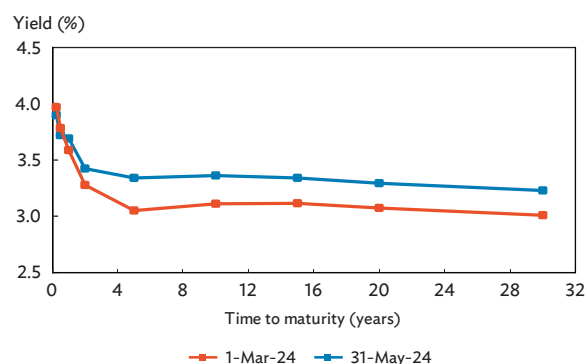


Singapore

Yield Movements

Between 1 March and 31 May, government bond yields in Singapore increased by 21 basis points on average, except for short-end tenors, due to delays in the expected rate cuts by the United States Federal Reserve (Figure 1). Yields with tenors 1 year and above rose, tracking the yield curve movement of United States Treasuries, while yields on short-term tenors were slightly down. In April, the Monetary Authority of Singapore kept its monetary policy stance unchanged by maintaining the rate of appreciation of the Singapore dollar's nominal effective exchange rate amid a positive economic growth outlook and easing inflationary pressure. Singapore's economy grew 2.7% year-on-year (y-o-y) in the first quarter (Q1) of 2024, accelerating from 2.2% y-o-y in the prior quarter, and consumer price inflation remained at 2.7% y-o-y in March and April, down from 3.4% y-o-y in February.

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

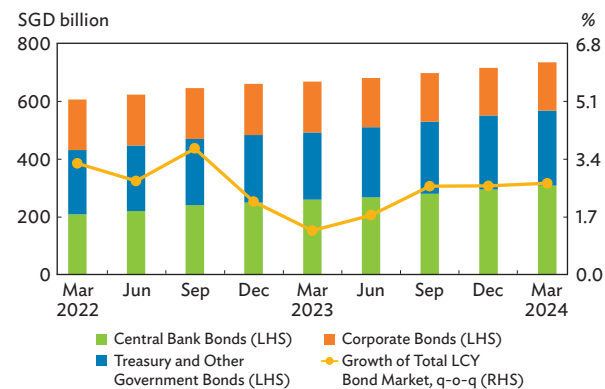


Source: Based on data from Bloomberg LP.

Local Currency Bond Market Size and Issuance

The local currency (LCY) bond market of Singapore expanded 2.7% quarter-on-quarter (q-o-q), reaching SGD734.8 billion at the end of March (Figure 2). Central bank bills, which continued to dominate the LCY bond market in Singapore, grew 4.7% q-o-q due to fewer securities maturing during the quarter. Corporations also contributed to the quarterly growth of Singapore's LCY bond market as the stock of outstanding LCY corporate bonds increased 1.6% q-o-q. Government-owned Housing & Development Board had the most outstanding LCY corporate bonds at the end of March, amounting to SGD28.6 billion.

Figure 2: Composition of Local Currency Bonds Outstanding in Singapore



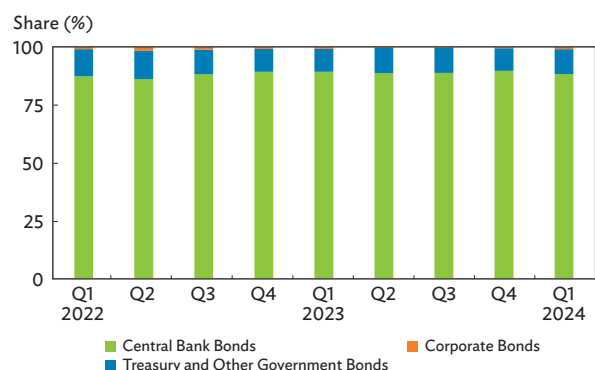
LCY = local currency, LHS = left-hand side, q-o-q = quarter-on-quarter, RHS = right-hand side, SGD = Singapore dollar.

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

Sources: Monetary Authority of Singapore and Bloomberg LP.

LCY bond issuance contracted 1.1% q-o-q in Q1 2024 on declining issuance of central bank bills (Figure 3). The issuance of Monetary Authority of Singapore bills and notes declined 2.6% q-o-q in Q1 2024. However, this was slightly offset by a rebound in the issuance of Treasury and other government bonds, which jumped 8.0% q-o-q. Issuance of LCY corporate bonds in Q1 2024 doubled from the previous quarter, albeit from a low base. Government-owned Housing & Development Board was the largest issuer during Q1 2024 with two fixed-income securities totaling SGD1.5 billion.

Figure 3: Composition of Local Currency Bond Issuance in Singapore

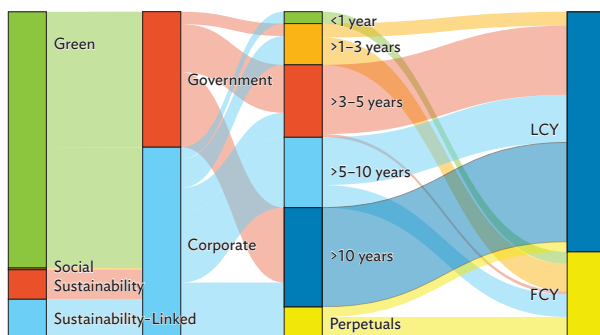


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, SGD = Singapore dollar.
 Note: Corporate bonds are based on *AsianBondsOnline* estimates.
 Sources: Monetary Authority of Singapore and Bloomberg LP.

Sustainable Bond Market

At the end of March, corporate issuances comprised most of Singapore’s outstanding sustainable bonds, which were dominated by green bonds and longer-tenor securities. Of the total USD19.2 billion of sustainable bonds outstanding at the end of March, green bonds comprised the largest share by bond type at 79.0% (USD15.2 billion) (Figure 4). This was followed by sustainability-linked bonds at 11.4% (USD2.2 billion). Increased issuance of green and sustainability-linked bonds in Q1 2024 contributed to the 4.0% q-o-q expansion of Singapore’s sustainable bond market by the end of March. Private sector bonds made up 58.3% of the outstanding sustainable bonds. The 41.7% share issued by public entities were purely green bonds. The Housing & Development Board issued the largest LCY corporate bond in Q1 2024 with an SGD800.0 million 5-year green bond that will be used to finance projects under the company’s Green Finance Framework. About three-quarters of the outstanding sustainable bonds at the end of March were LCY-denominated. About 40% carried a tenor of more than 10 years, resulting in Singapore’s outstanding sustainable bonds having a size-weighted average tenor of 16.6 years.

Figure 4: Market Profile of Outstanding Sustainable Bonds in Singapore at the End of March 2024



FCY = foreign currency, LCY = local currency.
 Source: *AsianBondsOnline* calculations based on Bloomberg LP data.