

Singapore

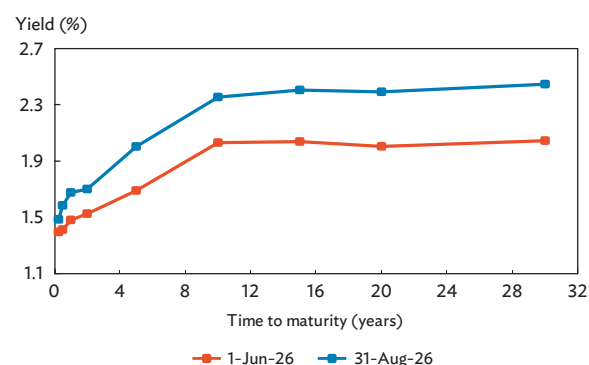
Yield Movements

Between 1 June and 31 August, yields on Singapore's local currency (LCY) government debt securities increased across all tenors by an average of 27 basis points (**Figure 1**). Higher energy costs stemming from the Middle East conflict added to inflationary pressures during the period. Consumer price inflation accelerated to 2.2% year-on-year in July from 1.9% in June. On 27 July, the Monetary Authority of Singapore tightened monetary policy by increasing the rate of appreciation of the Singapore dollar nominal effective exchange rate policy band to contain persistent inflationary pressures. Singapore's 2026 gross domestic product growth forecast was also upgraded to 4.5% to 5.5% in August from 2.0% to 4.0%, following stronger-than-expected economic performance in the first half of the year.

Local Currency Bonds Outstanding and Issuance

Singapore's LCY debt securities outstanding were broadly stable, settling at SGD912.4 billion at the end of the second quarter (Q2) of 2026, edging up 0.2% quarter-on-quarter (q-o-q) after a 1.5% increase

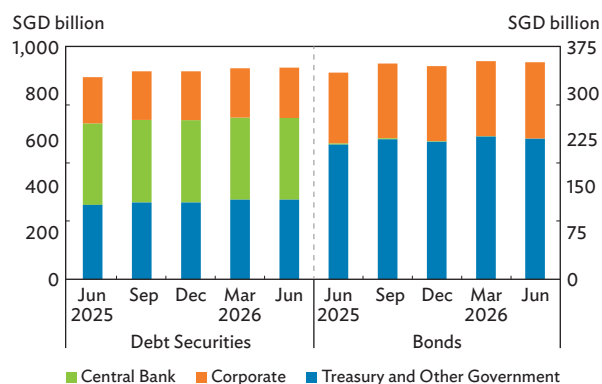
Figure 1: Local Currency Government Bond Yields in Singapore



Source: Based on data from Bloomberg LP.

in the previous quarter. Excluding debt securities with maturities of 1 year or less, the LCY bond market contracted 0.4% q-o-q to SGD327.8 billion, reversing a 2.4% increase in the first quarter (**Figure 2**). The contraction was driven by a 1.5% q-o-q decline in outstanding government bonds, which outweighed the increase in corporate bonds outstanding. LCY bond issuance in Q2 rose 7.0% q-o-q to SGD13.0 billion, with government and corporate issuance increasing 9.9% and 2.9%, respectively (**Figure 3**).

Figure 2: Local Currency Debt Securities Outstanding in Singapore



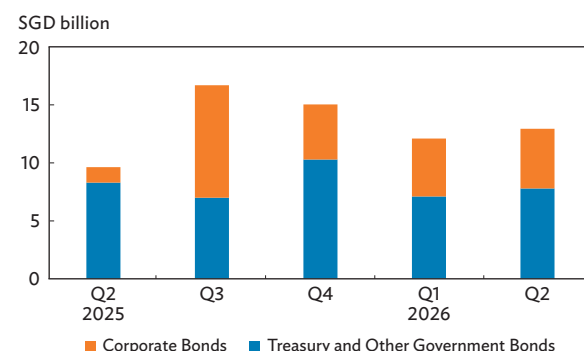
SGD = Singapore dollar.

