Bond Market Developments in the Second Quarter of 2026

Section 1. Local Currency Bonds Outstanding

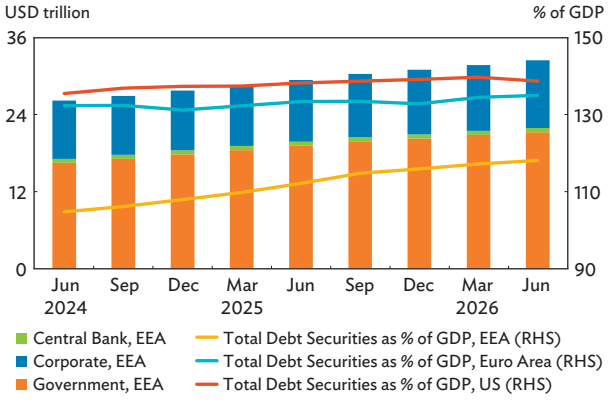
Emerging East Asian local currency (LCY) debt securities outstanding reached USD32.6 trillion at the end of June, expanding by 2.4% quarter-on-quarter (q-o-q) in the second quarter (Q2) of 2026. The expansion was supported by increased issuance, especially from the private sector, as geopolitical uncertainties eased (**Figure 1A**).[5] Total debt securities outstanding were equivalent to 118.1% of regional gross domestic product (GDP), compared to 135.7% in the euro area and 138.8% in the United States (US). Excluding debt securities with a tenor of 1 year or less, emerging East Asia's LCY bonds outstanding rose by 3.1% q-o-q to USD30.0 trillion, reaching 108.8% of GDP at the end of June and approaching that of the US (115.4%) and the euro area (127.4%) (**Figure 1B**).

Box 1 discusses the link between LCY bond market development and the resilience of economies to external shocks.

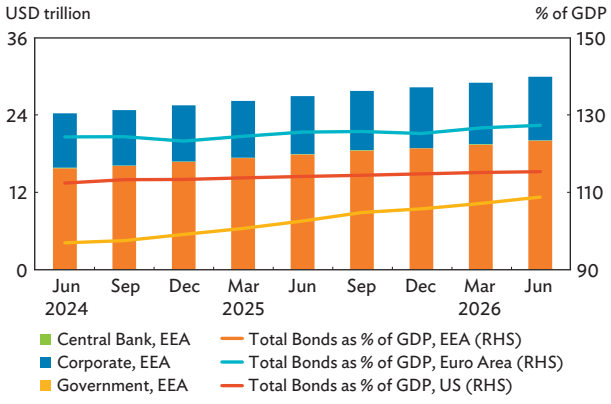
Government bonds comprised 66.8% of the region's total LCY bonds outstanding, reaching USD20.0 trillion at the end of June. Government bonds outstanding increased by 3.2% q-o-q in Q2, broadly unchanged from a 3.1% q-o-q expansion in the first quarter (Q1), as lower government bond issuance following front-loaded borrowing in Q1 was offset by a smaller volume of maturing bonds in the People's Republic of China (PRC) and the Republic of Korea. The corporate bond market expanded by 3.1% q-o-q to USD9.9 trillion in Q2, accelerating from 1.3% q-o-q in Q1. The corporate bond market was supported by higher issuance in Q2 due to improved investment sentiment, especially increased issuance from financial firms in the PRC to facilitate credit expansion.

Figure 1: Local Currency Debt Securities Outstanding

A. Total Debt Securities



B. Bonds



EEA = emerging East Asia, GDP = gross domestic product, RHS= right-hand side, 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 euro area includes the member markets of Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.
3. Bonds are defined as debt securities with maturities longer than 1 year.
4. Debt securities data for the People's Republic of China, the Republic of Korea, Malaysia, Singapore, and the United States are based on *AsianBondsOnline* estimates.

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

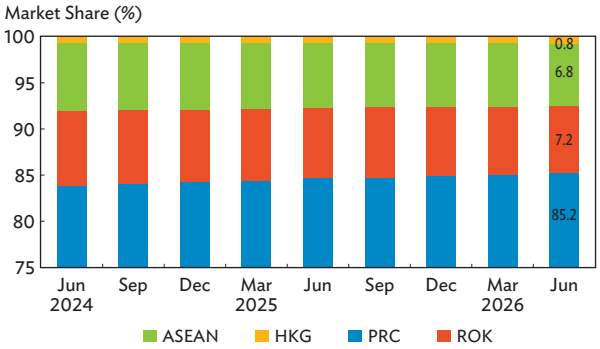
[5] Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.

At the end of Q2, the share of LCY corporate bonds to total regional LCY bonds remained broadly stable compared to Q1 at around 33.0%.

The PRC accounted for 85.2% of regional LCY bonds outstanding, with its LCY bond stock increasing by 3.4% q-o-q to USD25.6 trillion (**Figure 2**). The expansion was supported by robust corporate issuance. The Republic of Korea's bond market (USD2.2 trillion) comprised 7.2% of the regional LCY bond market, expanding by 1.2% q-o-q on sustained government bond issuance and higher corporate bond issuance. The Association of Southeast Asian Nations' (ASEAN) market share edged down to 6.8% as the expansion of member economies' bonds outstanding (USD2.0 trillion) slowed to 1.8% q-o-q due to lower government bond issuance after several governments had front-loaded borrowing in Q1. Meanwhile, LCY bonds outstanding in Hong Kong, China expanded strongly by 10.3% q-o-q, reaching USD0.2 trillion, supported by issuances from infrastructure-related firms.

Around half of total outstanding LCY Treasury bonds in emerging East Asia carry a medium to long tenor. At the end of June, about 54.4% of outstanding Treasury bonds had a tenor longer than 5 years. The size-weighted average tenor of LCY Treasury bonds outstanding in the region was 10 years, compared with 9 years for both the US and euro area, and 11 years for Japan (**Figure 3**). A slight decline in the average tenor of outstanding LCY bonds took place in Singapore—from 11.6 years in Q1 to 11.1 years in Q2—reflecting lower issuance of ultra-long-term bonds during the quarter.

Figure 2: Market Profile of Local Currency Bonds Outstanding

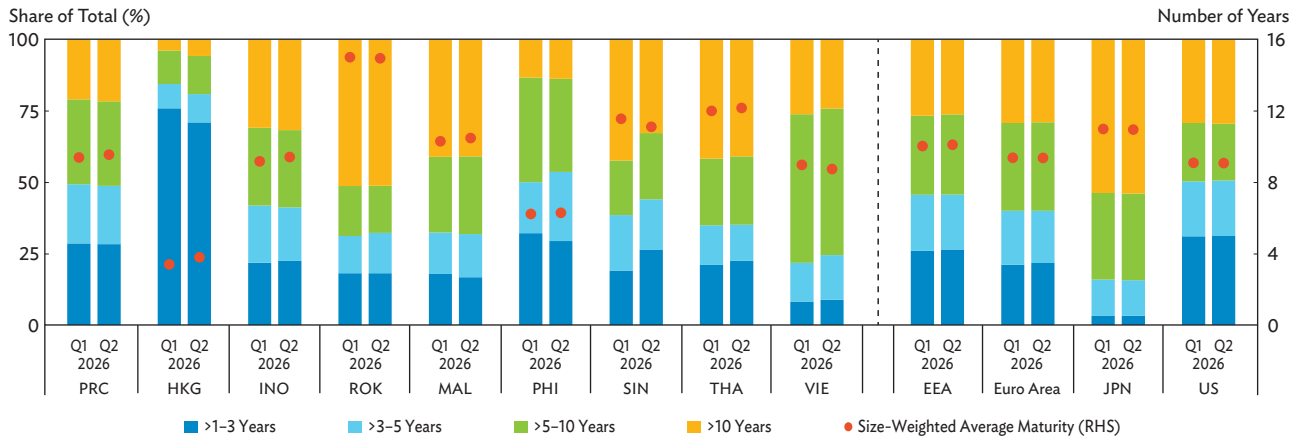


ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; PRC = People's Republic of China; ROK = Republic of Korea.

Note: Bonds are defined as debt securities with maturities longer than 1 year.

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

Figure 3: Maturity Profiles of Local Currency Treasury Bonds Outstanding at the End of March 2026 versus the End of June 2026



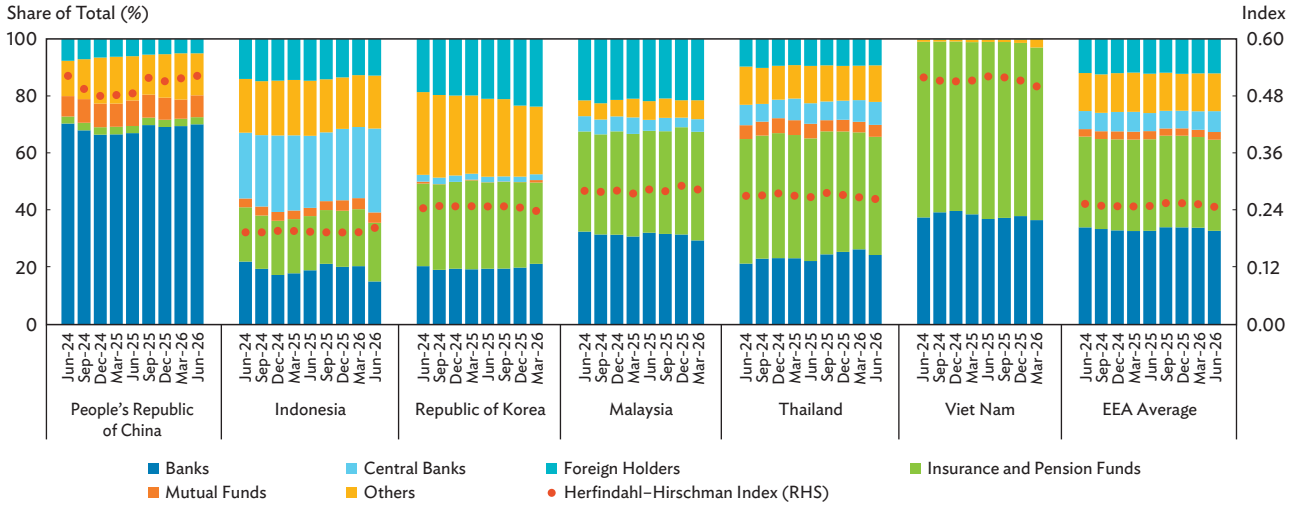
EEA = emerging East Asia; HKG = Hong Kong, China; INO = Indonesia; JPN = Japan; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; RHS= right-hand side; ROK = Republic of Korea; SIN = Singapore; THA = Thailand; US = United States; VIE = Viet Nam.

