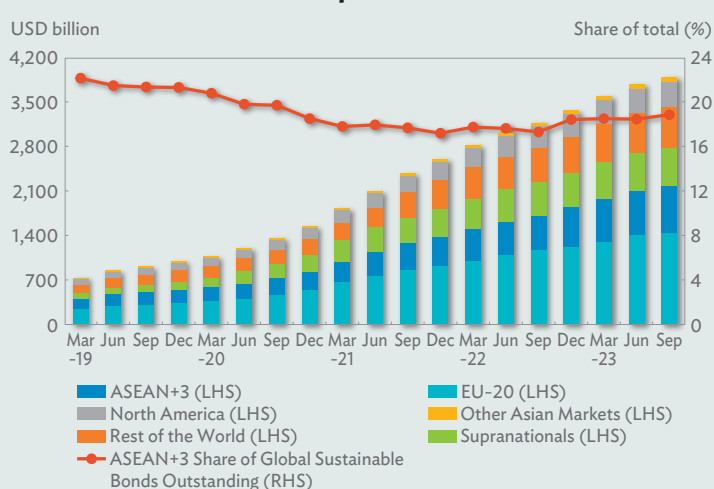
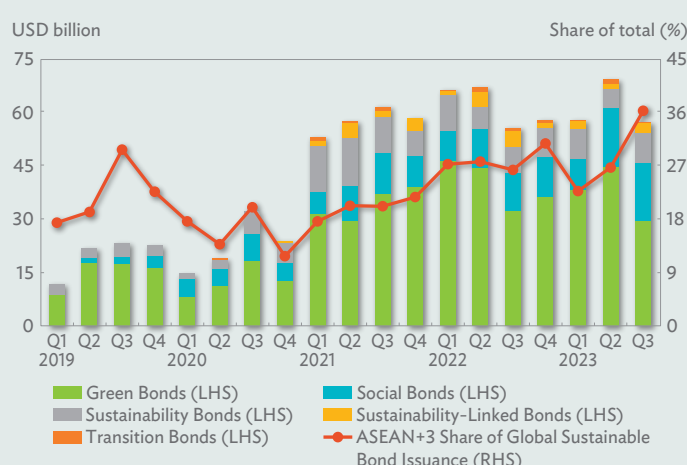


ASEAN+3 sustainable bonds outstanding reached USD734.1 billion at the end of September 2023 on q-o-q growth of 5.2%. The growth was higher than ASEAN+3's 5.0% q-o-q growth in Q2 2023 and also faster than the global sustainable bond market's growth of 3.0% q-o-q in Q3 2023. ASEAN+3 was the only regional bond market that posted faster growth in Q3 2023 than during the previous quarter. ASEAN+3's share of the global sustainable bond market rose to 18.9% at the end of September from 18.5% at the end of June. The EU-20 market remained the world's largest sustainable bond market at a size of USD1.4 trillion, accounting for 37.1% of the global total.

Global Sustainable Bonds Outstanding as of 30 September 2023



ASEAN+3 Sustainable Bond Issuance

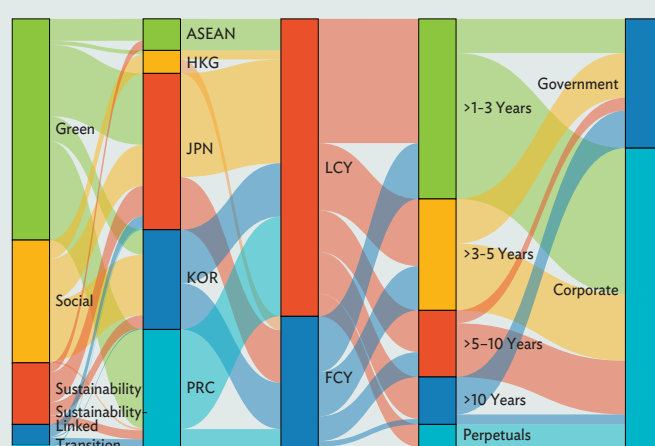


ASEAN+3 sustainable bond issuance contracted 17.2% q-o-q in Q3 2023 to USD57.3 billion but remained robust as global issuance fell by 39.0% during the quarter. ASEAN+3 sustainable bond issuance accounted for 36.3% of the global total in Q3 2023, up from 26.7% in the prior quarter. In Q3 2023, ASEAN+3's sustainable bond contraction was largely led by a decline in green bonds, which fell 33.9% q-o-q to USD29.6 billion, while sustainability and sustainability-linked bond issuance posted q-o-q growth rates of 53.2% (USD8.2 billion) and 124.1% (USD2.8 billion), respectively.

