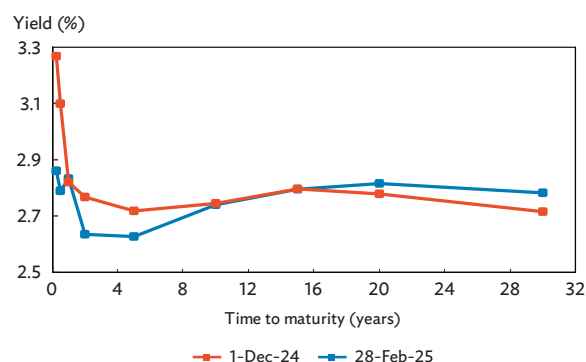


Singapore

Yield Movements

Between 1 December 2024 and 28 February 2025, local currency (LCY) government bond yields in Singapore fell for most securities. Bond yields fell an average of 16 basis points for tenors of 15 years or less (except for 1-year bonds) as the Monetary Authority of Singapore (MAS) eased its monetary policy stance amid slower inflation (**Figure 1**). On 24 January, the MAS reduced the slope of the Singapore dollar's nominal effective exchange rate, while retaining its width and the level at which it is centered, on anticipated slower growth and cooling inflation in 2025. Consumer price inflation slowed to 1.2% year-on-year in January 2025 from 1.5% in the previous month. On the other hand, yields rose an average of 5 basis points for long-term securities (20-year to 30-year bonds), tracking the movement in yields of Treasuries in the United States.

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

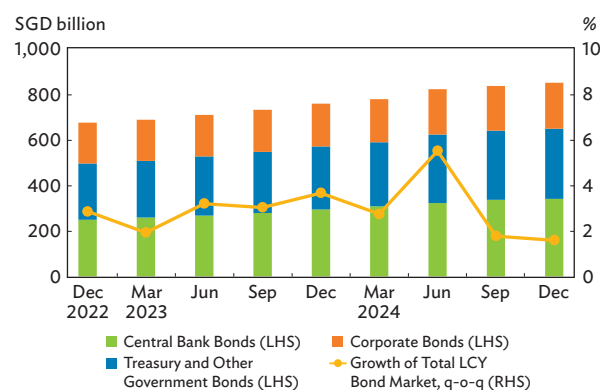


Source: Based on data from Bloomberg LP.

Local Currency Bond Market Size and Issuance

Singapore's LCY bond market reached a size of SGD849.6 billion at the end of December. Total LCY bond growth slowed to 1.6% quarter-on-quarter (q-o-q) in the fourth quarter (Q4) of 2024 from a 1.8% q-o-q expansion in the third quarter (Q3). Outstanding Treasuries posted faster growth of 1.4% q-o-q in Q4 2024, up from 0.6% q-o-q in the prior quarter, due to increased issuance of Treasury bills. On the other hand, central bank bills grew at a slower pace of 1.2% q-o-q, versus growth of 4.4% q-o-q in Q3 2024, due to increased maturities during Q4 2024 (**Figure 2**). Meanwhile, the corporate bond segment grew 2.5% q-o-q in Q4 2024, recovering from a contraction of 0.7% q-o-q in Q3 2024 amid increased issuance. At the end of December, the state-owned Housing & Development Board continued to have the largest amount of bonds outstanding in the LCY corporate bond market, amounting to SGD30.0 billion and comprising 14.8% of outstanding corporate bonds.

Figure 2: Composition of Local Currency Bonds Outstanding in Singapore



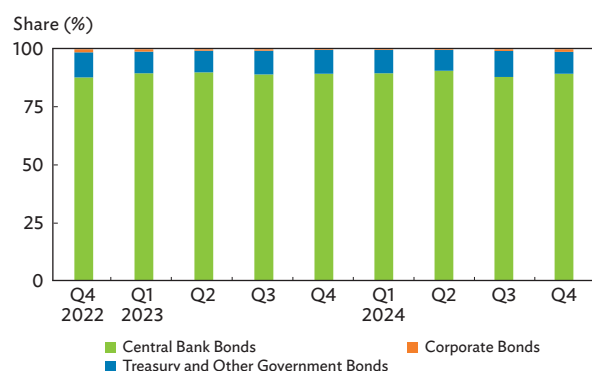
LCY = local currency, LHS = left-hand side, q-o-q = quarter-on-quarter, RHS = right-hand side, SGD = Singapore dollar.

Note: Corporate bonds are based on AsianBondsOnline estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

LCY bond issuance posted growth of 3.0% q-o-q in Q4 2024, a reversal of the previous quarter's contraction of 3.7% q-o-q. Total issuance soared to SGD561.1 billion in Q4 2024, with all bond segments posting q-o-q increases. Issuance of MAS bills increased 2.7% q-o-q, accounting for almost 90% of total issuance in Q4 2024 (**Figure 3**). Treasury and other government bond issuance exhibited growth of 3.6% q-o-q in Q4 2024 on increased issuance of Treasury bills. Corporate bond issuance saw the fastest expansion among all LCY bond segments with 30.4% q-o-q growth. The largest corporate bond issuer in Q4 2024 was the Housing & Development Board as it issued bonds worth SGD2.3 billion, representing almost half of the LCY corporate issuance total during the quarter.

Figure 3: Composition of Local Currency Bond Issuance in Singapore

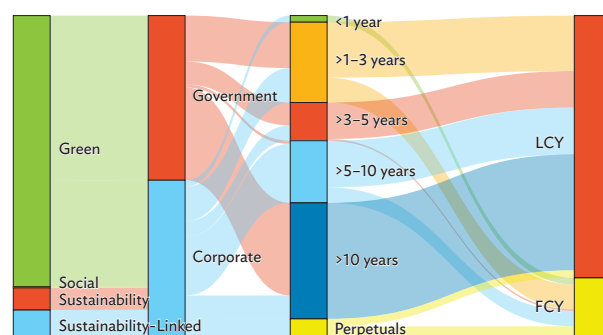


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter.
 Note: Corporate bonds are based on *AsianBondsOnline* estimates.
 Sources: Monetary Authority of Singapore and Bloomberg LP.

Sustainable Bond Market

Singapore's sustainable bond market is dominated by green bond instruments, which accounted for 83.5% of the total at the end of December. Sustainable bonds outstanding reached USD26.0 billion at the end of Q4 2024, posting growth of 6.2% q-o-q (**Figure 4**). A majority (80.6%) of outstanding sustainable bonds were denominated in local currency. With bonds carrying maturities of over 5 years comprising 61.5% of total outstanding sustainable bonds, the size-weighted average tenor of sustainable bonds in Singapore stood at 16.7 years, the longest among emerging East Asian markets.²³ The largest issuer of sustainable bonds during the quarter was the state-owned Housing & Development Board, having issued 4-year fixed-rate green notes in October amounting to SGD900.0 million, or 44.3% of total quarterly issuance, to finance eligible green projects under its Green Finance Framework.

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



FCY = foreign currency, LCY = local currency.

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

²³ 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.