

(Some) Asian Bond Markets A (Very Quick) Introduction

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Cbonds EM Bond Conference

April 14 2016

A (Very Quick) Introduction

- Asia is huge
- And it is not homogeneous
- There 54 countries in Asia
 - (48 UN members)
- 3 in 10 largest GDPs
- 6 (and ½) in 20 largest GDPs
- But accelerating fast

A (Very Quick) Introduction

- Concentrating on East Asia
- Specifically ASEAN + 3
 - Brunei Darussalam
 - Cambodia
 - Indonesia
 - Lao PDR
 - Malaysia
 - Myanmar
 - Philippines
 - **Singapore**
 - Thailand
 - Viet Nam

Plus

Japan

Korea

PRC & HK

(Because ADB)

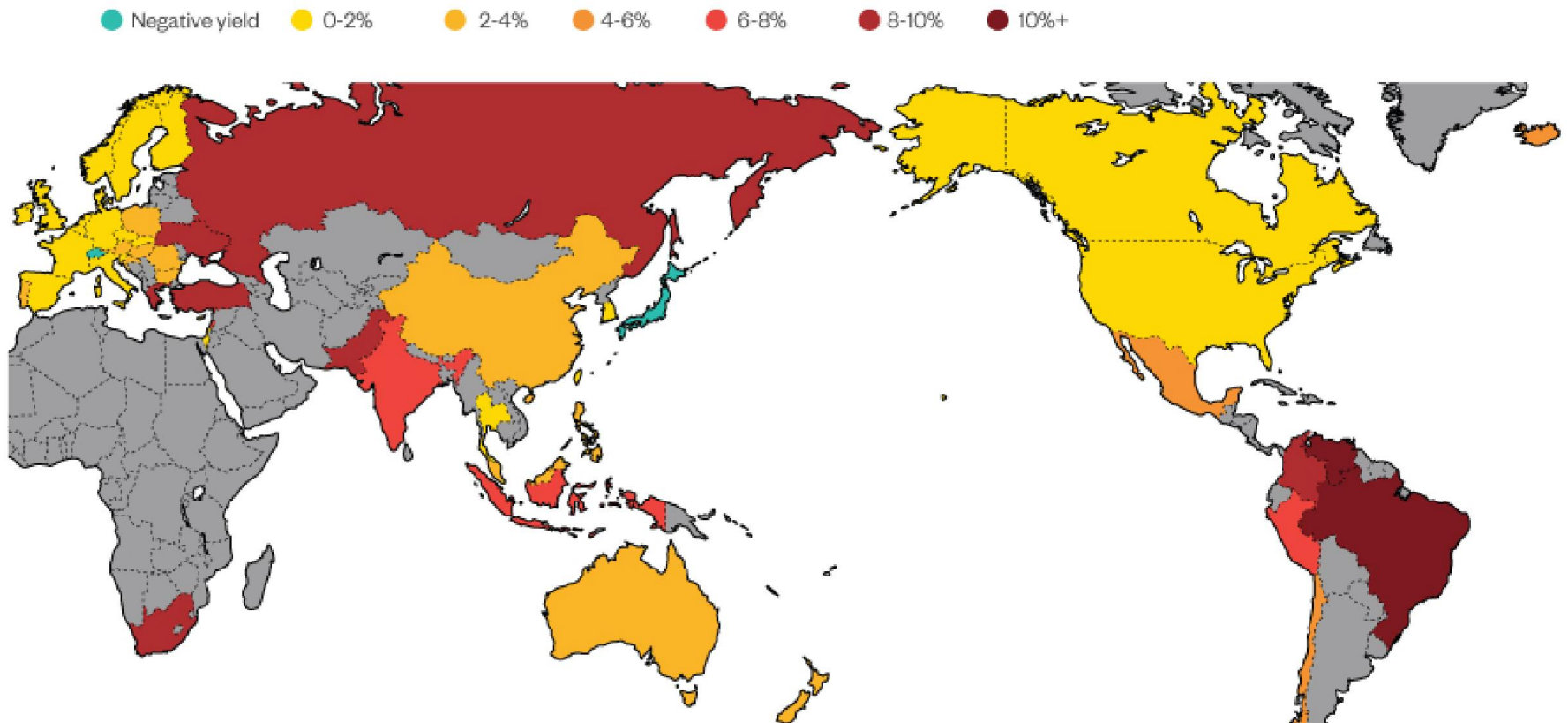
Summary

- Why look at Asia
- How to find out more
 - AsianBondsOnline
 - Country based agencies (eg Chinabond for PRC)
- Looking (quickly) at three specific countries
 - PRC (2)
 - Korea (11)
 - Indonesia (16)
- Because GDP
- How to get involved

Why Look at Asia

Where in the World?

10-year government bond yields around the world



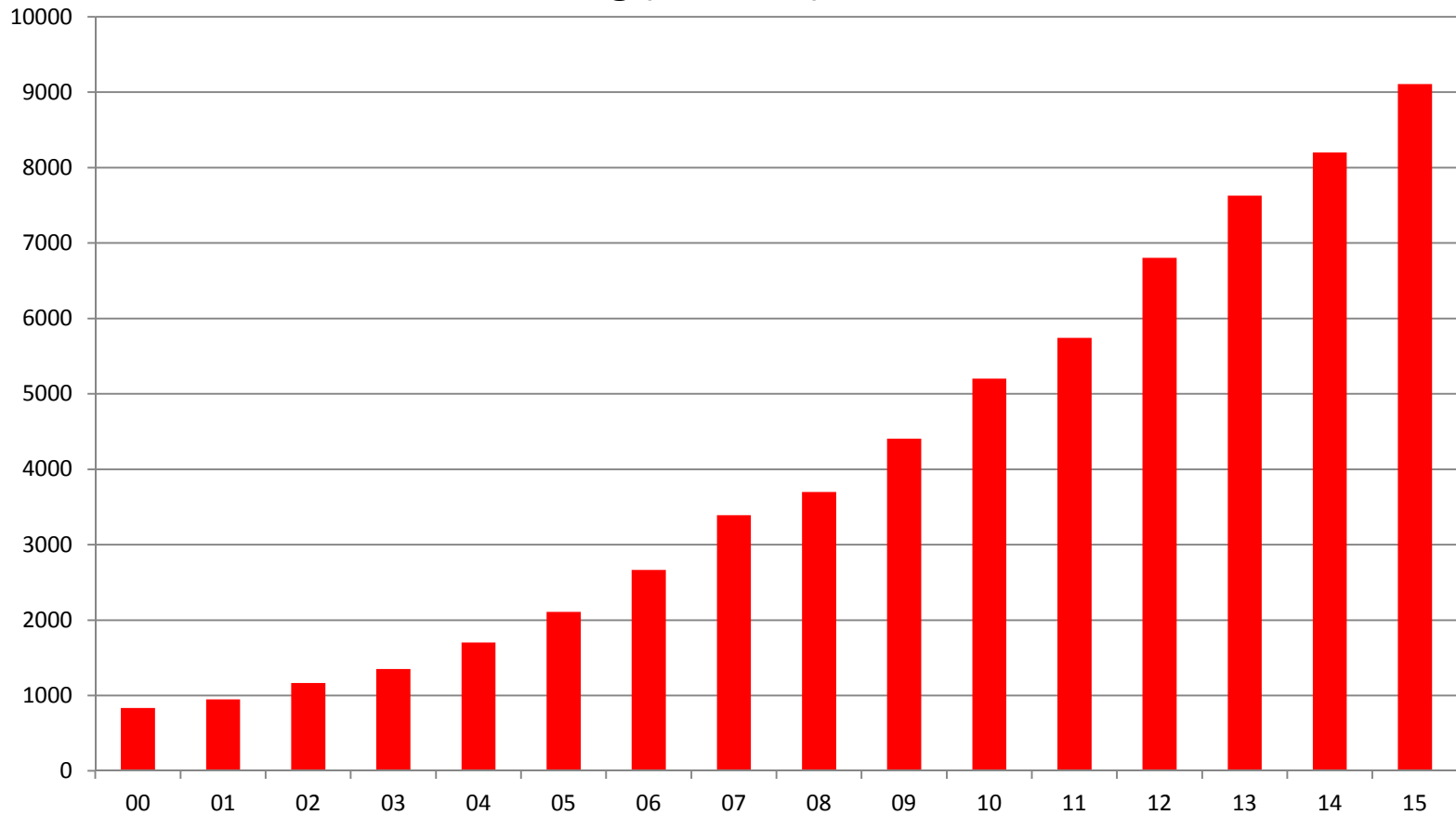
Source: Bloomberg

Note: All rates are in local currency except Venezuela, which is in U.S. dollars.

