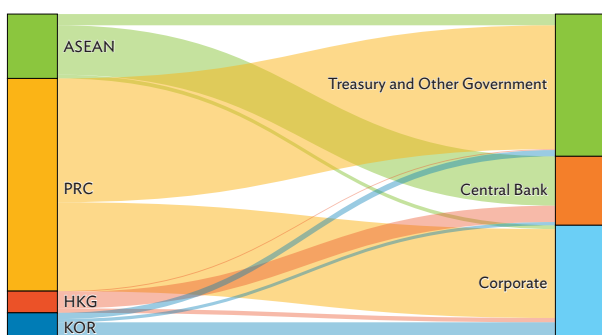
ASEAN = Association of Southeast Asian Nations, EEA = emerging East Asia, LCY = local currency, LHS = left-hand side, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, RHS = right-hand side, USD = United States dollar.

Notes:

1. For the People's Republic of China, Q3 2023 bonds issuance data are based on *AsianBondsOnline* estimates.
2. ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
3. Figures were computed based on 30 September 2023 currency exchange rates and do not include currency effects.

Source: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Republic of Korea (Bank of Korea and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority of Singapore and Bloomberg LP); Thailand (Bank of Thailand and Thai Bond Market Association); and Viet Nam (Vietnam Bond Market Association and Bloomberg LP).

Figure 7: Local Currency Bond Issuance by Economy and Type of Bond in the Third Quarter of 2023



ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; KOR = Republic of Korea; PRC = People's Republic of China.

Note: ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline calculations based on various local sources.

LCY corporate bond issuance totaled USD0.9 trillion in Q3 2023 on moderating growth of 5.0% q-o-q compared to 12.5% q-o-q in Q2 2023. LCY corporate bond issuance accounted for 35.4% of total LCY bond issuance in emerging East Asia (Table 2). In four out of nine markets in the region, less corporate bond issuance was observed during the quarter due to high borrowing costs amid expectations that the US Federal Reserve would keep higher interest rates longer than previously anticipated. The PRC, the Republic of Korea, and ASEAN accounted for 77.0%, 16.0%, and 3.3% of the region's total LCY corporate bond issuance, respectively, on q-o-q growth of 6.5%, -3.8%, and -0.2%.

The majority (55.6%) of regional Treasury bond issuance in Q3 2023 carried tenors of more than 5 years (Figure 8a). In Viet Nam, the Philippines, and the Republic of Korea, over 80% of Treasury issuance carried maturities of over 5 years during the quarter (Figure 8b). The size-weighted tenor of Treasury bonds issued during the quarter marginally declined to 6.3 years from 6.7 years in Q2 2023.

Section 3. Intra-Regional Bond Issuance

Emerging East Asian intra-regional bond issuance inched up to USD13.8 billion in Q3 2023 from USD13.0 billion in Q2 2023 on growth of 6.2% q-o-q (Figure 9).⁴ Driven by the Republic of Korea, intra-regional bond issuance in Q3 2023 increased 75.5% from USD 7.8 billion in Q3 2022. Intra-regional bond issuance from the Republic of Korea increased more than eightfold in Q3 2023 from USD0.8 billion in the previous quarter. The next largest q-o-q gains in intra-regional bond issuance in Q3 2023 came from the Lao People's Democratic Republic and the PRC with growth of 89.7% and 73.3%, respectively. Meanwhile, in Hong Kong, China and Malaysia, intra-regional bond issuance decreased 39.1% q-o-q and 69.6% q-o-q, respectively. Hong Kong, China remained the region's largest issuer of intra-regional bonds with total issuance of USD7.1 billion in Q3 2023, accounting for 51.9% of the regional total. Among corporate issuers in the region, Hyundai Commercial, a corporate financing company domiciled in the Republic of Korea, issued a USD5.5 billion 2-year bond denominated in Chinese yuan, making it the single-largest issuance during the quarter and accounting for 39.8% of the regional total.

