FTSE RUSSELL
An LSEG Business

APAC Financial Markets Spotlight

USD EDITION

QUARTERLY REPORT | **NOVEMBER 2024**

Returns Diverged in a Shifting Monetary Landscape

Many APAC markets began monetary easing alongside the US, while markets such as Australia and India kept on hold. China's fixed income, equity and FX rallied, driven by large-scale stimulus, while Japan experienced declines across these assets. Performance diverged in equities, fixed income and FX across APAC markets over 3M, ending October 31, 2024.

Over the last three months, APAC saw variation in asset performance, largely influenced by diverging monetary policies across the region. Government bond returns were strongest in Thailand and Indonesia amid their rate-cutting cycle. Equity performance was mixed. Japan, Korea and Taiwan, which have a higher correlation with US equities, underperformed the region in August following the August 5th sell-off. Taiwan, however, rebounded afterwards as fundamentals for AI-related tech demand remained solid. China and Hong Kong advanced significantly driven by significant monetary easing.

Japan faced economic and political uncertainty, including slowing inflation and doubts as to whether real wage growth can sustain its positive trend. USD/JPY dipped to the 140 level but rebounded back above 150, driven not only by a stronger USD but also market expectation for delayed rate hikes by the BoJ (Bank of Japan).

In **Australia**, upside risks to inflation continued to be a major concern for the RBA (Reserve Bank of Australia), while in **New Zealand**, the RBNZ (Reserve Bank of New Zealand) cut rates in anticipation of inflation moderating to the target range.

China's economic outlook remained uncertain as data such as credit growth and property investment remained soft. Inflation also remained low. Equities outperformed the region boosted by extensive stimulus. Consumer Discretionary, Technology and Financials stocks were the main contributors to the positive return.

Tech stocks continued to drive **Taiwan** equity outperformance. In contrast, **Korea** equity lagged, dragged by Telecom. Korea's bond curve steepened as the BoK eased. **ASEAN** markets shifted focus from inflation control to economic growth, with Indonesia, Thailand and Philippines cutting rates. **Thailand** equities led ASEAN gains.

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Chart 1: China eased further. New Zealand cut rates unexpectedly in Aug and further in Oct. Korea, Indonesia, Thailand and Philippines began their rate cut cycle.

	GDP y/y (%)			CPI y/y (%)			Policy rate (%)	
	2Q24	IMF 2024 forecast^	Diff.	Sep-24	Jun-24	Chg	Current	Last 6M chg
USA	3.0	2.8	0.3	2.4	3.0	-0.5	5.00	-50bp
Japan	-1.0	0.3	-1.3	2.5	2.8	-0.3	0.25	+15bp
Australia	1.0	1.4	-0.4	2.7	3.8	-1.1	4.35	On hold
China	4.7	4.8	-0.1	0.4	0.2	0.2	1.50	-30bp
India	6.7	7.0	-0.3	5.5	5.1	0.4	6.50	On hold
Korea	2.3	2.5	-0.2	1.6	2.4	-0.8	3.25	-25bp
Taiwan	5.1	3.7	1.3	1.8	2.4	-0.6	2.00	On hold
Singapore	3.0	2.6	0.4	2.0	2.4	-0.4	n/a	n/a
Indonesia	5.1	5.0	0.1	1.8	2.5	-0.7	6.00	-25bp
Thailand	2.3	2.9	-0.6	0.6	0.6	0.0	2.25	-25bp
Malaysia	5.9	4.8	1.1	1.8	2.0	-0.2	3.00	On hold
Philippines	6.3	6.0	0.3	1.9	3.7	-1.8	6.00	-50bp
New Zealand*	1.3	0.0	1.2	2.2	3.3	-1.1	4.75	-75bp

*New Zealand CPI is as of Sep and Jun-24 (quarterly data). ^IMF Economic Outlook published in Jul 24.

Chart 2: China's credit growth slowed; real estate sales improved but investment remained weak. Japan's wage growth has picked up in both nominal and real terms.

Key macro indicators	Sep-24	Jun-24	Last 3M chg	Trend
China official manufacturing PMI	49.8	49.5	0.3	Improved
China social financing credit y/y (3M mov avg)	8.1	8.3	-0.2	Weakened
China real estate sales y/y (3M mov avg)	-23.5	-27.1	3.5	Improved
China real estate investment y/y (3M mov avg)	-10.2	-10.0	-0.2	Weakened
Japan nominal wage growth y/y (3M mov avg)	3.6	1.5	2.0	Strengthened
Japan real wage growth y/y (3M mov avg)	0.3	-1.1	1.4	Strengthened
Australia housing inflation y/y (3M mov avg)	2.7	5.2	-2.5	Weakened
India industrial production y/y (3M mov avg)*	3.1	5.7	-2.6	Weakened
India fiscal deficit (% of GDP, annualized)*	4.4	5.6	-1.2	Narrower
Korea export y/y (3M mov avg)	10.6	10.1	0.5	Strengthened
Taiwan export y/y (3M mov avg)	11.0	15.8	-4.8	Weakened
Thailand tourist arrival (k ppl, 3M mov avg)	2863	2710	152	Strengthened
Indonesia export y/y (3M mov avg)	6.5	1.9	4.6	Strengthened
Malaysia export y/y (3M mov avg)	7.8	5.8	2.0	Strengthened

*Japan wage growth and India IP were as of Aug-24 and May-24; India fiscal deficit was 3Q24 and 2Q24.

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APAC Cross-Assets Summary

Performance diverged in both fixed income and equity across markets with divergence in monetary policies being one major driver. China rallied in fixed income, equity and FX, while Japan sold off in all three asset classes.

In fixed income, FTSE APGBI returned 2.2% over 3M, outperforming global peers in WGBI (0.4%) thanks to strong performances from Thailand (7.4%), Indonesia (5.8%) and Malaysia (4.9%). The laggards in the index over 3M included Australia (-0.8%), which saw yields track higher over fears of higher-for-longer interest rates and Japan (-0.2%), as a weaker JPY weighed on USD-based returns. APGBI continues to outperform WGBI both YTD and over 12M. APAC government bond spreads to UST (US Treasuries) largely narrowed in October as stronger economic data weighed on UST, especially at the longer end of the curve. Government bond spreads to UST have compressed and, in some cases, turned negative over the last 5Y (Chart 3). While India and Indonesia continue to offer noticeably higher yields than UST, China and Korea – both of whom are seeing lower levels of inflation vs. the US – saw spreads to UST fall to near 5-year lows in October.

In equity, FTSE Asia Pacific rose 1.9% over the last 3M. The August 5th global equity sell-off caused markets that are more correlated with US equities, such as Japan and Korea, to underperform the region in August. China and Hong Kong outperformed the region on the back of the announced big stimulus package but retraced partially in October. In ASEAN, Thailand's return (17.9%) stood out over the last 3M due to the unexpected rate cut by the Bank of Thailand and state-owned funds' support to the equity markets.

In foreign exchange, USD weakened in August on the back of slowing US growth data. Despite the Fed cutting by 25bps more than expected in September, stronger-than-expected economic growth and labor market data caused USD to rebound in October, returning to levels seen in July. The US election results led to a higher USD and UST yields, with reflation being one major concern to markets, posing depreciation pressure to APAC currencies. JPY weakened 1.2% vs USD over the last 3M as the BoJ was expected to slow the pace of further rate hikes while foreign investors have turned net sellers of Japanese stocks since July. KRW depreciated on the back of net foreign equity outflows and a narrower trade balance.

Chart 1: Thailand and Indonesia led 3M gains in government bonds, driven by central bank rate cuts. Australian sovereign bonds lagged amid uncertainty around inflation outlook. In equity, China and HK outperformed peers given China stimulus.

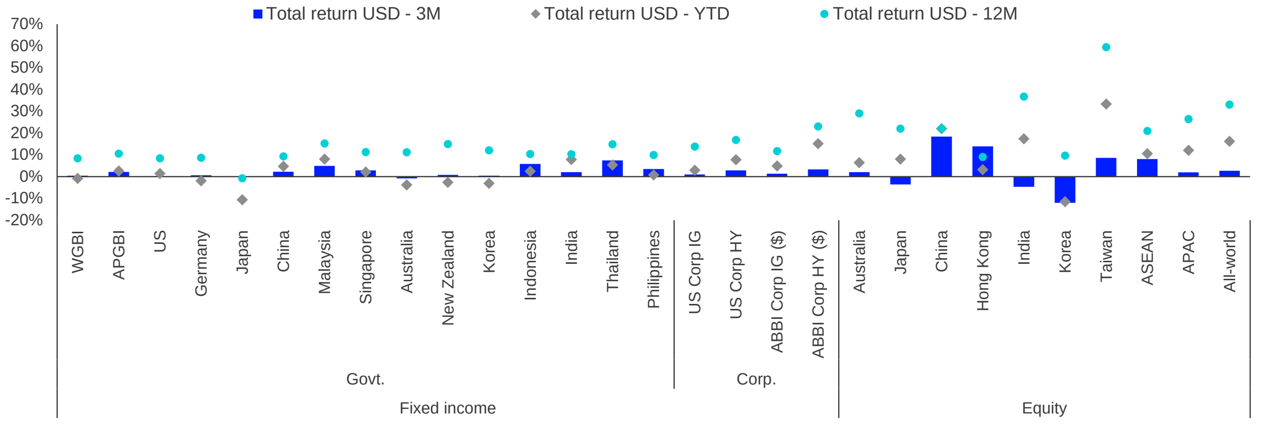


Chart 2: JPY weakened 1.2%. THB has a higher beta to USD, while foreigners have turned net buyers of Thai stocks.

