

# Bond Market Developments in the Third Quarter of 2025

## Section 1. Local Currency Bonds Outstanding

**Emerging East Asian local currency (LCY) bonds outstanding expanded at an accelerated pace to reach USD29.5 trillion at the end of September, buoyed by increased issuance in the third quarter (Q3) of 2025.<sup>11</sup>**

- LCY bonds outstanding in emerging East Asia rose 3.2% quarter-on-quarter (q-o-q) in Q3 2025, up from 3.0% q-o-q in the second quarter (Q2), bolstered by a steady gain in the government bond segment and accelerated expansion in the corporate bond segment (**Figure 1A**).
- The expansion of government bonds outstanding was unchanged from the previous quarter at 3.7% q-o-q, while corporate bonds outstanding gained 2.5% q-o-q in Q3 2025—faster than the 2.1% q-o-q rise in the previous quarter—supported by increased issuance in most Association of Southeast Asian Nations (ASEAN) member economies amid continued monetary easing. This lifted ASEAN’s overall LCY bond market expansion to 2.1% q-o-q in Q3 2025 from 0.9% q-o-q in the prior quarter.
- At the end of Q3 2025, Treasury and other government bonds outstanding (USD19.2 trillion) accounted for 65.0% of emerging East Asia’s total LCY bonds outstanding, while corporate bonds (USD9.7 trillion) and central bank bonds (USD0.7 trillion) comprised 32.7% and 2.3%, respectively.
- The PRC’s LCY bonds outstanding represented 81.3% of the emerging East Asian total, followed by ASEAN markets with an aggregate 8.9%. LCY bond markets in the Republic of Korea and Hong Kong, China accounted for the remaining 8.3% and 1.5%, respectively (**Figure 1B**).
- Emerging East Asian LCY bonds outstanding at the end of September were equivalent to 114.6% of the region’s gross domestic product (GDP), which was smaller than the relative size of bond markets in the European Union 20 (EU-20) (136.4% of GDP) and the United States (US) (141.1% of GDP). At the end of Q3 2025, Malaysia and the Republic of Korea had the region’s largest bond markets in terms of LCY bonds outstanding as a share of GDP (**Figure 1C**).

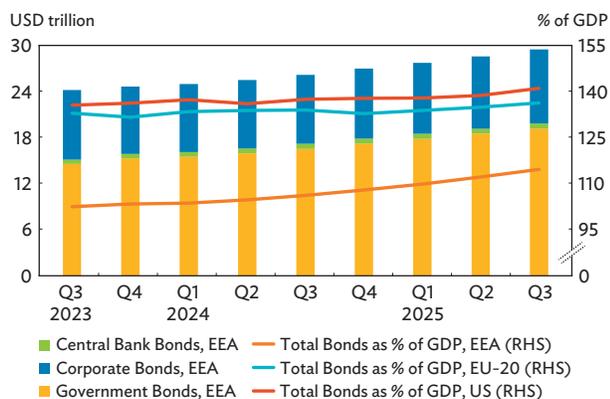
**The PRC was the main driver of the emerging East Asian bond market’s expansion in Q3 2025, with ASEAN economies increasing their contribution during the quarter (Figure 2A).** The PRC’s market expanded 3.4% q-o-q (USD788.4 billion) to reach USD24.0 trillion at the end of Q3 2025, accounting for 85.9% of the increase in the region’s LCY bonds outstanding. The expansion of the PRC’s market was largely driven by government bond issuance from policy banks and local governments to strengthen the economy. Higher corporate debt sales also fueled the bond market’s expansion as financial firms raised capital to support the government’s **new industrialization drive**. The aggregate bond stock of members of ASEAN totaled USD2.6 trillion at the end of Q3 2025 on a gain of 2.1% q-o-q (USD54.4 billion), contributing 5.9% of the regional bond market’s quarterly expansion versus 2.9% in Q2 2025. Meanwhile, the Republic of Korea’s LCY bond stock rose 2.3% q-o-q to reach USD2.5 trillion at the end of September, accounting for 6.0% of the regional LCY bond market’s quarterly expansion.

**Long-term issuances lengthened the average tenor of Treasury bonds outstanding in Q3 2025.** Around 54.2% of outstanding Treasury bonds in emerging East Asia at the end of September carried tenors of more than 5 years, up from 53.8% at the end of June. This was partly driven by increased bond issuances with maturities of 20 years or longer in the PRC, Indonesia, the Philippines, and Viet Nam during the quarter. The average tenor of outstanding Treasury bonds in the region lengthened to 9.1 years in Q3 2025 from 8.7 years in Q2 2025, exceeding the corresponding average in both

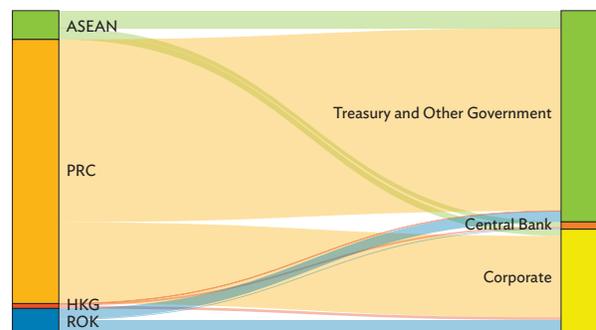
<sup>11</sup> Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.

Figure 1: Local Currency Bonds Outstanding in Emerging East Asian Markets

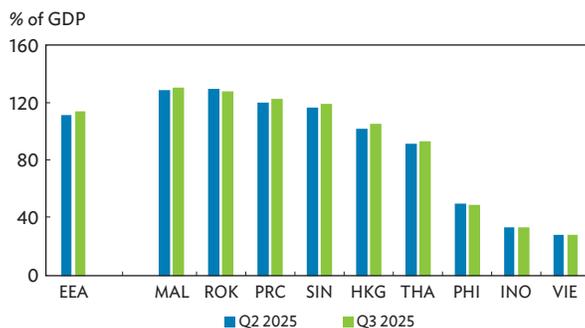
A. Local Currency Bonds Outstanding



B. Local Currency Bonds Outstanding at the End of September 2025



C. Local Currency Bonds Outstanding as a Share of Gross Domestic Product in Q2 2025 versus Q3 2025



ASEAN = Association of Southeast Asian Nations; PRC = People’s Republic of China; EEA = emerging East Asia; EU-20 = European Union 20; GDP = gross domestic product; HKG = Hong Kong, China; INO = Indonesia; ROK = Republic of Korea; MAL = Malaysia; PHI = Philippines; RHS = right-hand side; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; SIN = Singapore; THA = Thailand; US = United States; USD = United States dollar; VIE = Viet Nam.