Notes:

1. Bonds are defined as debt securities with maturities longer than 1 year.
2. Corporate debt securities and bonds are based on *AsianBondsOnline* estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

Figure 3: Local Currency Bond Issuance in Singapore



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

Notes:

1. Bonds are defined as debt securities with maturities longer than 1 year.
2. Corporate bonds are based on *AsianBondsOnline* estimates.

Sources: Monetary Authority of Singapore and Bloomberg LP.

Sustainable Bond Market

Singapore's sustainable bonds outstanding rose 1.8% q-o-q to USD36.1 billion at the end of June, slower than the 6.7% increase in the previous quarter. Green instruments continued to dominate the market, accounting for 89.1% of the total, as Singapore's share of emerging East Asia's sustainable bonds outstanding remained broadly stable at 3.5% (**Figure 4A**). Central government issuers accounted for 30.2% of the market and supported its long-tenor profile, with all outstanding sustainable bonds carrying tenors exceeding 10 years (**Figure 4B**). For corporate sustainable bonds, which made up 42.4% of total sustainable bonds outstanding, the share with tenors exceeding 5 years inched down to 56.5% in Q2 from 57.6% in the previous quarter. This resulted in a size-weighted average tenor of 16.0 years.

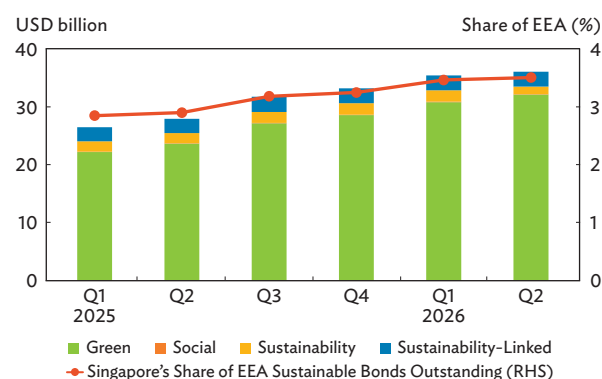
Policy and Regulatory Developments

Singapore Updates Tax Treatment for Qualifying Debt Securities

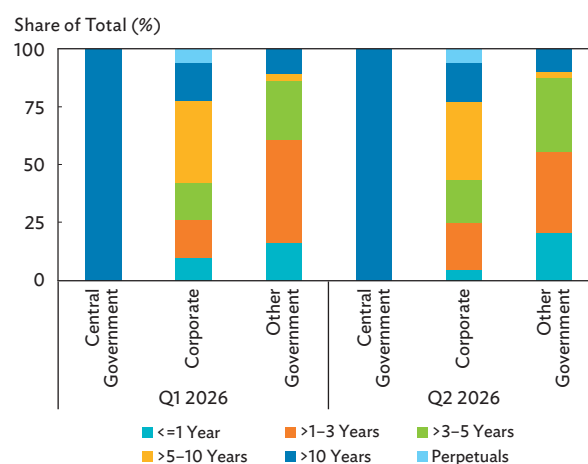
On 2 April, Singapore implemented amendments to the tax regulations governing qualifying debt securities. The changes extended applicable tax concessions to eligible debt securities issued through 31 December 2028 and updated the conditions governing qualifying issuances and debt programs. The measures help maintain tax support for debt market activity and reinforce Singapore's role as a regional debt financing center.

Figure 4: Sustainable Bonds in Singapore

A. Bonds Outstanding by Type of Security



B. Maturity Profile by Sector



EEA = emerging East Asia, Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, RHS = right-hand side, USD = United States dollar.

Notes:

- Emerging East Asia is defined to include the member states of the Association of Southeast Asian Nations plus the People's Republic of China; Hong Kong, China; and the Republic of Korea.
- Data include both local currency and foreign currency sustainable bonds.
- Sustainability-linked bonds include transition-linked bonds.

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