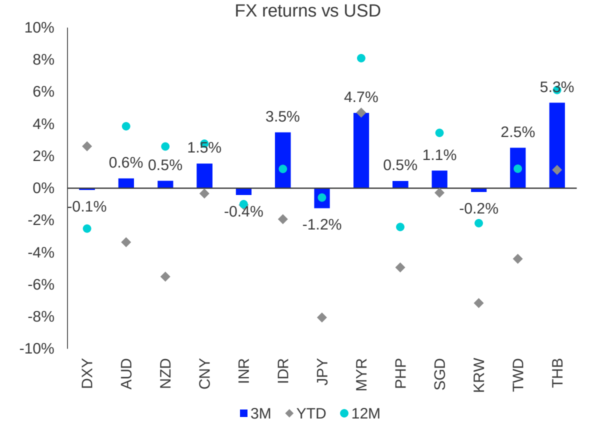
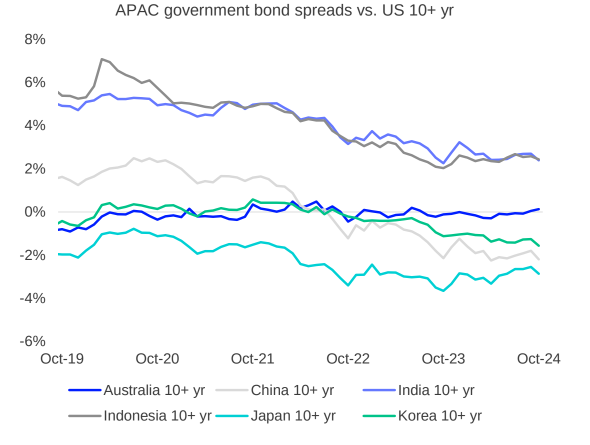


Chart 3: Government bond spreads to UST largely narrowed in October on the back of strong US economic data.



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APAC In A Global Context – International Trade

Generally, APAC sovereign bonds move closely with UST, and this has remained the case for ASEAN bonds. China and Korea have seen a narrower spreads vs UST as their inflation and growth outlook slowed more than the US. In equity markets, we can categorize APAC markets into two camps: export-oriented vs domestic demand-driven markets. Markets with higher revenue exposure to home markets include China and India. Markets with much higher revenue exposure to foreign markets include Singapore, Japan, Korea and Taiwan, which are also more export-oriented. These two camps have seen a divergence in equity performance, with the latter camp having a higher correlation with global equity markets. Geopolitical tensions, slowing growth in Europe and stronger-than-expected US economic outlook remain top uncertainties for markets. Thus, fundamental data, such as international trade and PMI, are all important indicators to identify macro trends. Exports and imports are especially important data to analyze the ties between economies and the global markets. We chose the top five economies with the largest export values in APAC, which are China, Japan, Korea, Taiwan and Singapore, and compared the growth trends of their exports to China, the US, Europe and other Asian regions. Below are our five key observations:

(1) **Exports to the US** remained strong across these economies. (2) In contrast to the US, **exports to the EU and UK** saw a broad slowdown, with Japan and Taiwan showing negative growth in exports to the region due to weaker economic growth. (3) Surprisingly, **China's exports to the US** have held up well above 5% y/y in the past 3M. This was likely because many non-advanced tech products, if not related to national security concerns, still rely on China's manufacturing given its competitive advantage. Non-tech items such as autos and chemical-related products have also experienced double-digit y/y growth since March this year. (4) **Exports to China** from Japan, Korea, Taiwan and Singapore all saw slowing or negative growth, a trend in line with China's softer domestic demand. (5) **Japan's exports to Korea and Taiwan** recovered significantly in 2023 and have held up well this year, likely reflecting Japan's important role in the global AI-tech supply chain.

Chart 1: The growth of exports to the US remained strong, especially from Taiwan, Korea and Singapore.

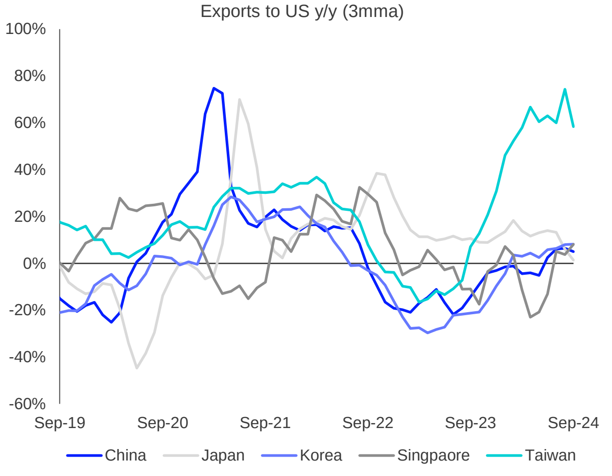


Chart 2: Exports from Japan and Taiwan to Europe have seen negative growth since 1H24.

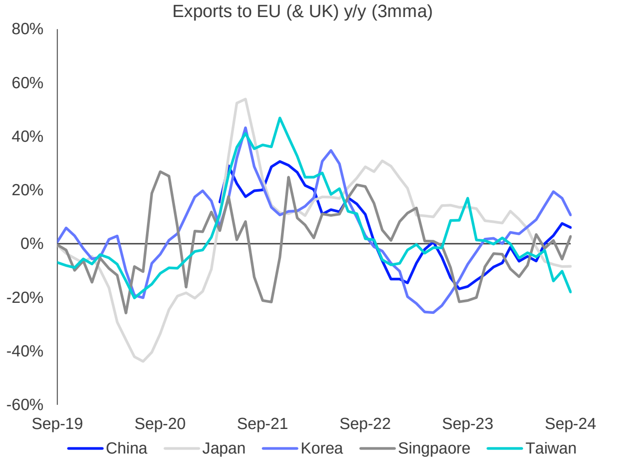


Chart 3: The trend of slowing export growth to China is in line with the weakening Chinese domestic demand.

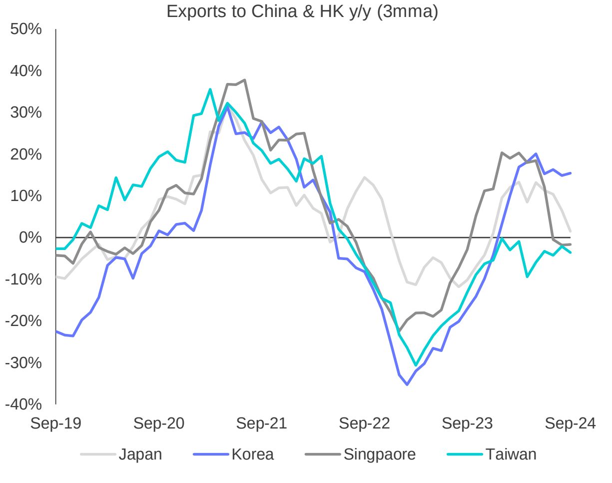
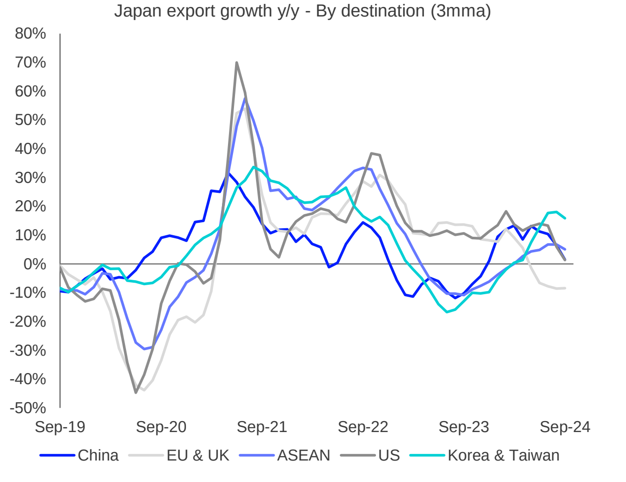


Chart 4: Japan's exports to the US, the EU and the UK slowed, with autos and auto parts largely responsible.



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Japan

After hiking interest rates in both March and July, the BoJ has since opted to keep interest rates steady over the last 3 months, including during its most recent October decision. JPY has seen continued volatility over this period, with the USD/JPY falling to ~140 in September before climbing back to ~153 by the end of October on the back of resilient US growth and reduced expectations for further hikes by the BoJ. October's snap election resulted in a surprise loss for Japan's ruling coalition, with political uncertainty weighing on markets and likely to remain a key focus.

BoJ's October Tankan survey showed that business remained strong in Q3, as business confidence in the non-manufacturing sectors improved slightly vs. June. After contracting in Q1, Japan's GDP grew by 2.9% annualised in Q2. Japan's labour market remained relatively tight, with unemployment falling to 2.4% in September. However, real wages declined by 0.6% y/y in August following two positive readings in June and July, as higher inflation eroded nominal gains. Core inflation slowed to 2.4% y/y in September on the back of government electricity subsidies.

Japanese government bonds continued to see headwinds over the last 3M, with **FTSE Japanese GBI** returning ~-0.2% over the period in USD terms. The short end of the curve (1-3 years) saw returns largely dominated by currency effects, while the long end of the curve saw yields pulled higher by stronger than expected global growth data.

FTSE Japan was down 3.6% over the last 3M, with all industries falling. Financials (-9.0%) lagged, mainly dragged by Banks, as markets expect BoJ to delay further rate hikes to 2025. Consumer Discretionary (-4.1%) continued to lag, following weakness in Automobiles and Parts (-8.7%). Japan's exports of autos weakened further over the period and exports to the US have slowed since July (Chart 4, page 3). Headwinds to Japanese auto sales growth come amidst slowing global growth and increasing competition with Chinese vehicles. A weaker JPY provided limited support to exports and equities.

Chart 1: JGB yields fell sharply in August, following weaker global growth data, but have since rebounded.

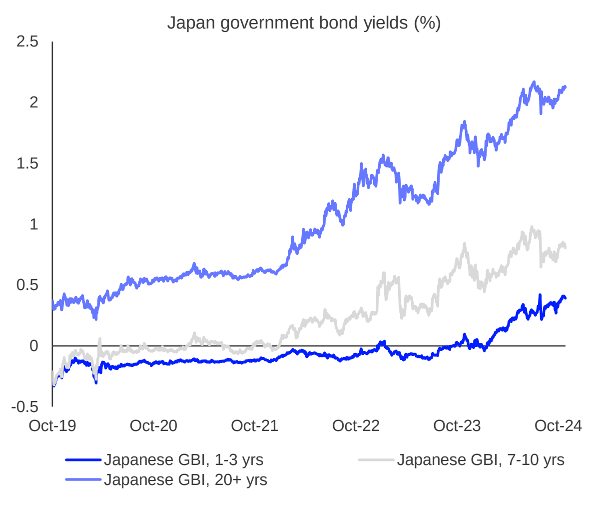


Chart 2: Real wages declined in August after positive readings in June and July as higher inflation eroded nominal gains.