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 euro area includes the member markets of Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.
3. Bonds are defined as debt securities with maturities longer than 1 year.

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

Figure 4: Investor Profiles of Local Currency Government Debt Securities in Emerging East Asian Markets



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

Notes:
1. Data for the Republic of Korea, Malaysia, and Viet Nam are up to March 2026.
2. Government debt securities include treasury bills and treasury bonds.
3. "Others" include government institutions, individuals, securities companies, custodians, private corporations, and all other investors not elsewhere classified.
4. 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. A lower score indicates greater diversity.

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

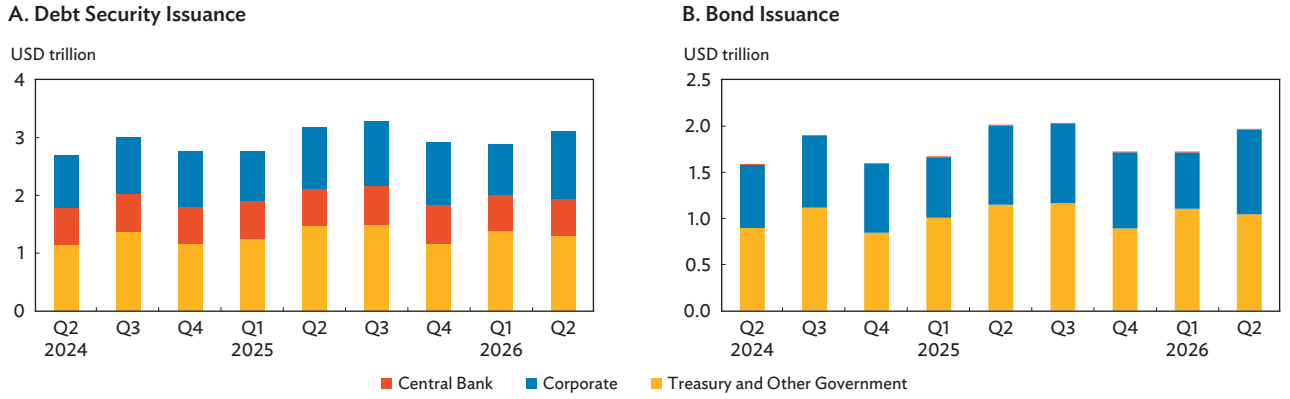
The banking sector remained the largest investor in LCY government debt securities in emerging East Asia at the end of Q2, holding 32.8% of the total amount outstanding (**Figure 4**). The shares held by foreign investors, mutual funds, and insurance and pension funds all declined during the quarter. Central bank holdings rose to 7.3% in Q2 from 6.4% a year earlier, partly driven by Bank Indonesia's purchases of government bonds to support financial market stability. The PRC recorded the highest investor concentration in the region, as banks held 70.1% of the government debt stock. This was followed by Viet Nam where banks and insurance companies continue to collectively hold 97.0% of total government debt securities outstanding. In Indonesia, the investor base for government debt securities is relatively more diversified compared with other economies in the region.

Section 2. Local Currency Bond Issuance

LCY debt security issuance in emerging East Asia rose by 7.7% q-o-q to USD3.1 trillion in Q2 2026 from USD2.9 trillion in Q1, driven by a surge in corporate issuance over easing global uncertainties (**Figure 5A**). Excluding debt securities with maturities of less than 1 year, LCY bond issuances in Q2 2026 recorded USD2.0 trillion, up 14.3% q-o-q from the previous quarter (**Figure 5B**). Corporate issuances comprised 37.7% and 46.6% of total LCY debt security and bond issuances during the quarter, respectively.

LCY corporate bond issuance rose by 50.4% q-o-q on improved investment sentiment, led by strong borrowing in the PRC and the Republic of Korea (**Figure 6**). The PRC recorded a 54.7% q-o-q increase in corporate bond issuance in Q2, as banks and financial companies resumed bond offerings following approval delays in the previous quarter. In the Republic of Korea, corporate bond issuance rose by 30.2% q-o-q as firms accelerated borrowing in Q2 in anticipation of higher interest rates, driven by market expectations that the Bank of Korea

Figure 5: Local Currency Debt Security Issuance in Selected Emerging East Asian Markets

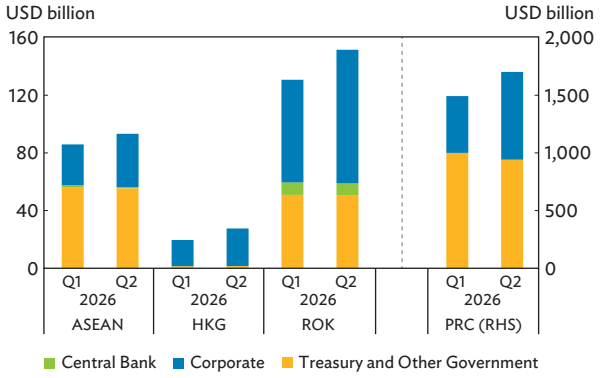


Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; USD = United States dollar.

Notes:
1. Bonds are defined as debt securities with maturities longer than 1 year.
2. Data on bonds for the People's Republic of China, Malaysia, and the Republic of Korea are based on *AsianBondsOnline* estimates.
3. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects.

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

Figure 6: Local Currency Bond Issuance by Market



ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; ROK = Republic of Korea; RHS = right-hand side; USD = United States dollar.

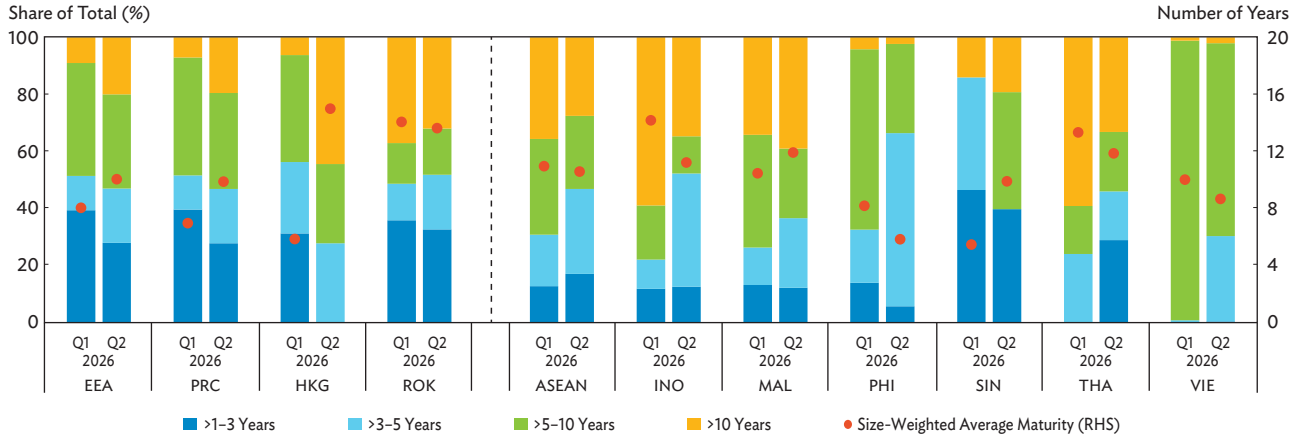
Notes:
1. Bonds are defined as debt securities with maturities longer than 1 year.
2. Data on bonds for the People's Republic of China, Malaysia, and the Republic of Korea are based on *AsianBondsOnline* estimates.
3. ASEAN comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
4. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects.

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

(BOK) would tighten monetary policy in the third quarter. The BOK hiked the policy rate by 25 basis points (bps) in both July and August. ASEAN corporate bond issuance rose by 31.1%, largely driven by a rebound in issuance in Malaysia and Viet Nam on improved economic conditions and increased funding demand. Meanwhile, government bond issuance across the region contracted by 5.5% q-o-q in Q2 as some regional markets reduced borrowing after front-loading their issuance in Q1.

The maturity profile of LCY Treasury bond issuance in emerging East Asia lengthened in Q2, largely driven by long-term issuances in the PRC and Hong Kong, China (**Figure 7**). The share of Treasury bond issuance with maturities of more than 5 years in the region increased to 53.0% from 50.4% in Q1. The average size-weighted maturity in the PRC rose to 9.9 years in Q2 from 7.0 years in Q1 after the increased issuance of long-term bonds, including the first batch of ultra-long term Special Treasury Bonds in April. In Hong Kong, China, the government issued HKD3.0 billion worth of 30-year infrastructure bonds in Q2, pushing up the average issuance maturity to 15.0 years from 5.9 years in Q1. Meanwhile, the average issuance maturity in ASEAN markets slightly shortened due to lower issuance of long-term bonds in most markets in Q2, but the average size-weighted maturity was still above 10 years.

