

**Asia Bond Monitor – September 2022**  
**14 September 2022**  
**Market Summaries**

***People’s Republic of China***

The local currency bond stock of the People’s Republic of China (PRC) grew 3.5% in the second quarter of this year to \$18.4 trillion. Growth eased largely due to weak performance by the corporate bond segment. The PRC’s bond market, the largest in emerging East Asia, expanded 15.4% on a yearly basis.

Growth in government bonds accelerated from the previous quarter to 4.3% amid massive issuance as local governments used the 2022 special bond quota to help stimulate the economy. A cautious investment attitude slowed the expansion of corporate bonds to 2.0%. Outstanding government bonds totaled \$11.9 trillion, while corporate bonds reached \$6.5 trillion.

***Hong Kong, China***

Hong Kong, China’s local currency bond market increased 2.1% from the previous quarter amid a rebound in the corporate bond segment. The overall market grew 7.1% from a year earlier to \$331.3 billion at the end of June.

Outstanding government bonds grew 0.04% from the previous quarter to \$173.5 billion. Exchange Fund Bills inched up, while Hong Kong Special Administrative Region bonds dropped. Corporate bonds rebounded by 4.4% from the previous quarter to \$157.8 billion.

***Indonesia***

Growth in Indonesia’s local currency bond market slowed from the prior quarter to 0.3%, as issuance of all bond types declined. Growth from a year earlier moderated to 11.9%. Outstanding bonds totaled \$369.0 billion at the end of June.

Government bonds increased 0.6% to \$339.5 billion. They made up 92% of the local bond market, the biggest share among economies in emerging East Asia. Corporate bonds declined 2.3% from the previous quarter to \$29.5 billion.

***Republic of Korea***

The Republic of Korea’s local currency bond market grew 1.0% from the previous quarter, and 6.1% from a year earlier, to \$2.3 trillion at the end of June. Growth was largely driven by the government segment.

Government bonds increased 1.6% from the previous quarter to \$956.2 billion. The slower growth rate was due to a high base in the first quarter, when the government frontloaded issuance to meet financing needs. Corporate bonds increased 0.5% to \$1.3 trillion.

***Malaysia***

Expansions in both the government and corporate bond segments pushed up the overall growth of Malaysia’s local currency bond market, which increased 2.3% from the previous quarter and 6.6% from a year earlier to \$409.5 billion at the end of June. Total outstanding *sukuk* (Islamic

bonds) increased 1.5% from the previous quarter to \$258.4 billion. The country's *sukuk* market remained the largest in emerging East Asia.

Growth in government bonds accelerated from the previous quarter to 4.1%, boosting the market size to \$230.4 billion. Corporate bonds expanded 0.1% to \$179.1 billion.

### ***Philippines***

The Philippines' local currency bond market grew 2.4% from the previous quarter and 14.2% from a year earlier to \$194.3 billion at the end of June. Quarterly expansion slowed amid declining growth in government bonds and a contraction in corporate bonds.

Government bonds climbed 4.1% from the previous quarter to \$168.7 billion. A contraction in the stock of treasury bills and a slower expansion in treasury bonds slowed growth. Corporate bonds declined 7.1% from the previous quarter to \$25.6 billion, as issuance fell due to rising borrowing costs.

### ***Singapore***

Growth in Singapore's local currency bond market slowed from the previous quarter to 3.0%, and annual growth decreased to 17.3%. Outstanding bonds totaled \$463.1 billion at the end of June. Government bonds expanded 3.8% from the previous quarter to \$321.0 billion, while corporate bond stock rose 1.4% to \$142.0 billion.

### ***Thailand***

Overall growth in Thailand's local currency bond market eased from the previous quarter to 0.7%, and annual growth slowed to 6.4%. A contraction in the government bond segment outpaced the expansion in corporate bonds. Thailand's total bonds outstanding amounted to \$427.3 billion at the end of June.

Government bond stock contracted 0.7% in the second quarter to \$307.2 billion. A drop in Bank of Thailand bonds drove the reversal of last quarter's growth. The corporate bond market grew 4.6% from the previous quarter amid robust issuance, as investor confidence improved due to a sustained economic recovery. Corporate bond stock totaled \$120.1 billion.

### ***Viet Nam***

Viet Nam's local currency bond market grew 8.1% from the previous quarter to \$99.5 billion. The faster expansion was driven by both the government and corporate bond segments. The market increased 31.6% from a year earlier.

Government bonds increased 7.4% from the previous quarter, driven by growth in central bank bills, to \$69.8 billion. Corporate bonds climbed 9.5% from the previous quarter to about \$30 billion, driven by hefty issuance.