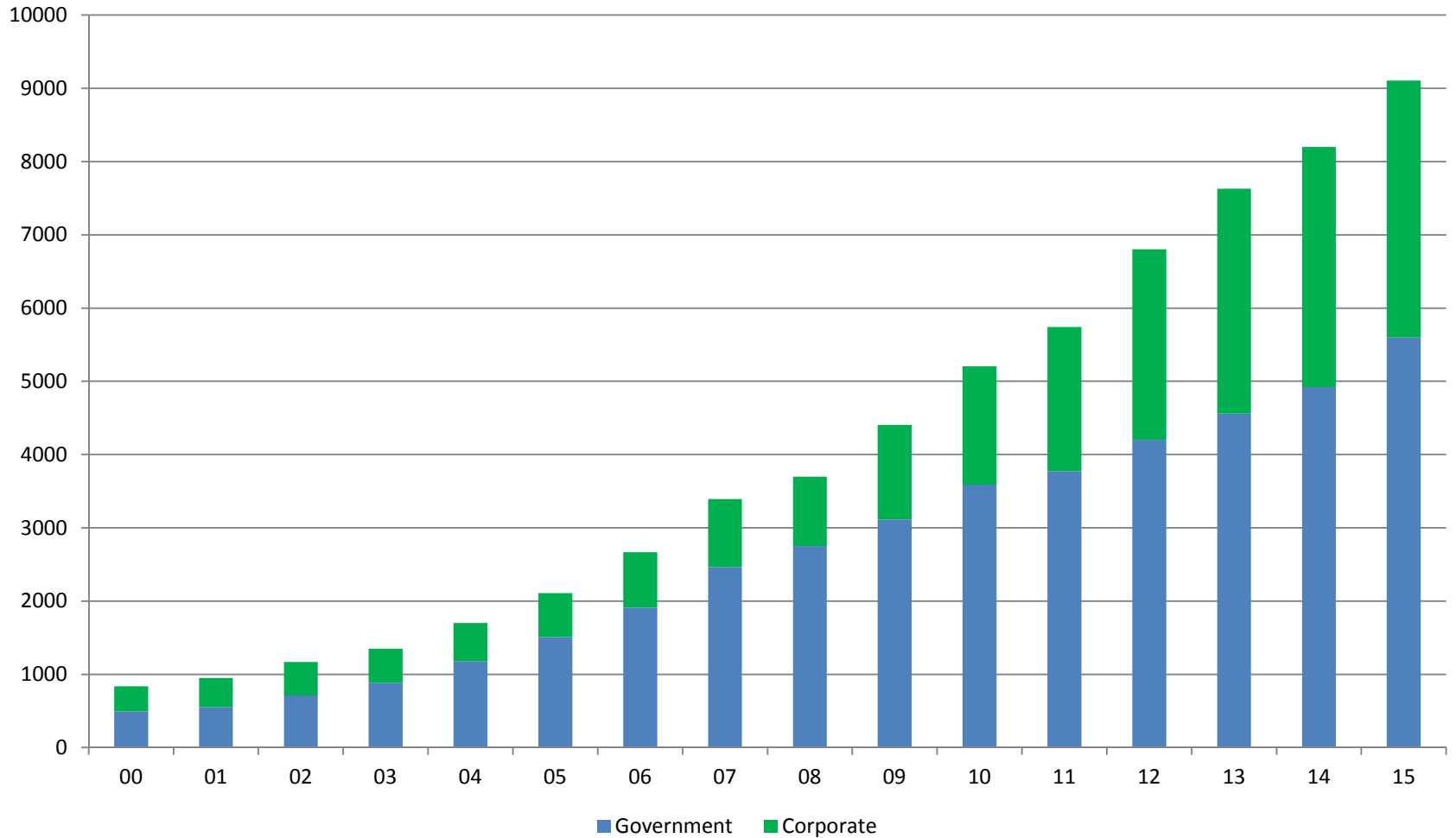
Bloomberg **Gadfly**

Total Bond Market Growth (in ASEAN + 2)

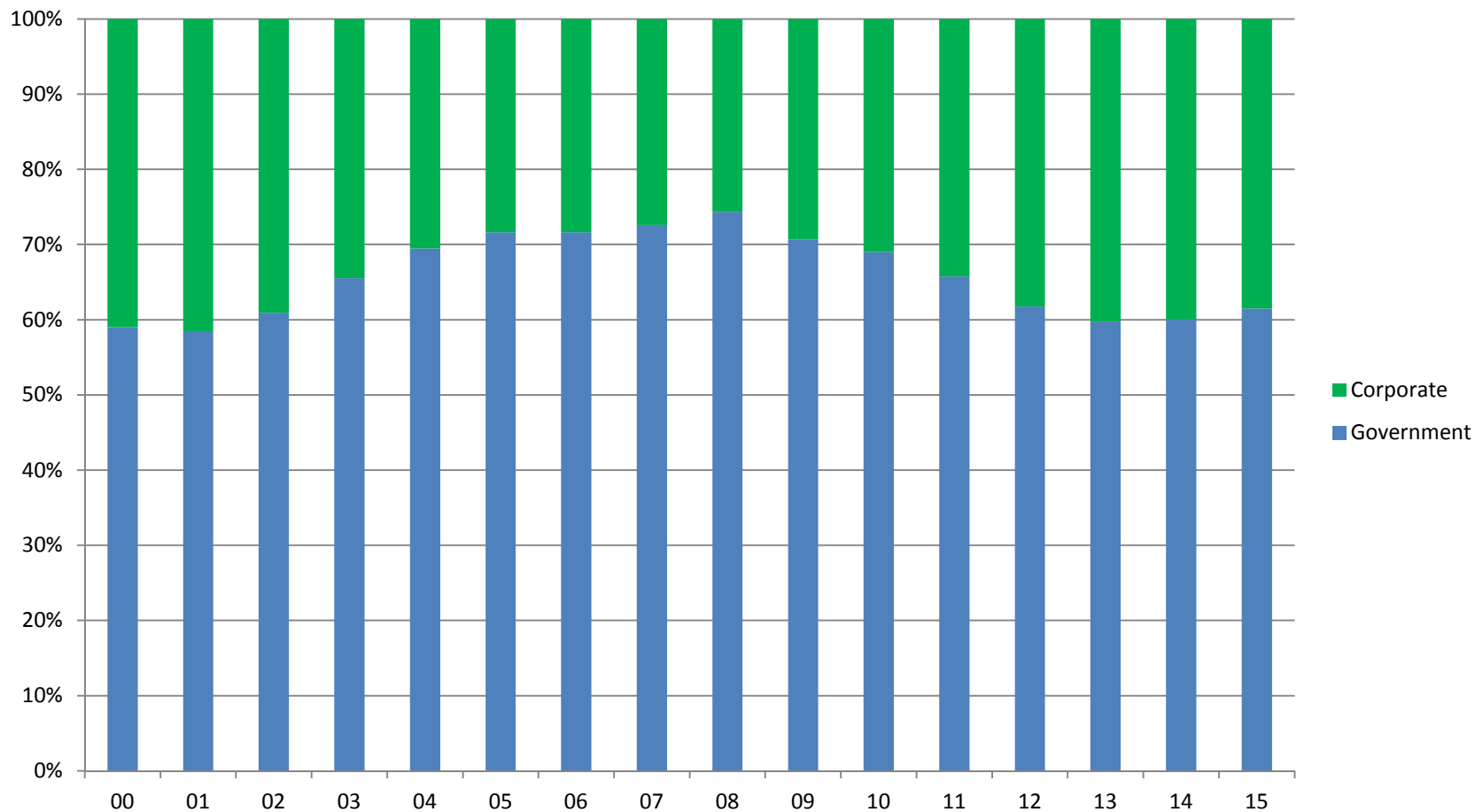
LCY Bonds Outstanding (USD Bns)