Figure 7: Maturity Structure of Local Currency Treasury Bond Issuance in Selected Emerging East Asian Markets



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

Notes:
1. Figures were computed based on 30 June 2026 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.

Section 3. Intra-Regional Bond Issuance

Intra-regional debt securities issuance in emerging East Asia rebounded in Q2 2026, supported by improved market sentiment as geopolitical tensions eased in the Middle East.[6] Issuance rose to USD17.0 billion in Q2 on a 9.9% q-o-q increase, reversing the 11.2% q-o-q contraction recorded in the previous quarter (**Figure 8A**). Higher issuance in Hong Kong, China (78.5% q-o-q) and the Republic of Korea (37.2% q-o-q) offset contractions in the PRC and ASEAN markets. Hong Kong, China remained the leading issuer, accounting for 76.2% of total intra-regional debt issuance during the quarter. Excluding bills or instruments in maturities of 1 year or less, intra-regional bond issuance tallied USD11.8 billion, increasing by 14.3% from Q1 (**Figure 8B**).

The private sector was the main issuer of intra-regional bonds in Q2, accounting for 81.9% of the total (**Figure 9**). Sovereign issuance accounted for 12.1%, driven by CNY-denominated infrastructure bonds issued by Hong Kong, China in May and June. Among private sector issuers, the financial sector accounted for 53.5% of the region's intra-regional corporate bond sales, followed by utilities (14.8%) and the consumer goods and services sector (11.2%). Within the region, Hong Kong, China had the most diversified sectoral composition, while the financial sector accounted for the majority of bond issuance in ASEAN (61.6%) and the Republic of Korea (60.2%).

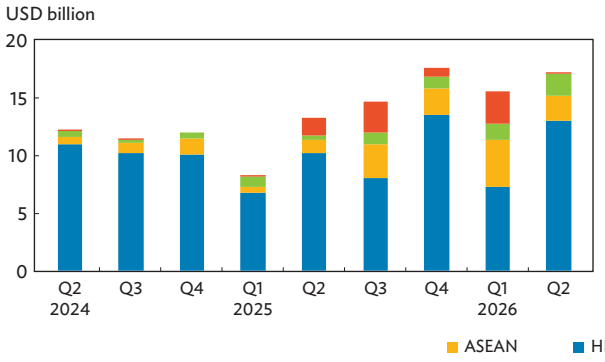
The Chinese yuan and Hong Kong dollar are the main currencies in intra-regional bond markets. The Chinese yuan remained the predominant currency in Q2, accounting for 84.5% of intra-regional bond issuance, followed by the Hong Kong dollar with 15.1% (**Figure 10**). While issuers in the Republic of Korea issued in all three currencies, its issuance was heavily concentrated in Hong Kong dollars (81.9%). Issuers in ASEAN economies issued only in Chinese yuan and Hong Kong dollars during the quarter, while issuance in Hong Kong, China was denominated solely in Chinese yuan.

Most intra-regional bond issuance in Q2 carried short- to medium-term maturities. Around 79.6% of emerging East Asian intra-regional bond issuance held maturities of 5 years or less (**Figure 11**). The size-weighted average maturity of intra-regional bond issuance rose to 7.0 years from 3.8 years in Q1. This increase was driven by a significant share (19.4%) of long-term bond issuance by Hong Kong, China, including sovereign infrastructure bonds in maturities of 20 years and 30 years. Besides Hong Kong, China, no other market issued intra-regional bonds with tenors longer than 10 years in Q2.

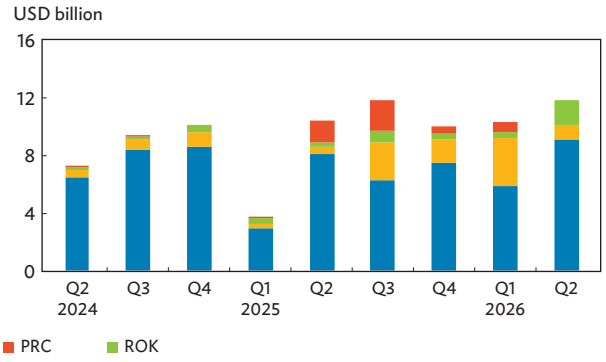
[6] Intra-regional debt securities issuance is defined as emerging East Asian bond issuance denominated in a regional currency excluding the issuer's home currency.

Figure 8: Intra-Regional Debt Security Issuance in Emerging East Asian Markets

A. Debt Security Issuance



B. Bond Issuance

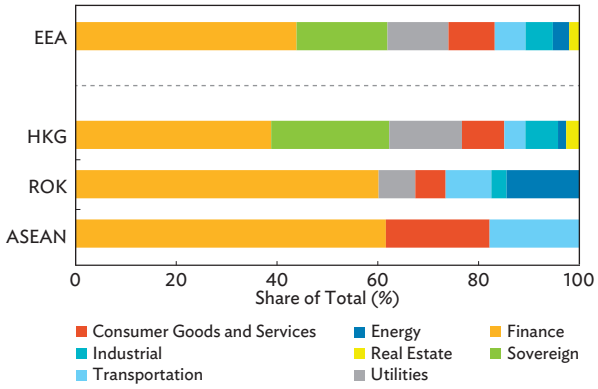


ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; ROK = Republic of Korea; USD = United States dollar.

Notes:
1. 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.
2. Intra-regional debt security issuance is defined as emerging East Asian issuance denominated in a regional currency excluding the issuer's home currency.
3. Bonds are defined as debt securities with maturities longer than 1 year.
4. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects.
5. Data are based on economy of domicile where the company's senior management is located.

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

Figure 9: Intra-Regional Bond Issuance by Sector in the Second Quarter of 2026

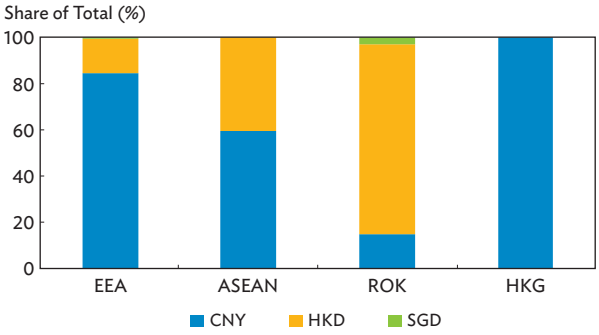


ASEAN = Association of Southeast Asian Nations; EEA = emerging East Asia; HKG = Hong Kong, China; PRC = People's Republic of China; ROK = Republic of Korea.

Notes:
1. 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.
2. Intra-regional bond issuance is defined as emerging East Asian issuance denominated in a regional currency excluding the issuer's home currency.
3. Data are based on economy of domicile where the company's senior management is located.
4. Bonds are defined as debt securities with maturities longer than 1 year.

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

Figure 10: Currency Composition of Intra-Regional Bond Issuance in the Second Quarter of 2026

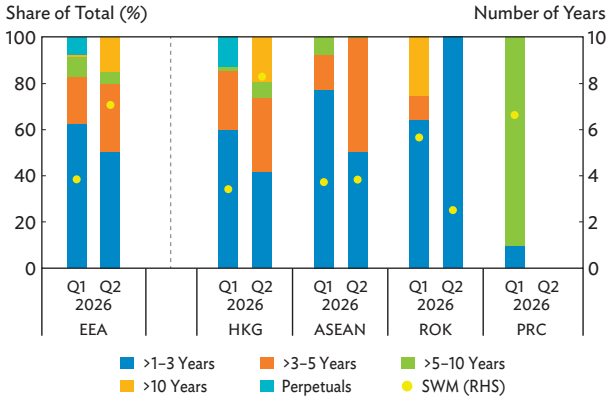


ASEAN = Association of Southeast Asian Nations; CNY = Chinese yuan; EEA = emerging East Asia; HKD = Hong Kong dollar; HKG = Hong Kong, China; PRC = People's Republic of China; ROK = Republic of Korea; SGD = Singapore dollar.

Notes:
1. 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.
2. Intra-regional bond issuance is defined as emerging East Asian issuance denominated in a regional currency excluding the issuer's home currency.
3. Data are based on economy of domicile where the company's senior management is located.
4. Bonds are defined as debt securities with maturities longer than 1 year.

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

Figure 11: Maturity Structure and Size-Weighted Average Maturity of Intra-Regional Bond Issuance in the Second Quarter of 2026



ASEAN = Association of Southeast Asian Nations; EEA = emerging East Asia; HKG = Hong Kong, China; PRC = People's Republic of China; RHS = right-hand side; ROK = Republic of Korea; SWM = size-weighted average maturity.

Notes:
1. 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.
2. Intra-regional bond issuance is defined as emerging East Asian issuance denominated in a regional currency excluding the issuer's home currency.
3. For the PRC, there was no intra-regional bond issuance in Q2 2026.
4. Data are based on economy of domicile where the company's senior management is located.
5. Bonds are defined as debt securities with maturities longer than 1 year.