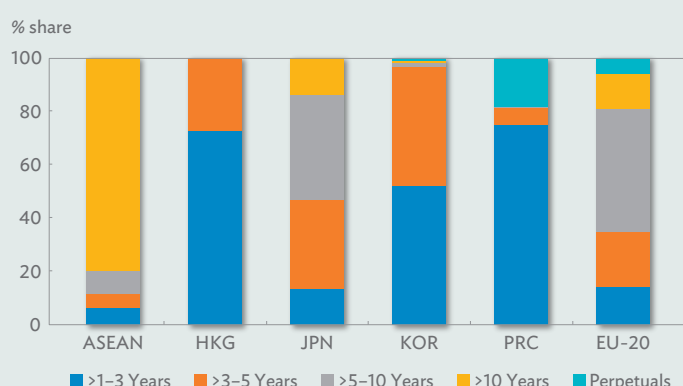
Green bond and private sector issuers were major players in the ASEAN+3 sustainable bond market in Q3 2023.

In Q3 2023, green bond issuance accounted for 51.7% of the region's total sustainable bond issuance at USD29.6 billion, followed by social bonds (28.7%) with issuance of USD16.4 billion. Issuances of all other sustainable bond types collectively accounted for 19.6% of the regional issuance total, with their aggregate issuance amounting to USD11.3 billion. The private sector dominated sustainable bond issuance during the quarter, accounting for 69.8% of total issuance at USD40.0 billion. This was the opposite of ASEAN+3's general bond market, where the private sector accounted for only 39.0% of total issuance during the same period. This suggests that there is more room for public sector participation in the ASEAN+3 sustainable bond market. In Q3 2023, the ASEAN sustainable bond market was dominated by public sector issuance, which accounted for 81.5% of the ASEAN total.

ASEAN+3 Sustainable Bond Issuance Profile in the Third Quarter of 2023



Maturity Profiles of ASEAN+3 and EU-20 Sustainable Bond Issuances by Economy in the Third Quarter of 2023

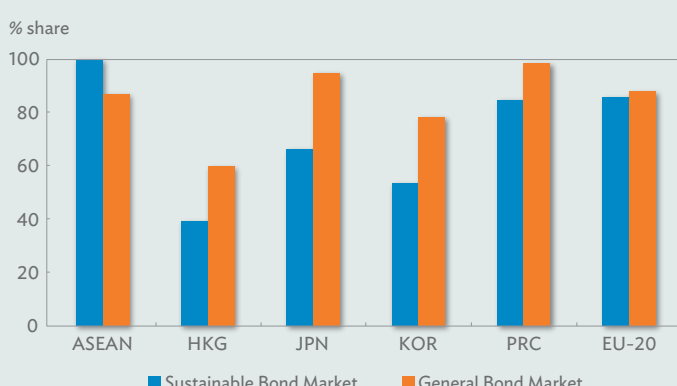


Sustainable bond issuance in ASEAN+3 in Q3 2023 mainly comprised relatively short maturities, with tenors of 5 years or less accounting for 68.1% of regional issuance in Q3 2023. The size-weighted average tenor of ASEAN+3 sustainable bond issuance in Q3 2023 was 7.2 years, which was comparable to 7.6 years in the EU-20 sustainable bond market but slightly lower than the 8.5 years in the ASEAN+3 general bond market. ASEAN markets had a relatively larger share of longer-tenor issuances, with 88.5% of sustainable bond issuance in Q3 2023 comprising tenors of 5 years or more.

Local currency issuance accounted for 69.5% of ASEAN+3 sustainable bond issuance in Q3 2023.

This was lower than the corresponding share of 78.6% in ASEAN+3 in Q2 2023, and the corresponding share of 85.8% in the EU-20 sustainable bond market during the same period. The share was also much lower than the corresponding level in the ASEAN+3 general bond market, where local currency issuance accounted for 95.8% of total issuance in Q3 2023.

Share of Local Currency Bond Issuance in ASEAN+3 During the Third Quarter of 2023



ASEAN+3 = Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China (PRC); Hong Kong, China (HKG); Japan (JPN); and the Republic of Korea (KOR); EU = European Union; FCY = foreign currency; LCY = local currency; LHS = left-hand side; Q2 = second quarter; Q3 = third quarter; q-o-q = quarter-on-quarter; RHS = right-hand side; USD = United States dollar.

Notes:

1. Data for green, social, sustainability, sustainability-linked, and transition bonds include both local currency and foreign currency issues.
2. ASEAN includes the markets of Indonesia, Malaysia, the Lao People's Democratic Republic, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline computations based on Bloomberg LP data.