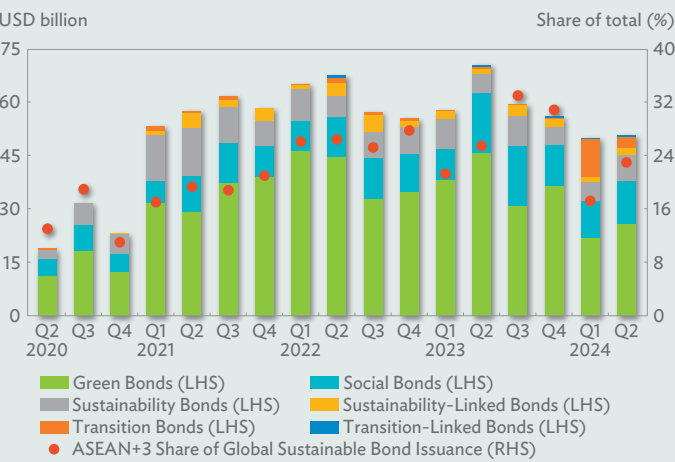


**ASEAN+3 sustainable bonds outstanding reached USD868.1 billion at the end of Q2 2024 on growth of 1.9% q-o-q, down from 2.9% q-o-q in Q1 2024.** Despite a robust 17.4% y-o-y expansion, the ASEAN+3 sustainable bond market's quarterly growth in Q2 2024 lagged that of the global sustainable bond market (3.4% q-o-q) due to a higher volume of bond maturities. ASEAN's sustainable bond market posted a relatively faster expansion of 6.4% q-o-q to reach a size of USD80.0 billion at the end of Q2 2024. ASEAN+3 economies collectively accounted for 19.0% of the global sustainable bond market at the end of June 2024.



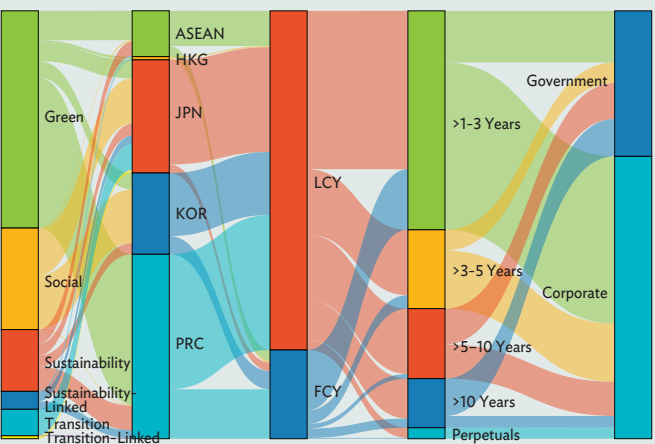
**ASEAN+3 Sustainable Bond Issuance and Share of the Global Total**



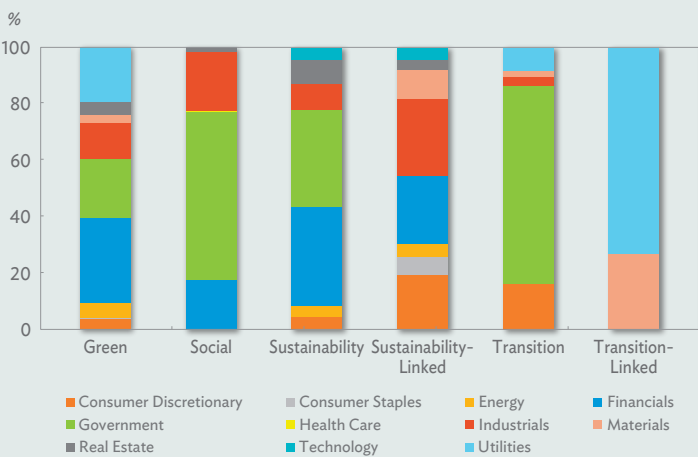
**ASEAN+3 sustainable bond issuance grew 1.6% q-o-q in Q2 2024 to USD51.0 billion, rebounding from a 10.7% contraction in the prior quarter.** Increased sustainable bond issuance in the region was led by ASEAN markets and the PRC. ASEAN markets' issuance reached USD5.5 billion on 32.0% q-o-q growth, while the PRC posted 65.1% q-o-q growth on quarterly issuance of USD22.0 billion, supported by its easing monetary stance. Meanwhile, global sustainable bond issuance in Q2 2024 contracted 23.9% q-o-q to USD220.7 billion. ASEAN+3 was the only regional market with increased issuance in Q2 2024, thus expanding its share of global issuance to 23.1% from 17.3% in Q1 2024. All sustainable bond instrument types in ASEAN+3 recorded increased issuance in Q2 compared to the prior quarter, except for transition bonds.

**Green bond, social bond, and LCY financing dominated the ASEAN+3 sustainable bond issuance in Q2 2024.** Green and social bond issuance in ASEAN+3 expanded 17.2% q-o-q and 15.6% q-o-q, respectively, totaling USD25.9 billion and USD12.1 billion in Q2 2024. Green bonds accounted for 50.8% of ASEAN+3's total sustainable bond issuance in Q2 2024, while social bonds accounted for 23.7%. Nearly 80.0% of the region's quarterly sustainable bond issuance was LCY-denominated, with Japan having the highest LCY financing share of 92.6%. While public sector issuance accounted for only about a third of ASEAN+3's total sustainable bond issuance in Q2 2024, 62.1% of public sector sustainable bond issuance carried a maturity of over 10 years.