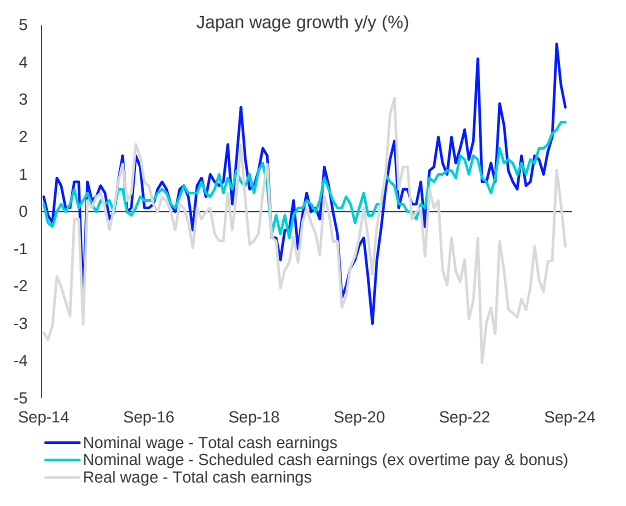


Chart 3: Core inflation slowed to 2.4% y/y in September on the back of government electricity subsidies.

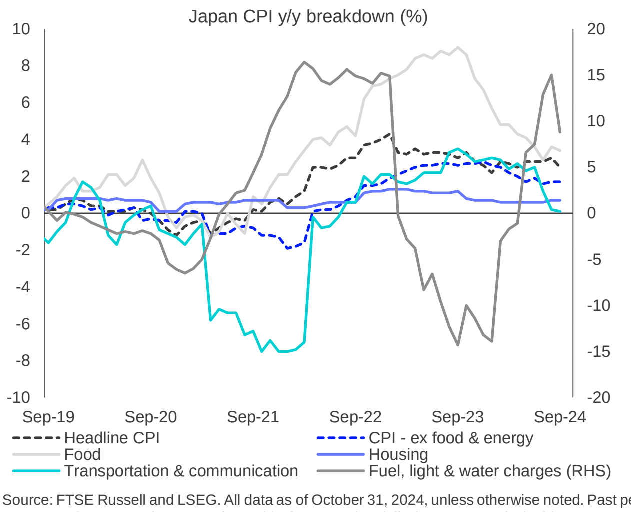
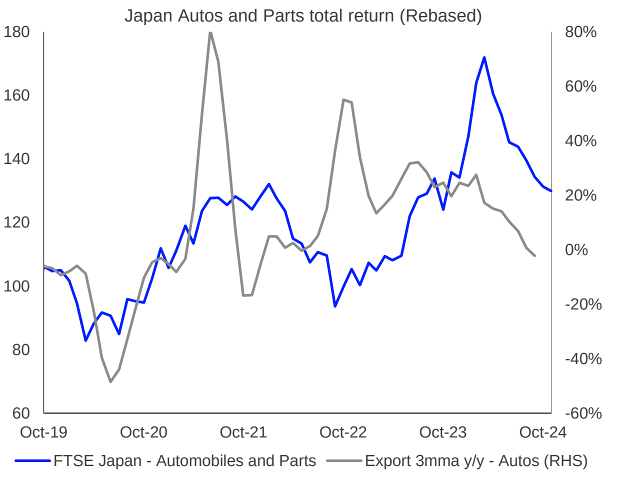


Chart 4: Japan auto export growth slowed further amid a softer global growth trend, dragging the earnings outlook for Autos.



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Australia and New Zealand

In Australia, inflation remains a top concern for the RBA, despite a sharp decline in headline inflation on the back of government energy subsidies which took effect in July. Australia's quarterly CPI for the 3 months ending September 30th showed an annual change of 2.8%, with services inflation remaining elevated at 4.6% y/y but goods inflation falling to 1.4%. In New Zealand, annual headline CPI slowed from 3.3% in Q2 to 2.2% in Q3, putting it back within the RBNZ's 1-3% target band. Financial conditions remain tight for both countries, where the delayed impact of higher interest rates and weaker global growth have reduced growth expectations, especially in New Zealand. The RBNZ reduced its 2024 growth forecast to -0.4% as of August, while the RBA now forecasts a slightly more resilient 1.7% for Australia.

Divergent CPI and growth outlook has led to divergent monetary policy between Australia and New Zealand over the last 3 months. The RBA has continued to keep rates on hold at 4.35%, while the RBNZ has reduced its official cash rate by a cumulative 75bps to 4.75% over the last two meetings. Market pricing implies that no reduction in the cash rate is expected until 2025 in Australia, while continued rate cuts are expected in New Zealand. As a result, Australian yields have continued to track higher under the assumption of higher-for-longer interest rates, while New Zealand government yields have consistently fallen YTD, particularly at the shorter end of the curve, which are less susceptible to swings in global yields.

FTSE Australia rose 2.1% in the last 3M. Financials (+5.0%) remained the main positive contributor given better-than-expected earnings results, buoyed by a rebound in loan growth and a slight easing in deposit competition. Banks continued share buybacks, driving higher EPS. Basic Materials (+5.2%) rebounded from YTD lows in September. Commodity market sentiment was evidently boosted by China's pledge to support real estate markets. Policy supports for strategic infrastructure projects would also raise demand for various commodities including metals, benefiting Australia's Basic Materials.

Chart 1: The RBA has continued to keep rates on hold and market pricing implies that no cuts are expected until 2025.

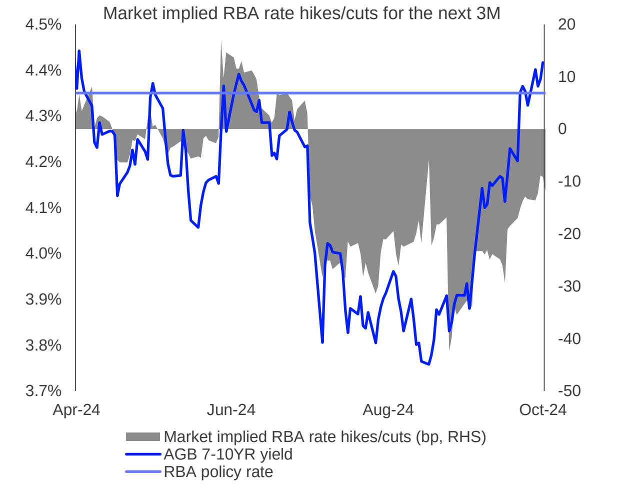


Chart 2: Australian CPI fell to 2.8% y/y in September, but services inflation remained elevated at 4.6%.

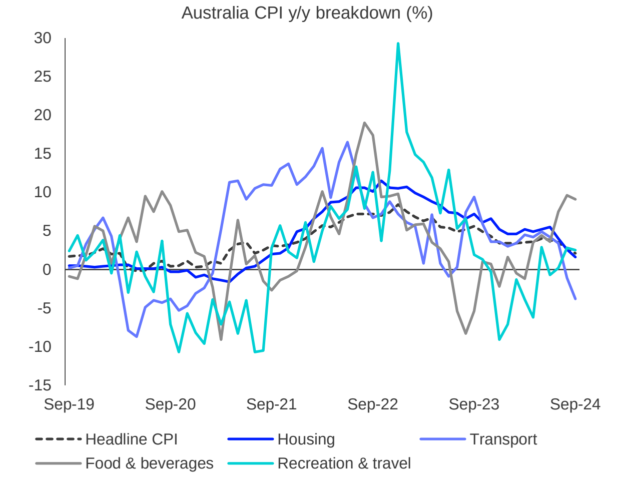


Chart 3: Divergent CPI and growth outlook has led to diverging interest rate expectations between Australia & New Zealand.

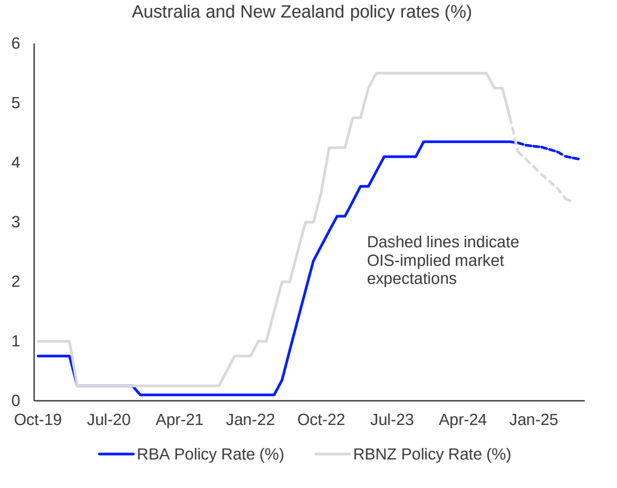
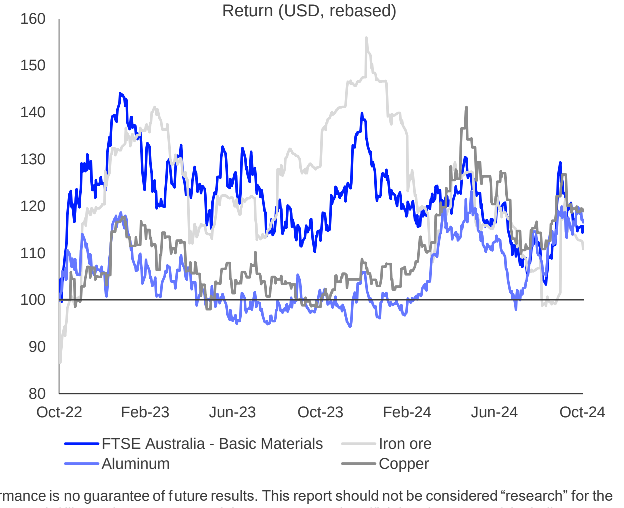


Chart 4: Australia Basic Materials rebounded together with iron ore, copper and aluminum as boosted by China's stimuli.