Notes:

- 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.
- The EU-20 includes the member markets of Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.
- GDP data for Q3 2025 are carried over from Q2 2025 for the EU-20, the Republic of Korea, and the US.

Source: AsianBondsOnline calculations based on various local market sources.

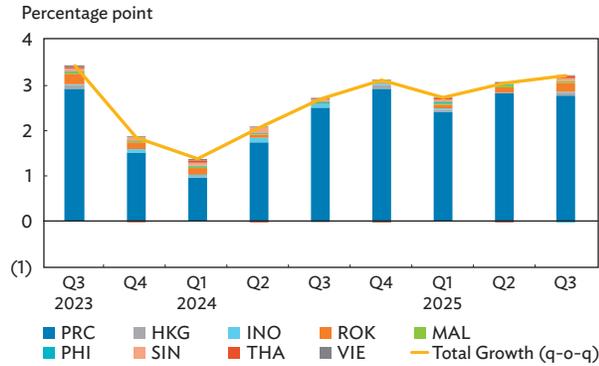
the US (7.4 years) and the EU-20 (8.2 years). The Republic of Korea had the region’s longest size-weighted average tenor (13.6 years) at the end of September. Meanwhile, Treasuries outstanding in ASEAN markets recorded a size-weighted average tenor of 9.4 years—led by Thailand (9.7 years) and Singapore (9.7 years) (Figure 2B).

**At the end of September, banking institutions, insurance companies, and pension funds had increased their LCY bond holdings from a year earlier, while central banks had reduced their share of holdings.** Banking institutions were the largest investor group in the region’s Treasury bond market at the end of September, holding 36.6% of total Treasuries outstanding, up from 35.2% a year earlier. Banks’ holdings share increased the most in the Philippines (45.7% to 51.4%), followed by the PRC (68.1% to 69.9%) and Indonesia (19.5% to 21.3%) (Figure 3). The holdings share of insurance companies and pension funds in emerging East Asia rose to 29.1% at the end of Q3 2025 from 28.8% a year earlier. These domestic investors supported the market amid a market sell-off in September. Meanwhile, the region’s central banks and foreign investors marginally reduced their holding shares from 5.5% and 11.2%, respectively, to 5.2% and 11.0%. The shares of other investors not categorized above also declined from 17.0% to 15.8% during the review period. As a result, the market concentration of investors in some emerging East Asian Treasury bond markets, such as the PRC and Philippines, increased.<sup>12</sup>

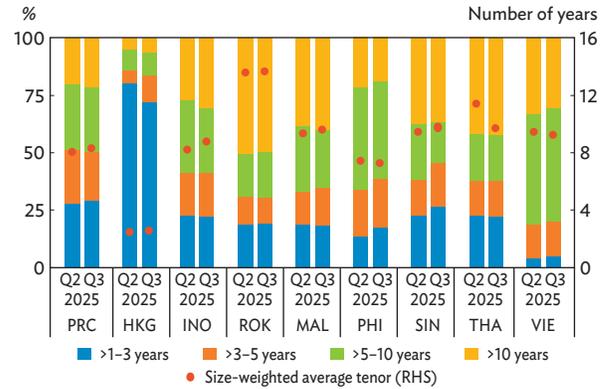
<sup>12</sup> The Herfindahl–Hirschman Index is a commonly accepted measure of market concentration. The index is used to measure the investor profile diversification of the region’s local currency bond markets and is calculated by summing the squared share of each investor group in a bond market.

Figure 2: Local Currency Bonds Outstanding in Emerging East Asian Markets

A. Percentage Contribution to Regional Market Expansion



B. Maturity Structure at the End of June 2025 versus the End of September 2025



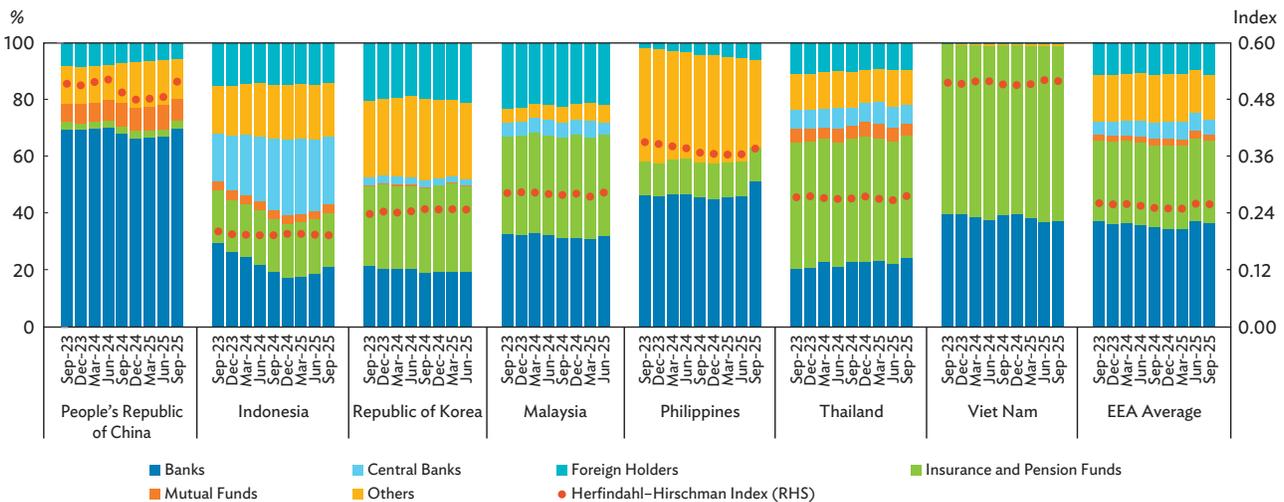
( ) = negative; PRC = People's Republic of China; HKG = Hong Kong, China; INO = Indonesia; ROK = Republic of Korea; MAL = Malaysia; PHI = Philippines; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 fourth quarter; q-o-q = quarter-on-quarter; RHS = right-hand side; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

Notes:

- 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.
- 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 2025 currency exchange rates and do not include currency effects.
- For Thailand, the contribution to growth in Q2 2025 was -0.02 percentage points.