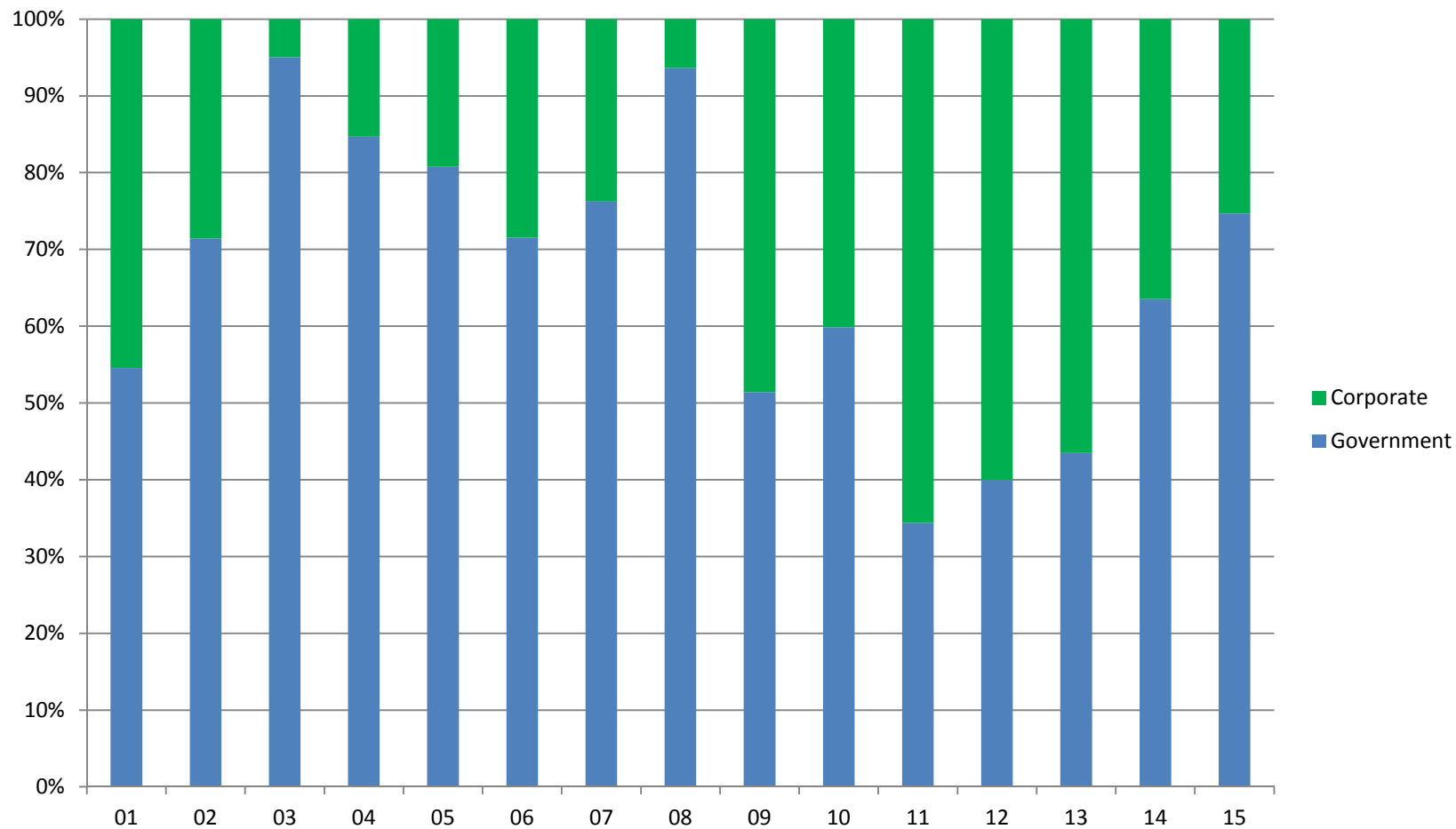
Govies & Corporates



Share of Outstandings



New Issuance Split



How to Find out More

- Asian Development Bank

- AsiaBondsOnline

- Asian Bond Monitor

- Good on macro, practical details for getting involved

- Not so good on specific bond data

- Local Agencies and Regulators

- Chinabond

- KOFIA

Regional

This section allows cross-market comparisons.

Market Watch

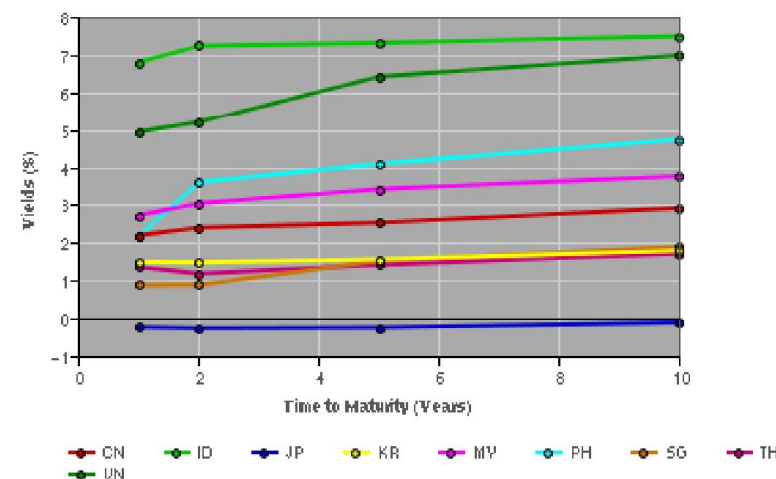
Close of April 12, 2016

CHANGE FROM

Govt. Bond Yields (10 Year)	Latest Closing	Previous Day	Previous Week	YTD
CN	2.920	▼ 1.0	▲ 3.0	▲ 6.0
HK	1.300	▲ 4.5	▲ 7.6	▼ 27.9
ID	7.491	▼ 4.4	▼ 13.3	▼ 125.4
JP	-0.102	▼ 1.6	▼ 4.9	▼ 36.7
KR	1.787	▼ 0.5	▲ 0.1	▼ 29.8
MY	3.759	▼ 5.7	▼ 3.7	▼ 42.7
PH	4.738	▲ 3.2	▼ 1.2	▲ 63.8
SG	1.889	▲ 0.9	▲ 3.5	▼ 70.9
TH	1.714	▼ 1.6	▲ 19.7	▼ 78.6
US	1.776	▲ 5.1	▲ 5.6	▼ 49.3
VN	6.988	▼ 8.2	▼ 6.2	▼ 18.7

* Government bond yield changes are expressed in basis points.
>> More details

LCY GOVERNMENT BOND YIELD MOVEMENTS



WEEKLY DEBT HIGHLIGHTS

April 11, 2016

REGIONAL OVERVIEW	Brunei Darussalam	Cambodia	People's Republic of China	Indonesia	Japan	Republic of Korea	Lao People's Democratic Republic	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
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Indonesia

Market-at-a-Glance

Data

Market Structure

Guide To Buying Bonds

Market Summary

News

Currency: Indonesian Rupiah (IDR)

Market Watch

Close of April 12, 2016

CHANGE FROM

Govt. Bond Yields	Latest Yield	Previous Day	Previous Week	YTD
2 Year	7.233	▲ 0.5	▼ 23.5	▼ 137.6
5 Year	7.312	▼ 3.3	▼ 8.6	▼ 150.7
10 Year	7.491	▼ 4.4	▼ 13.3	▼ 125.4

* Government bond yield changes are expressed in basis points.
>> More details

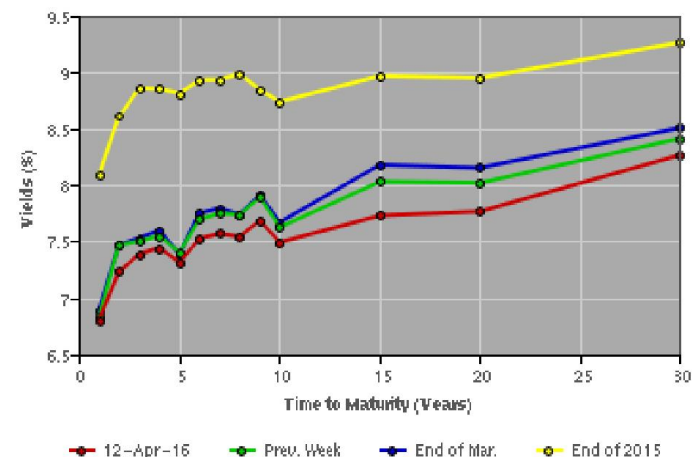
Currencies	Latest Rate	Previous Day	Previous Week	YTD
IDR per USD	13,115.000	▲ 0.1	▲ 0.8	▲ 4.9
IDR per JPY	120.831	▲ 0.7	▼ 0.8	▼ 5.4

* Exchange rate changes are expressed as a percentage change.
>> More details

Interest Rates	Latest Rate	Previous Day	Previous Week	YTD
1D JIBOR	4.891	0.0	▼ 0.9	▼ 270.1
3M JIBOR	6.668	0.0	▲ 1.1	▼ 218.9

* Interest rate changes are expressed in basis point change.
>> More details

LCY GOVERNMENT BOND YIELD MOVEMENTS



NEWS HIGHLIGHTS

- Retail Sales Growth Slows Down in February: Bank Indonesia
- Faster Govt Spending Raises Deficit Forecast
- Revised Indonesia Budget May Push Deficit Up to 2.5% of GDP: Finance Minister
- Indonesia Targets Corporate Tax Cut to 'Competitive' 20 Percent

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* Interest rate changes are expressed in basis point change. >> More details				

Policy Rates

			CHANGE FROM
Policy Rates	Latest Rate (17-Mar-2016)	Previous Rate (18-Feb-2016)	YTD Rate
Bank Indonesia Rate	6.750	▼ 25.0	▼ 75.0
* Policy rate changes are expressed in basis point change. >> More details			

Sovereign Ratings

Agency	Rating	Outlook	Date
Regional Rating Institutions			
R&I	BBB-	stable	2015-03-18
RAM	BBB2	stable	2016-04-05
Non-Regional Rating Institutions			
Fitch	BBB-	stable	2015-11-06
S&P	BB+	positive	2015-05-21
>> More details			

NEWS HIGHLIGHTS

- Retail Sales Growth Slows Down in February: Bank Indonesia
- Faster Govt Spending Raises Deficit Forecast
- Revised Indonesia Budget May Push Deficit Up to 2.5% of GDP: Finance Minister
- Indonesia Targets Corporate Tax Cut to 'Competitive' 20 Percent
- Tax incentives needed to boost sukuk sales: OJK

► [Read full index for News and Commentary](#)

BOND ISSUANCES

- Indonesia sukuk catches market momentum
- Indonesia sells 12 trln rupiah of bonds at auction, as targeted
- Indonesia issues global bonds worth US\$3.5 billion
- Indonesia raises 9 trln rupiah at bond auction, above target
- Indonesia raises 5.2 trln rupiah at bond auction, below target

► [Read full index for Bond Issuances](#)

REGIONAL
OVERVIEW

Brunei
Darussalam

Cambodia

People's
Republic
of China

Indonesia

Japan

Republic
of Korea

Lao People's
Democratic
Republic

Malaysia

Myanmar

Philippines

Singapore

Thailand

Viet Nam

Indonesia

Market-at-a-Glance

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Guide To Buying Bonds

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Indonesia >> **Guide To Buying Bonds**

Government Bonds

Corporate Bonds

Guide to Buying Bonds

The basics about investing in Indonesia government and corporate debt markets are discussed in the following sections:

How to Invest in Government/Corporate Debt Securities at Issue provides a list of available government and corporate debt securities in the market. Auction and tender dates, as well as the application procedures and the confirmation of acquisition of the debt securities are also discussed in this section.

After Issue and At Maturity discusses the buying and selling of bonds in the secondary market as well as the details of interest and redemption procedures.

Self Service Options explains the mechanics of online trading; provides brochures and forms; and lists investor contact centers.