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

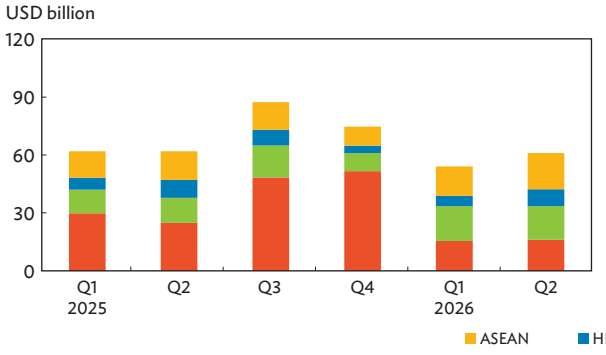
Section 4. G3 Currency Bond Issuance

As investment sentiment improved on easing geopolitical tensions, G3-denominated bond sales in emerging East Asia rose by 12.3% q-o-q to USD60.5 billion in Q2 2026 from USD53.8 billion in Q1, led by higher ASEAN issuance (**Figure 12A**).[7] When instruments with maturities of less than 1 year are included, regional G3-denominated debt securities issuance rose to USD73.3 billion from USD70.1 billion in the previous quarter (**Figure 12B**). By currency, USD-denominated bonds accounted for 82.0% of total G3 bond issuance, while EUR- and JPY-denominated bonds comprised 15.9% and 2.1%, respectively. ASEAN had the largest share of G3-denominated bond issuance in the region in Q2, rising 22.6% q-o-q to USD18.6 billion and accounting for 30.7% of the total. The PRC and Hong Kong, China also posted increased G3 bond issuance.

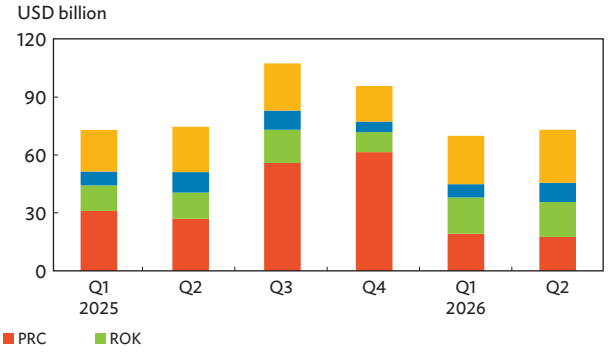
The financial sector is an important G3-denominated bond issuer, accounting for 37.3% of total issuance in Q2 (**Figure 13**). The share of G3-denominated bonds with maturities of 5 years or less increased to 60.2% of total issuance, up from 57.5% in the previous quarter. This was

Figure 12: G3 Currency Debt Securities Issuance in Emerging East Asian Markets

A. Bond Issuance



B. Debt Securities Issuance



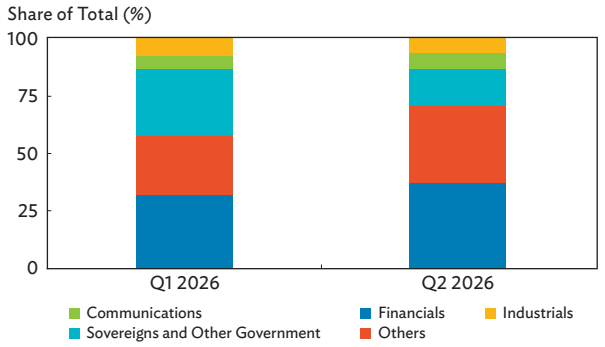
ASEAN = Association of Southeast Asian Nations; HKG = Hong Kong, China; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; ROK = Republic of Korea; USD = United States dollar.

Notes:
1. Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea. ASEAN data include the markets of Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
2. Bonds are defined as debt securities with maturities longer than 1 year.
3. G3 currency debt securities are denominated in either euros, Japanese yen, or United States dollars.
4. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects.

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

[7] G3 currency bonds are bonds denominated in either euros, Japanese yen, or United States dollars.

Figure 13: Sector Profile of G3 Currency Bond Issuance in Emerging East Asian Markets

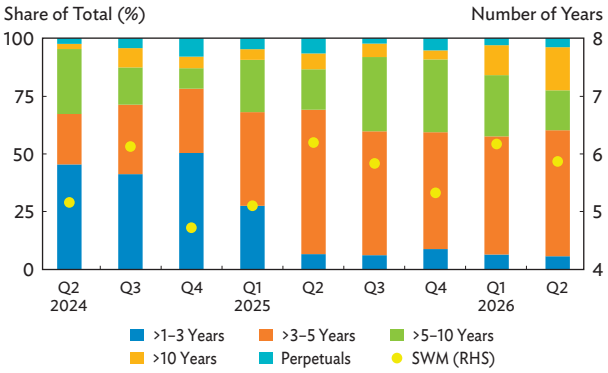


Q1 = first quarter, Q2 = second quarter.

Notes:
1. Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
2. Bonds are defined as debt securities with maturities longer than 1 year.
3. G3 currency bonds are denominated in either euros, Japanese yen, or United States dollars.
4. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects
5. "Others" includes consumer, energy, health care, materials, real estate, technology, transportation, and utilities.

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

Figure 14: Maturity Profile of G3 Currency Bond Issuance in Emerging East Asia



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, RHS = right-hand side, SWM = size-weighted average maturity.

Notes:
1. Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea. ASEAN data include the markets of Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
2. Bonds are defined as debt securities with maturities longer than 1 year.
3. G3 currency bonds are denominated in either euros, Japanese yen, or United States dollars.
4. Figures were computed based on 30 June 2026 currency exchange rates and do not include currency effects.

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

driven by increased short-term issuances from ASEAN where bond issuances with maturities of 5 years or less totaled USD8.1 billion, higher than the previous quarter's USD2.5 billion. The rise was supported by shorter-dated corporate issuances from Singapore and sovereign issuances from Indonesia. The size-weighted average maturity of G3-denominated bond issuances in emerging East Asia fell to 5.9 years in Q2 from 6.2 years in the previous quarter (**Figure 14**).

Section 5. Liquidity of Local Currency Bond Markets

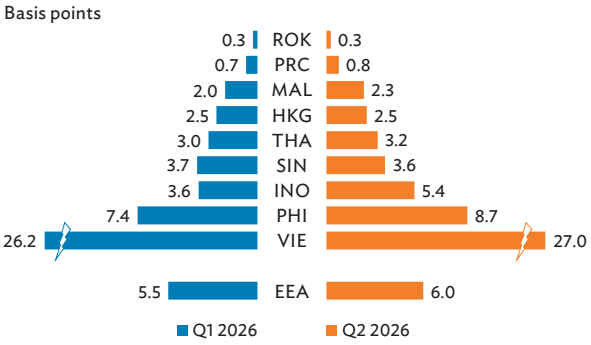
Government Bond Market

Bid–ask spreads for LCY government bonds in emerging East Asia widened marginally in Q2 2026. The average bid–ask spread for government bonds inched up to 6.0 bps from 5.5 bps in the previous quarter (**Figure 15A**). Indonesia and the Philippines recorded a widening in spreads of 1.8 bps and 1.3 bps, respectively. Spreads in the rest of the region remained broadly stable, with some only changing marginally. In Indonesia, spreads widened as the central bank raised policy rates in Q2 by a cumulative 100 bps to support rupiah stability and contain inflationary pressures (**Figure 15B**). In the Philippines, bid–ask spreads spiked in May as rising inflation expectations drove up bid yields, leading to the rejection of all bids at the 10-year benchmark reissuance auction on 19 May.

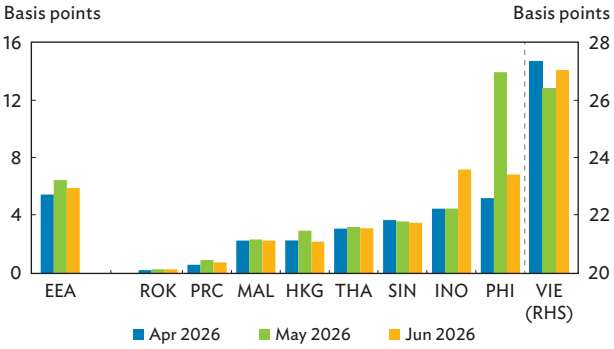
In line with the slight widening of government bid–ask spreads, turnover ratios and trading volumes in most government bond markets across the region also decreased in Q2. The Philippines registered the largest quarterly decline in the turnover ratio on lower issuance following the outsized issuance of new benchmark bonds in Q1 (**Figure 16A**). Higher yields and inflationary pressures also resulted in lower trading activity. In contrast, turnover ratios and trading volumes increased in the PRC, Indonesia, and Singapore (**Figure 16B**). In the PRC, foreign bond inflows, supported by its perceived safe-haven appeal and the government's approval of foreign investor participation in the Treasury bond futures market, boosted trading activity. In Indonesia, increased trading activity was fueled by higher issuance in Q2 and foreign bond inflows, with the latter driven by Bank Indonesia tightening monetary policy during the quarter. In Singapore, lower-than-expected inflation and a favorable economic outlook contributed to improved liquidity conditions.

Figure 15: Average Bid–Ask Spreads for Local Currency Government Bonds in Emerging East Asia

A. Average Bid–Ask Spreads in the First and Second Quarters of 2026



B. Average Bid–Ask Spreads, April–June 2026



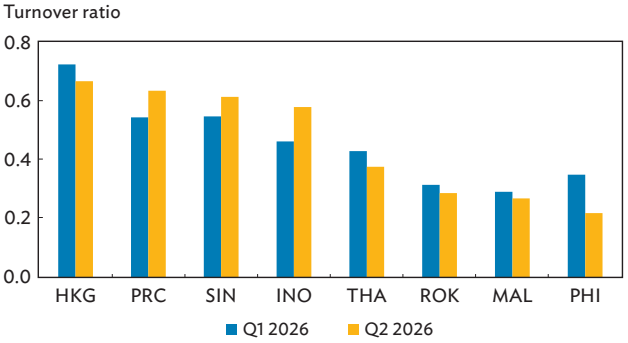
EEA = emerging East Asia; HKG = Hong Kong, China; INO = Indonesia; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; RHS = right-hand side; ROK = Republic of Korea; SIN = Singapore; THA = Thailand; VIE = Viet Nam.

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. Bid–ask spreads are for 10-year government bonds.