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China

Sustaining its reflationary trend remained a challenge for China with CPI lingering well below the 3% target, in Q3. Food prices were the main driver for inflation, raising uncertainty around the inflation outlook. After cutting key interest rates in July, the PBoC further announced a larger-than-expected stimulus package in September by cutting RRR by 50bp, 20bp for the 7d reverse repo rate, 20bp for the 1y MLF rate, and 25bp for both the 1y and 5y LPR. Mortgage rates and down payment ratios for second home buying were also lowered. Various new monetary tools, such as swap facilities and outright reverse repo buying, were rolled out to further support banking system liquidity and capital markets. On the fiscal front, the government planned to front-load CNY200bn of spending from the 2025 budget to support key strategic construction projects. Local governments are allowed to issue additional CNY6tr bonds to swap for implicit liabilities over three years. While monetary easing measures were larger than what was expected by the market, the scale of fiscal supports was less than expected.

Credit growth (Chart 2) slowed further in Q3, driven by softer CNY loan growth. Government bond issuance growth recovered to 16.4% y/y in September on the back of ultra-long special government bond issuance. CGB curve steepened as markets expect more long-end supply, while front-end **FTSE China government 1-3y** yields fell below 1.5% on the back of rate cuts.

FTSE China had retraced from the April rally since mid-May and even fell below the level seen at year start. That said, boosted by the recent stimulus package, FTSE China rose 18.3% over the last 3M, outperforming the region. In terms of price return, Real Estate (+33.6%) and Telecom (+41.0%) led. Telecom was mainly driven by Xiaomi Corp, given the positive outlook on its EVs and smartphones. Consumer Discretionary (+22.4%), Technology (+18.2%) and Financials (+20.4%) were the main contributors to the positive return. China's pledge to avoid deflation through both monetary and fiscal policies has shored up consumer sentiment, driving a rally in Consumer Discretionary, especially Retailers and Automobiles & Parts stocks.

Chart 1: China PPI remained in negative territory; CPI fell back to 0.4% y/y in Sep, still far from the 3% target.

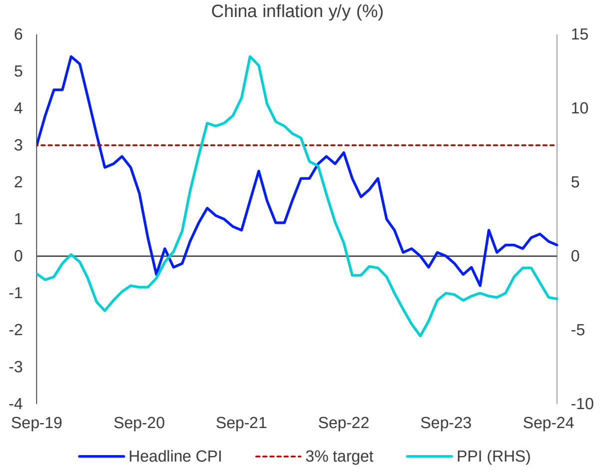


Chart 2: The net issuance of government bonds increased, with more supply expected to come for the rest of this year.

Chart 3: CGB yields have continued to trend lower across the curve over 3M but have rebounded slightly since September.

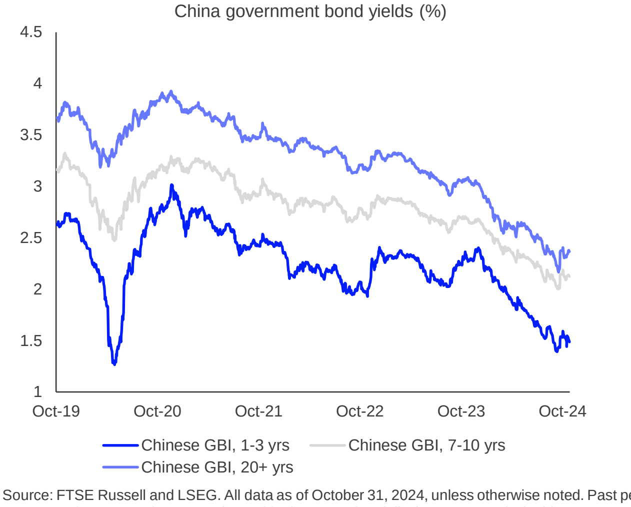
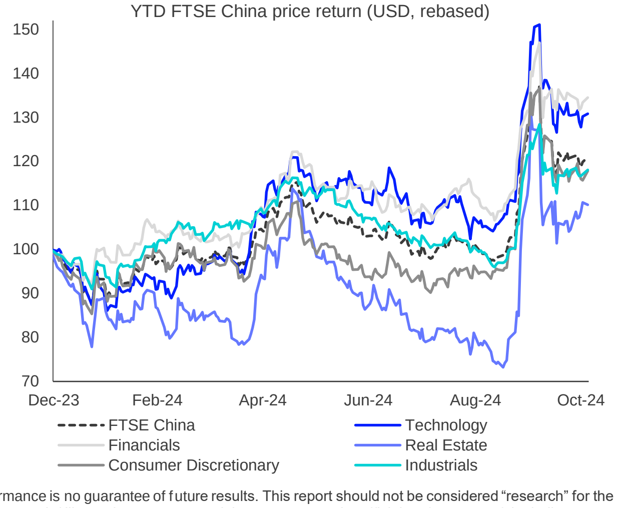


Chart 4: China equity saw a sharper rally than it did in April, but has retraced partially across industries.



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India

The RBI (Reserve Bank of India) kept the policy rate unchanged at 6.50% but changed its stance to "neutral" from "withdrawal of accommodation“ at the latest meeting. The committee voted unanimously to change the stance but will continue to focus on keeping inflation to target while supporting growth. The pace of bank credit growth has slowed from >20% y/y to 14% y/y since July. The CPI fell below the RBI’s 4% target in July and August but rebounded in September. Fuel inflation has eased meaningfully in the past one year but rose significantly in September. Food prices remained an upside risk to India’s inflation. While the RBI has turned less hawkish, inflation remained a top risk for the central bank. Hence, OIS markets have priced in no rate cuts from the RBI by 1Q25. On FX, the RBI has kept the currency stable over the past few years. After the October meeting, USD/INR broke above the 84 level for the first time in history on the back of a less hawkish RBI and foreign outflows from stock markets following the rally in China.

Indian government bonds continued their strong YTD performance, with the **FTSE India Government Bond Index** returning ~2.0% over the last 3M. With the RBI’s decision to move to a ‘neutral’ stance opening the door for future rate cuts, yields trended lower and the government bond curve bull steepened over the period. This was helped again by net foreign buying (Chart 4), despite the RBI tightening control on foreign ownership of 14-year and 30-year tenors in July.

FTSE India was one of the top performers in APAC over 12M (+36.8%), on the back of solid domestic fundamentals, but underperformed the region over the last 3M (-4.7%). India has been one of the most expensive markets in APAC, only cheaper than New Zealand (page 10). The expensive valuation, together with China’s recent stimulus package, has driven global equity investors to rotate their positions from India (Chart 4) to China since late September. Industrials (-8.9%) and Energy (-12.5%) were the most negatively impacted on the back of this shift in global investor positioning.

Chart 1: Indian yields trended lower, as the RBI’s decision to move to a ‘neutral’ stance opened the door for future rate cuts.

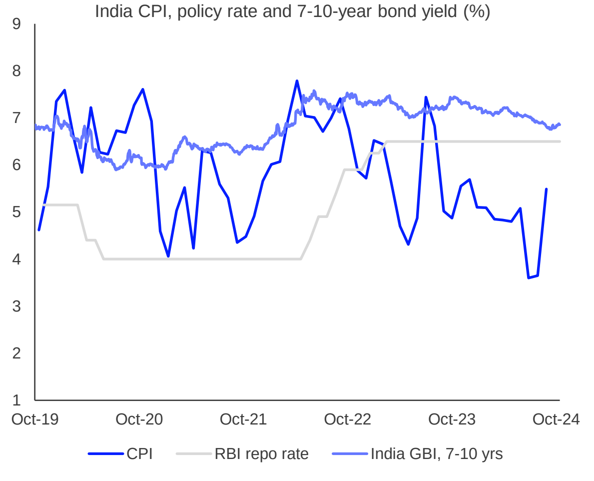


Chart 2: A rebound in fuel inflation added upward pressure to India’s inflation while food prices remained high.

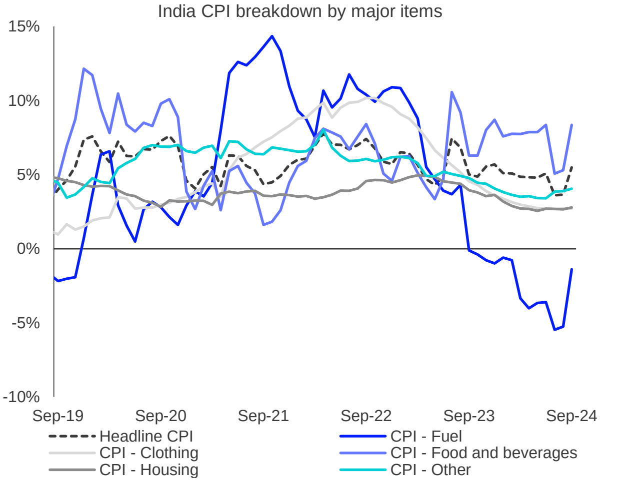


Chart 3: The Indian yield curve has stayed relatively flat over the last year in contrast to the US’ dis-inversion.