ASIA BOND MONITOR

March 2016

ASIAN DEVELOPMENT BANK



https://asianbondsonline.adb.org/documents/abm_mar_2016.pdf

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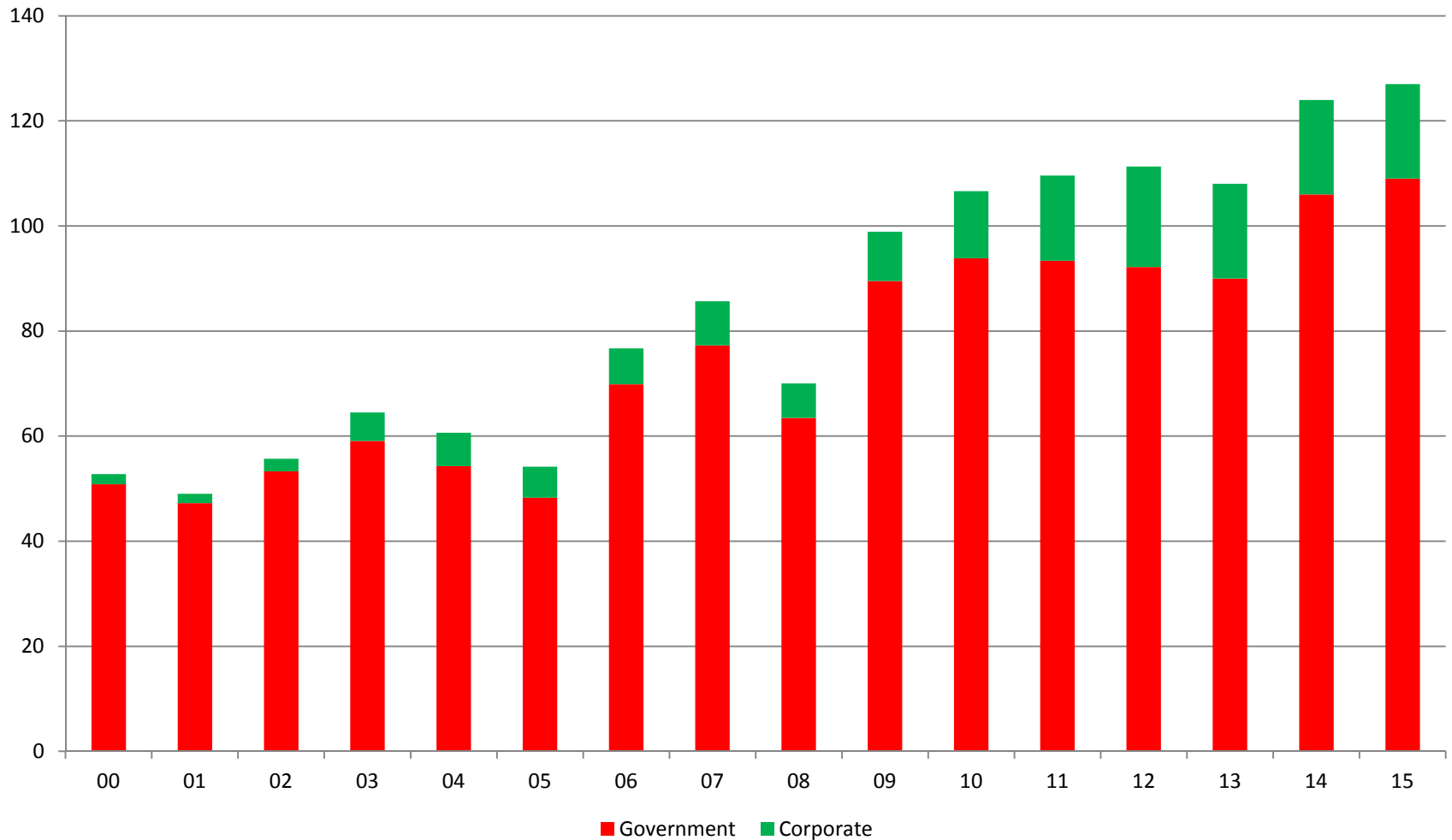
Emerging East Asian Local Currency Bond Markets: A Regional Update

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3 Markets

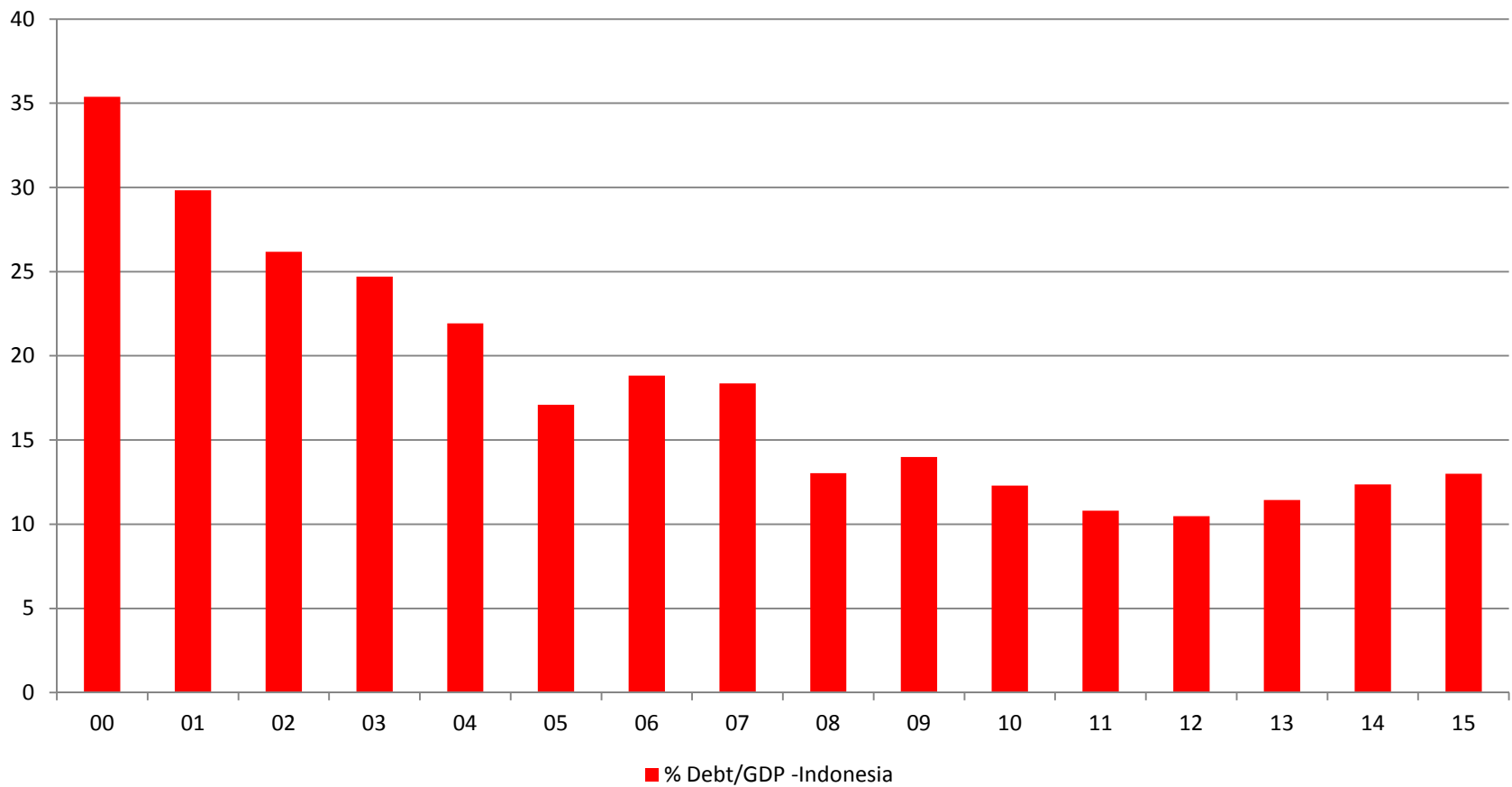
- Indonesia
- Korea
- PRC
- Compare and contrast

Bond Market Size – Indonesia (USD Bn)