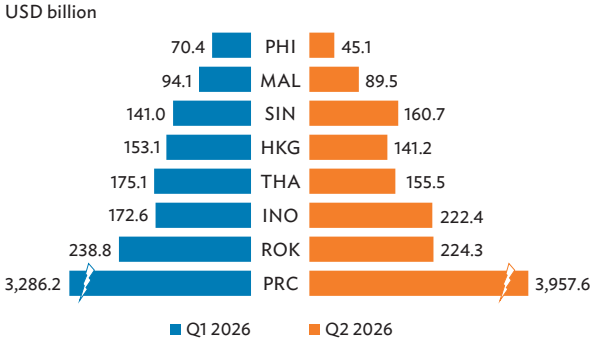
Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Figure 16: Local Currency Government Bond Turnover Ratios and Trading Volumes in Emerging East Asian Markets

A. Turnover Ratios



B. Quarterly Trading Volumes



HKG = Hong Kong, China; INO = Indonesia; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; ROK = Republic of Korea; SIN = Singapore; THA = Thailand; USD = United States dollar.

Note: Turnover ratios are calculated as local currency trading volume (sales amount only) divided by average local currency value of outstanding bonds during each 3-month period.

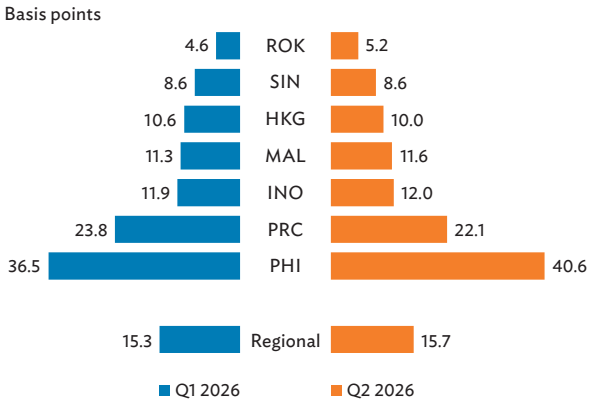
Sources: People's Republic of China (CEIC); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Indonesia Stock Exchange); Republic of Korea (*EDAILY Bondweb* and the Bank of Korea); Malaysia (Bank Negara Malaysia); Philippines (Philippine Dealing and Exchange Corporation); Singapore (Monetary Authority of Singapore and Singapore Government Securities); and Thailand (Bank of Thailand and Thai Bond Market Association).

Corporate Bond Market

Market liquidity in emerging East Asia's corporate bond markets remained tight in Q2, with average regional bid–ask spreads widening slightly to 15.7 bps from 15.3 bps in the previous quarter (**Figure 17**). The marginal increase was largely driven by the Philippines, where corporate bid–ask spreads recorded an increase of 4.1 bps as subdued investor sentiment, dampened by high inflation and moderating economic growth in Q2, weighed on trading activity. The Philippines also continued to record the widest bid–ask spreads in the region, reflecting the relatively illiquid nature of its corporate bond market due to its predominantly buy-and-hold investor base.

Corporate bond turnover ratios were mostly unchanged in Q2, except in Indonesia and Hong Kong, China (**Figure 18A**). Trading activity in Indonesia was spurred by a rebound in corporate bond issuance in the latter part of the quarter due to increased refinancing requirements and expectations of rate hikes. Similarly, Hong Kong, China saw an increase in corporate bond trading activity following the Hong Kong Monetary Authority's liquidity injection in May. Indonesia and Hong Kong, China recorded the largest increases in trading volume in the region in Q2 (**Figure 18B**).

Figure 17: Average Bid–Ask Spreads for Local Currency Corporate Bonds

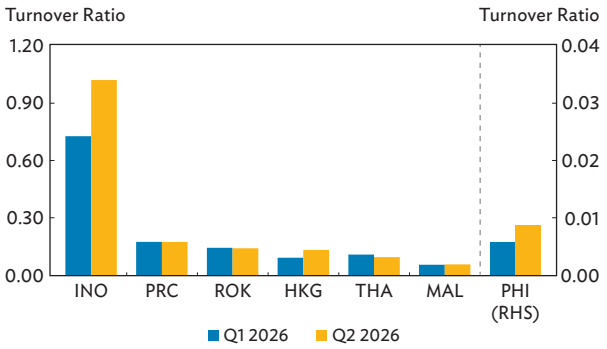


EEA = emerging East Asia; HKG = Hong Kong, China; INO = Indonesia; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; ROK = Republic of Korea; SIN = Singapore.

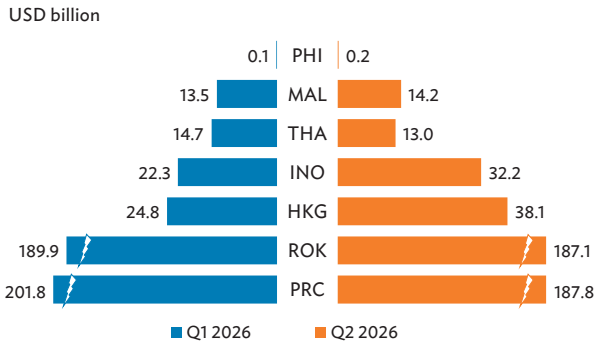
Sources: *AsianBondsOnline* calculations based on various local market sources.

Figure 18: Local Currency Corporate Bond Turnover Ratios and Trading Volumes in Emerging East Asian Markets

A. Turnover Ratios



B. Quarterly Trading Volumes



HKG = Hong Kong, China; INO = Indonesia; MAL = Malaysia; PHI = Philippines; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; ROK = Republic of Korea; THA = Thailand; USD = United States dollar.

Note: Turnover ratios are calculated as local currency trading volume (sales amount only) divided by the average local currency value of outstanding bonds during each 3-month period.

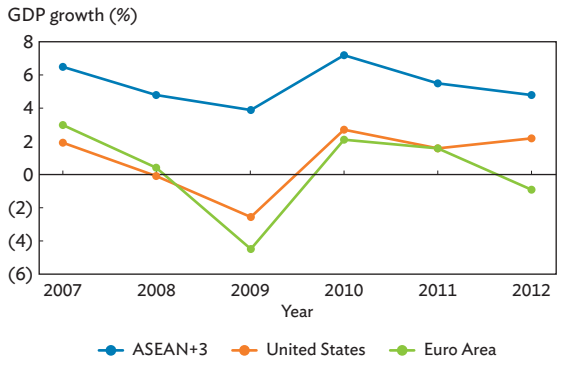
Sources: People's Republic of China (CEIC); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Indonesia Stock Exchange); Republic of Korea (*EDAILY Bondweb* and the Bank of Korea); Malaysia (Bank Negara Malaysia); Philippines (Philippine Dealing and Exchange Corporation); and Thailand (Bank of Thailand and Thai Bond Market Association).

Box 1: Local Currency Bond Markets and Economic Resilience After Financial Crises

The 1997/98 Asian financial crisis (AFC) fundamentally reshaped policymakers' understanding of financial stability in emerging Asia. One of its most important lessons was that excessive reliance on short-term foreign currency borrowing exposed economies to severe currency and maturity mismatches. When capital suddenly flowed out of the region, exchange rates collapsed, external debt burdens surged, and financial instability quickly spread to the real economy. To reduce these vulnerabilities while preserving monetary policy autonomy, ASEAN+3 economies launched the Asian Bond Markets Initiative (ABMI) in 2002 to deepen local currency (LCY) bond markets and mobilize regional savings for domestic investment.[a]

Following the global financial crisis (GFC), ASEAN+3 member economies returned to relatively robust growth much more rapidly than advanced economies (**Figure B1.1**). One important structural change in the region during this period was the rapid development of LCY bond markets, which reduced reliance on foreign currency borrowing and enhanced the capacity of governments and firms to obtain stable domestic funding. At the Group of Twenty Cannes Summit in 2011, world leaders launched an initiative to prepare an Action Plan for the Development of Local Currency Bond Markets, reflecting the growing consensus that deep domestic bond markets are essential for emerging economies worldwide.

Figure B1.1: Recovery in Real Gross Domestic Product Growth After the Global Financial Crisis



( ) = negative, GDP = gross domestic product.

Note: ASEAN+3 comprises the member states of ASEAN plus the People's Republic of China; Hong Kong, China; Japan; and the Republic of Korea.

Source: International Monetary Fund (IMF). April 2026. *IMF World Economic Outlook*. Washington, DC.

A growing body of literature suggests that well-developed LCY markets contribute to financial and economic resilience by reducing currency and maturity mismatches, broadening the domestic investor base, and improving access to long-term financing (Eichengreen and Hausmann 1999). These mechanisms are expected to strengthen economies' ability to absorb external shocks while preserving monetary policy autonomy.

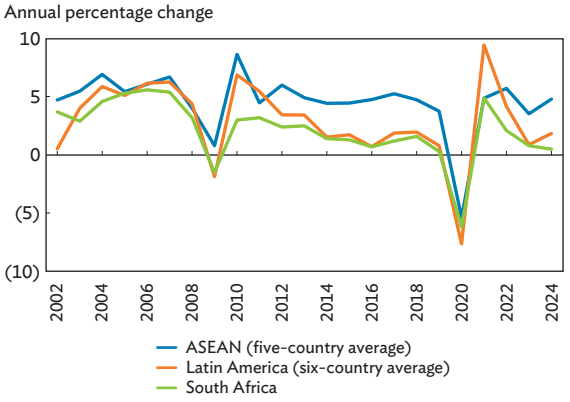
More than 2 decades have passed since the establishment of the ABMI, yet surprisingly little empirical evidence exists on whether the expansion of LCY bond markets has strengthened macroeconomic performance. Much of the existing literature focuses on the determinants of bond market development, market liquidity, institutional frameworks, and financial stability, while the broader implications of bond market development for economic growth remain underexplored.[b] One of the few studies directly addressing this issue is Nneka et al. (2025), which investigates the relationship between bond market development and long-run economic growth in a sample of developing economies from 1990 to 2020. They examine the effects of government and corporate bond market capitalization on gross domestic product (GDP) per capita and argue that governments should further promote bond market development, improve issuance procedures, and attract a broader investor base to enhance the contribution of bond markets to economic growth.