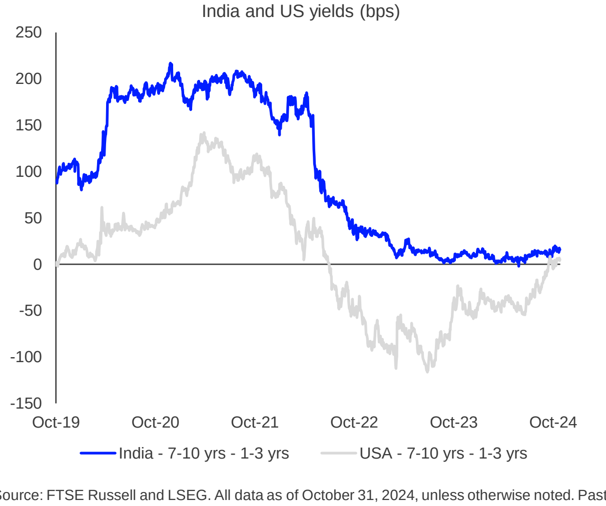
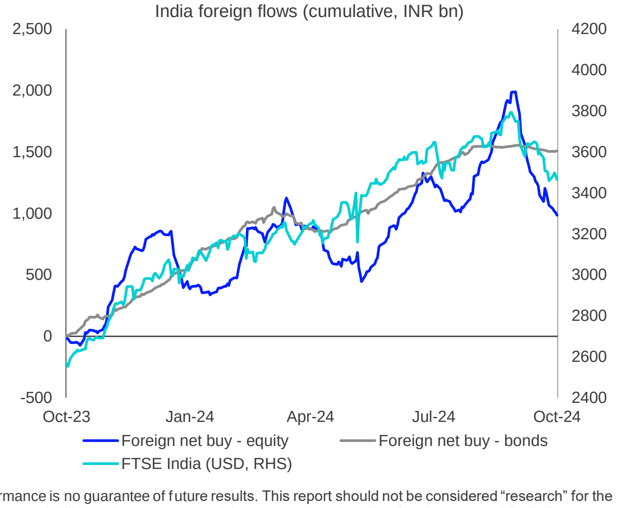


Chart 4: Foreigners turned net sellers of India stocks and slowed bond buying since late September.



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Korea and Taiwan

The BoK (Bank of Korea) cut the policy rate by 25bp to 3.25% at its October meeting. Korea's inflation (1.6% y/y in Sep) cooled below the BOK's 2% target and reduced the need to keep the rate at a restrictive level for long. While the governor has acknowledged that this was a hawkish cut, five of the MPC members see the rate staying the same over the next three months, implying that further rate cuts in 4Q24 and Jan-25 appear unlikely. Household debt and property prices remained the main issues for the BoK to monitor.

The export growth of Korea's tech products, including PC, mobiles and chips, accelerated on the back of strong AI-related memory chips demand. In contrast, the export growth of auto and auto parts slowed to negative territory. In Taiwan, export growth remained healthy, with tech exports and exports to the US staying strong.

FTSE WGBI announced the inclusion of Korean government bonds, effective November 2025 and phased in over a one-year period on a quarterly basis. The Finance Ministry estimated around US$56bn of inflows on the back of the inclusion. Korean 3s10s curve steepened as the BoK cut rates. A weakening growth outlook, evident in the below-expectation 3Q24 GDP (1.5% y/y), drove Korean government bond yields lower across the curve over the last 3M.

FTSE Taiwan advanced 8.6% over the last 3M, while **FTSE Korea** fell 12.0%. Taiwan Tech printed a 10% return. 3Q earnings results and guidance from Taiwan's tech firms continued to suggest a positive outlook amid ongoing explosive demand for advanced AI chips. The earnings guidance from SK Hynix and Korea's semis export growth (Chart 2) also continued to suggest strong demand for advanced memory chips. The main drag for Korea was Telecom (-28.6%), which is mainly Samsung Electronics (-29.6%). Samsung Electronics accounted for 25% of FTSE Korea, and the 3Q earning miss reflected weakness in its advanced memory chips, chips manufacturing and smartphone businesses.

Chart 1: The BoK cut its policy rate by 25bp as inflation pressure eased. Front-end government yields lowered.

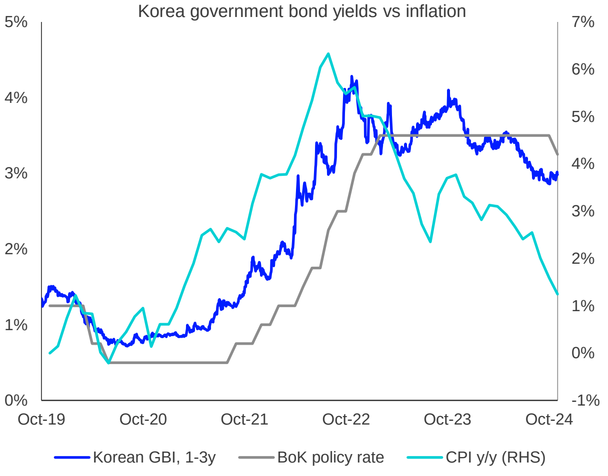


Chart 2: Exports of Korea and Taiwan remained well supported by tech products.

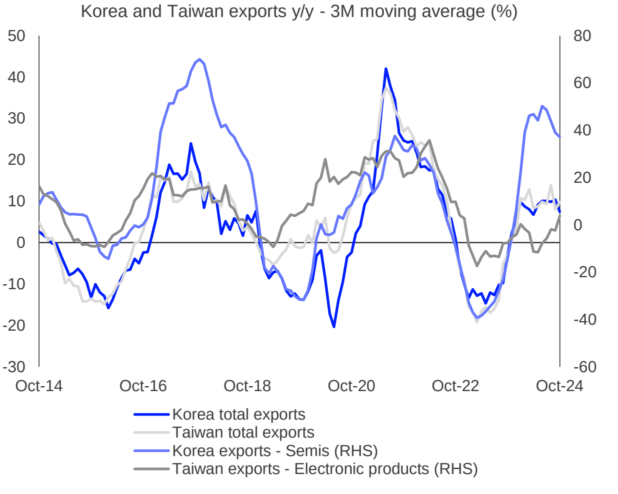


Chart 3: Korea's export growth of non-tech products slowed with auto & auto parts dipping into negative territory.

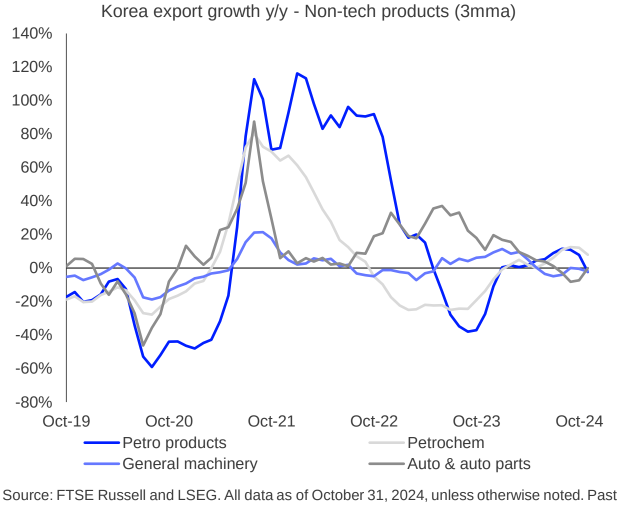
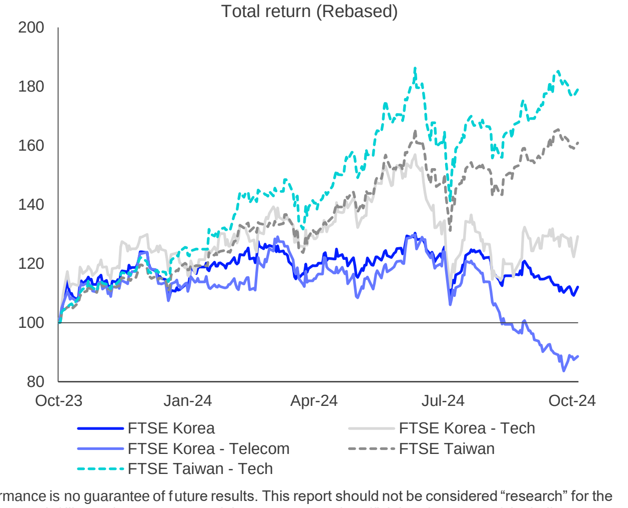


Chart 4: Telecom was the main drag on Korea equity, while resilient demand for AI tech drove further rally in Taiwan.



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ASEAN

Over the last 3 months, Indonesia, Thailand and Philippines have begun cutting their respective policy rates. Inflation in most ASEAN countries has moderated to a relatively balanced level or within target ranges, allowing central banks to normalize policy rates while maintaining macro stability and supporting economic growth. Additionally, from an FX perspective, the USD has weakened from its peak level in 2022 with the Fed also having cut rates by 50bps in September and more cuts expected in 4Q24. This allows ASEAN central banks to ease more comfortably without facing much depreciation pressure on currencies, which remains a key mandate for many central banks in ASEAN.

In fixed income, government bonds saw a broad rally across ASEAN markets over the last 3M, led by Philippines and Singapore. The yields not only followed UST lower, but also were driven by policy rate cuts in the region. Spreads of ASEAN vs US sovereigns generally widened, on expectations for Fed cuts built before the September FOMC meeting. Spreads however have tightened again since late September as UST yields rebounded on the back of still resilient labor markets. In Indonesia, the sovereign spreads vs UST narrowed from YTD highs. The Bank of Indonesia cut the policy rate by 25bps, while at the same time the government proposed a narrower 2025 budget deficit at 2.53% of GDP (vs estimated 2.7% for 2024).

FTSE ASEAN Index rose 8.0% over 3M with Financials (+9.4%) being the main positive contributor. By country, **FTSE Thailand** (+17.9%) outperformed its ASEAN peers, buoyed by unexpected policy rate cuts and the state-owned Vayupak Fund's support in equity markets. Financials (+20.9%) and Telecom (+31.8%) led the rally. Telecom firms were also supported by the THB 450bn digital wallet scheme, which is a cash handout stimulus to spur consumption spending. 70% of Thailand's mobile users are pre-paid subscribers, and hence a cash handout support could drive higher spending for telecom related products. In addition, a weaker currency is also positive for Thailand's tourism industry.

Chart 1: Inflation has slowed in ASEAN, allowing central banks to hold a less restrictive stance.

