

Asia Bond Monitor – June 2022
27 June 2022
Market Summaries

People’s Republic of China

The local currency bond stock of the People’s Republic of China (PRC) rose 3.3% from the previous quarter to \$18.8 trillion at the end of the first quarter of 2022. Slower growth was influenced by a dip in issuance. On a yearly basis, market growth accelerated to 14.9%.

Outstanding government bonds grew 2.7% from the previous quarter to \$12.1 trillion. The corporate bond stock increased 4.2% to \$6.7 trillion.

Hong Kong, China

Growth in Hong Kong, China’s bond market declined to 0.8%, reaching a size of \$325.1 billion at the end of March. The slower expansion was due to a contraction in the corporate bond segment. On an annual basis, the bond market grew 4.1%.

Outstanding government bonds increased 3.3% from the previous quarter to \$173.7 billion, driven by the continued rise in issuance of Exchange Fund Bills until February. The corporate bond segment reversed last quarter’s recovery, contracting 1.9% to \$151.4 billion in the first quarter of 2022.

Indonesia

Growth in Indonesia’s local currency bond market slowed to 3.1% on a quarterly basis and 14.1% on an annual basis. Total bond stock reached \$381.4 billion at the end of March. Government bonds continued to drive the expansion, as the segment represented 91.8% of the total market, the largest share in the region.

Growth in government bonds eased to 3.0% from the previous quarter, pushing the total government bond stock to \$350.1 billion. Corporate bond market growth quickened from the previous quarter, increasing 4.5% to \$31.3 billion.

Republic of Korea

The Republic of Korea’s local currency bond market expanded 2.0% from the previous quarter to \$2.4 trillion at the end of March. Growth from a year earlier slowed to 7.5%.

The expansion in government bonds outstanding accelerated to 3.4% from the previous quarter. This was driven by the rise in the central government bond stock, in line with the government’s policy to frontload spending in the first half of the year. In total, the country’s government bonds stood at \$1.0 trillion. Corporate bonds increased 1.0% from the previous quarter to \$1.4 trillion.

Malaysia

Malaysia’s local currency bond market expanded 1.7% from the previous quarter, and 7.0% from a year earlier, to \$419.8 billion at the end of March. Government bonds outstanding increased at an accelerated rate of 2.8% to \$232.1 billion, due to a rise in central government bonds. Corporate

bond growth slowed to 0.3% compared with the previous quarter, with the market reaching \$187.7 billion.

The country's *sukuk* (Islamic bonds) market remained the largest in emerging East Asia. Total outstanding *sukuk* increased 1.8% from the previous quarter to \$267.0 billion.

Philippines

The local currency bond market in the Philippines grew 6.5% from the previous quarter to \$201.5 billion at the end of March. The market grew 14.3% from a year earlier. Both the government and corporate bond segments posted strong increases.

Government bonds expanded 6.5% from the previous quarter to \$172.2 billion. The growth in government bonds was driven by treasury bonds and the rebound in Bangko Sentral ng Pilipinas (Central Bank of the Philippines) bill issuance. Corporate bond growth recovered, with the bond stock expanding 6.6% from the previous quarter to \$29.3 billion amid high debt sales from the corporate sector.

Singapore

Growth in Singapore's local currency bond market slowed to 3.1% on a quarterly basis and 20.9% on an annual basis, with the market reaching \$461.5 billion at the end of March. Government bonds increased 4.5% from the previous quarter to \$317.6 billion. The size of the corporate bond segment was little changed at \$143.8 billion.

Thailand

Stronger growth in both government and corporate bonds drove a 1.8% quarterly increase in Thailand's local currency bond market. The market grew to \$450.7 billion at the end of March. On a yearly basis, the growth was 8.4%.

Government bonds expanded 2.1% from the previous quarter to \$328.7 billion, driven by an increase in government bonds and treasury bills combined with a rebound in state-owned enterprise and other bonds. Corporate bonds increased 1.2% to \$122.0 billion amid robust issuance.

Viet Nam

Growth in Viet Nam's local currency bond market slowed from the previous quarter to 2.4%, with the market expanding to \$93.6 billion at the end of March. On an annual basis, growth was 28.9%.

Government bonds increased 1.5% from the previous quarter to \$66.2 billion. Expansion eased due to the decline in government-guaranteed and municipal bonds outstanding, which partially offset the growth in treasury bonds and central bank bills outstanding. The quarterly expansion of corporate bonds outstanding eased to 4.6% amid slower issuance. The total corporate bond stock reached \$27.5 billion.