Osada et al. (forthcoming) examine the different but equally important question of whether the development of LCY bond markets is related to economies' ability to recover from adverse external shocks. The study examines 12 emerging economies across ASEAN, Latin America, and Africa from 2003 to 2024. **Figure B1.2** compares GDP growth across the three regions and reveals a striking divergence in their post-crisis growth trajectories. Before the GFC, all three regions recorded broadly similar GDP growth rates of around 6%. Following the GFC and the COVID-19 pandemic, however, average growth in Latin American economies and South Africa fell below 2%, while ASEAN economies maintained growth rates of

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Box 1 *continued*

Figure B1.2: Recovery in Real GDP Growth After the Global Financial Crisis and the COVID-19 Pandemic

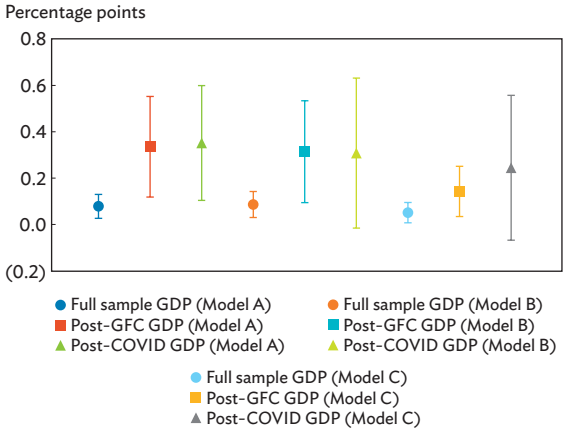


( ) = negative, COVID-19 = coronavirus disease, GDP = gross domestic product.

Notes: The Association of Southeast Asian Nations denotes the simple average of Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Latin America denotes the simple average of Argentina, Brazil, Chile, Colombia, Mexico, and Peru. South Africa refers to the observations for South Africa only.

Source: International Monetary Fund (IMF). April 2026. *IMF World Economic Outlook*. Washington, DC.

Figure B1.3: Effects of LCY Bond Market Development on Real GDP Growth



( ) = negative, COVID-19 = coronavirus disease, GDP = gross domestic product, GFC = global financial crisis, LCY = local currency.

Notes: To examine the relationship between LCY bond market development and macroeconomic performance, measured by real GDP growth, we estimate several panel regression models. The dependent variable in Models A, B, and C is real GDP growth, and the main explanatory variable is the lagged ratio of local currency government bonds outstanding to GDP (LCY–GDP ratio). The figures report the estimated coefficients and 90% confidence intervals for this variable across the different model specifications. The analysis is conducted using the full sample period (2003–2024) and two post-crisis subsamples: (i) the 4 years following the global financial crisis (2010–2013), and (ii) the 4 years following the COVID-19 pandemic (2021–2024). The estimated coefficients indicate how much a 1 percentage point increase in the LCY–GDP ratio is associated with next-period GDP growth, measured in percentage points. Model A is a parsimonious specification with no additional control variables. Model B includes an interaction term between the LCY bond market variable and an Association of Southeast Asian Nations (ASEAN) dummy to examine whether the effect of LCY bond market development differs between ASEAN and non-ASEAN economies. Model C further includes the lagged real interest rate to control for financing conditions. All models include economy- and year-fixed effects, and standard errors are clustered at the country level.

Source: Osada, T., S. Yamadera, S. Nakagawa, and Y. Yamashita. Forthcoming. The Region's V-Shaped Recoveries from the Global Financial Crisis and COVID-19.

approximately 6%. This contrast suggests that ASEAN economies exhibited considerably greater resilience to major external shocks.

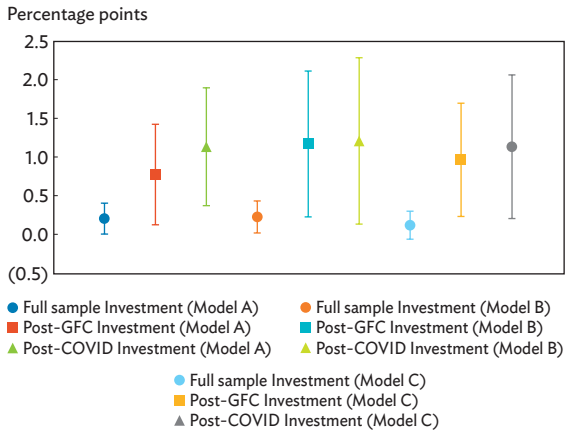
Panel regressions incorporating both economy- and year-fixed effects show that LCY bond market development has a modest but statistically significant positive association with economic growth and investment. Across several specifications using the full sample from Osada et al. (forthcoming), a 1 percentage point increase in the ratio of LCY government bonds outstanding to GDP (LCY–GDP ratio) is associated with an approximately 0.1 percentage points increase in real GDP growth. More strikingly, this association becomes substantially stronger in the aftermath of major crises. During the 4 years following the GFC and the COVID-19 pandemic, the corresponding increase in real GDP growth is approximately 0.3 percentage points. Thus, countries with more developed LCY bond markets appear to have experienced stronger economic recoveries following major adverse shocks (**Figure B1.3**).

The relationship is even more pronounced for investment, measured by the growth rate of gross fixed capital formation. Over the full sample period, a 1 percentage point increase in the LCY–GDP ratio is associated with an increase of approximately 0.2 percentage points in investment growth. During the post-GFC and post-COVID-19 periods, however, the estimated association rises sharply to approximately 0.8–1.2 percentage points. Moreover, the estimates for these post-crisis periods are statistically more significant than those for the full sample (**Figure B1.4**).[c]

continued on next page

Box 1 *continued*

Figure B1.4: Effects of LCY Bond Market Development on Investment Growth



( ) = negative, COVID-19 = coronavirus disease, GFC = global financial crisis, LCY = local currency.

Notes: To examine the relationship between LCY bond market development and macroeconomic performance, measured by the growth rate of gross fixed capital formation, we estimate several panel regression models. The dependent variable in Models A, B, and C is the growth rate of gross fixed capital formation (investment growth), and the main explanatory variable is the lagged ratio of local currency government bonds outstanding to gross domestic product (GDP) (LCY–GDP ratio). The figures report the estimated coefficients and 90% confidence intervals for this variable across the different model specifications. The analysis is conducted using the full sample period (2003–2024) and two post-crisis subsamples: (i) the 4 years following the global financial crisis (2010–2013), and (ii) the 4 years following the COVID-19 pandemic (2021–2024). The estimated coefficients indicate how much a 1 percentage point increase in the LCY–GDP ratio is associated with next-period investment growth, measured in percentage points. Model A is a parsimonious specification with no additional control variables. Model B includes an interaction term between the LCY bond market variable and an Association of Southeast Asian Nations (ASEAN) dummy to examine whether the effect of LCY bond market development differs between ASEAN and non-ASEAN economies. Model C further includes the lagged real interest rate to control for financing conditions. All models include economy- and year-fixed effects, and standard errors are clustered at the country level.

Source: Osada, T., S. Yamadera, S. Nakagawa, and Y. Yamashita. Forthcoming. The Region's V-Shaped Recoveries from the Global Financial Crisis and COVID-19.

These findings are consistent with the view that the primary contribution of LCY bond markets lies less in raising long-run growth than in strengthening macroeconomic resilience, a proposition that the mechanism identified in earlier literature would also predict. An important avenue for future research is to examine more directly whether the development of LCY bond markets has strengthened the region's resilience to external financial shocks. In this respect, the post-COVID-19 monetary tightening cycle provides a particularly informative comparison with the AFC. Unlike the GFC and the COVID-19 crisis, both of which were accompanied by sharp declines in United States (US) interest rates, the post-pandemic period was characterized by rapid US monetary tightening, widening interest rate differentials, depreciation pressures on Asian currencies, and renewed concerns about capital outflows—conditions that more closely resembled those prevailing around the AFC. Yet, despite these similarities, another regional currency crisis did not materialize. One possible explanation is that the substantial expansion of LCY bond markets since the AFC reduced reliance on short-term US dollar financing and thereby mitigated currency and maturity mismatches. At the same time, LCY bond market development should not be viewed as the sole explanation. Greater exchange rate flexibility, larger foreign exchange reserves, stronger banking regulations, and enhanced macroprudential frameworks are also likely to have contributed to the region's improved resilience. Comparing the AFC with the post-COVID-19 tightening episode would therefore provide a valuable opportunity to assess how LCY bond market development, together with broader institutional and policy reforms, has altered the transmission of external financial shocks in emerging Asia. Examining these episodes would provide direct empirical evidence on whether the policy response to the AFC has succeeded in reducing the structural financial vulnerabilities that originally motivated the creation of the ABMI.

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Box 1 *continued*

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[a] ASEAN+3 comprises the member states of ASEAN plus the People's Republic of China; Hong Kong, China; Japan; and the Republic of Korea.

[b] Hausmann and Panizza (2003) explore the determinants of a country's capacity to borrow at home at long duration and in local currency, finding that monetary credibility and the presence of capital controls are positively correlated with this capacity. Kim et al. (2023) investigate how the development of an LCY bond market brings stability to the financial market, based on annual economy panel data set for 1989–2020. Park and Shin (2025) examine how the development of LCY bond markets and the expansion of non-bank financial institutions affect the uncovered interest parity condition in emerging market economies.