CNY-denominated issuance and issuance from the financial sector dominated intra-regional bond issuance in Q3 2023. CNY-denominated issuance equivalent to USD12.6 billion accounted for 91.9% of the regional total (Figure 10). Issuances denominated in Hong Kong dollars, Korean won, Singapore dollars, and Thai baht collectively accounted for 8.1% of the total intra-regional issuance in emerging East Asia. By sector, issuance from the financial sector comprised 69.7% of the regional total in Q3 2023 with aggregate issuance of USD9.6 billion, nearly three times the issuance of USD3.4 billion in Q2 2023. The transportation sector was the second-largest issuer of intra-regional bonds with USD1.4 billion (10.0% regional share), which was down from USD3.0 billion in the previous quarter. The utilities and real estate sectors, whose issuances increased during the quarter, were the third- and fourth-largest sources of intra-regional bonds in Q3 2023, respectively, accounting for 6.6% and 5.5% of the regional total.

⁴ Intra-regional bond issuance is defined as emerging East Asian bond issuance denominated in a regional currency excluding the issuer's home currency.

Table 2: Local-Currency-Denominated Bond Issuance

	Q3 2022		Q2 2023		Q3 2023		Growth Rate (%)	
	Amount (USD billion)	% share	Amount (USD billion)	% share	Amount (USD billion)	% share	Q3 2023	
							q-o-q	y-o-y
China, People's Rep. of								
Total	1,443	100.0	1,488	100.0	1,650	100.0	11.5	17.2
Treasury and Other Government	804	55.7	837	56.2	960	58.2	15.5	22.4
Central Bank	0	0.0	0	0.0	0	0.0	-	-
Corporate	639	44.3	651	43.8	689	41.8	6.5	10.7
Hong Kong, China								
Total	160	100.0	156	100.0	168	100.0	7.8	5.1
Treasury and Other Government	6	3.9	1	0.8	7	4.4	515.8	19.4
Government	123	76.8	127	81.7	127	75.6	(0.3)	3.3
Corporate	31	19.3	27	17.6	34	20.0	22.9	9.0
Indonesia								
Total	44	100.0	23	100.0	26	100.0	16.1	(39.7)
Treasury and Other Government	18	39.8	10	43.4	13	47.9	27.9	(27.4)
Central Bank	23	52.0	12	52.0	11	41.5	(7.4)	(51.9)
Corporate	4	8.3	1	4.6	3	10.6	168.3	(22.6)
Korea, Rep. of								
Total	165	100.0	237	100.0	215	100.0	(7.2)	23.2
Treasury and Other Government	42	25.7	55	23.2	47	21.7	(12.9)	4.4
Central Bank	19	11.2	30	12.7	25	11.7	(14.3)	28.3
Corporate	104	63.1	152	64.2	143	66.5	(3.8)	29.9
Malaysia								
Total	26	100.0	25	100.0	37	100.0	53.7	48.8
Treasury and Other Government	15	60.0	13	53.6	12	32.6	(6.5)	(19.1)
Central Bank	0.9	3.5	3	10.5	16	42.3	520.8	1,695.2
Corporate	9	36.5	9	35.9	9	25.0	7.2	2.2
Philippines								
Total	49	100.0	39	100.0	42	100.0	9.6	(17.0)
Treasury and Other Government	18	37.5	10	26.3	10	24.6	2.5	(45.5)
Central Bank	28	58.2	28	70.7	31	73.7	14.3	5.2
Corporate	2	4.4	1	3.0	0.7	1.7	(38.8)	(68.5)
Singapore								
Total	269	100.0	310	100.0	324	100.0	5.4	14.7
Treasury and Other Government	29	10.7	34	10.8	35	10.8	5.5	15.9
Central Bank	237	88.3	276	88.8	288	88.9	5.5	15.5
Corporate	3	1.0	1.2	0.4	1	0.3	(17.3)	(66.1)
Thailand								
Total	59	100.0	70	100.0	61	100.0	(10.0)	1.0
Treasury and Other Government	16	26.9	18	25.5	15	24.0	(15.4)	(9.8)
Central Bank	28	48.0	35	49.8	33	54.0	(2.3)	13.8
Corporate	15	25.2	17	24.7	13	22.0	(19.9)	(11.9)
Viet Nam								
Total	29	100.0	3	100.0	8	100.0	144.6	(71.7)
Treasury and Other Government	2	6.6	3	82.7	2	26.5	(21.6)	13.6
Central Bank	25	86.3	0	0.0	4	47.4	-	(84.4)
Corporate	2	7.1	0.6	17.3	2	26.2	269.0	4.3
Emerging East Asia								
Total	2,243	100.0	2,352	100.0	2,532	100.0	8.6	13.4
Treasury and Other Government	951	42.4	981	41.7	1,102	43.5	13.2	17.8
Central Bank	484	21.6	510	21.7	535	21.1	5.9	7.2
Corporate	808	36.0	861	36.6	896	35.4	5.0	12.1
Japan								
Total	373	100.0	380	100.0	378	100.0	3.1	4.5
Treasury and Other Government	347	92.9	349	91.9	340	89.9	0.8	1.1
Central Bank	0	0.0	0	0.0	0	0.0	-	-
Corporate	26	7.1	31	8.1	38	10.1	28.4	49.3

