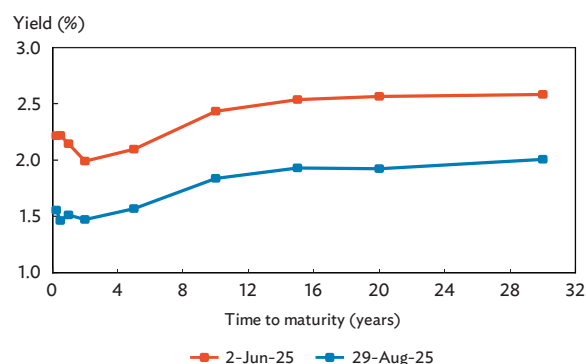


# Singapore

## Yield Movements

Between 2 June and 29 August, the local currency (LCY) government bond yield curve in Singapore shifted downward. Bond yields fell an average of 61 basis points across the curve amid cooling inflation and expectations of slower economic growth (Figure 1). On 30 July, the Monetary Authority of Singapore (MAS) maintained its monetary policy stance on better-than-expected growth momentum and subdued inflationary pressures. In the second quarter (Q2) of 2025, the economy grew 4.4% year-on-year (y-o-y), higher than the initial estimate of 4.3% y-o-y, partly driven by rapid growth in the wholesale trade and manufacturing industries. However, the q-o-q growth forecast for the third and fourth quarters of the year is only 1.5%–2.5%. In July, consumer price inflation was 0.6% y-o-y, ticking downward from 0.8% y-o-y in both May and June, but still within the inflation forecast of 0.5%–1.5% y-o-y.

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

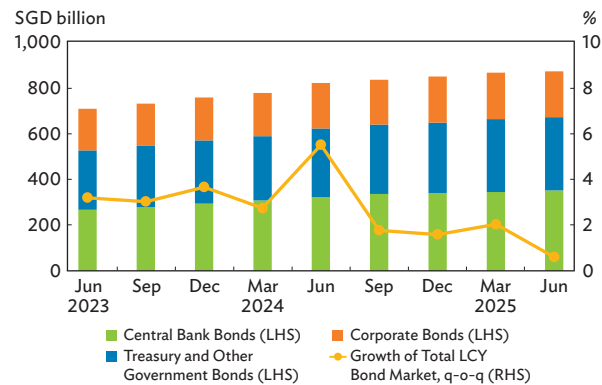


Source: Based on data from Bloomberg LP.

## Local Currency Bond Market Size and Issuance

Singapore's LCY bond market increased to a size of SGD872.1 billion at the end of June, driven by growth in outstanding MAS bills. The LCY bond market inched up 0.6% quarter-on-quarter (q-o-q) in Q2 2025, extending the growth of 2.0% q-o-q in the first quarter (Q1) (Figure 2). The stock of outstanding MAS bills rose 1.9% q-o-q, up from 1.5% q-o-q growth in Q1 2025. Meanwhile, Treasuries and other government bonds saw subdued expansion, only gaining 0.7% q-o-q in Q2 2025, compared to 3.5% q-o-q in the prior quarter due to a high volume of maturities. Corporate bonds outstanding contracted 1.8% q-o-q, a reversal from the 0.7% q-o-q growth in Q1 2025, on reduced corporate issuance.

**Figure 2: Composition of Local Currency Bonds Outstanding in Singapore**



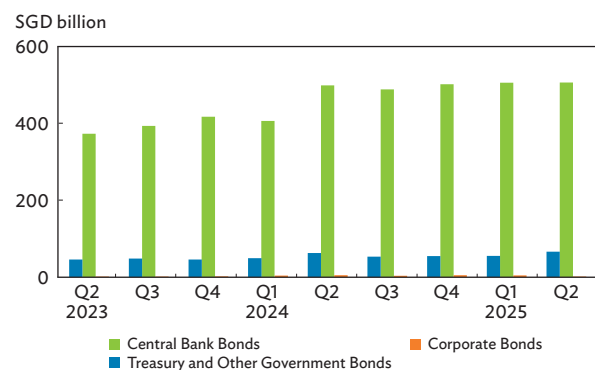
LCY = local currency, LHS = left-hand side, q-o-q = quarter-on-quarter, RHS = right-hand side, SGD = Singapore dollar.

Note: Corporate bonds are based on AsianBondsOnline estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

**Total LCY bond issuance inched up in Q2 2025, buoyed by growth in Treasury and other government bonds.** Bond market sales totaled SGD573.2 billion in Q2 2025 on 1.4% q-o-q growth, faster than the previous quarter's pace of 0.7% q-o-q (**Figure 3**). Issuance of Treasury and other government bonds grew the fastest at 19.9% q-o-q in Q2 2025, compared to Q1 2025's 0.2% q-o-q. On the other hand, issuance of MAS bills only marginally increased 0.1% q-o-q. The corporate bond segment saw a large contraction of 70.6% q-o-q partly due to trade market uncertainties dampening corporate plans for expansion. CapitaLand led corporate bond issuance in Q2 2025, issuing perpetual securities worth SGD260.0 million, or 19.3% of total corporate issuance, as part of its debt issuance program.

**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.

Notes:

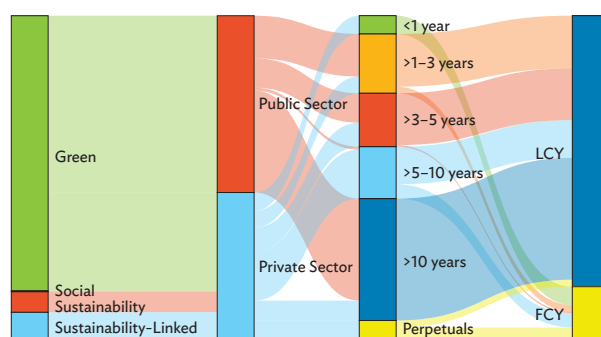
1. Corporate bonds are based on *AsianBondsOnline* estimates.
2. Corporate bond issuance on Q2 2025 totaled SGD1.3 billion.

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 84.6% of total outstanding sustainable bonds at the end of June.** The sustainable bond stock rose to USD28.0 billion at the end of Q2 2025 on growth of 5.4% q-o-q, up from a 2.3% q-o-q increase recorded in Q1 2025 (**Figure 4**). A majority (83.3%) of outstanding sustainable bonds were denominated in Singapore dollars. Bonds with tenors of more than 5 years comprised 59.7% of the total sustainable bond stock at the end of Q2 2025. The largest issuer of sustainable bonds during the quarter was the Government of Singapore as it issued a 29-year bond worth SGD1.8 billion to support green public sector projects. As a result, the size-weighted average tenor was 16.6 years, the longest among its emerging East Asian peers.<sup>25</sup>

**Figure 4: Market Profile of Outstanding Sustainable Bonds in Singapore at the End of June 2025**



FCY = foreign currency, LCY = local currency.

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

<sup>25</sup> 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.