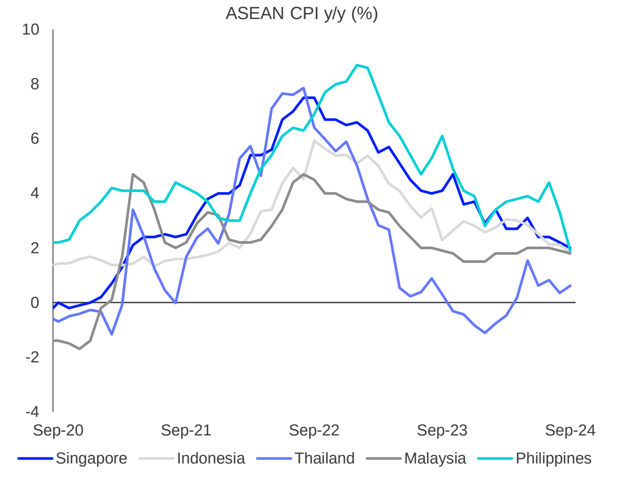


Chart 2: USD, though range trading, weakened from its 2022 peak, easing some depreciation pressure on ASEAN currencies.

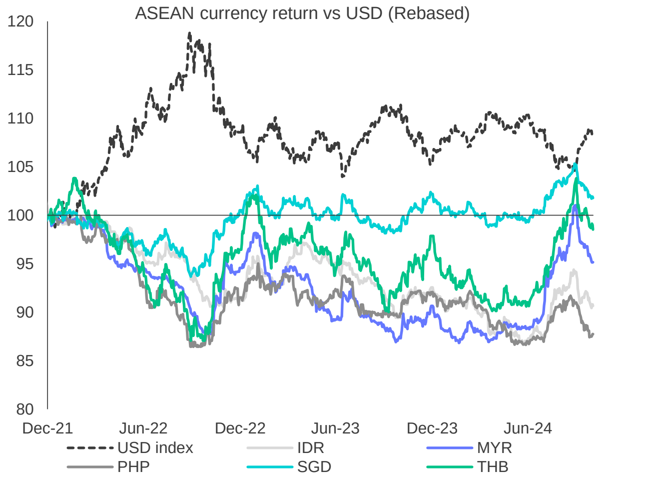


Chart 3: ASEAN spreads vs UST tightened again given higher UST yields. Indonesia, Thailand and Philippines have cut rates.

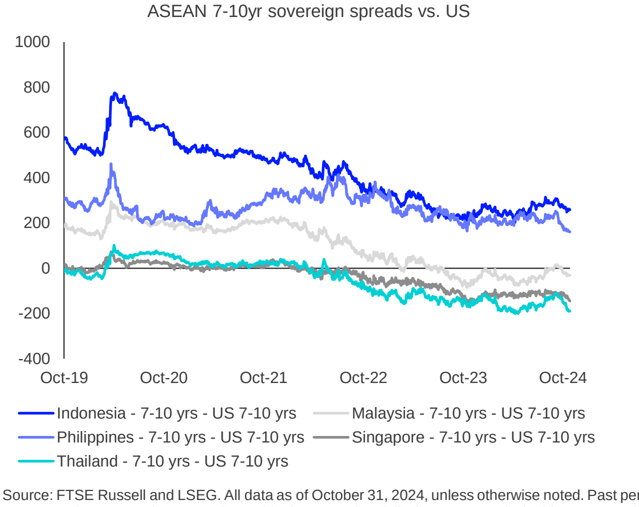
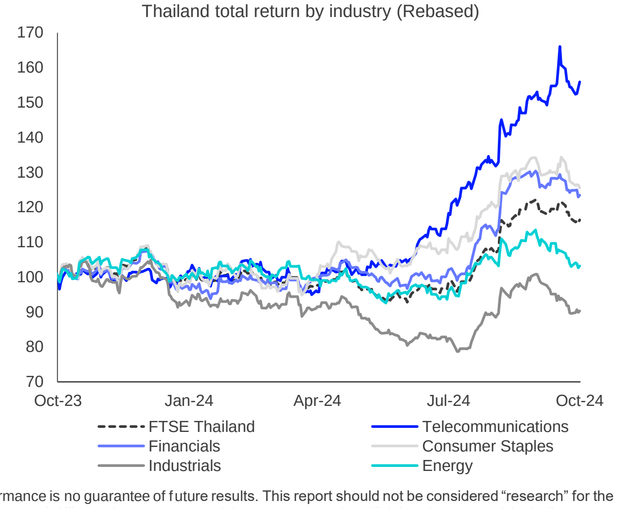


Chart 4: Thailand's fiscal stimulus to spur consumption spending is a positive driver for Telecom's revenue outlook.



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Appendix – Equity

Chart 1: Total Return – Past 3M vs 12M (USD)

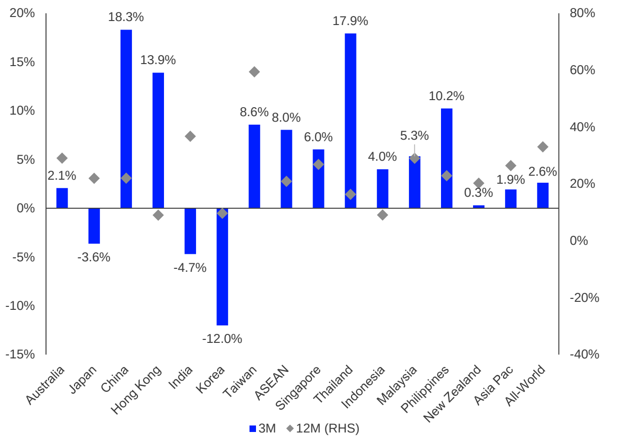


Chart 2: Annualized Volatility (Monthly Observations)

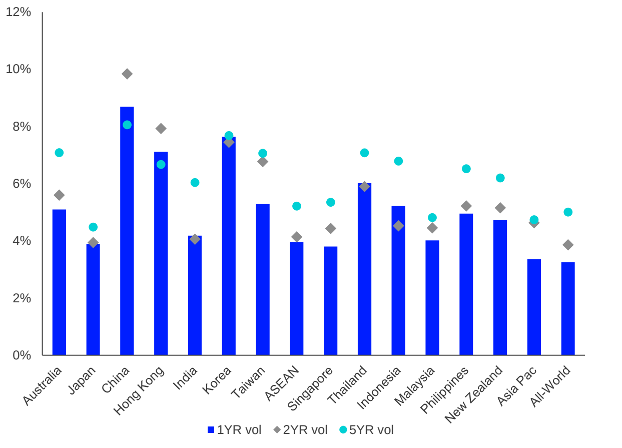


Chart 3: Dividend Yield vs 10YR Range

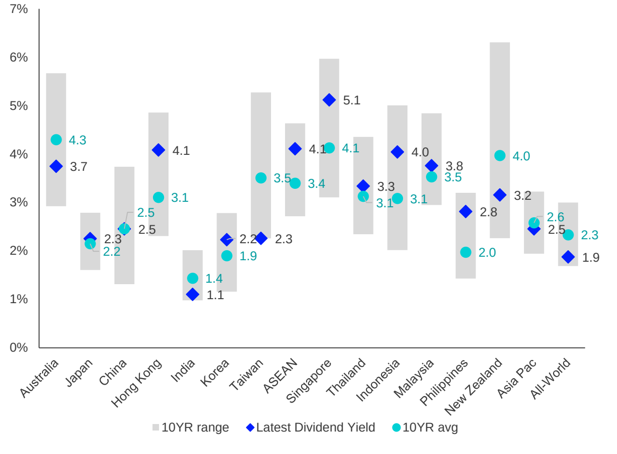


Chart 4: Two Year Forecast EPS Growth vs 12M Revision

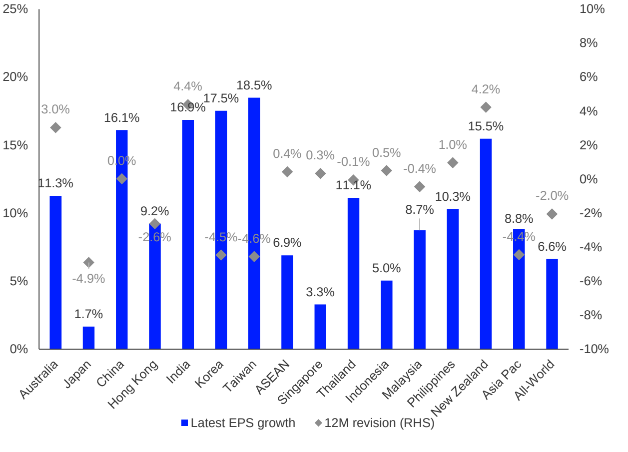
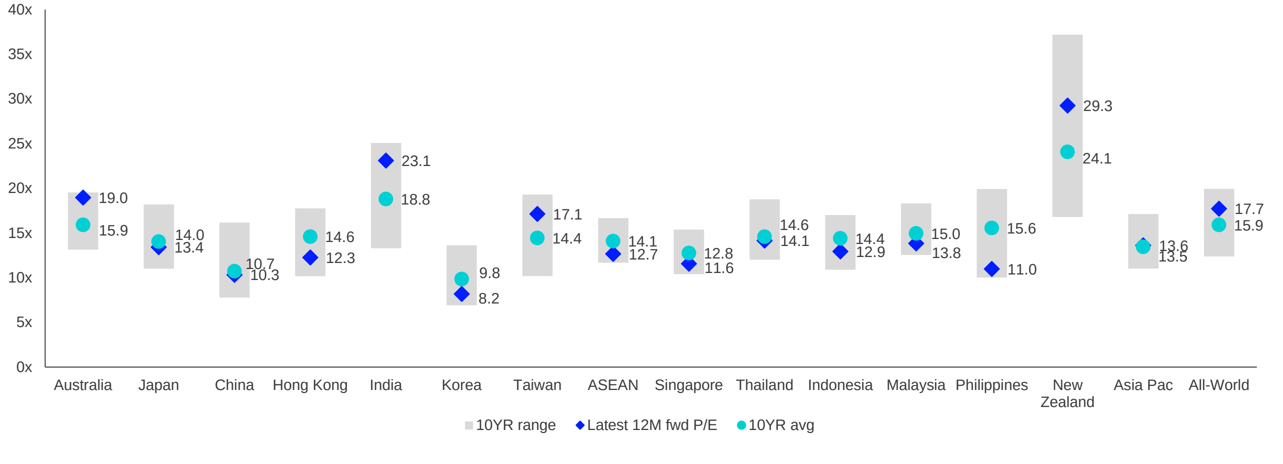