[c] These estimates should be read as associations rather than causal effects. The LCY-to-GDP ratio rises mechanically when output falls and when governments issue debt countercyclically, both of which occur around crises; therefore, part of the stronger post-crisis association may reflect these dynamics rather than a causal contribution of bond market development. The post-crisis estimates also rest on two episodes across 12 economies, which limits the precision with which they can be identified.

Appendix

Table A1: Size and Composition of Emerging East Asian Local Currency Debt Securities

	Q2 2025		Q1 2026		Q2 2026			Growth Rate (%)	
								Q2 2026	
	Amount (USD billion)	% of GDP	Amount (USD billion)	% of GDP	Amount (USD billion)	% share	% of GDP	q-o-q	y-o-y
People's Republic of China									
Total	23,072	120.2	25,996	126.4	27,040	100.0	127.6	2.4	11.0
Treasury and Other Government	15,882	82.8	18,027	87.7	18,673	69.1	88.1	2.0	11.4
Central Bank	0	0.00	0	0.0	0	0.0	0.0	–	–
Corporate	7,190	37.5	7,968	38.8	8,367	30.9	39.5	3.4	10.2
Hong Kong, China									
Total	421	101.7	481	111.7	511	100.0	116.8	6.3	21.2
Treasury and Other Government	37	9.0	39	9.0	40	7.8	9.1	2.8	5.7
Central Bank	169	40.8	172	40.0	173	33.9	39.6	0.6	2.4
Corporate	215	51.9	270	62.7	298	58.4	68.2	10.4	38.7
Indonesia									
Total	482	34.2	493	34.4	492	100.0	35.3	5.1	12.4
Treasury and Other Government	399	28.3	408	28.5	398	80.9	28.5	2.6	9.8
Central Bank	52	3.7	51	3.6	62	12.6	4.5	27.8	31.2
Corporate	31	2.2	33	2.3	32	6.4	2.3	0.7	13.8
Republic of Korea									
Total	2,490	129.5	2,315	126.3	2,306	100.0	120.8	1.6	6.0
Treasury and Other Government	978	50.9	924	50.4	928	40.3	48.6	2.5	8.6
Central Bank	78	4.1	63	3.4	63	2.7	3.3	2.3	(8.0)
Corporate	1,433	74.5	1,328	72.5	1,315	57.0	68.8	0.9	5.0
Malaysia									
Total	518	129.3	564	129.8	575	100.0	131.5	2.8	7.5
Treasury and Other Government	304	75.9	326	75.1	334	58.0	76.3	3.1	6.3
Central Bank	0	0.0	0	0.0	0	0.0	0.0	–	–
Corporate	214	53.4	238	54.8	241	42.0	55.2	2.2	9.3
Philippines									
Total	245	50.5	232	49.6	237	100.0	50.3	3.3	5.3
Treasury and Other Government	210	43.2	205	43.8	210	88.7	44.7	3.8	9.2
Central Bank	13	2.7	3	0.7	2	1.0	0.5	(29.0)	(80.9)
Corporate	22	4.6	24	5.1	24	10.3	5.2	3.2	18.5
Singapore									
Total	686	111.6	708	113.2	705	100.0	110.2	0.2	4.6
Treasury and Other Government	252	41.0	266	42.6	265	37.6	41.4	0.1	7.1
Central Bank	277	45.0	276	44.1	273	38.7	42.6	(0.5)	0.2
Corporate	157	25.5	166	26.5	167	23.7	26.2	1.6	8.5
Thailand									
Total	529	91.1	550	94.9	548	100.0	94.3	0.3	5.8
Treasury and Other Government	321	55.2	332	57.3	334	61.1	57.6	1.4	6.6
Central Bank	72	12.4	82	14.2	80	14.6	13.8	(2.1)	13.6
Corporate	137	23.5	135	23.3	133	24.3	22.9	(0.7)	(0.4)
Viet Nam									
Total	134	28.8	150	30.0	153	100.0	29.6	1.7	15.3
Treasury and Other Government	92	19.8	100	19.9	103	67.2	19.9	3.0	12.6
Central Bank	6	1.4	11	2.2	8	5.3	1.6	(25.8)	29.0
Corporate	35	7.6	40	7.9	42	27.5	8.1	6.0	19.9
Emerging East Asia									
Total	28,577	112.1	31,487	117.2	32,566	100.0	118.1	2.4	10.5
Treasury and Other Government	18,475	72.5	20,627	76.8	21,285	65.4	77.2	2.0	11.0
Central Bank	668	2.6	658	2.4	661	2.0	2.4	1.4	2.4
Corporate	9,434	37.0	10,202	38.0	10,620	32.6	38.5	3.1	10.1
Japan									
Total	9,763	215.2	8,972	211.7	8,792	100.0	210.8	0.4	1.6
Treasury and Other Government	8,990	198.1	8,268	195.1	8,098	92.1	194.2	0.3	1.7
Central Bank	21	0.5	6	0.2	5	0.1	0.1	(12.8)	(70.4)
Corporate	753	16.6	698	16.5	688	7.8	16.5	1.0	3.2

( ) = negative, – = not applicable, GDP = gross domestic product, Q1 = first quarter, Q2 = second quarter, q-o-q = quarter-on-quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
2. For Singapore, corporate debt securities outstanding are based on *AsianBondsOnline* estimates.
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 June 2026 currency exchange rates and do not include currency effects.
4. GDP data are from CEIC Data Company.
5. 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); 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 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: Size and Composition of Emerging East Asian Local Currency Bonds

	Q2 2025		Q1 2026		Q2 2026			Growth Rate (%) Q2 2026	
	Amount (USD billion)	% of GDP	Amount (USD billion)	% of GDP	Amount (USD billion)	% share	% of GDP	q-o-q	y-o-y
People's Republic of China									
Total	21,636	112.7	24,349	118.4	25,565	100.0	120.7	3.4	11.9
Treasury and Other Government	14,783	77.0	16,752	81.5	17,579	68.8	83.0	3.3	12.7
Central Bank	0	0.00	0	0.00	0	0.0	0.0	–	–
Corporate	6,853	35.7	7,597	36.9	7,986	31.2	37.7	3.5	10.4
Hong Kong, China									
Total	186	44.8	209	48.6	231	100.0	52.8	10.3	24.3
Treasury and Other Government	37	8.9	38	8.8	39	16.8	8.9	2.8	5.8
Central Bank	2	0.5	2	0.4	2	0.8	0.4	0.0	(8.0)
Corporate	147	35.5	170	39.4	190	82.4	43.5	12.0	29.3
Indonesia									
Total	425	30.1	434	30.3	421	100.0	30.2	2.1	9.0
Treasury and Other Government	394	27.9	401	28.0	389	92.5	27.9	2.2	8.7
Central Bank	0	0.0	0	0.0	0	0.0	0.0	–	–
Corporate	31	2.2	33	2.3	32	7.5	2.3	0.7	13.8
Republic of Korea									
Total	2,364	122.9	2,175	118.6	2,158	100.0	113.0	1.2	4.5
Treasury and Other Government	969	50.4	914	49.9	920	42.6	48.2	2.6	8.7
Central Bank	69	3.6	55	3.0	56	2.6	2.9	2.8	(8.0)
Corporate	1,326	68.9	1,205	65.7	1,182	54.8	61.9	0.0	2.0
Malaysia									
Total	483	120.5	529	121.9	541	100.0	123.7	3.0	8.5
Treasury and Other Government	303	75.5	323	74.4	331	61.2	75.7	3.2	6.0
Central Bank	0.0	0.0	0.0	0.0	0	0.0	0.0	–	–
Corporate	181	45.1	206	47.4	210	38.8	48.0	2.7	12.6
Philippines									
Total	216	44.5	212	45.4	216	100.0	45.8	2.7	8.6
Treasury and Other Government	194	39.9	188	40.3	191	88.7	40.6	2.6	7.4
Central Bank	0	0.0	0	0.0	0	0.0	0.0	–	–
Corporate	22	4.6	24	5.1	24	11.3	5.2	3.2	19.1
Singapore									
Total	245	39.9	256	40.9	253	100.0	39.6	(0.4)	5.1
Treasury and Other Government	160	26.0	168	26.8	164	64.8	25.6	(1.5)	4.3
Central Bank	1	0.2	0	0.1	0	0.0	0.0	(100.0)	(100.0)
Corporate	84	13.7	88	14.1	89	35.2	13.9	2.0	7.7
Thailand									
Total	448	77.1	466	80.4	464	100.0	79.9	0.4	5.9
Treasury and Other Government	308	52.9	324	56.0	327	70.3	56.2	1.4	8.5
Central Bank	10	1.8	13	2.3	12	2.7	2.1	(6.6)	22.4
Corporate	130	22.4	128	22.1	125	27.0	21.6	(1.4)	(1.5)
Viet Nam									
Total	127	27.5	139	27.8	145	100.0	28.1	3.8	14.6
Treasury and Other Government	92	19.8	100	19.9	103	71.0	19.9	3.0	12.6
Central Bank	0	0.0	0	0.0	0	0.0	0.0	–	–
Corporate	35	7.6	40	7.9	42	29.0	8.1	6.0	19.9
Emerging East Asia									
Total	26,131	102.5	28,769	107.1	29,993	100.0	108.8	3.1	11.2
Treasury and Other Government	17,239	67.6	19,208	71.5	20,042	66.8	72.7	3.2	12.1
Central Bank	83	0.3	71	0.3	70	0.2	0.3	0.4	(5.0)
Corporate	8,809	34.6	9,490	35.3	9,880	32.9	35.8	3.1	9.6
Japan									
Total	9,282	204.6	8,520	201.1	8,379	100.0	200.9	0.7	1.9
Treasury and Other Government	8,706	191.9	7,990	188.5	7,845	93.6	188.1	0.6	1.7
Central Bank	21	0.5	6	0.2	5	0.1	0.1	(12.8)	(70.4)
Corporate	555	12.2	524	12.4	528	6.3	12.7	3.3	7.4

( ) = negative, – = not applicable, GDP = gross domestic product, Q1 = first quarter, Q2 = second quarter, q-o-q = quarter-on-quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
2. Bonds are defined as debt securities with maturities exceeding 1 year.
3. For the People's Republic of China, Malaysia, the Republic of Korea, and Singapore, bonds outstanding are based on *AsianBondsOnline* estimates.
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 June 2026 currency exchange rates and do not include currency effects.
5. GDP data are from CEIC Data Company.
6. Bloomberg LP end-of-period local currency–USD rates are used.