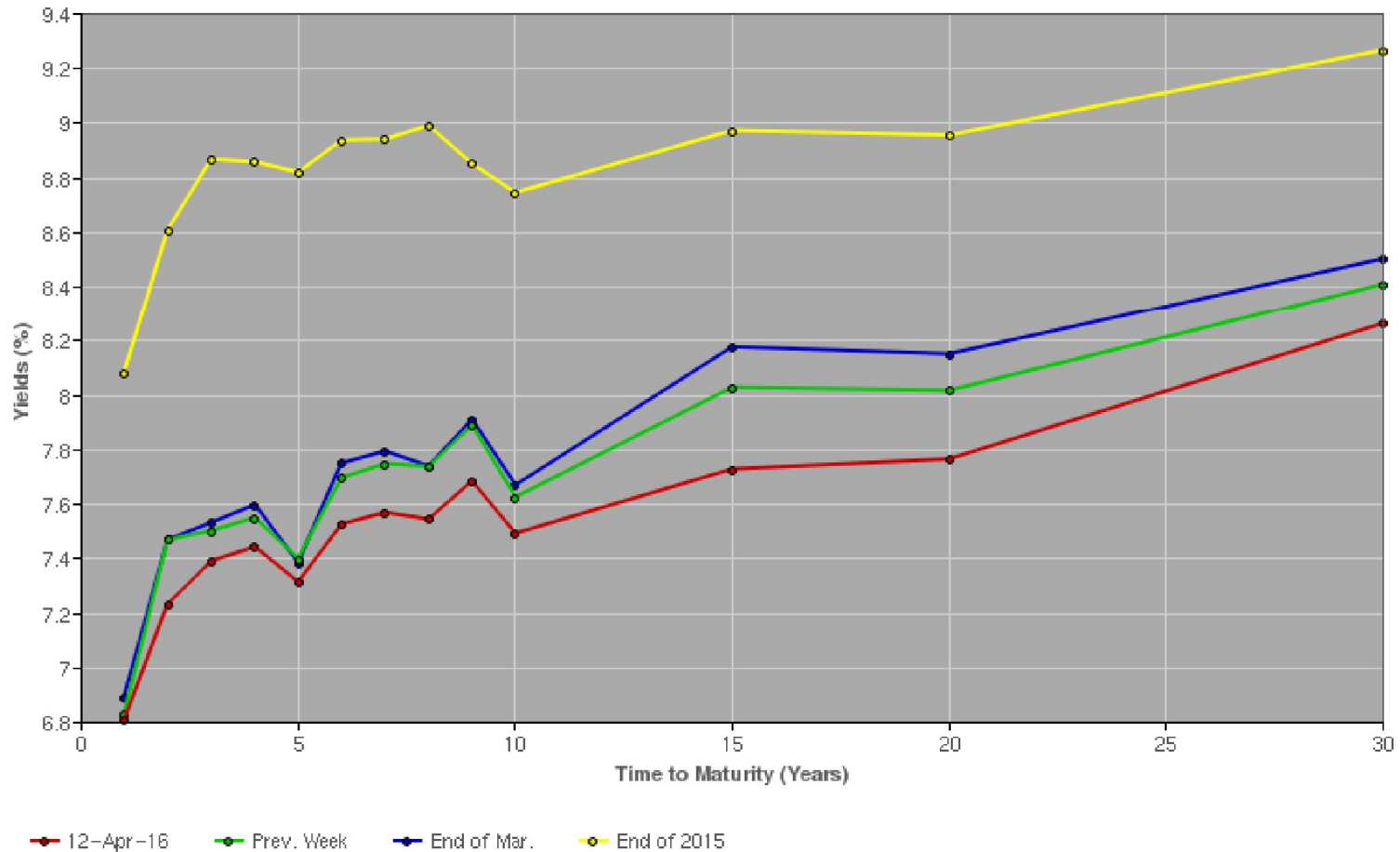


Debt/GDP - Indonesia

% Debt/GDP -Indonesia

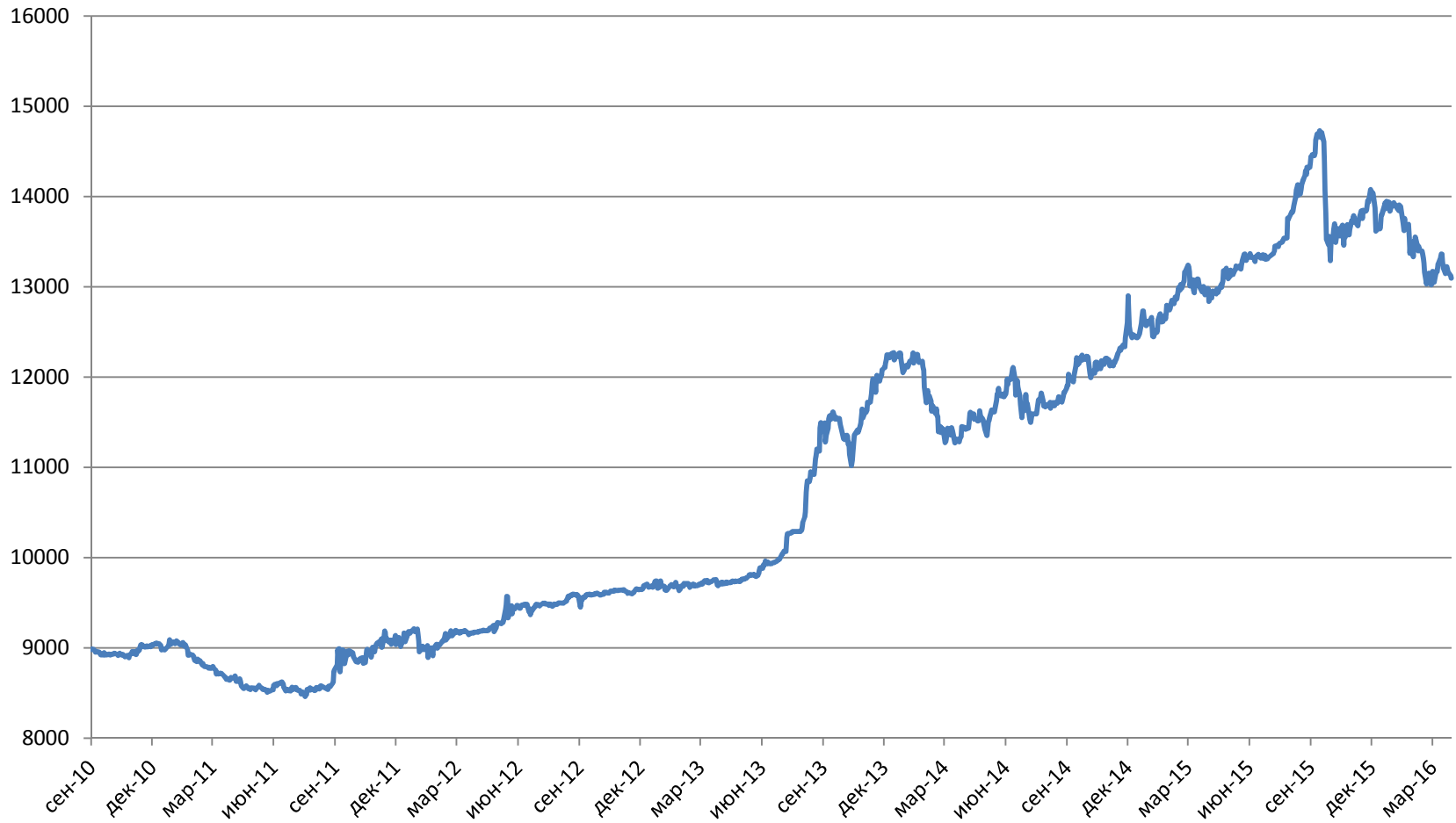


Yield Curve - Indonesia



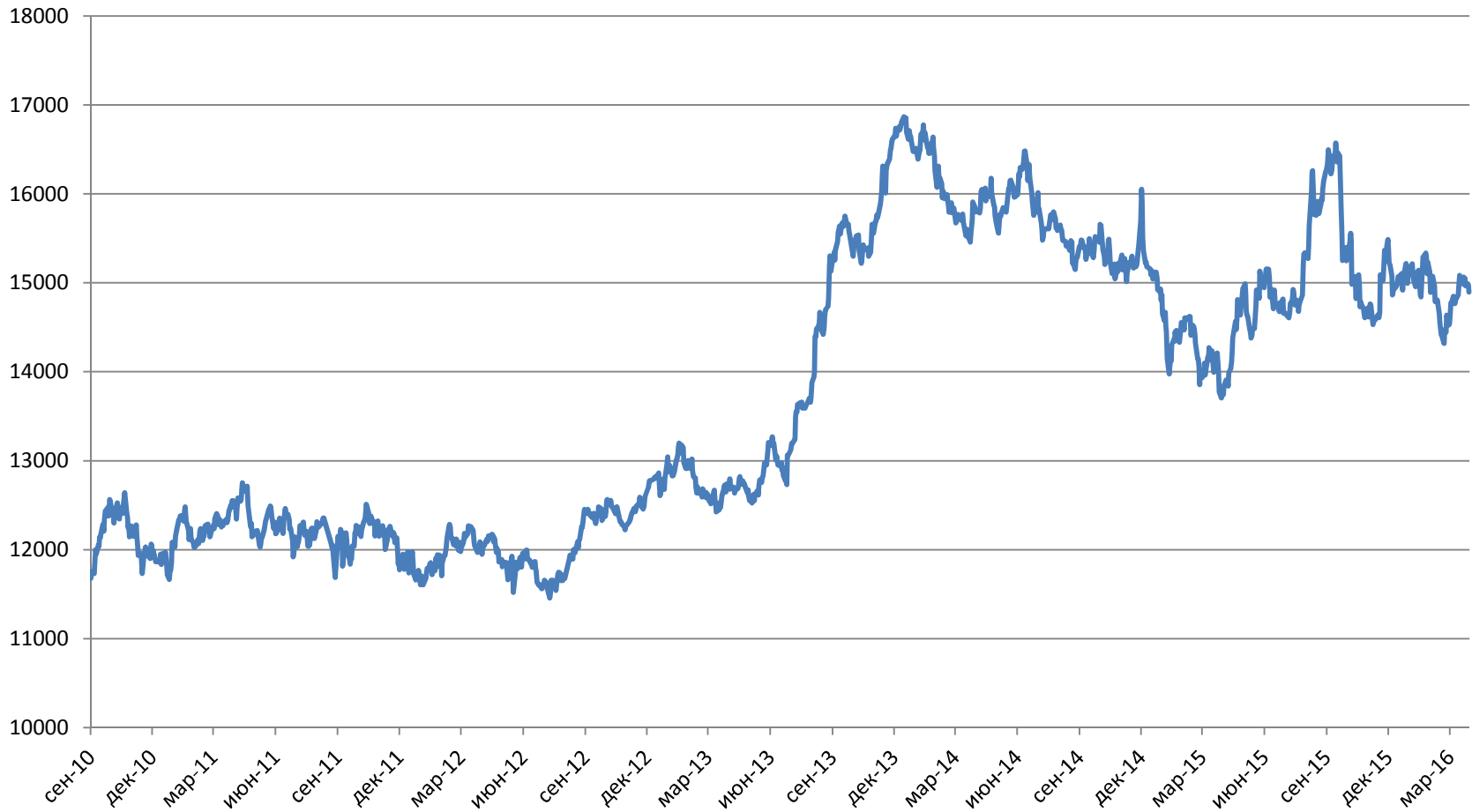
FX - Indonesia

IDR/USD

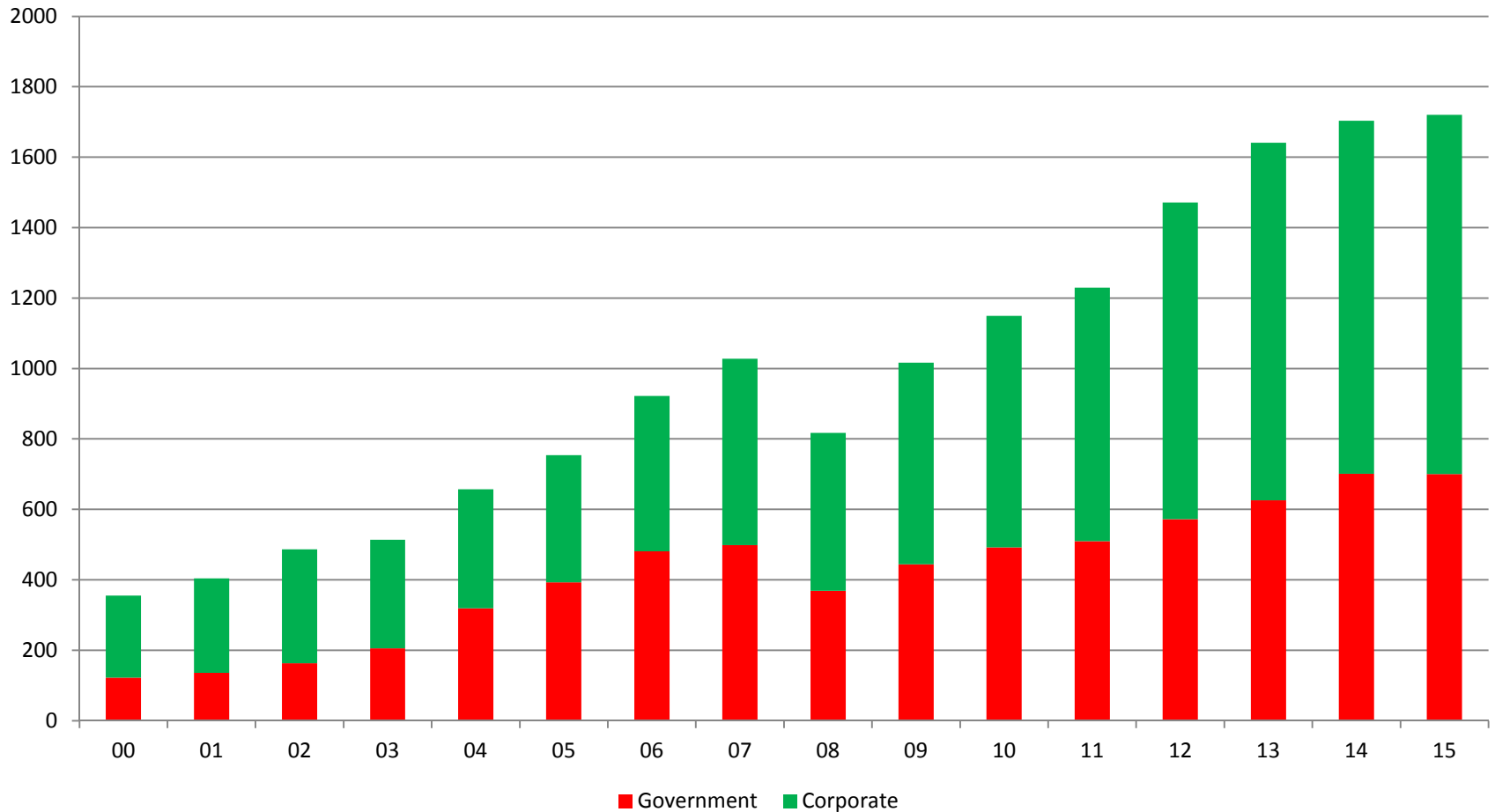


FX - Indonesia

IDR/EUR

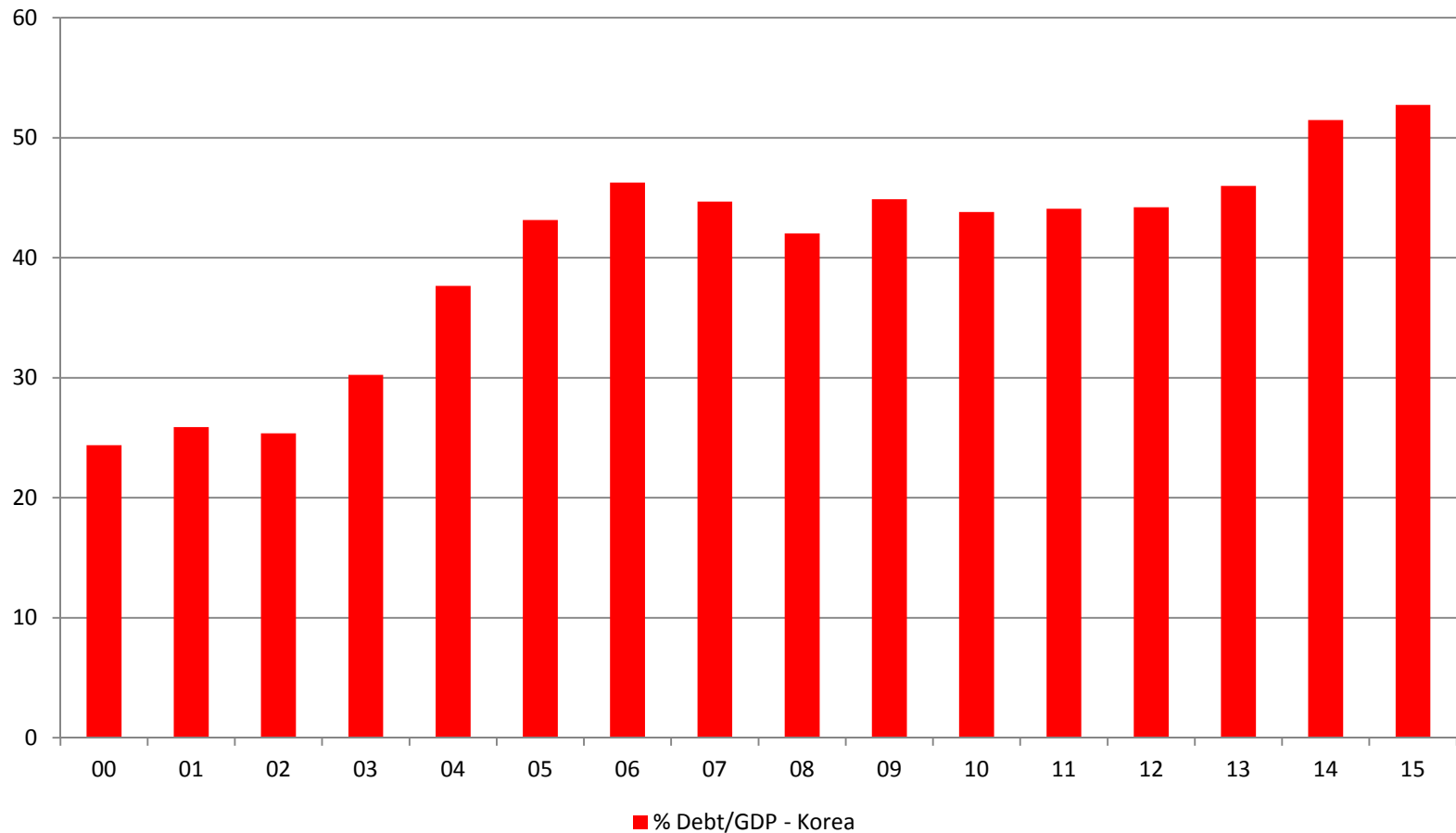


Bond Market Size – Korea (USD Bn)

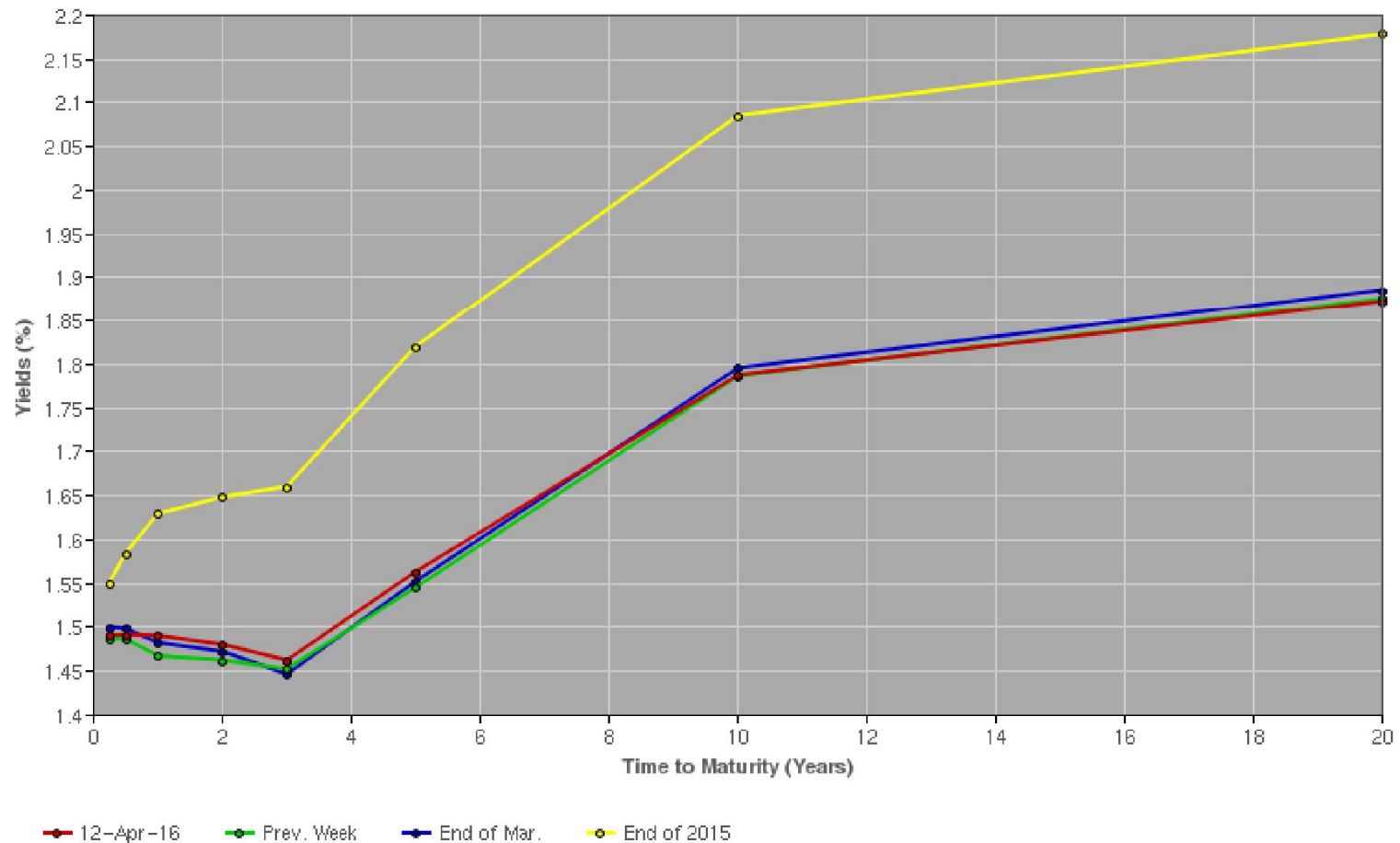


Debt/GDP - Korea

% Debt/GDP - Korea



Yield Curve - Korea



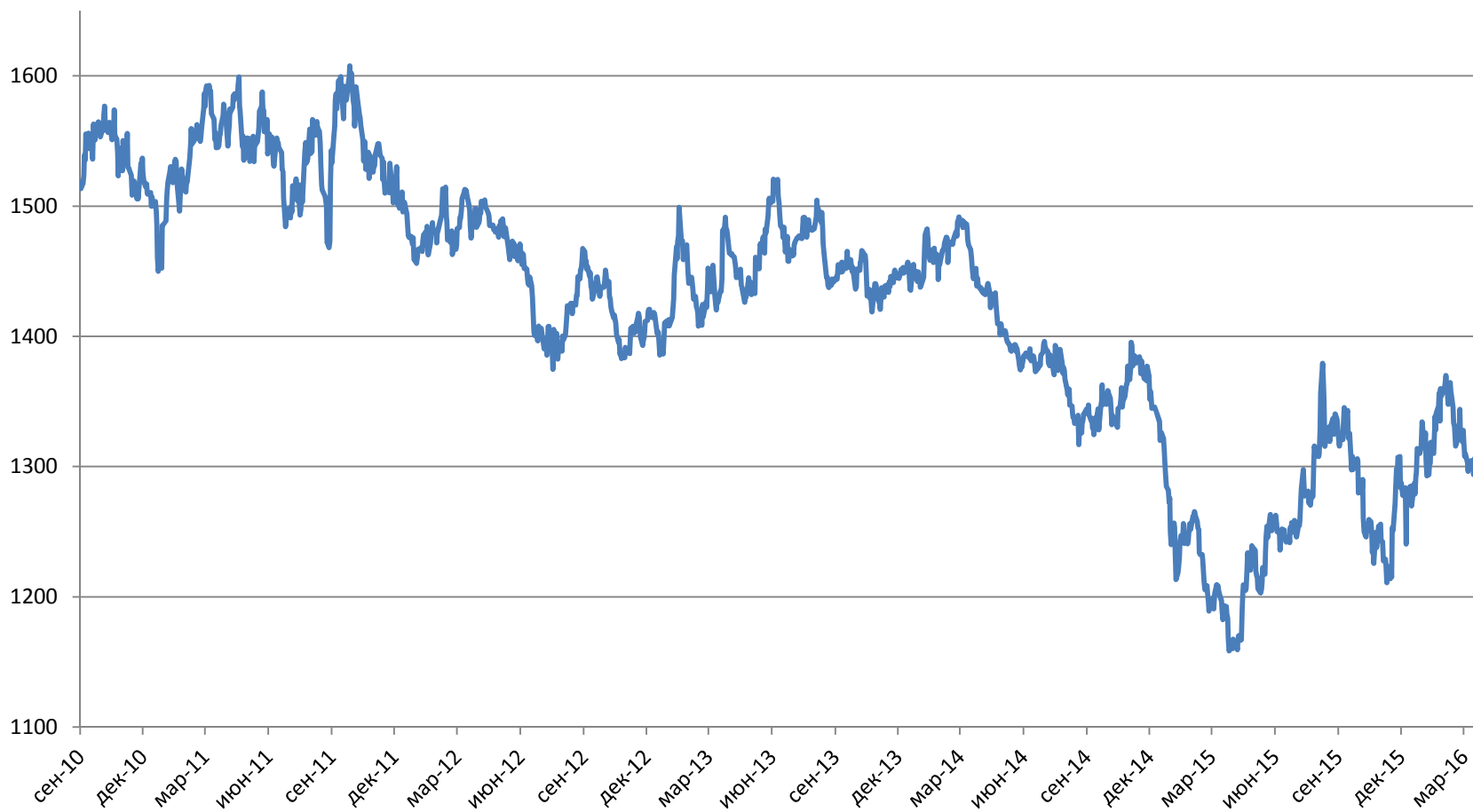
FX - Korea

KOW/USD

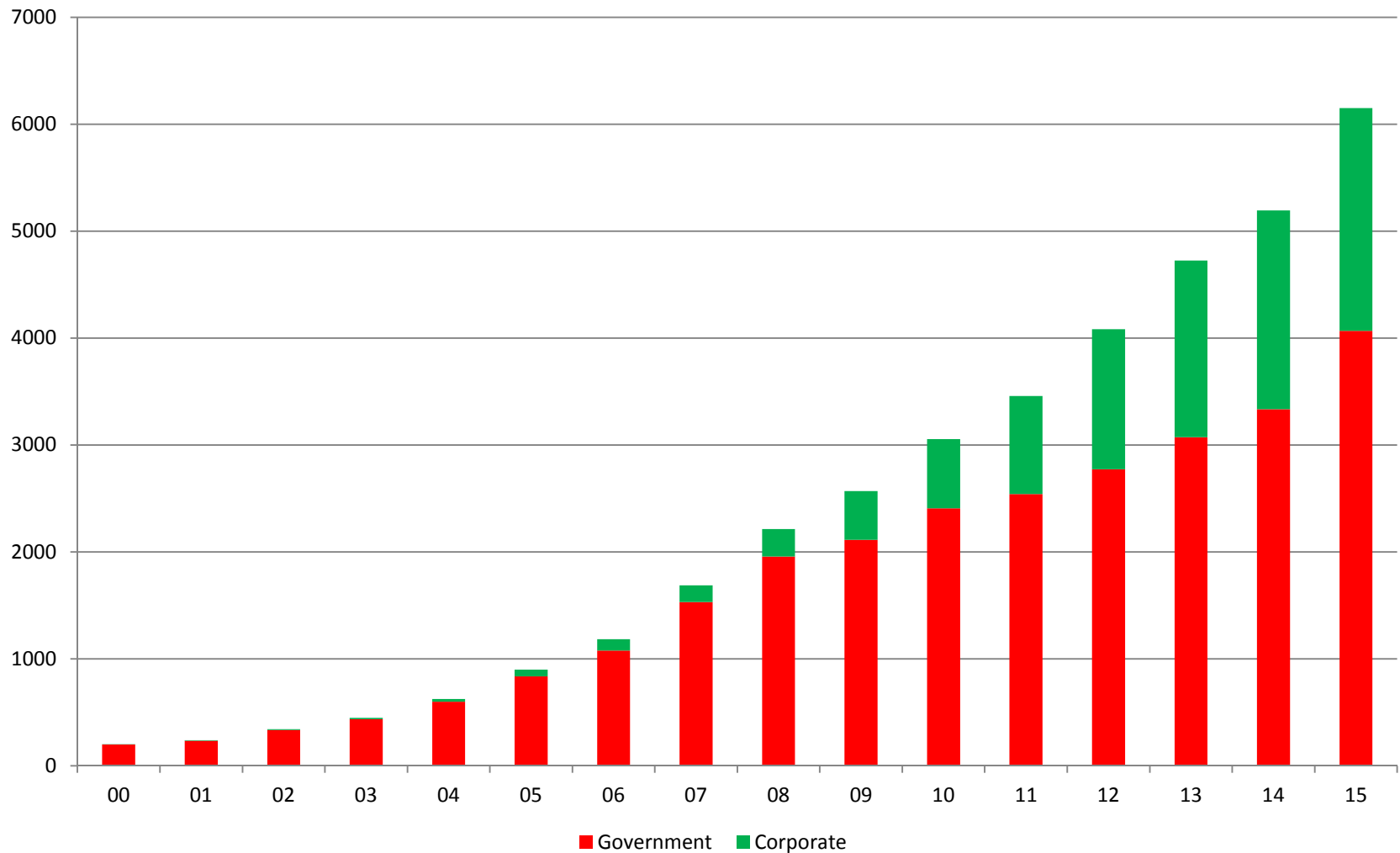


FX - Korea

KOW/EUR

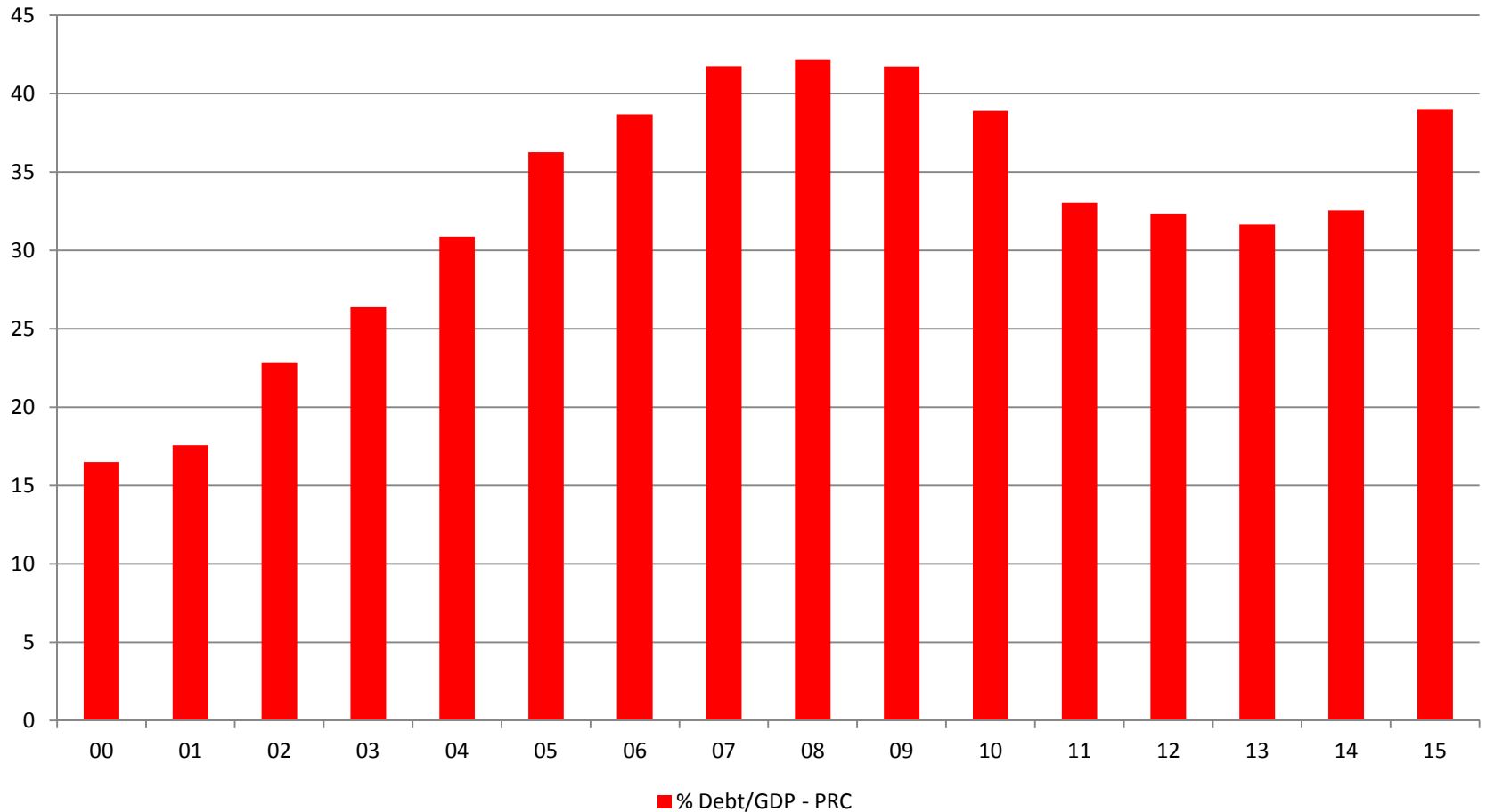


Bond Market Size – PRC (USD Bn)

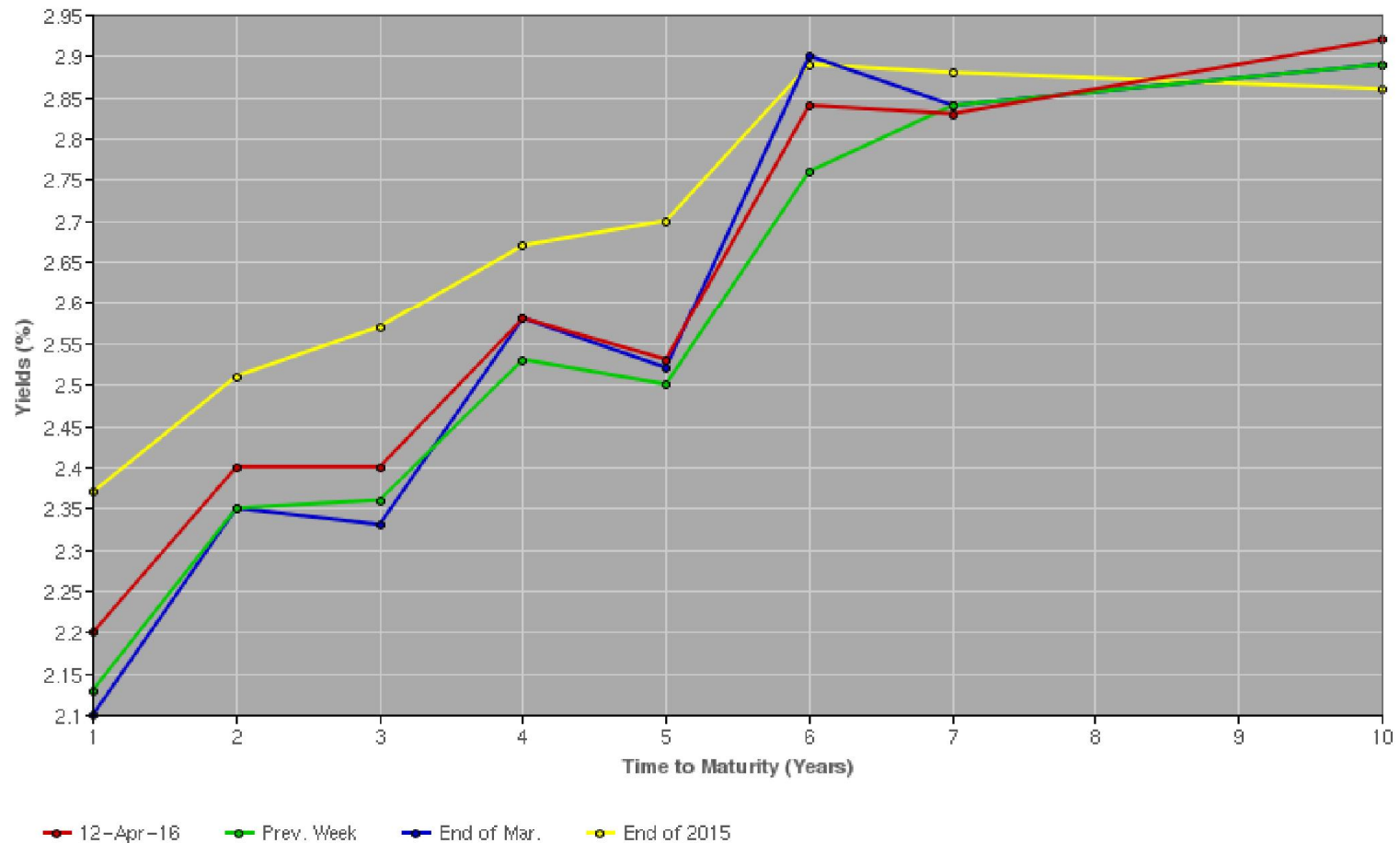


Debt/GDP - PRC

% Debt/GDP - PRC



Yield Curve - PRC



FX - PRC

CNY/USD



FX - PRC

CNY/EUR



Getting Involved

- Directly
 - Possible
 - But generally difficult
 - There can be all sorts of complications
 - Check the instructions on the ADB site
- Through Funds
 - ABF 2
 - ABF Trackers
 - Asian Bond Funds

ABF PAN ASIA BOND INDEX FUND



HSBC Asian Bond AM -USD

Performance Overview



Thank You

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