Chart 5: 12M Forward P/E vs 10YR Range



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Appendix – Equity

Chart 1: Total Return – Past 3M by Market and Industry (%, USD)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand
Technology	11.1	-4.9	18.2	4.4	-2.1	-7.0	10.5	-9.4	42.9	32.9			
Telecom	-0.7	1.3	41.0	10.0	0.1	-28.6	6.7	5.3	31.8	0.1	0.5	4.3	-29.1
Health Care	-5.4	-0.4	15.1	-5.7	5.3	2.3	-5.9		13.9	5.2	17.2		9.6
Financials	5.0	-9.0	20.4	22.2	0.0	-2.4	3.6	7.3	20.9	5.8	13.8	14.8	
Real Estate	5.8	-6.4	33.6	15.2	-5.9		-6.8	4.7	16.1	22.1		11.7	
Consumer Discretionary	-0.3	-4.1	22.4	4.4	-7.5	-6.7	6.4	4.5	7.2	15.6	-2.6	14.0	-12.8
Consumer Staples	-7.9	-0.1	13.0	9.6	-7.6	2.8	13.5	3.7	13.1	12.6	5.2	1.5	-19.8
Industrials	1.5	-1.1	14.0	9.9	-8.9	-3.3	2.3	9.5	9.6	-0.1	0.9	5.2	-1.8
Basic Materials	5.2	-7.9	9.6	10.9	-3.8	4.9	-9.6		17.1	-8.2	-1.2		
Energy	-10.3	-5.1	4.7	10.7	-12.5	-0.8	-23.4		7.5	10.4	-6.0	2.9	
Utilities	-1.2	-2.1	-1.5	1.5	-9.4	11.3		2.6	38.8	-16.7	-5.5	16.1	5.1

Chart 2: Total Return Contribution – Past 3M by Market and Industry (%, USD)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand
Technology	0.3%	-0.6%	5.1%	0.2%	-0.3%	-0.9%	7.8%	-0.1%	2.6%	0.8%			
Telecom	0.0%	0.1%	1.1%	0.1%	0.0%	-10.1%	0.2%	0.4%	3.1%	0.1%	0.0%	0.4%	-2.5%
Health Care	-0.5%	0.0%	0.6%	0.0%	0.3%	0.2%	0.0%		1.2%	0.1%	0.8%		2.8%
Financials	1.8%	-1.3%	3.5%	8.7%	0.0%	-0.3%	0.5%	3.9%	3.6%	3.3%	5.3%	3.8%	
Real Estate	0.4%	-0.2%	0.7%	2.6%	-0.1%		0.0%	0.8%	0.8%	0.1%		2.9%	
Consumer Discretionary	0.0%	-0.9%	5.2%	0.2%	-0.9%	-0.8%	0.1%	0.3%	0.5%	0.7%	-0.1%	1.0%	-0.2%
Consumer Staples	-0.3%	0.0%	0.6%	0.4%	-0.5%	0.1%	0.2%	0.1%	1.5%	1.0%	0.5%	0.1%	-1.2%
Industrials	0.1%	-0.3%	1.0%	1.5%	-1.2%	-0.4%	0.1%	0.5%	1.1%	0.0%	0.1%	1.3%	-0.5%
Basic Materials	1.0%	-0.4%	0.3%	0.0%	-0.2%	0.2%	-0.2%		0.3%	-1.1%	-0.1%		
Energy	-0.6%	0.0%	0.2%	0.0%	-1.4%	0.0%	0.0%		1.3%	0.3%	-0.1%	0.1%	
Utilities	0.0%	0.0%	0.0%	0.1%	-0.5%	0.1%		0.1%	2.0%	-0.1%	-1.0%	0.9%	1.6%

Note: Numbers may not add up due to rounding or constituent changes, such as stock deletion or inclusion.

Chart 3: Weights by Industry (% of Market Total)

	Australia	Japan	China	Hong Kong	India	Korea	Taiwan	Singapore	Thailand	Indonesia	Malaysia	Philippines	New Zealand	Asia Pac
Technology	3.1%	10.9%	28.0%	4.1%	13.0%	14.2%	75.4%	1.1%	7.3%	2.9%				20.3%
Telecom	0.8%	4.0%	3.2%	0.9%	3.5%	28.2%	2.2%	8.2%	10.9%	8.1%	6.5%	7.8%	5.8%	4.9%
Health Care	8.9%	7.9%	4.2%	0.4%	6.2%	7.4%	0.4%		8.6%	1.3%	5.2%		32.6%	5.9%
Financials	36.5%	13.2%	17.6%	40.6%	24.0%	13.0%	11.3%	55.0%	16.8%	57.0%	40.5%	27.0%		19.9%
Real Estate	7.2%	3.3%	2.4%	16.8%	1.5%		0.1%	17.4%	5.1%	0.4%		26.5%		3.4%
Consumer Discretionary	7.3%	21.1%	24.0%	9.8%	11.4%	12.7%	2.3%	5.9%	6.2%	5.1%	5.3%	7.3%	0.9%	15.0%
Consumer Staples	3.7%	5.9%	4.4%	3.6%	6.6%	2.1%	1.2%	3.6%	11.2%	8.3%	8.9%	6.4%	5.0%	4.7%
Industrials	8.2%	26.7%	6.6%	14.4%	12.9%	14.3%	5.5%	4.7%	10.6%	1.9%	9.1%	16.5%	21.4%	14.8%
Basic Materials	18.3%	4.7%	3.2%	0.4%	6.1%	5.7%	1.4%		1.9%	11.5%	7.0%			5.5%
Energy	4.8%	0.8%	3.9%	0.1%	9.9%	1.7%	0.1%		15.4%	2.8%	2.2%	2.7%		3%
Utilities	1.4%	1.4%	2.5%	8.9%	5.0%	0.6%		4.1%	6.2%	0.7%	15.3%	5.8%	34.2%	2.5%

Chart 4: Past 3M EPS Growth (%) Revision – Top/Bottom 20

Top 20 | Bottom 20

	Australia	China	Hong Kong	Indonesia	India	Japan	Korea	Malaysia	New Zealand	Philippines	Singapore	Thailand	Taiwan
Technology	-2.78	-5.37	12.78	-3.04	1.49	-4.66	4.39				-6.16	1.36	-2.52
Telecommunications	-4.61	2.93	6.60	-0.43	2.46	3.18	-15.22	0.30	3.28	-0.48	0.82	-1.19	-1.83
Health Care	-0.81	0.00	17.97	-0.67	7.03	1.27	2.19	-6.92	6.71			0.12	-1.18
Financials	1.52	1.56	-0.98	-0.60	-0.66	0.74	-1.13	0.20		-0.68	-0.47	-1.54	-4.17
Real Estate	1.60	1.25	-3.02	1.13	-1.46	-9.05				-2.05	1.18	-2.36	
Consumer Discretionary	0.22	-0.75	-0.68	0.76	1.26	-0.35	-1.79	-0.88	87.76	0.02	-2.89	0.96	-1.43
Consumer Staples	2.49	-1.52	-0.06	5.12	-0.72	-0.17	0.27	3.97	-1.99	-0.23	-1.53	-3.40	-1.39
Industrials	-0.58	-0.43	1.90	-2.82	1.59	0.25	3.13	-1.29	3.32	3.78	-3.20	8.12	0.42
Basic Materials	7.81	47.39	5.84	1.32	5.02	-3.94	-2.75	2.65				31.49	31.41
Energy	2.76	4.94	0.00	20.29	1.14	3.75	23.21	-1.38		0.00		-2.21	20.46
Utilities	-5.31	0.02	0.22	3.45	0.42	0.15	-3.50	-0.63	13.28	7.09	3.43	12.84	

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Appendix – Fixed income

Government bond returns and government bond yields (%)

Top 15% | Bottom 15%

Green highlight indicates highest 15%, red indicates lowest 15%.

		Government bond returns (USD)			Government bond yields			
		3M	YTD	12M	Current	3M ago	6M ago	12M ago
US	1-3YR	1.12	3.53	5.76	4.38	5.09	4.33	5.01
	7-10YR	-0.67	0.64	9.38	4.02	4.69	3.93	3.97
	20+YR	-1.42	-3.89	15.26	4.42	4.85	4.31	4.11
	All	0.08	1.41	8.42	4.20	4.89	4.14	4.46
APGBI	1-3YR	2.17	1.78	6.63	2.14	2.50	2.56	2.71
	7-10YR	1.97	2.32	10.90	3.04	3.37	3.31	3.58
	20+YR	1.69	5.10	20.65	2.84	3.16	3.12	3.41
	All	2.15	2.57	10.51	2.65	3.01	3.00	3.20
Japan	1-3YR	-1.12	-7.79	-0.76	0.37	0.21	0.04	-0.04
	7-10YR	0.35	-8.28	1.31	0.94	0.76	0.59	0.50
	20+YR	-0.87	-16.50	-5.27	2.11	1.86	1.73	1.40
	All	-0.18	-10.63	-0.74	1.25	1.06	0.91	0.73
China	1-3YR	2.07	2.57	6.44	1.53	1.89	2.07	2.08
	7-10YR	1.96	5.16	9.86	2.10	2.34	2.46	2.66
	20+YR	2.45	11.81	19.64	2.38	2.61	2.70	3.04
	All	2.17	4.71	9.32	1.84	2.14	2.29	2.43
Australia	1-3YR	0.90	-1.54	8.40	3.86	4.16	3.69	4.02
	7-10YR	-1.19	-4.08	12.03	4.07	4.36	3.97	4.03
	20+YR	-4.18	-10.76	14.78	4.62	4.75	4.42	4.40
	All	-0.81	-3.84	11.14	4.01	4.30	3.89	4.03
India	1-3YR	1.48	5.58	7.33	6.82	7.15	7.04	7.07
	7-10YR	2.04	7.24	9.94	6.98	7.22	7.18	7.21
	20+YR	2.19	10.35	12.83	7.06	7.29	7.30	7.35
	All	2.00	7.82	10.27	6.97	7.23	7.18	7.23
Indonesia	1-3YR	5.45	3.62	9.26	6.61	7.11	6.34	6.03
	7-10YR	5.94	2.09	10.51	6.94	7.22	6.62	6.38
	20+YR	6.77	2.60	10.89	7.14	7.17	6.94	6.76
	All	5.83	2.49	10.35	6.89	7.20	6.61	6.32
Korea	1-3YR	0.64	-3.71	2.87	3.08	3.51	3.34	3.69
	7-10YR	0.24	-3.43	9.70	3.09	3.66	3.40	3.76
	20+YR	0.29	-2.29	23.69	2.96	3.46	3.28	3.64
	All	0.39	-3.06	12.06	3.03	3.54	3.33	3.70
Malaysia	1-3YR	5.42	7.91	12.89	3.29	3.53	3.36	3.36
	7-10YR	4.17	7.04	14.08	3.73	3.96	3.80	3.86
	20+YR	4.71	8.98	18.78	4.14	4.30	4.18	4.23
	All	4.86	8.07	15.20	3.70	3.93	3.76	3.80
Singapore	1-3YR	2.34	3.06	8.50	3.02	3.52	3.13	3.48
	7-10YR	2.27	1.37	11.41	2.88	3.45	2.90	3.03
	20+YR	4.59	1.57	15.43	2.89	3.39	2.86	2.62
	All	2.80	2.13	11.26	2.91	3.46	2.95	3.08
New Zealand	1-3YR	2.01	-0.93	10.42	4.21	5.16	4.89	5.21
	7-10YR	0.54	-2.89	16.83	4.31	4.85	4.55	4.70
	20+YR	-1.73	-8.50	20.21	4.81	5.17	4.87	4.87
	All	0.75	-2.65	14.91	4.29	4.92	4.61	4.85
Thailand	1-3YR	6.63	3.60	9.94	2.31	2.38	2.27	2.23
	7-10YR	7.50	5.58	16.17	2.52	2.74	2.58	2.55
	20+YR	10.31	10.82	25.74	3.25	3.34	3.33	3.20
	All	7.39	5.31	14.82	2.50	2.68	2.54	2.50
Philippines	1-3YR	2.43	0.66	5.69	6.03	6.49	5.99	6.24
	7-10YR	4.03	1.00	12.21	6.19	7.05	6.15	6.42
	20+YR	NA	NA	NA	NA	NA	NA	NA
	All	3.43	0.74	9.91	6.15	6.86	6.12	6.38

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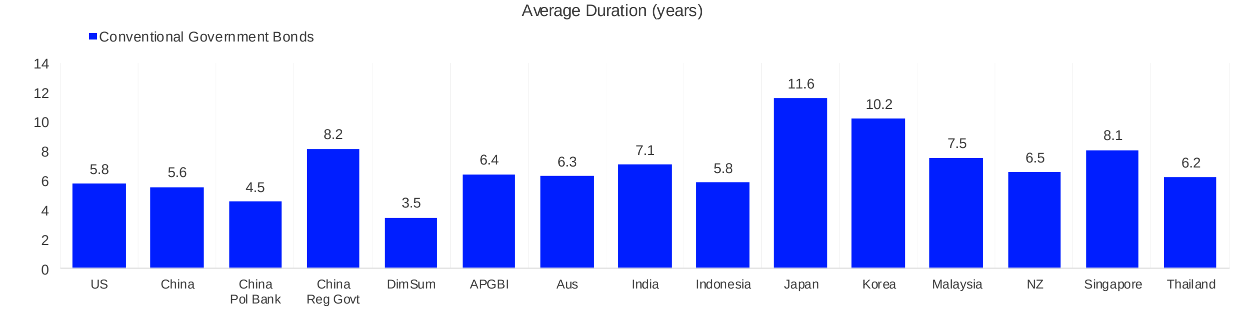
Appendix – Fixed income

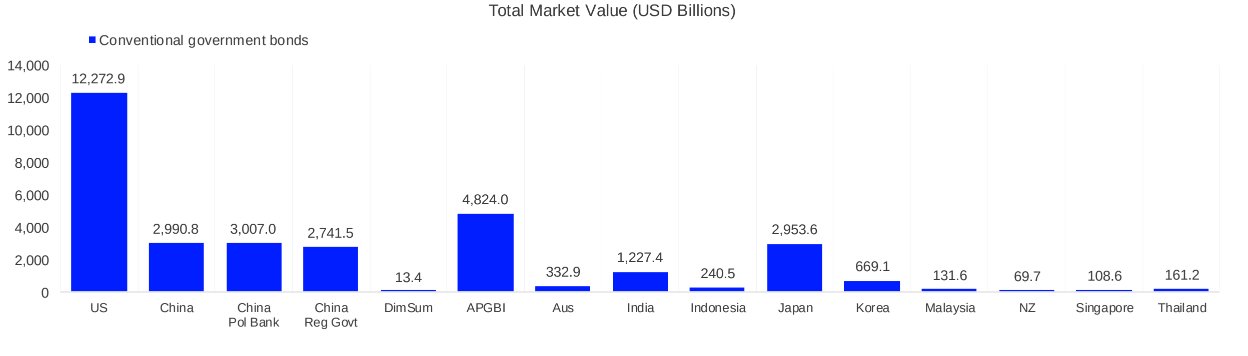
Duration and market value (USD, Bn)

Conventional Government Bonds								
	Duration				Market Value			
	3-5YR	7-10YR	20+YR	Overall	3-5YR	7-10YR	20+YR	Total
US	3.6	7.1	16.4	5.8	2,882.6	1,199.7	1,413.1	12,272.9
China	3.7	7.6	18.0	5.6	697.7	498.5	323.0	2,990.8
China Pol Bank				4.5				3,007.0
China Reg Govt				8.2				2,741.5
DimSum				3.5				13.4
APGBI	3.7	7.3	18.2	6.4	975.6	845.1	636.3	4,824.0
Aus	3.5	7.2	16.2	6.3	50.7	97.3	19.2	332.9
India	3.4	6.2	12.2	7.1	108.0	223.5	319.6	1,227.4
Indonesia	3.5	6.2	11.6	5.8	39.2	53.7	12.1	240.5
Japan	3.9	8.3	23.1	11.6	347.6	411.3	595.1	2,953.6
Korea	3.5	7.0	19.2	10.2	70.8	91.8	230.2	669.1
Malaysia	3.5	7.3	15.1	7.5	24.2	18.9	18.6	131.6
NZ	3.8	7.2	15.7	6.5	13.6	17.7	5.3	69.7
Singapore	3.8	7.5	19.8	8.1	17.9	13.1	21.0	108.6
Thailand	3.6	7.1	16.5	6.2	39.1	31.4	7.1	161.2

Corporate Bonds						
	Duration			Market Value		
	Inv Grade	High Yield	Overall	Inv Grade	High Yield	Overall
US	6.9	3.8		7,007.5	1,097.2	
China Corp (LC)			2.3			550.1
China Green Onshore			2.3			145.0
China Corp ($)	4.6	2.3	8.2	168.4	18.7	187.1
DimSum			2.9			22.7
EM	5.5	3.6	5.0	481.2	190.0	671.3
EUxUK	4.4	3.1		3,109.6	353.3	

Other Sectors						
	Duration			Market Value		
	Supra	Agency	Corp NR	Supra	Agency	Corp NR
Offshore (DimSum)	3.2	2.6		2.7	7.6	





Source: FTSE Russell and LSEG. All data as of October 31, 2024, unless otherwise noted. Past performance is no guarantee of future results. This report should not be considered "research" for the purposes of MIFID II. Please see the end for important legal disclosures. Results in this report are for research / illustrative purposes and do not represent the official performance of the indices.

Glossary

Indices used in the report	Mnemonic/Code
FTSE World Government Bond Index (WGBI)	WGBI
FTSE Asia Pacific Government Bond Index (APGBI)	APGBI
FTSE US Government Bond	US_TSY
FTSE German Government Bond	DE_TSY
FTSE Japanese Government Bond	JP_TSY
FTSE Chinese Government Bond	CN_TSY
FTSE Malaysian Government Bond	MY_TSY
FTSE Singapore Government Bond	SG_TSY
FTSE Australian Government Bond	AU_TSY
FTSE New Zealand Government Bond	NZ_TSY
FTSE Korean Government Bond	KR_TSY
FTSE Indonesian Government Bond	ID_TSY
FTSE Indian Government Bond	IN_TSY
FTSE Thai Government Bond	TH_TSY
FTSE Philippines Government Bond	PH_TSY
FTSE US Broad Investment-Grade Bond Index Corporate (US Corp IG)	BIG_CORP
FTSE US High-Yield Market Index (US Corp HY)	HY_MARKET
FTSE Asian Broad Bond Index (ABBI)	ABBI
FTSE ABBI Corporate Bond Investment-Grade (ABBI Corp IG)	ABBI_CORP_IG
FTSE ABBI Corporate Bond High-Yield (ABBI Corp HY)	ABBI_CORP_HY
FTSE Asia Pacific Index (FTSE APAC)	AWPACS
FTSE All-World Index	AWORLDS
FTSE Australia Index	WIAUS
FTSE China Index	WICHN
FTSE Hong Kong Index	WIHKG
FTSE Indonesia Index	WIIDN
FTSE India Index	WIIND
FTSE Japan Index	WIJPN
FTSE Korea Index	WIKOR
FTSE Malaysia Index	WIMAL
FTSE New Zealand Index	WINZL
FTSE Pakistan Index	WIPAK
FTSE Philippines Index	WIPHL
FTSE Singapore Index	WISGP
FTSE Thailand Index	WITHA
FTSE Taiwan Index	WITWN
FTSE ASEAN Index	AWASEAN
US Dollar Index (DXY)	NDXYSPT

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