Sources: People's Republic of China (CEIC Data Company and Bloomberg LP); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Directorate General of Budget Financing and Risk Management, Ministry of Finance and Indonesia Stock Exchange); Japan (Japan Securities Dealers Association and Bloomberg LP); Republic of Korea (Bank of Korea, Bloomberg LP, and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia and Bloomberg LP); Philippines (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 A3: Local-Currency-Denominated Debt Securities Issuance

	Q2 2025		Q1 2026		Q2 2026		Growth Rate (%)	
							Q2 2026	
	Amount (USD billion)	% share	Amount (USD billion)	% share	Amount (USD billion)	% share	q-o-q	y-o-y
People's Republic of China								
Total	2,062	100.0	1,841	100.0	2,052	100.0	9.7	(5.7)
Treasury and Other Government	1,235	59.9	1,196	65.0	1,129	55.0	(7.1)	(13.4)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	827	40.1	644	35.0	923	45.0	41.0	5.7
Hong Kong, China								
Total	184	100.0	196	100.0	209	100.0	6.7	13.3
Treasury and Other Government	2	0.9	1	0.6	1	0.6	10.5	(22.2)
Central Bank	135	73.3	126	64.5	139	66.6	10.2	3.0
Corporate	48	25.8	68	34.9	69	32.8	0.1	43.9
Indonesia								
Total	39	100.0	42	100.0	53	100.0	33.0	49.1
Treasury and Other Government	16	40.9	17	41.6	21	39.1	24.8	42.5
Central Bank	21	53.4	21	51.0	31	58.0	51.3	62.0
Corporate	2	5.8	3	7.4	2	3.0	(46.8)	(23.4)
Republic of Korea								
Total	209	100.0	179	100.0	204	100.0	16.1	11.7
Treasury and Other Government	64	30.6	56	31.5	56	27.5	1.5	0.4
Central Bank	13	6.4	12	6.8	12	5.9	1.5	3.6
Corporate	132	63.0	111	61.8	136	66.6	25.1	17.9
Malaysia								
Total	21	100.0	26	100.0	32	100.0	21.4	49.9
Treasury and Other Government	10	46.1	12	46.7	14	43.4	13.0	41.3
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	11	53.9	14	53.3	18	56.6	28.7	57.3
Philippines								
Total	48	100.0	39	100.0	29	100.0	(24.9)	(34.4)
Treasury and Other Government	20	40.6	20	50.6	16	56.5	(16.1)	(8.7)
Central Bank	28	57.3	16	40.0	11	37.8	(29.2)	(56.7)
Corporate	1	2.1	4	9.4	2	5.7	(54.2)	82.1
Singapore								
Total	451	100.0	430	100.0	421	100.0	(1.6)	(5.0)
Treasury and Other Government	52	11.5	54	12.6	50	11.8	(7.9)	(2.2)
Central Bank	398	88.3	372	86.5	367	87.2	(0.8)	(6.1)
Corporate	1	0.2	4	0.9	4	1.0	4.0	289.7
Thailand								
Total	67	100.0	66	100.0	64	100.0	(2.2)	(2.6)
Treasury and Other Government	19	28.3	16	24.4	14	21.9	(12.0)	(24.5)
Central Bank	38	56.0	40	61.0	38	59.7	(4.2)	3.8
Corporate	10	15.7	10	14.6	12	18.3	22.8	14.1
Viet Nam								
Total	28	100.0	40	100.0	38	100.0	(6.3)	33.2
Treasury and Other Government	3	12.2	3	7.6	3	9.0	11.1	(2.1)
Central Bank	19	65.2	36	90.2	30	79.2	(17.8)	61.8
Corporate	6	22.6	0.9	2.2	4	11.8	400.7	(30.2)
Emerging East Asia								
Total	3,109	100.0	2,859	100.0	3,101	100.0	7.7	(2.5)
Treasury and Other Government	1,420	45.7	1,377	48.2	1,305	42.1	(6.3)	(11.6)
Central Bank	651	20.9	624	21.8	628	20.2	1.3	(1.5)
Corporate	1,038	33.4	859	30.0	1,169	37.7	34.9	9.5
Japan								
Total	370	100.0	346	100.0	320	100.0	(5.3)	(2.6)
Treasury and Other Government	333	90.0	326	94.2	288	90.0	(9.5)	(2.6)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	37	10.0	20	5.8	32	10.0	62.9	(2.6)

( ) = negative, – = not applicable, Q1 = first quarter, Q2 = second quarter, q-o-q = quarter-on-quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. Data reflect gross debt securities 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 June 2026 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 Zeroin 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).

Table A4: Local-Currency-Denominated Debt Bond Issuance

	Q2 2025		Q1 2026		Q2 2026		Growth Rate (%)	
	Amount (USD billion)	% share	Amount (USD billion)	% share	Amount (USD billion)	% share	Q2 2026 q-o-q	Q2 2026 y-o-y
People's Republic of China								
Total	1,673	100.0	1,464	100.0	1,697	100.0	14.1	(3.9)
Treasury and Other Government	985	58.8	980	66.9	936	55.2	(6.0)	(9.9)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	689	41.2	484	33.1	761	44.8	54.7	4.6
Hong Kong, China								
Total	16	100.0	19	100.0	27	100.0	41.8	73.1
Treasury and Other Government	2	9.7	1	5.3	1	4.2	12.5	(25.0)
Central Bank	0	1.0	0	0.8	0	0.6	(0.1)	(0.1)
Corporate	14	89.3	18	94	26	95.2	43.8	84.5
Indonesia								
Total	17	100.0	17	100.0	18	100.0	17.1	18.8
Treasury and Other Government	15	86.8	13	81.3	17	91.5	31.9	25.2
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	2	13.2	3	18.7	2	8.5	(46.8)	(23.4)
Republic of Korea								
Total	166	100.0	133	100.0	151	100.0	16.0	4.2
Treasury and Other Government	56	33.8	52	38.8	50	33.4	(0.2)	2.8
Central Bank	9	5.2	9	6.6	8	5.4	(6.4)	7.8
Corporate	101	61.0	72	54.6	93	61.3	30.2	4.7
Malaysia								
Total	19	100.0	24	100.0	30	100.0	29.7	55.1
Treasury and Other Government	9	47.3	11	46.9	12	40.2	11.1	31.6
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	10	52.7	13	53.1	18	59.8	46.1	76.3
Philippines								
Total	13	100.0	14	100.0	8	100.0	(45.1)	(33.7)
Treasury and Other Government	12	92.2	11	80.1	6	78.6	(46.1)	(43.5)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	1	7.8	3	19.9	2	21.4	(41.0)	82.1
Singapore								
Total	8	100.0	9	100.0	10	100.0	7.0	34.4
Treasury and Other Government	7	86.1	6	58.6	6	60.2	9.9	(6.0)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	1	13.9	4	41.4	4	39.8	2.9	284.4
Thailand								
Total	21	100.0	19	100.0	18	100.0	(2.7)	(12.0)
Treasury and Other Government	13	62.8	12	65.0	10	56.4	(15.6)	(20.9)
Central Bank	2	9.1	1	7.6	1	5.3	(32.6)	(49.1)
Corporate	6	28.1	5	27.4	7	38.3	36.0	19.7
Viet Nam								
Total	10	100.0	4	100.0	8	100.0	99.2	(20.3)
Treasury and Other Government	3	35.2	3	77.4	3	43.2	11.1	(2.1)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	6	64.8	0.89	22.6	4.5	56.8	400.7	(30.2)
Emerging East Asia								
Total	1,943	100.0	1,703	100.0	1,968	100.0	14.3	(2.2)
Treasury and Other Government	1,101	56.7	1,089	64.0	1,043	53.0	(5.5)	(9.1)
Central Bank	11	0.5	10	0.6	9	0.5	(10.0)	(3.6)
Corporate	831	42.8	603	35.4	916	46.6	50.4	7.0
Japan								
Total	296	100.0	262	100.0	263	100.0	2.7	0.1
Treasury and Other Government	267	90.0	243	92.7	234	88.9	(1.6)	(1.1)
Central Bank	0	0.0	0	0.0	0	0.0	–	–
Corporate	30	10.0	19	7.3	29	11.1	56.5	11.4

( ) = negative, – = not applicable, Q1 = first quarter, Q2 = second 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. Bonds are defined as debt securities with maturities exceeding 1 year.
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 June 2026 currency exchange rates and do not include currency effects.

Sources: People's Republic of China (CEIC Data Company and Bloomberg LP); Hong Kong, China (Hong Kong Monetary Authority); Indonesia (Directorate General of Budget Financing and Risk Management, Ministry of Finance; and Indonesia Stock Exchange); Japan (Japan Securities Dealers Association and Bloomberg LP); Republic of Korea (Bank of Korea, Bloomberg LP, and KG Zeroin Corporation); Malaysia (Bank Negara Malaysia and Bloomberg LP); 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 (Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP).