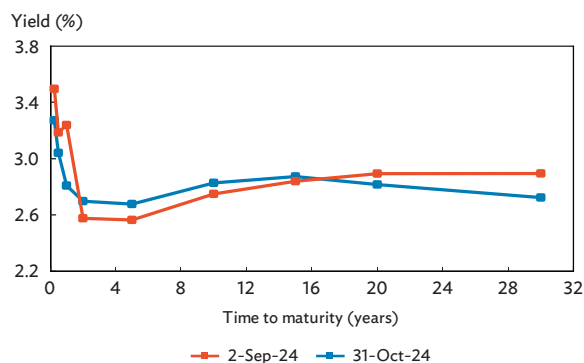


Singapore

Yield Movements

Between 2 September and 31 October, the yield movements of Singapore’s local currency (LCY) government bonds were mixed. Yields fell at the short end of the curve but rose for medium- to long-term securities (2-year to 15-year bonds), largely tracking the yield movements of United States Treasuries (Figure 1). On the other hand, yields at the very long end (20-year and 30-year bonds) of the curve dipped by an average of 12 basis points due to slowing inflation. On 14 October, the Monetary Authority of Singapore (MAS) decided to keep its monetary policy unchanged, retaining the slope, width, and level (at which it is centered) of the Singapore dollar’s nominal effective exchange rate policy band amid a positive economic growth outlook and decreasing inflationary pressure. Singapore’s consumer price inflation eased to 2.0% year-on-year in September, down from 2.2% year-on-year in August, well within MAS estimates of 1.5%–2.5% for full-year 2024.

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

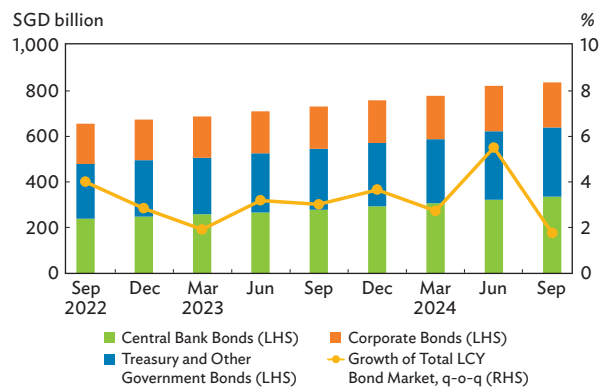


Source: Based on data from Bloomberg LP.

Local Currency Bond Market Size and Issuance

Singapore’s LCY bond market grew 1.8% quarter-on-quarter (q-o-q) in the third quarter (Q3) of 2024 to reach a size of SGD836.3 billion at the end of September. Growth in Treasuries moderated to 0.6% q-o-q in Q3 2024 from 7.3% q-o-q in the previous quarter, driven mainly by reduced issuance during the period (Figure 2). Central bank bills also grew 4.4% q-o-q, down from the previous quarter’s growth of 4.7% q-o-q. Meanwhile, the corporate bond segment contracted 0.7% q-o-q, driven mainly by a decline in issuance during the quarter. The state-owned Housing & Development Board continued to have the largest amount of outstanding LCY corporate bonds at the end of September, amounting to SGD29.0 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.

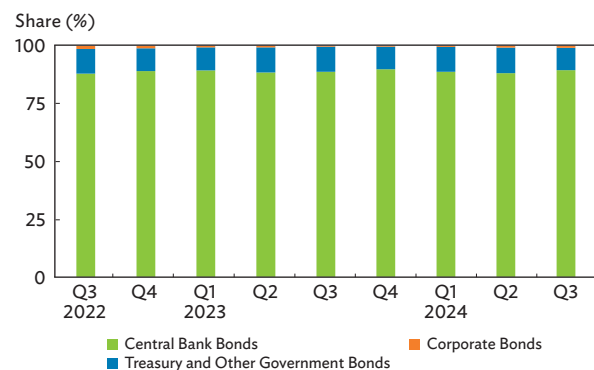
Note: Corporate bonds are based on AsianBondsOnline estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

LCY bond issuance contracted 3.7% q-o-q in Q3 2024, reversing the previous quarter's growth of 23.2% q-o-q.

Total issuance reached SGD544.7 billion in Q3 2024, with all bond segments posting q-o-q contractions. MAS bills, which accounted for almost 90% of total issuance in Q3 2024, declined 2.1% q-o-q, reversing the 22.8% q-o-q growth in the previous quarter (**Figure 3**). Issuance of Treasury and other government bonds also exhibited a decline of 15.6% q-o-q in Q3 2024, following growth of 27.3% q-o-q in the prior quarter. Corporate bond issuance contracted 22.4% q-o-q in Q3 2024. The largest corporate bond issuer in Q3 2024 was the Housing & Development Board, with issuance of SGD965.0 million, representing 27% of the corporate issuance total during the quarter.

Figure 3: Composition of Local Currency Bond Issuance in Singapore



Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.

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

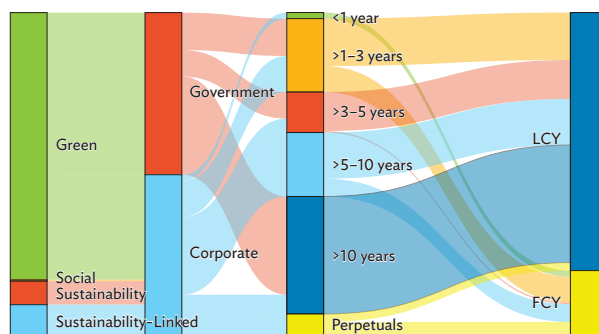
Sources: Monetary Authority of Singapore and Bloomberg LP.

Sustainable Bond Market

Singapore's sustainable bond market is predominantly made up of green bond instruments, which accounted for 82.3% of the total at the end of September.

In Q3 2024, sustainable bonds outstanding grew 9.6% q-o-q to reach USD24.5 billion, comprising roughly equal shares of government and corporate bonds (**Figure 4**). At the end of September, 43% of total outstanding sustainable bonds carried tenors of over 10 years, resulting in a size-weighted average tenor of 17.6 years, the longest among emerging East Asian markets.¹⁸ The Government of Singapore was the largest issuer of sustainable bonds during the quarter, having reopened a 50-year green bond amounting to SGD1.5 billion in September.

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



FCY = foreign currency, LCY = local currency.

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

¹⁸ 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.