Source: AsianBondsOnline calculations based on various local market sources.

Figure 3: Investor Profiles of Local Currency Treasury Bonds in Select Emerging East Asian Markets



EEA = emerging East Asia, RHS = right-hand side.

Notes:

- Data for the Republic of Korea and Malaysia are up to June 2025.
- "Others" include government institutions, individuals, securities companies, custodians, private corporations, and all other investors not elsewhere classified.
- 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 local currency bond markets and is calculated by summing the squared share of each investor group in a bond market. A lower score indicates greater diversity.

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 rose 3.5% q-o-q in Q3 2025 to reach USD3.2 billion, supported by growth in all bond segments (Figure 4A). However, overall growth moderated from 14.9% q-o-q in Q2 2025.

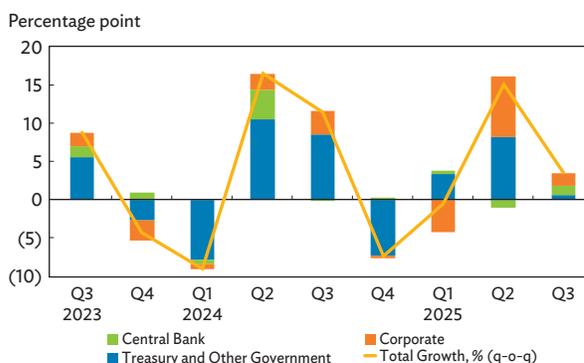
- Government bond issuance in the region increased only 1.2% q-o-q in Q3 2025, a deceleration from the 18.4% q-o-q growth posted in Q2 2025, amid a slowdown in most regional markets (Figure 4B). Issuance of government bonds in the PRC in Q3 2025, which comprised 87.2% of the regional total, inched up 0.9% q-o-q. Increased issuance of local government bonds and policy banks bonds slightly outweighed the contraction in Treasury bond issuance (Figure 4C). Government bond issuance in ASEAN markets rose 4.7% q-o-q in Q3 2025, moderating from 9.2% q-o-q in the previous quarter on slower growth in the Philippines and Singapore—both of which had notable large-volume issuances in Q2 2025. Issuance in the Republic of Korea increased at a slower pace of 3.4% q-o-q from 10.2% q-o-q in Q2 2025 due to the government’s front-loading policy in the first half of the year. Meanwhile, issuance in Hong Kong, China contracted 46.3% q-o-q due to a large volume of issuance in Q2 2025 in line with the auction schedule.
- Corporate bond issuance rose 5.1% q-o-q in Q3 2025, with increased issuance observed in almost all regional markets. However, regional growth fell sharply from the 25.3% q-o-q surge in Q2 2025, which was largely driven by corporate bond sales in the PRC. Growth in the PRC’s corporate issuance slowed to 2.6% q-o-q in Q3 2025

Figure 4: Local Currency Bond Issuance in Select Emerging East Asian Markets

### A. Local Currency Bond Issuance



### B. Percentage Contribution to Growth by Bond Type



### C. Local Currency Bond Issuance in the Third Quarter of 2025 by Market



(-) = negative; ASEAN = Association of Southeast Asian Nations; PRC = People’s Republic of China; HKG = Hong Kong, China; ROK = Republic of Korea; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; q-o-q = quarter-on-quarter.

Notes:

1. ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
2. Figures were computed based on 30 September 2025 currency exchange rates and do not include currency effects.

Source: AsianBondsOnline calculations based on various local market sources.

from 28.9% q-o-q in the previous quarter due to tepid demand for borrowing amid continued economic uncertainties. In ASEAN markets, corporate issuance surged 48.3% q-o-q amid continued monetary policy easing. Corporate bond issuance in the Republic of Korea was mostly unchanged from the previous quarter as bond yields remained elevated on declining expectations of a policy rate cut. **Box 2** examines how LCY bond market depth affects monetary policy transmission.

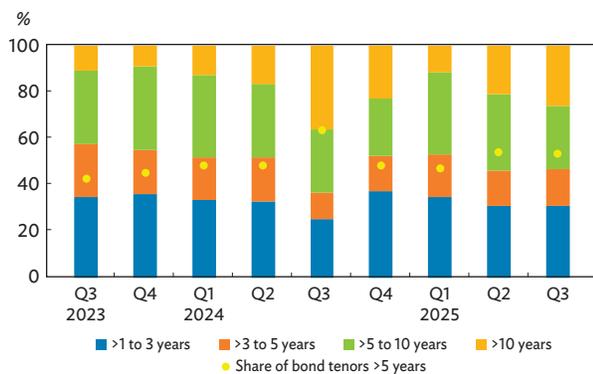
- Central bank bond issuance in the region rose 5.7% q-o-q, led by growth in Indonesia (59.9% q-o-q) and Viet Nam (129.5% q-o-q) following interventions to support their respective currencies.

**Treasury bond issuances were concentrated in medium- to long-term maturities in Q3 2025, which raised the region’s size-weighted average maturity for new issuances.** Treasury bonds with maturities exceeding 5 years accounted for 53.6% of the region’s total issuance during the quarter, slightly down from 54.2% in the previous quarter (**Figure 5A**). Despite this decline, the size-weighted average maturity of Treasury issuances lengthened to 11.4 years in Q3 2025 from 10.2 years in Q2 2025 due to several large-volume issuances with long maturities.