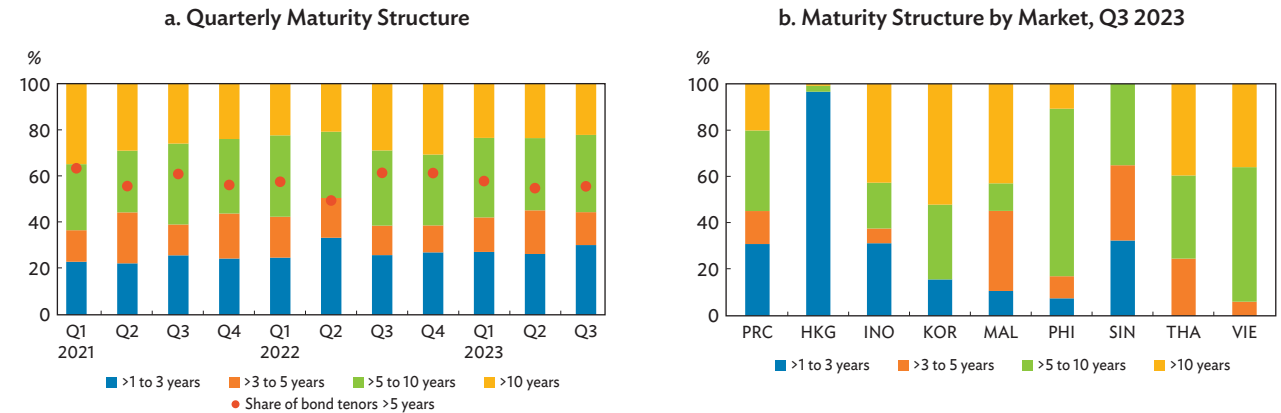
() = negative, - = not applicable, Q2 = second quarter, Q3 = third quarter, q-o-q = quarter-on-quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. For the People's Republic of China, Q3 2023 bonds issuance data are based on *AsianBondsOnline* estimates.
2. Data reflect gross bond issuance.
3. Bloomberg LP end-of-period local currency-USD rates are used.
4. Growth rates are calculated from a local currency base and do not include currency effects. For emerging East Asia, growth figures are based on 30 September 2023 currency exchange rates and do not include currency effects.

Source: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Bank Indonesia, Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Republic of Korea (Bank of Korea and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority of Singapore and Bloomberg LP); Thailand (Bank of Thailand and ThaiBMA); Viet Nam (Vietnam Bond Market Association and Bloomberg LP); and Japan (Japan Securities Dealers Association).

Figure 8: Maturity Structure of Local Currency Treasury Bond Issuance in Emerging East Asia



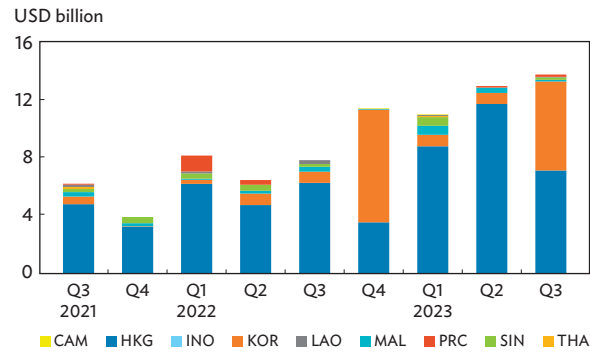
HKG = Hong Kong, China; INO = Indonesia; KOR = Republic of Korea; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

Notes:

1. Figures were computed based on 30 September 2023 currency exchange rates and do not include currency effects.
2. Treasury bonds are local-currency-denominated fixed-income securities with maturities longer than 1 year and issued by the national government.

Source: *AsianBondsOnline* calculations based on various local sources.

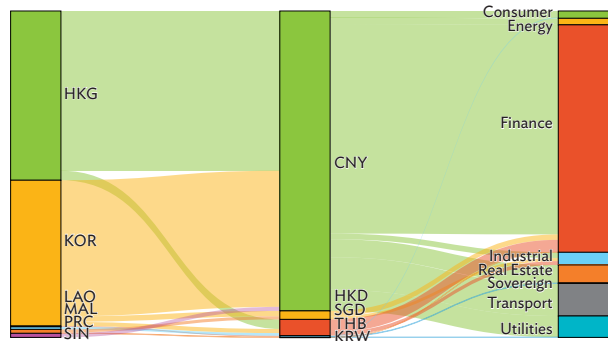
Figure 9: Intra-Regional Bond Issuance in Select Emerging East Asian Economies



CAM = Cambodia; HKG = Hong Kong, China; INO = Indonesia; KOR = Republic of Korea; LAO = Lao People's Democratic Republic; MAL = Malaysia; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; SIN = Singapore; THA = Thailand; USD = United States dollar.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Figure 10: Intra-Regional Bond Issuance in Emerging East Asia by Economy, Currency, and Sector in the Third Quarter of 2023



CNY = Chinese yuan; HKD = Hong Kong dollar; HKG = Hong Kong, China; KOR = Republic of Korea; KRW = Korean won; LAO = Lao People's Democratic Republic; MAL = Malaysia; PRC = People's Republic of China; SGD = Singapore dollar; SIN = Singapore; THB = Thai baht.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Section 4. G3 Currency Bond Issuance

G3 currency bond issuance in emerging East Asia reached USD41.1 billion in Q3 2023, up 10.2% from the USD37.3 billion issued in Q2 2023 (Figure 11).

However, this was 11.7% lower than total quarterly issuance a year earlier as USD-denominated issuances, representing 91.9% of the region's G3 currency bond issuance in Q3 2023, declined 13.3% y-o-y. The PRC regained its position as the largest issuer of G3 currency bonds in emerging East Asia during the quarter. Issuance of G3 currency bonds from ASEAN markets contracted 11.1% q-o-q to USD6.4 billion, accounting

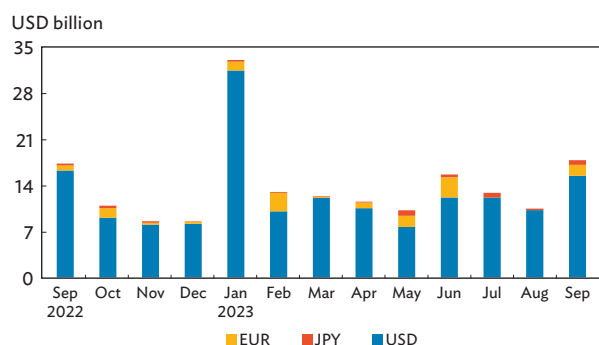
for 15.5% of the regional total (Figure 12). Malaysia and Singapore posted the largest G3 currency bond issuances among ASEAN markets, issuing USD2.4 billion and USD1.6 billion, respectively, while no G3 currency bonds were issued in the markets of Cambodia, the Lao People's Democratic Republic, the Philippines, and Viet Nam.

Section 5. Yield Curve Movements

From 1 September to 10 November, bond yield curves rose for nearly all markets in emerging East Asia.

Yields gained following the rise in US yields after the Federal Reserve indicated that it would hold interest rates elevated for longer than previously indicated. In addition, the region is seeing an uptick in inflation amid signs that commodity prices are increasing (Figure 13).

Figure 11: Monthly G3 Currency Bond Issuance in Select Emerging East Asian Markets



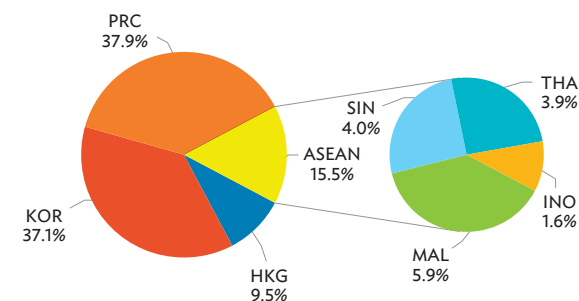
EUR = euro, JPY = Japanese yen, USD = United States dollar.

Notes:

1. Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
2. G3 currency bonds are denominated in either euros, Japanese yen, or United States dollars.
3. Figures were computed based on 30 September 2023 currency exchange rates and do not include currency effects.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Figure 12: G3 Currency Bond Issuance in Emerging East Asia in the Third Quarter of 2023

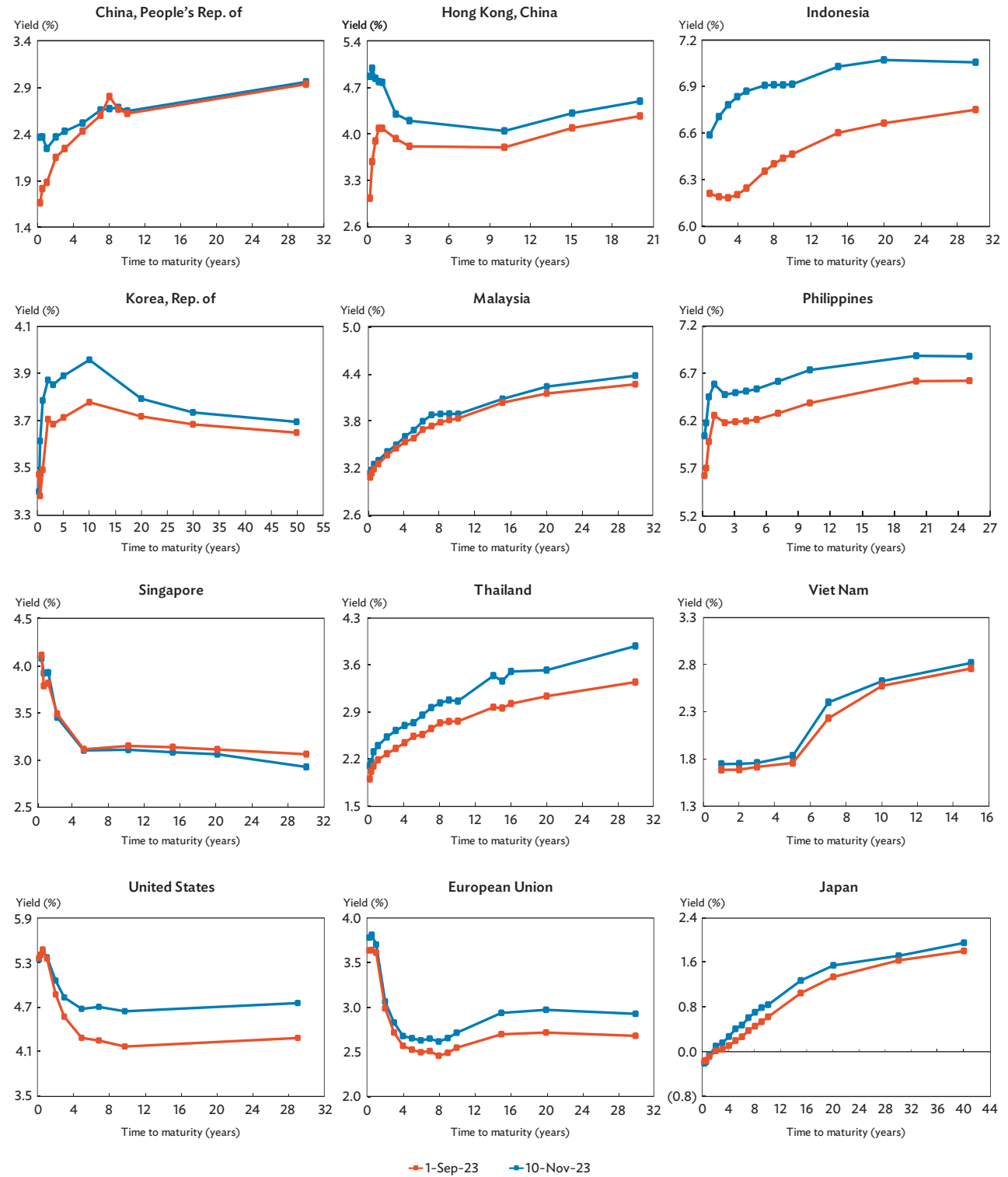


ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; INO = Indonesia; KOR = Republic of Korea; MAL = Malaysia; PRC = People's Republic of China; SIN = Singapore; THA = Thailand.

Note: G3 currency bonds are denominated in either euros, Japanese yen, or United States dollars.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Figure 13: Benchmark Yield Curves—Local Currency Government Bonds



() = negative.

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