**Market Profile of ASEAN+3 Sustainable Bond Issuance in the Second Quarter of 2024**



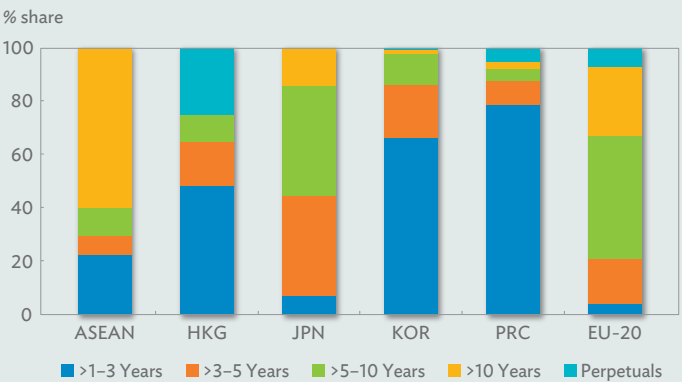
**ASEAN+3 Sustainable Bond Issuance by Industry Sector in the Second Quarter of 2024**



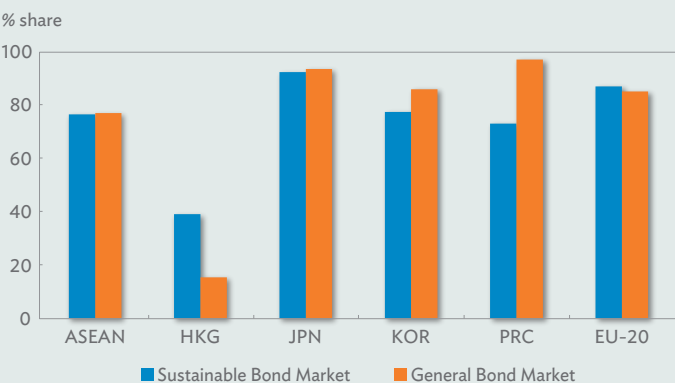
**The public sector drove ASEAN+3's issuance of social and transition bonds during Q2 2024, while the private sector issued more green bonds.** The region's public sector sustainable bond issuance totaled USD17.3 billion in Q2 2024. Governments and government entities were most active in the issuance of social bonds (accounting for 59.8% of ASEAN+3's total social bond issuance) and transition bonds (70.4% of ASEAN+3's total transition bond issuance) to support social development and a low-carbon transition. Meanwhile, the region's corporate issuance of sustainable bonds reached USD33.6 billion in Q2 2024, equivalent to 66.0% of the regional total, which outpaced corporates' corresponding share of 40.6% in the ASEAN+3 general bond market. Differing from the public sector, regional private sector issuance during the quarter was concentrated in green bonds, accounting for 79.4% of ASEAN+3's total green bond issuance. Financial institutions accounted for 38.9% of the private sector's sustainable bond issuance during the quarter, followed by industrials (21.2%) and utilities (16.4%).

**The regional sustainable bond market is dominated by short-to medium-term financing, with nearly 70% of Q2 2024 issuance carrying a maturity of 5 years or less.** This was in sharp contrast with the EU-20, where the corresponding share was only 21.0%. Sustainable bond issuance in ASEAN+3 during Q2 2024 had a size-weighted average tenor of 6.9 years, lower than the corresponding averages in the EU-20 sustainable bond market (9.6 years) and the ASEAN+3 general bond market (8.7 years). Within ASEAN+3, the issuance of sustainable bonds with maturities of 5 years or less was most prevalent in the PRC (87.6%); the Republic of Korea (86.4%); and Hong Kong, China (65.0%). On the other hand, around 70.6% of sustainable bond issuance in ASEAN markets during the quarter had maturities of over 5 years. This share is relatively comparable to the EU-20's corresponding share of 79.0%. The greater prevalence of longer-term maturities in ASEAN sustainable bond markets may be driven by the public sector, which accounted for 71.4% of total ASEAN sustainable bond issuance, more than double the corresponding share of 34.0% in ASEAN+3.

**Maturity Profiles of ASEAN+3 and EU-20 Sustainable Bond Issuances in the Second Quarter of 2024**



**Share of Local Currency Bond Issuance in ASEAN+3 and EU-20 Sustainable Bond and General Bond Markets in the Second Quarter of 2024**



**LCY financing remained dominant in ASEAN+3 sustainable bond issuance in Q2 2024.** In Q2 2024, around 79.3% of ASEAN+3 sustainable bond issuance was LCY-denominated, but this still lagged the corresponding share of 94.7% in the region's general bond market. In the EU-20, the LCY-denominated issuance shares for both sustainable bonds (87.2%) and general bonds (85.3%) were broadly comparable. Across ASEAN+3, ASEAN economies and Japan had similar LCY-financing issuance shares in both their sustainable and general bond markets.

ASEAN+3 = Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China (PRC); Hong Kong, China (HKG); Japan (JPN); and the Republic of Korea (KOR); EU-20 = European Union 20; LCY = local currency; LHS = left-hand side; Q = quarter; q-o-q = quarter-on-quarter; RHS = right-hand side; USD = United States dollar; y-o-y = year-on-year.

- Notes:
1. Data for green, social, sustainability, sustainability-linked, transition, and transition-linked bonds include both local currency and foreign currency issues.
  2. ASEAN includes the markets of Cambodia, Indonesia, Malaysia, the Lao People's Democratic Republic, the Philippines, Singapore, Thailand, and Viet Nam.
  3. The EU-20 includes EU member markets Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

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