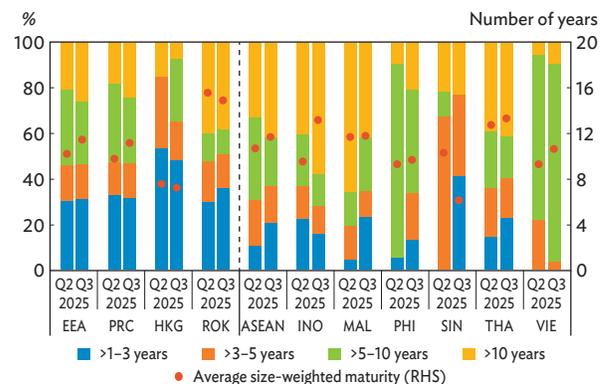
- In ASEAN markets, medium- to long-term issuances accounted for 63.1% of total Treasury bond issuance in Q3 2025 (**Figure 5B**). Viet Nam and Indonesia had the highest shares of medium- to long-term bond issuance in the region at 96.5% and 71.9%, respectively. The size-weighted average maturity of Treasury bonds issued in ASEAN rose to 11.6 years from 10.7 years in Q2 2025, driven by several large issuances of long-term bonds. Issuances in Thailand (13.3 years) and Indonesia (13.1 years) had ASEAN’s longest size-weighted average maturities during the quarter. These two markets also issued ASEAN’s longest-dated Treasury bonds at 47 years and 39 years, respectively.
- In the PRC, the share of bonds issued with maturities of more than 5 years slightly increased to 53.0% in Q3 2025 from 52.6% in Q2 2025, as the government continued to issue long-term special Treasury bonds with maturities of 20–50 years. These long-term Treasury bond issuances raised the size-weighted average maturity in the PRC to 11.1 years from 9.7 years in the previous quarter.
- In the Republic of Korea, the share of medium- to long-term issuances was 48.9% in Q3 2025, down from 52.4% in Q2 2025. However, the Republic of Korea had the longest size-weighted average maturity in emerging East Asia in Q3 2025 at 14.9 years due to notable issuances with maturities of 20–50 years.

**Figure 5: Maturity Structure of Local Currency Treasury Bond Issuance in Emerging East Asian Markets**

**A. Maturity Structure by Quarter**



**B. Maturity Structure by Market**



ASEAN = Association of Southeast Asian Nations; PRC = People’s Republic of China; EEA = emerging East Asia; HKG = Hong Kong, China; INO = Indonesia; ROK = Republic of Korea; MAL = Malaysia; PHI = Philippines; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; RHS = right-hand side; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

**Notes:**

1. Figures were computed based on 30 September 2025 currency exchange rates and do not include currency effects.
2. Treasury bonds are local-currency-denominated, fixed-income securities issued by a government with maturities longer than 1 year.

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

## Box 2: When Depth Matters—Local Currency Bond Markets and the Effectiveness of Monetary Policy

The development of local currency (LCY) bond markets has long been a strategic priority for deepening financial markets, improving access to finance, and enhancing macro-financial resilience. A well-developed LCY bond market is associated with reduced financial fragility, less exposure to disruptions in capital flows, and greater fiscal space (Burger and Warnock 2006, Eichengreen and Luengnaruemitchai 2008, Park and Shin 2025). Beyond providing stable domestic financing, a deep LCY bond market also improves the transmission of monetary policy to the broader economy (International Monetary Fund 2019, Turner 2014), especially in the context of reining in inflation and ensuring sustainable economic growth.

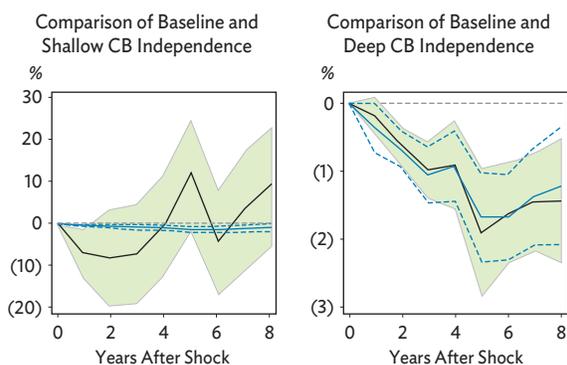
To empirically assess how deep LCY bond markets support monetary policy transmission, we examine how these dynamics vary with the size of LCY bond markets. In economies with deep LCY markets, policy-induced changes in short-term rates and term premiums can be more effectively transmitted to long-term yields, asset prices, and aggregate demand. In contrast, in economies with shallow LCY bond markets, these transmission channels are weaker; therefore, central bank actions may have limited traction.

Our analysis focuses on how monetary policy shocks are transmitted to real economic activities across economies with different levels of bond market development. Following Jalles, Qureshi, and Tian (forthcoming), monetary policy shocks are unexpected monetary policy interventions, measured by the aggregated residuals of policy rate changes that are unexplained by forecast errors in gross domestic product (GDP) growth and inflation. The depth of an economy’s bond market is measured as the value of outstanding LCY bonds as a share of GDP. The analysis utilizes a basic linear local projection regression model to estimate the transmission of monetary policy shocks to real GDP growth and inflation. The analysis partitions the sample into two groups based on whether the size of an economy’s LCY bond market is above or below the sample median.

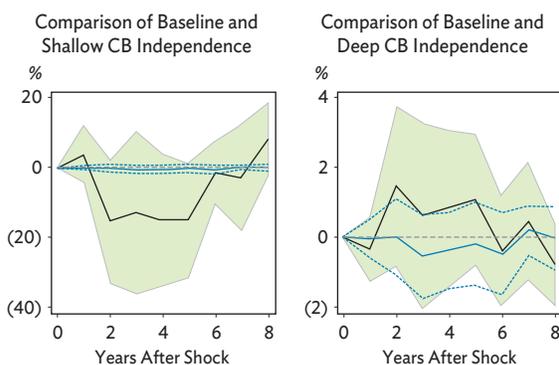
The results reveal a striking asymmetry. As illustrated in **Figure B2**, in economies with a shallow LCY bond market (i.e., a low ratio of bonds outstanding to GDP), monetary policy shocks do not have a statistically significant impact on real GDP growth. This empirical result underscores the limited transmission of monetary policy in economies with underdeveloped LCY bond markets. In contrast, in

**Figure B2: Impulse Responses of Real GDP Growth and Inflation to a Contractionary Monetary Policy Shock, Conditional on LCY Bond Market Depth (% of GDP)**

### A. Impact on Real GDP



### B. Impact on Inflation



CB = central bank, GDP = gross domestic product, LCY = local currency.

Notes: Impulse responses are estimated using an augmented smooth-transition autoregressive local projection model that conditions the transmission of monetary policy shocks on the size of LCY bond markets (measured as a share of GDP). The specification allows the dynamic responses of real economic activity and inflation to vary smoothly with LCY bond market depth rather than relying on a binary above- or below-median split. The solid black lines in the figure plot the impulse responses of shocks on the dependent variable. Year = 1 is the first year after a shock took place at year = 0. For example, the position of the line at year = 8 shows the change in real GDP 8 years after the shock. The solid blue line and corresponding dashed blue lines correspond to the baseline unconditional result for better comparison. Shaded areas denote 90% confidence bands.

Source: Authors’ calculations based on Jalles, Qureshi, and Tian (forthcoming).

This box was written by Irfan Qureshi (senior public sector specialist) and Shu Tian (principal economist) of the Asian Development Bank in Manila, Philippines, and João Tovar Jalles (senior associate professor of economics) at the Lisbon School of Economics and Management, University of Lisbon in Portugal.

**Box 2** *continued*

economies with high bonds-to-GDP ratios, a contractionary monetary policy shock generates a sharp and statistically significant decline in real GDP, with effects persisting for several quarters. However, the impacts of monetary policy shocks on inflation are muted across both groups, indicating that the size of an LCY bond market may not be a significant factor in influencing the transmission of monetary policy to inflation. This evidence is consistent with existing literature that finds global factors and structural rigidities weigh more heavily on price dynamics than domestic market financial depth (International Monetary Fund 2019, Turner 2014).

These empirical findings underscore two key insights. First, the development of LCY bond markets significantly enhances the real activity channel of monetary policy, even if it does not affect the inflation channel. Second, deeper bond markets may intensify the output trade-offs faced by central banks, as monetary tightening induces more pronounced real effects without a commensurate impact on inflation. For policymakers, this empirical finding highlights the dual payoff of LCY bond market development: Not only does a deeper LCY bond market reduce fragilities associated with external debt, it also amplifies the effectiveness of monetary policy in steering real economic conditions through a more responsive and better-functioning transmission mechanism. At the same time, other important factors—including the credibility of monetary policy, independence in setting monetary policy, the clarity of communication, and the broader macroeconomic environment—also play critical roles in shaping the transmission mechanism.

**References**

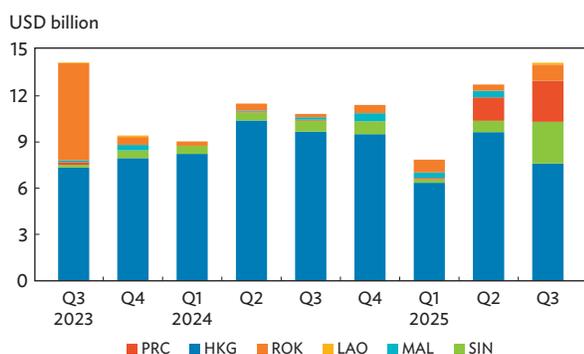
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## Section 3: Intra-Regional Bond Issuance

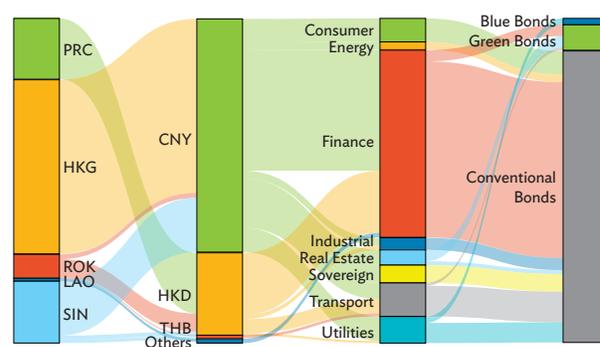
Emerging East Asia’s intra-regional bond issuance tallied USD14.1 billion in Q3 2025 on moderating growth of 11.1% q-o-q due to weaker debt sales in Hong Kong, China.<sup>13</sup> Total intra-regional bond issuance expanded in Q3 2025, with increased debt sales in Singapore (USD2.7 billion), the PRC (USD2.7 billion), and the Republic of Korea (USD1.0 billion) amid a low-interest-rate environment across the region. However, quarterly growth was down from 61.9% q-o-q in the previous quarter (Figure 6A). Issuance from Hong Kong, China, which accounted for 53.8% of the intra-regional total in Q3 2025, declined 21.0% q-o-q to USD7.6 billion, following large issuances of green and infrastructure bonds by the Government of the Hong Kong Special Administrative Region of the PRC in the prior quarter.

Figure 6: Intra-Regional Bond Issuance in Emerging East Asian Markets

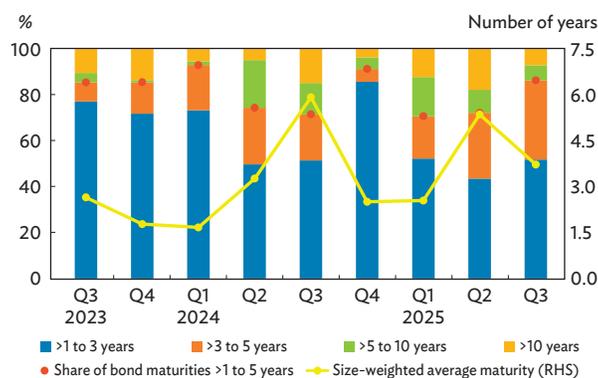
### A. Quarterly Issuance



### B. Market Structure in the Third Quarter of 2025



### C. Maturity Structure and Size-Weighted Average Maturity by Quarter



PRC = People’s Republic of China; CNY = Chinese yuan; HKD = Hong Kong dollar; HKG = Hong Kong, China; ROK = Republic of Korea; LAO = Lao People’s Democratic Republic; MAL = Malaysia; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; RHS = right-hand side; SIN = Singapore; THB = Thai baht; USD = United States dollar.

Notes:

- 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.
- Intra-regional bond issuance is defined as emerging East Asian bond issuance denominated in a regional currency excluding the issuer’s home currency.
- Figures were computed based on 30 September 2025 currency exchange rates and do not include currency effects.
- Data are based on domicile where the company’s senior management is located.
- Other currencies include Korean won, Malaysian ringgit, and Singapore dollar.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

<sup>13</sup> Intra-regional bond issuance is defined as emerging East Asian bond issuance denominated in a regional currency excluding the issuer’s home currency.

- Emerging East Asia’s intra-regional bond market saw an increase in sustainable bond issuance in Q3 2025. During the quarter, the Lao People’s Democratic Republic returned to the intra-regional bond market for the first time since October 2023 with Xayaburi Power’s green bond offering totaling THB4.0 billion in July. Hong Kong, China’s Swire Properties and ICBC Singapore also issued green bonds worth CNY3.5 billion each in July and August. Additionally, Hong Kong, China’s utilities company, China Power, issued blue bonds worth CNY2.0 billion in September.
- The Chinese yuan was the primary currency of intra-regional bond issuance in Q3 2025, accounting for 72.1% of the emerging East Asian total (**Figure 6B**). Meanwhile, the share of HKD-denominated intra-regional bond issuance rose to 25.6% from 17.7% in Q2 2025.
- Corporate bonds accounted for 94.5% of emerging East Asia’s total intra-regional bond issuance in Q3 2025, about 61.3% of which was issued by the financial sector. The PRC’s China Pacific Insurance was the region’s leading issuer (HKD15.6 billion), representing 14.2% of the intra-regional total during the quarter.

**Most intra-regional bond issuances in Q3 2025 carried short- to medium-term maturities, lowering the size-weighted average maturity of new issuances to 3.7 years from 5.4 years in the previous quarter.** Issuances with maturities of 5 years or less accounted for 86.4% of the total in Q3 2025, up from the previous quarter’s 72.2% (**Figure 6C**). Meanwhile, the share of bond issuances with maturities of over 10 years fell to 7.0% from 17.7% in Q2 2025. Singapore’s Temasek Financial was the only issuer of a 30-year bond during the quarter.

## Section 4. G3 Currency Bond Issuance

**Emerging East Asian G3 currency bond issuance rose 37.0% q-o-q to USD101.6 billion in Q3 2025, driven in part by continued monetary easing in the EU-20 and the US.**<sup>14</sup> Growth in the region’s G3 currency bond issuance surged from 1.2% q-o-q in the previous quarter as corporate issuers sought to finance **capital investments** amid reduced financing costs for EUR- and USD-denominated assets (**Figure 7A**).

- The PRC led G3 issuance in emerging East Asia in Q3 2025 with USD53.6 billion worth of bond sales, accounting for 52.8% of the regional total and nearly doubling its G3 issuance from the prior quarter (**Figure 7B**). The surge was largely driven by real estate companies seeking to **refinance existing debt**. The PRC’s Kaisa Group and Shimao Group led issuers of G3-denominated securities—together comprising 24.7% of the region’s quarterly total—as part of their respective debt-restructuring programs.
- G3 bond issuance from ASEAN economies tallied USD24.5 billion in Q3 2025, up 8.2% q-o-q, and accounting for 24.1% of the region’s quarterly total. Several ASEAN economies recorded sizable quarterly increases in G3 bond issuance, including Singapore (43.5% q-o-q), Indonesia (34.1% q-o-q), and the Philippines (30.8% q-o-q). Bank Indonesia issued a total of USD7.8 billion worth of G3-denominated securities to support money market operations and stabilize the rupiah.
- Corporate issuances comprised a majority (95.3%) of G3-denominated issuance in Q3 2025, with only 4.7% of the total issued by public sector entities. G3-denominated corporate bond sales were led by the real estate (32.9%), financial (31.2%), and industrial (12.4%) sectors. The real estate sector’s G3 bond issuance during the quarter was buoyed by increased issuances in the PRC.
- G3-denominated bond issuances in the region were dominated by shorter-term maturities, with 63.7% of issuances carrying maturities of 5 years or less (**Figure 7C**). As such, the size-weighted average maturity of regional G3 bond issuance shortened to 4.7 years in Q3 2025 from 5.8 years in Q2 2025.

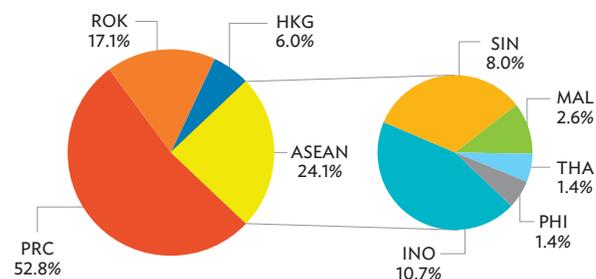
<sup>14</sup> G3 currency bonds are bonds denominated in either euros, Japanese yen, or United States dollars.

Figure 7: G3 Currency Bond Issuance in Emerging East Asian Markets

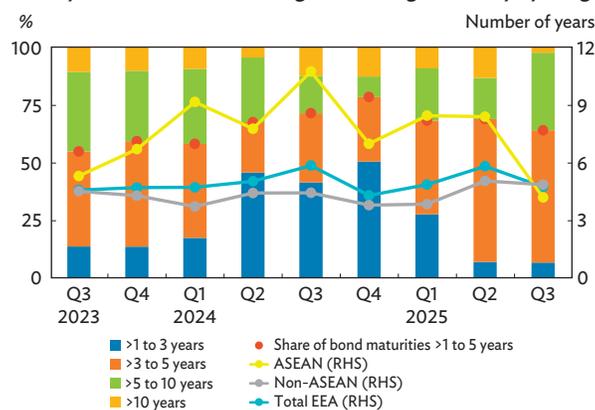
A. Monthly Bond Issuance by Currency



B. Market Shares in the Third Quarter of 2025



C. Maturity Structure and Size-Weighted Average Maturity by Subgroup



ASEAN = Association of Southeast Asian Nations; PRC = People's Republic of China; EEA = emerging East Asia; EUR = euro; HKG = Hong Kong, China; INO = Indonesia; JPY = Japanese yen; ROK = Republic of Korea; MAL = Malaysia; PHI = Philippines; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; RHS = right-hand side; SIN = Singapore; THA = Thailand; 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. ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
- G3 currency bonds are denominated in either euros, Japanese yen, or United States dollars.
- Figures were computed based on 30 September 2025 currency exchange rates and do not include currency effects.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

## Appendix

Table A1: Size and Composition of Select Emerging East Asian Local Currency Bond Markets

	Q3 2024		Q2 2025		Q3 2025			Growth Rate (%)	
	Amount (USD billion)	% of GDP	Amount (USD billion)	% of GDP	Amount (USD billion)	% share	% of GDP	Q3 2025	
								q-o-q	y-o-y
<b>People's Republic of China</b>									
<b>Total</b>	21,326	112.3	23,072	120.1	23,995	100.0	123.1	3.4	14.2
Treasury and Other Government	14,366	75.7	15,882	82.7	16,604	69.2	85.2	3.9	17.3
Central Bank	2	0.01	0	0.0	0	0.0	0.0	-	(100.0)
Corporate	6,958	36.6	7,190	37.4	7,391	30.8	37.9	2.2	7.8
<b>Hong Kong, China</b>									
<b>Total</b>	384	95.2	422	102.3	445	100.0	105.8	4.7	16.2
Treasury and Other Government	29	7.1	37	9.1	33	7.4	7.9	(12.4)	15.9
Central Bank	167	41.3	169	41.0	171	38.4	40.6	0.5	2.8
Corporate	189	46.8	215	52.2	241	54.2	57.3	11.1	28.0
<b>Indonesia</b>									
<b>Total</b>	498	34.7	482	34.2	476	100.0	34.0	1.4	5.2
Treasury and Other Government	403	28.0	399	28.3	398	83.7	28.4	2.4	8.8
Central Bank	65	4.5	52	3.7	47	9.8	3.3	(7.9)	(20.8)
Corporate	30	2.1	31	2.2	31	6.5	2.2	3.7	13.4
<b>Republic of Korea</b>									
<b>Total</b>	2,504	130.5	2,490	130.0	2,456	100.0	128.2	2.3	4.7
Treasury and Other Government	954	49.7	978	51.1	972	39.6	50.7	3.0	8.8
Central Bank	87	4.5	78	4.1	75	3.0	3.9	(1.1)	(8.1)
Corporate	1,464	76.3	1,433	74.8	1,409	57.4	73.6	2.0	2.8
<b>Malaysia</b>									
<b>Total</b>	504	127.5	518	129.5	530	100.0	130.7	2.2	7.4
Treasury and Other Government	294	74.4	304	76.0	307	57.9	75.7	0.9	6.6
Central Bank	0	0.0	0	0.0	0	0.0	0.0	-	-
Corporate	210	53.1	214	53.5	223	42.1	55.0	4.1	8.5
<b>Philippines</b>									
<b>Total</b>	232	50.2	245	50.5	237	100.0	49.8	(0.1)	6.0
Treasury and Other Government	193	41.7	210	43.2	203	85.7	42.7	0.1	9.5
Central Bank	16	3.4	13	2.7	10	4.4	2.2	(17.4)	(31.8)
Corporate	24	5.1	22	4.6	23	9.9	4.9	7.8	3.1
<b>Singapore</b>									
<b>Total</b>	651	116.3	686	117.0	695	100.0	119.3	2.8	7.2
Treasury and Other Government	236	42.2	252	43.0	257	36.9	44.0	3.4	9.2
Central Bank	262	46.7	277	47.2	276	39.7	47.3	1.1	5.8
Corporate	153	27.4	157	26.8	163	23.4	27.9	5.0	6.5
<b>Thailand</b>									
<b>Total</b>	531	92.9	529	91.6	544	100.0	93.9	2.5	3.2
Treasury and Other Government	312	54.5	321	55.5	328	60.2	56.6	2.0	5.9
Central Bank	73	12.8	72	12.5	79	14.6	13.7	9.8	9.2
Corporate	146	25.5	137	23.6	137	25.2	23.6	0.1	(5.4)
<b>Viet Nam</b>									
<b>Total</b>	123	27.0	134	28.8	136	100.0	28.9	3.1	19.4
Treasury and Other Government	88	19.5	92	19.8	93	68.0	19.6	1.9	12.6
Central Bank	3	0.6	6	1.4	7	5.1	1.5	11.7	161.9
Corporate	31	6.9	35	7.6	37	26.8	7.8	4.7	25.4
<b>Emerging East Asia</b>									
<b>Total</b>	26,753	106.2	28,578	112.2	29,515	100.0	114.6	3.2	12.6
Treasury and Other Government	16,874	67.0	18,475	72.6	19,195	65.0	74.5	3.7	16.0
Central Bank	674	2.7	668	2.6	665	2.3	2.6	0.7	0.8
Corporate	9,205	36.5	9,435	37.1	9,655	32.7	37.5	2.5	7.3
<b>Japan</b>									
<b>Total</b>	9,636	230.1	9,763	225.8	9,536	100.0	224.3	0.3	1.9
Treasury and Other Government	8,876	211.9	8,990	207.9	8,771	92.0	206.3	0.2	1.8
Central Bank	25	0.6	21	0.5	20	0.2	0.5	(2.6)	(17.6)
Corporate	736	17.6	753	17.4	745	7.8	17.5	1.6	4.3

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

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.
- 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 2025 currency exchange rates and do not include currency effects.
- GDP data are from CEIC Data Company. GDP data are as of end-June 2025 for the Republic of Korea.
- Bloomberg LP end-of-period local currency-USD rates are used.

Sources: People's Republic of China (CEIC Data Company); Hong Kong, China (Hong Kong Monetary Authority); European Union 20 (European Central Bank); 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 (Bangko Sentral ng Pilipinas, Bureau of the Treasury and Bloomberg LP); Singapore (Monetary Authority Singapore and Bloomberg LP); Thailand (Bank of Thailand and Thai Bond Market Association); United States (Securities Industry and Financial Markets Association and Bloomberg LP); and Viet Nam (Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP).

Table A2: Local-Currency-Denominated Bond Issuance

	Q3 2024		Q2 2025		Q3 2025		Growth Rate (%)	
	Amount (USD billion)	% share	Amount (USD billion)	% share	Amount (USD billion)	% share	Q3 2025	
							q-o-q	y-o-y
<b>People's Republic of China</b>								
<b>Total</b>	1,974	100.0	2,062	100.0	2,106	100.0	1.6	8.3
Treasury and Other Government	1,190	60.3	1,235	59.9	1,253	59.5	0.9	6.8
Central Bank	0	0.0	0	0.0	0	0.0	-	-
Corporate	784	39.7	827	40.1	853	40.5	2.6	10.4
<b>Hong Kong, China</b>								
<b>Total</b>	164	100.0	184	100.0	203	100.0	9.3	24.1
Treasury and Other Government	0.2	0.1	2	0.9	0.9	0.5	(46.3)	383.3
Central Bank	133	81.2	135	73.2	138	68.0	1.5	3.9
Corporate	31	18.7	48	26	64	31.6	33.5	110.1
<b>Indonesia</b>								
<b>Total</b>	51	100.0	39	100.0	55	100.0	45.6	19.0
Treasury and Other Government	16	31.8	16	40.9	19	34.0	21.1	27.4
Central Bank	33	64.2	21	53.4	32	58.6	59.9	8.7
Corporate	2	4.0	2	5.8	4	7.4	86.2	116.4
<b>Republic of Korea</b>								
<b>Total</b>	184	100.0	205	100.0	205	100.0	3.5	19.0
Treasury and Other Government	43	23.5	60	29.3	60	29.3	3.4	48.1
Central Bank	16	8.5	13	6.5	18	8.7	38.5	21.8
Corporate	125	68.0	132	64.2	127	62.0	(0.01)	8.6
<b>Malaysia</b>								
<b>Total</b>	26	100.0	21	100.0	31	100.0	48.1	22.2
Treasury and Other Government	14	52.9	10	46.1	13	43.6	40.0	0.6
Central Bank	0	0.0	0	0.0	0	0.0	-	-
Corporate	12	47.1	11	53.9	17	56.4	55.0	46.6
<b>Philippines</b>								
<b>Total</b>	52	100.0	48	100.0	50	100.0	7.3	(0.9)
Treasury and Other Government	14	27.6	20	40.6	22	43.6	15.2	56.6
Central Bank	35	66.7	28	57.3	24	49.0	(8.3)	(27.2)
Corporate	3	5.7	1	2.1	4	7.4	280.9	29.0
<b>Singapore</b>								
<b>Total</b>	424	100.0	451	100.0	443	100.0	(0.3)	5.0
Treasury and Other Government	41	9.7	52	11.5	51	11.5	0.2	24.6
Central Bank	380	89.6	398	88.3	385	86.8	(2.0)	1.6
Corporate	3	0.7	1	0.2	8	1.7	622.2	171.8
<b>Thailand</b>								
<b>Total</b>	69	100.0	67	100.0	69	100.0	2.6	1.2
Treasury and Other Government	21	30.1	19	28.3	16	23.0	(16.5)	(22.8)
Central Bank	35	51.8	38	56.0	42	60.4	10.5	18.0
Corporate	12	18.1	10	15.7	11	16.6	8.7	(7.2)
<b>Viet Nam</b>								
<b>Total</b>	40	100.0	28	100.0	48	100.0	70.3	27.4
Treasury and Other Government	5	11.6	3	12.2	2	4.3	(40.3)	(52.9)
Central Bank	31	77.9	19	65.2	42	87.8	129.5	43.6
Corporate	4	10.5	6	22.6	4	7.9	(40.6)	(4.8)
<b>Emerging East Asia</b>								
<b>Total</b>	2,983	100.0	3,105	100.0	3,210	100.0	3.5	9.5
Treasury and Other Government	1,344	45.1	1,416	45.6	1,437	44.8	1.2	8.7
Central Bank	663	22.2	651	21.0	681	21.2	5.7	4.1
Corporate	976	32.7	1,038	33.4	1,092	34.0	5.1	14.3
<b>Japan</b>								
<b>Total</b>	379	100.0	370	100.0	349	100.0	(3.4)	(5.3)
Treasury and Other Government	343	90.4	333	90.0	315	90.3	(3.0)	(5.5)
Central Bank	0	0.0	0	0.0	0	0.0	-	-
Corporate	36	9.6	37	10.0	34	9.7	(6.8)	(4.2)

( ) = 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. Data reflect gross bond issuance.
2. Bloomberg LP end-of-period local currency-USD rates are used.
3. 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 2025 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); Japan (Japan Securities Dealers Association); Republic of Korea (Bank of Korea and KG Zerin Corporation); Malaysia (Bank Negara Malaysia); Philippines (Bangko Sentral ng Pilipinas, 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 (Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP).