

Developments in ASEAN Bond Markets

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Bonds Outstanding in Major Markets

	1Q09		4Q96	
	LCY Bonds Outstanding (USD Bln)	% of World Total	LCY Bonds Outstanding (USD Bln)	% of World Total
United States	24,962	42.3	10,926	42.8
Japan	10,289	17.4	4,456	17.4
France	2,824	4.8	1,303	5.1
Germany	2,570	4.4	1,888	7.4
UK	1,268	2.1	678	2.7
Emerging East Asia	3,658	6.2	537	2.1
of which: PRC	2,192	3.7	62	0.2
Emerging East Asia excl. PRC	1,466	2.5	475	1.9
of which: Korea, Rep. of	796	1.3	283	1.1
of which: ASEAN-6	568	1.0	158	0.6
Indonesia	73	0.1	7	0.0
Malaysia	160	0.3	81	0.3
Philippines	56	0.1	28	0.1
Singapore	120	0.2	25	0.1
Thailand	147	0.2	18	0.1
Viet Nam	12	0.0	—	—
Memo Items:				
Brazil	893	1.5	299	1.2
India	450	0.8	81	0.3
Russia	33	0.1	43	0.2

Source: Asia Bond Monitor.

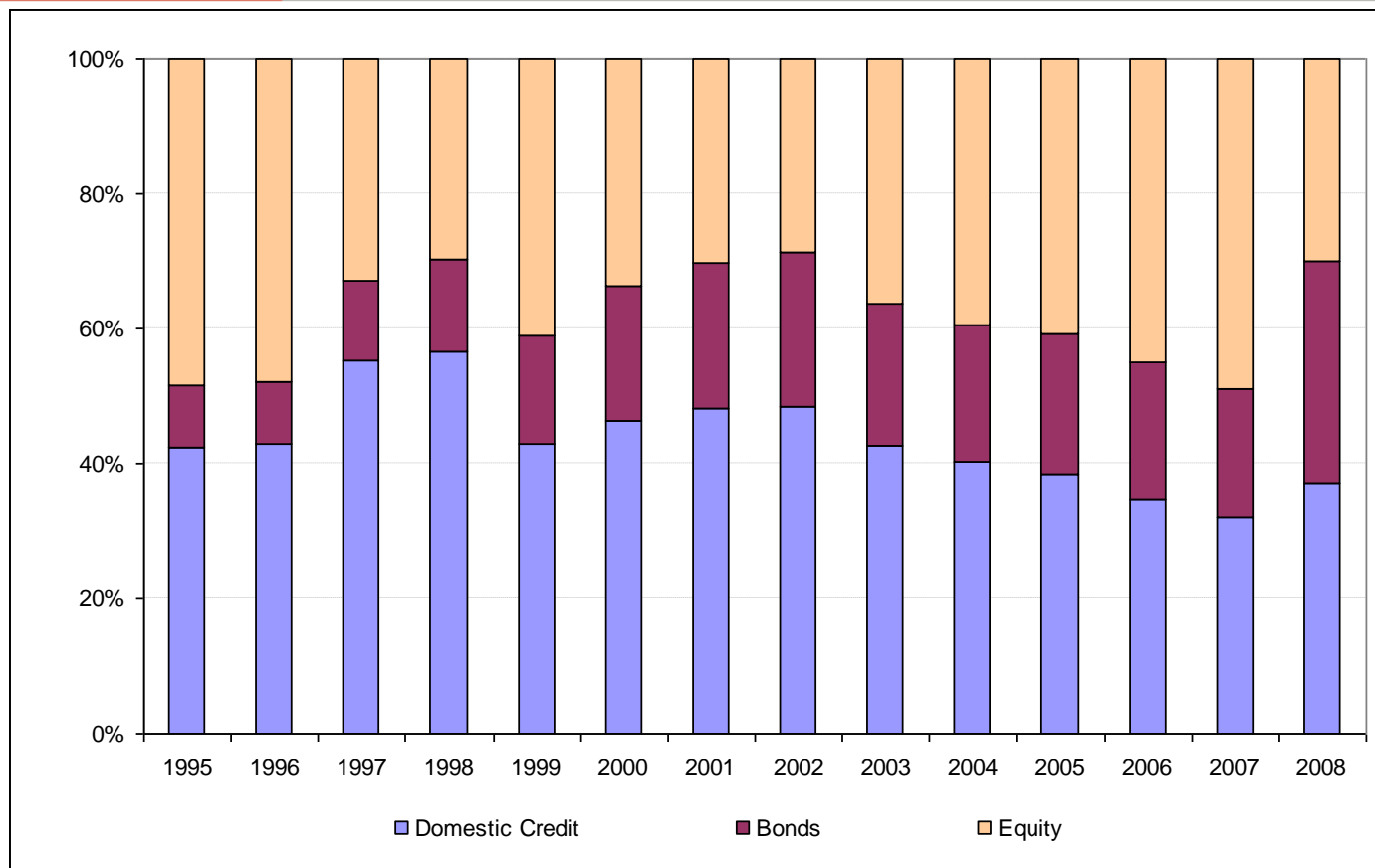
Bonds as % of GDP

(%)	3Q08	2Q09	3Q09
ASEAN-6	46.6	46.9	50.0
Indonesia	18.3	19.3	20.6
Malaysia	89.2	81.3	84.6
Philippines	34.5	36.5	37.8
Singapore	73.2	77.3	85.4
Thailand	58.3	60.6	65.7
Viet Nam	17.9	14.3	14.4
China, People's Rep. of	59.9	52.4	54.8
Hong Kong, China	44.5	51.4	59.4
Korea, Rep. of	81.6	110.9	123.2
Total Emerging East Asia	60.3	58.3	62.2

Note: 1. GDP data are from CEIC. 2007 annual GDP was used for the calculation of bonds outstanding as a percentage of GDP for 3Q08; 2008 annual GDP was used for 2Q09 and 3Q09.

Source: Asia Bond Monitor.

Domestic Financing ASEAN-5



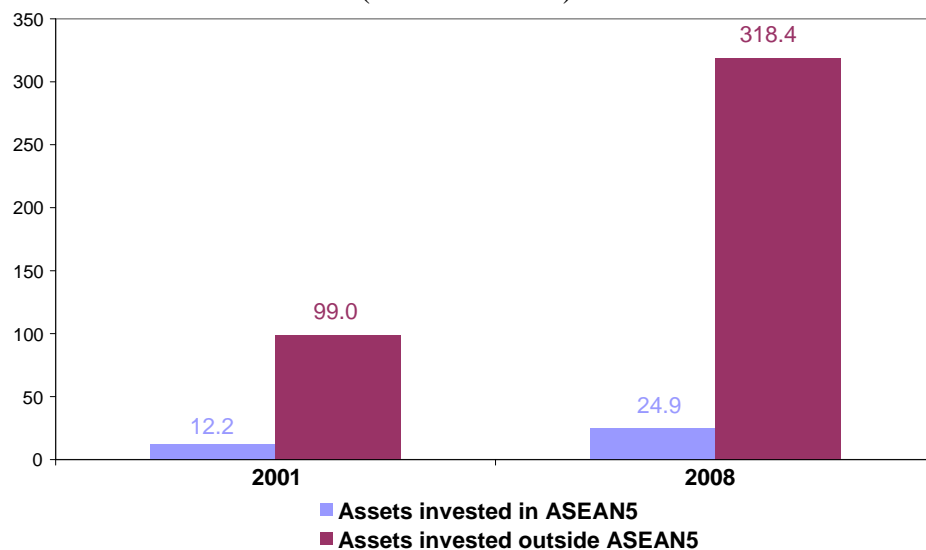
Note:

1. Includes the following markets: Indonesia, Malaysia, Philippines, Singapore, and Thailand.

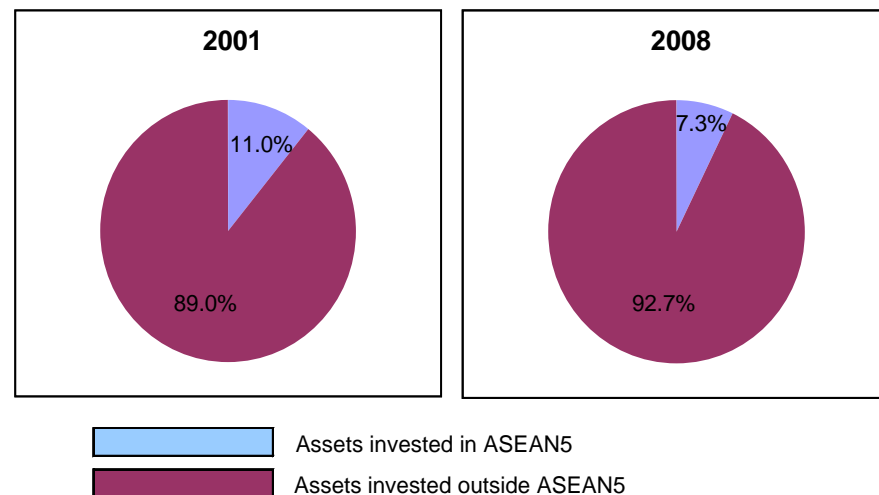
Source: *AsianBondsOnline*.

Portfolio Flows – ASEAN 5

Portfolio Investment Assets – ASEAN 5
(in USD billion)



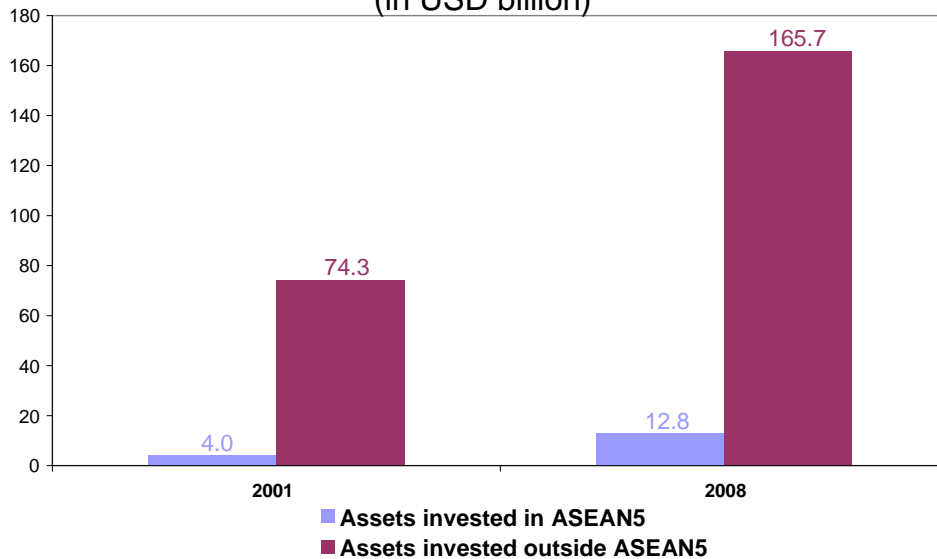
Portfolio Investment Assets - ASEAN 5
(% share)



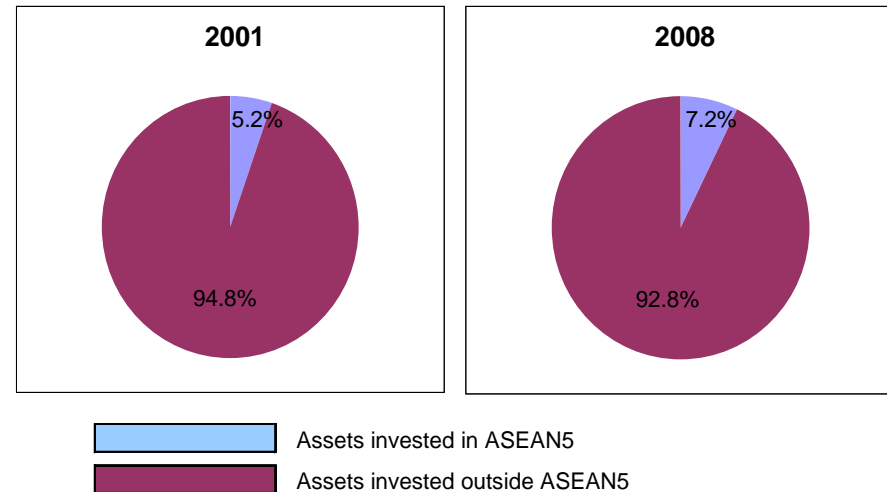
Note: ASEAN 5 comprises Indonesia, Malaysia, Philippines, Singapore, and Thailand.

Debt Security Portfolio Investment Assets – ASEAN 5

Debt Security Portfolio Investment Assets – ASEAN 5
(in USD billion)



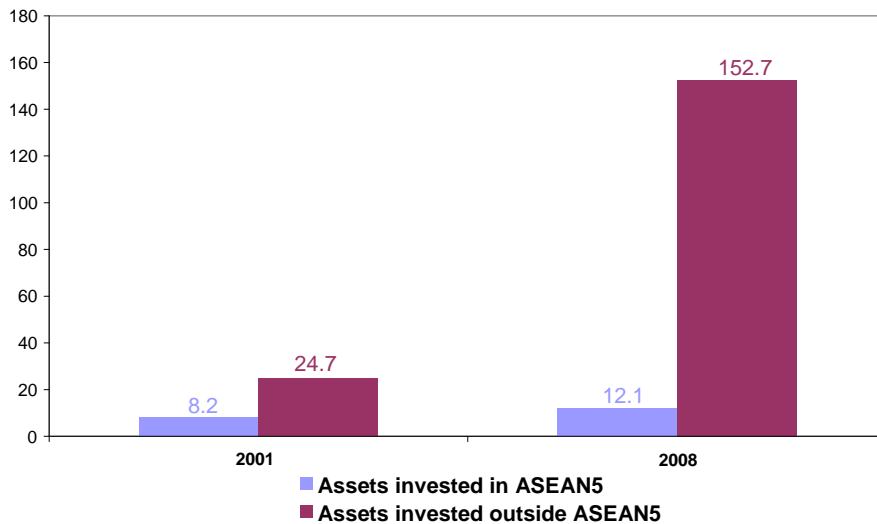
Debt Security Portfolio Investment Assets – ASEAN 5
(% share)



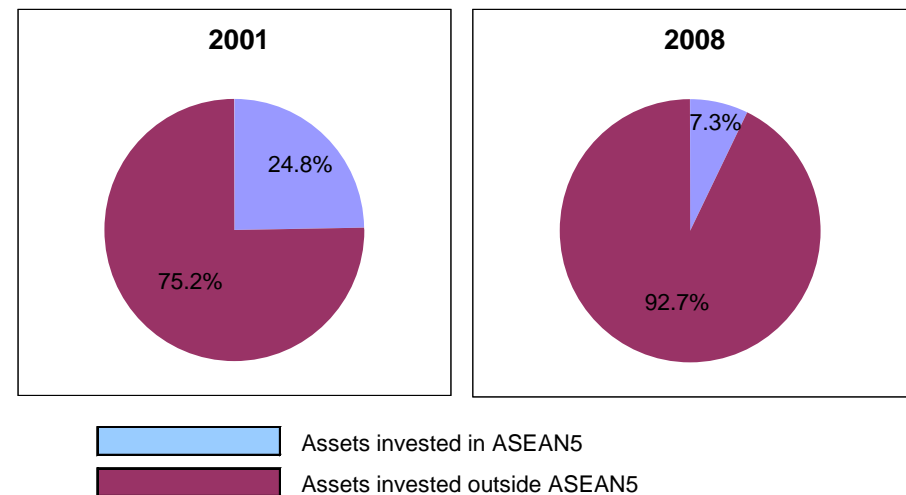
Note: ASEAN 5 comprises Indonesia, Malaysia, Philippines, Singapore, and Thailand.

Equity Security Portfolio Investment Assets – ASEAN 5

Equity Security Portfolio Investment Assets – ASEAN 5
(in USD billion)



Equity Security Portfolio Investment Assets – ASEAN 5
(% share)



Note: ASEAN 5 comprises Indonesia, Malaysia, Philippines, Singapore, and Thailand.

Total Bonds Outstanding

	3Q08		2Q09		3Q09		Growth Rate (LCY-base %)				Growth Rate (USD-base %)							
	Amount (USD billion)	% share	Amount (USD billion)	% share	Amount (USD billion)	% share	3Q08		3Q09		3Q08		3Q09					
							q-o-q	y-o-y	q-o-q	y-o-y	q-o-q	y-o-y	q-o-q	y-o-y				
Total ASEAN-6																		
Total	593	100.0	625	100.0	667	100.0	(1.7)	8.2	4.3	12.4	(5.4)	7.6	6.8	12.5				
Government	419	70.7	441	70.6	470	70.4	(2.8)	5.0	3.9	12.0	(6.2)	4.0	6.4	12.0				
Corporate	174	29.3	183	29.4	197	29.6	1.0	16.7	5.4	13.3	(3.4)	17.4	7.6	13.8				
China, People's Rep. of																		
Total	2,114	100.0	2,309	100.0	2,415	100.0	5.3	26.0	4.5	13.9	5.5	38.1	4.6	14.2				
Government	1,901	90.0	1,954	84.6	2,015	83.4	4.4	24.0	3.1	5.7	4.5	36.0	3.1	6.0				
Corporate	212	10.0	355	15.4	400	16.6	14.4	46.5	12.5	87.7	14.6	60.7	12.6	88.2				
Hong Kong, China																		
Total	92	100.0	111	100.0	129	100.0	(0.8)	(5.2)	15.5	39.0	(0.4)	(5.2)	15.5	39.3				
Government	19	20.2	37	33.4	54	41.8	0.5	6.9	44.4	187.3	0.9	7.0	44.4	187.8				
Corporate	74	79.8	74	66.6	75	58.2	(1.1)	(7.9)	0.9	1.4	(0.7)	(7.9)	0.9	1.6				
Korea, Rep. of																		
Total	850	100.0	901	100.0	1,001	100.0	0.1	7.6	2.6	16.0	(12.2)	(17.7)	11.1	17.7				
Government	387	45.5	415	46.0	460	45.9	(3.2)	(0.7)	2.4	17.1	(15.1)	(24.0)	10.8	18.9				
Corporate	464	54.5	486	54.0	542	54.1	3.0	15.6	2.9	15.1	(9.7)	(11.5)	11.3	16.8				
Total Emerging East Asia																		
Total	3,649	100.0	3,946	100.0	4,212	100.0	2.7	17.2	4.3	14.8	(1.2)	13.6	6.7	15.4				
Government	2,726	74.7	2,847	72.1	2,998	71.2	2.1	16.5	3.6	9.5	(0.5)	17.1	5.3	10.0				
Corporate	923	25.3	1,099	27.9	1,214	28.8	4.6	19.2	6.1	30.3	(3.1)	4.5	10.4	31.5				

Notes:

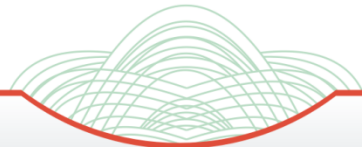
1. Calculated using data from national sources.
2. Growth rates are calculated from local currency (LCY) base and do not include currency effects.
3. Total ASEAN-6 and Total Emerging East Asia growth figures were based on end-September 2009 currency exchange rates and do not include currency effects.

Source: Asia Bond Monitor.



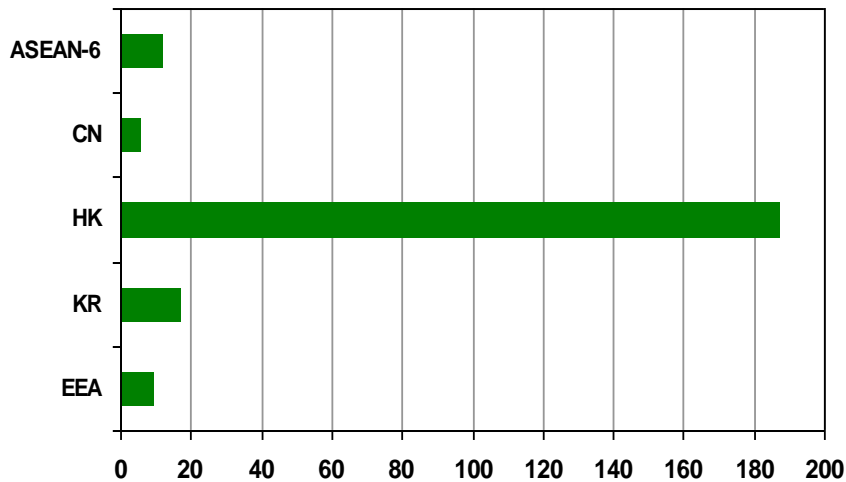
Key Developments in 2009

- Record government debt issuance
- Strong growth in corporate bonds
- Emergence of retail investors

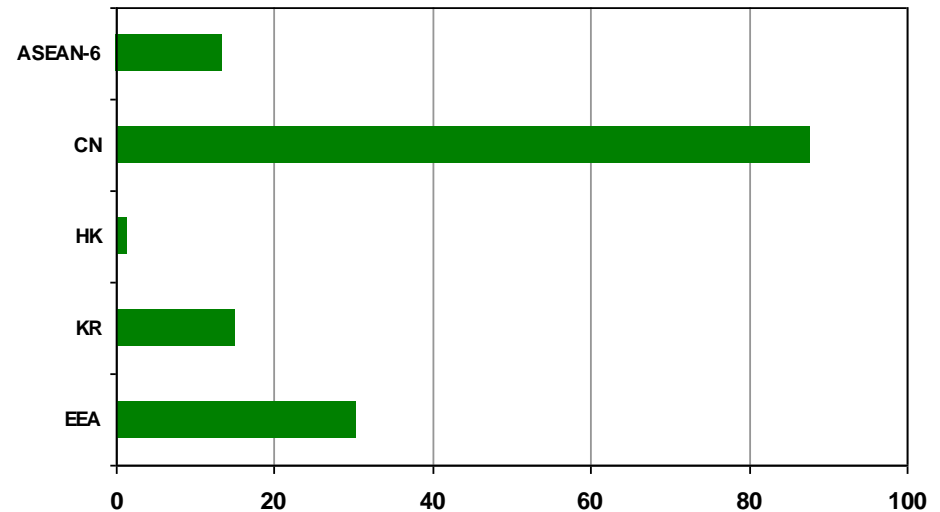


Growth of Emerging East Asian Bonds Outstanding

Growth of Emerging East Asian LCY Government Bond Markets in 3Q09 (y-o-y %)



Growth of Emerging East Asian LCY Corporate Bond Markets in 3Q09 (y-o-y %)

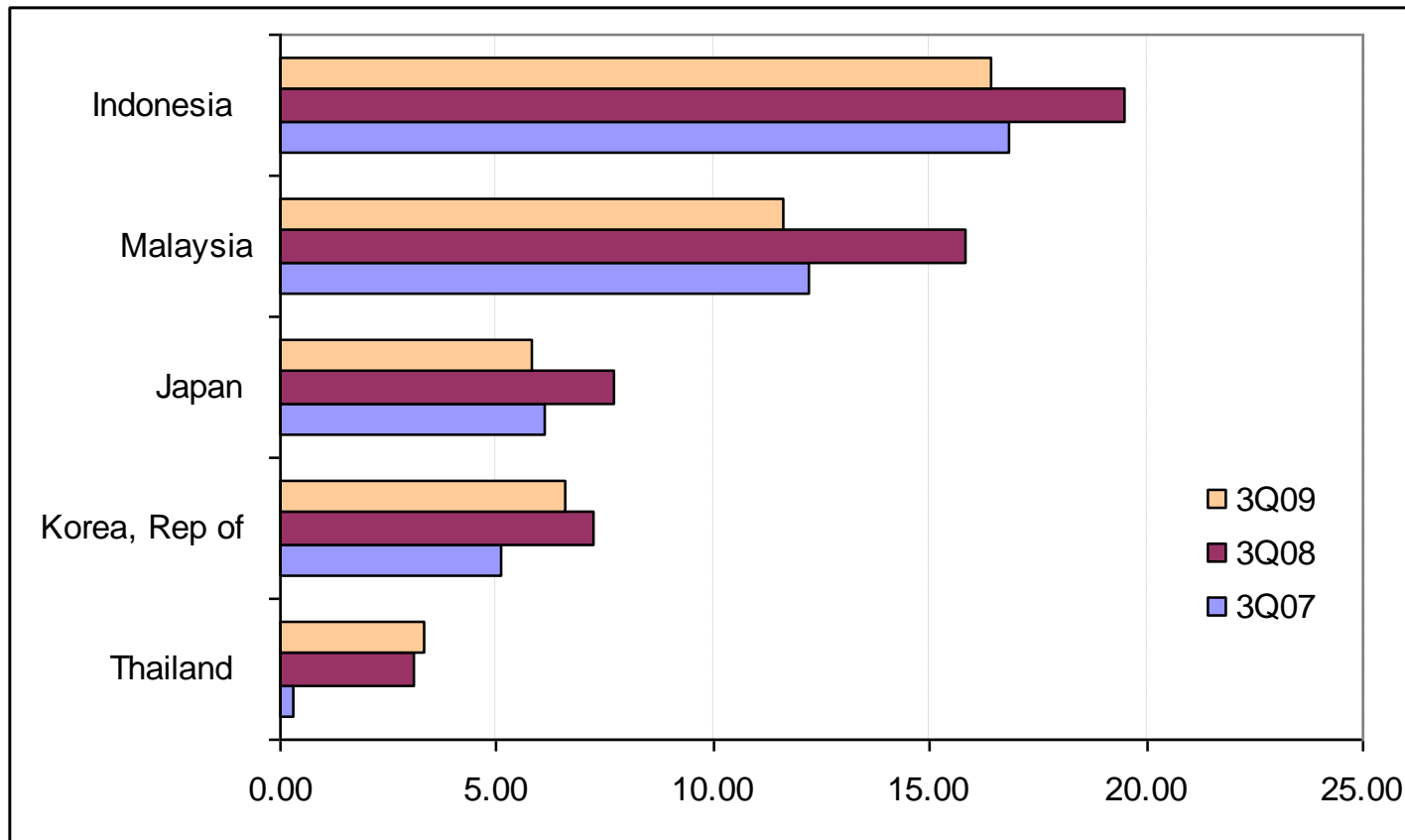


Note:

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Source: Asia Bond Monitor.

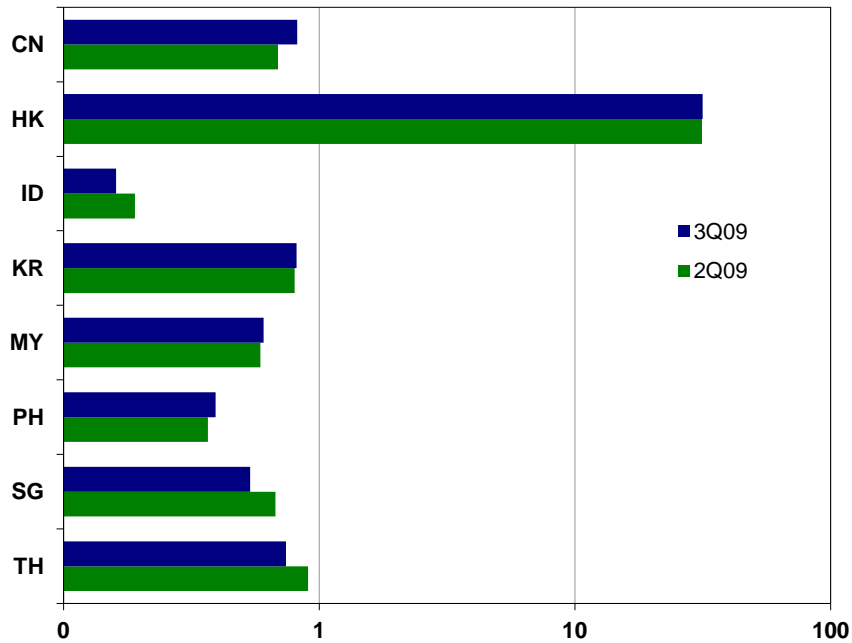
Foreign Holdings in LCY Government Bonds



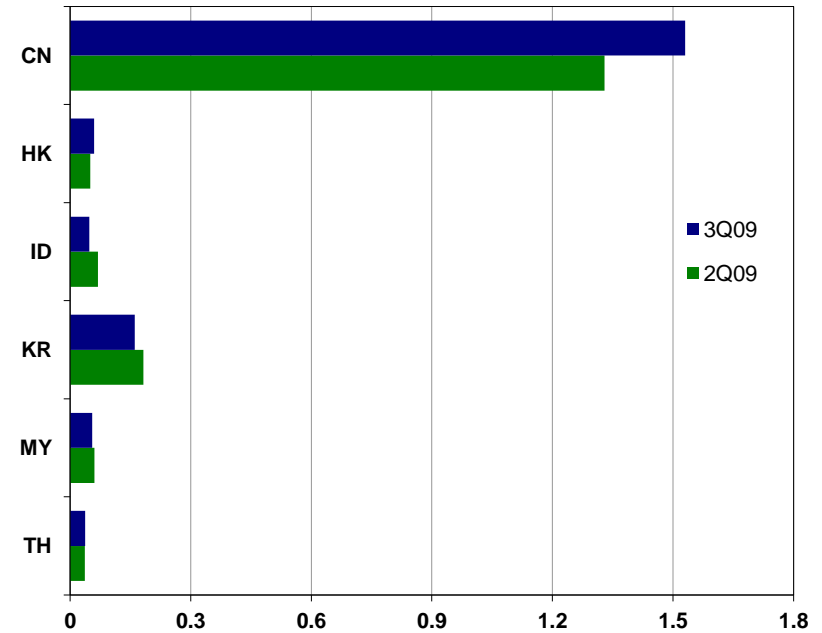
Source: Asia Bond Monitor.

Quarterly Turnover Ratios

Government

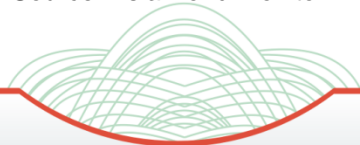


Corporate



Note: Government is based on a logarithmic scale.

Source: Asia Bond Monitor.





AsianBondsOnline Survey

- Sixth Annual ABO Liquidity Survey conducted in June-July
- 106 market participants gave their responses
- 56% were domestic investors and traders and 44% were foreign investors

Government Bond Market Liquidity Survey 2009: All Markets

		PRC	HK	ID	KR	MY	PH	SG	TH	VN	REGIONAL
I. GOVERNMENT BOND MARKET LIQUIDITY											
Typical bid-ask spread -	Average	5.1	4.3	26.6	1.1	2.3	6.6	2.9	3.4	25.6	8.6
"on the run"	Count	13	5	9	14	11	9	7	14	9	91
(in basis points)	Std Dev	1.7	1.6	18.7	0.6	1.5	4.4	0.5	1.3	13.4	10.0
Typical bid-ask spread	Average	8.6	5.8	33.3	2.02	5.56	9.9	3.4	8.4	30.0	11.9
"off the run"	Count	10	2	8	14	10	7	7	14	8	80
(in basis points)	Std Dev	1.9	1.1	26.9	1.2	2.8	6.7	0.9	3.41	13.4	11.5
Accepted LCY bond transaction size	Average	14.3	6.7	1.5	8.0	1.5	1.1	3.5	1.6	2.7	4.5
"on the run" (USD million)	Count	14	5	8	13	12	10	7	15	11	95
	Std Dev	12.0	7.4	1.00	1.3	0.3	0.2	1.2	1.3	1.9	4.4
Accepted LCY bond transaction size	Average	4.8	3.2	1.2	7.7	1.3	1.0	3.2	0.9	1.9	2.8
"off the run" (USD million)	Count	11	2	6	13	12	9	7	15	10	85
	Std Dev	3.1	1.8	1.2	1.6	0.4	0.1	1.3	0.7	1.4	2.3

Source: Asia Bond Monitor.

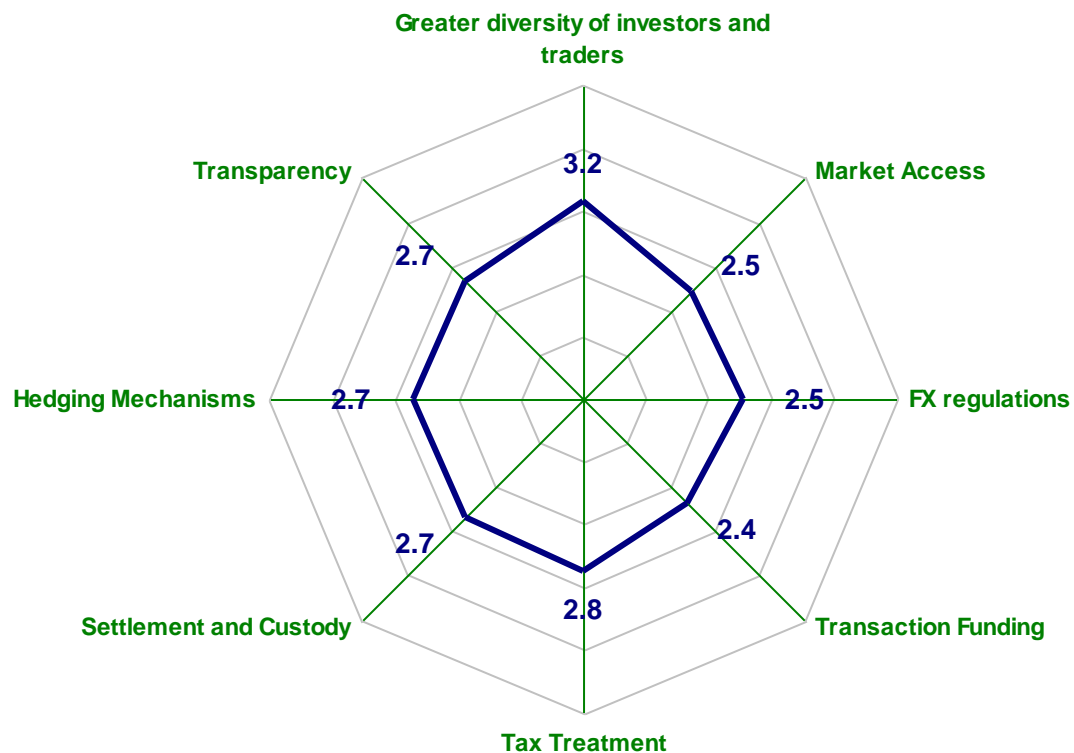
Bid-Ask Spreads – Historical Trend

	Government bonds (basis points)					
	2000	2004	2006	2007	2008	2009
Indonesia	100.0	140.8	16.9	42.0	24.5	26.6
Malaysia	4.9	3.5	2.3	1.5	12.2	2.3
Philippines	47.5	25.0	25.3	10.0	19.8	6.6
Singapore	1.6	5.5	2.7	3.4	20.0	2.9
Thailand	2.8	7.3	3.0	6.3	9.8	3.4
Viet Nam	na	na	na	20.6	75.0	25.6

na = not available.

Source: Asia Bond Monitor.

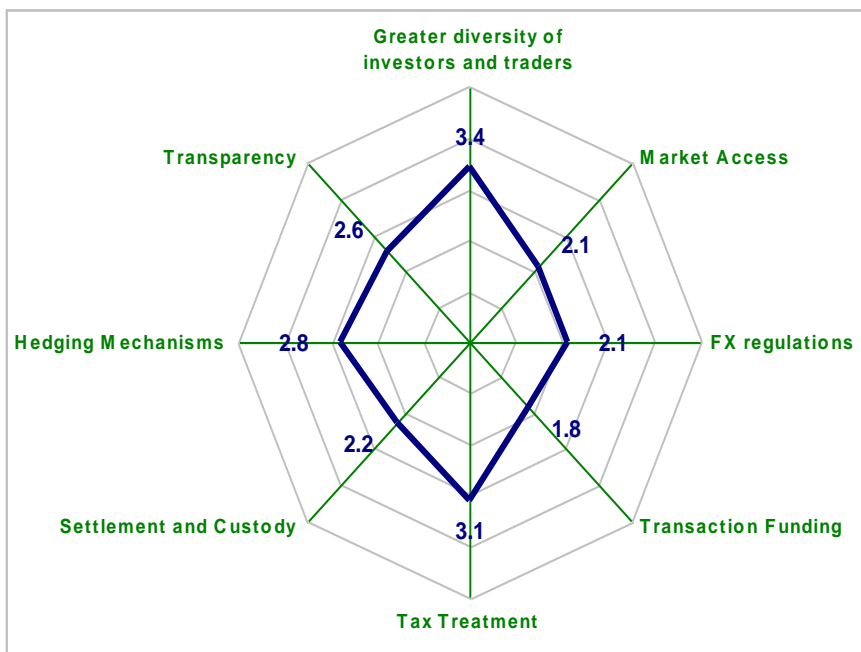
Government Bond Market Structural Issues – Regional Average (ASEAN-6)



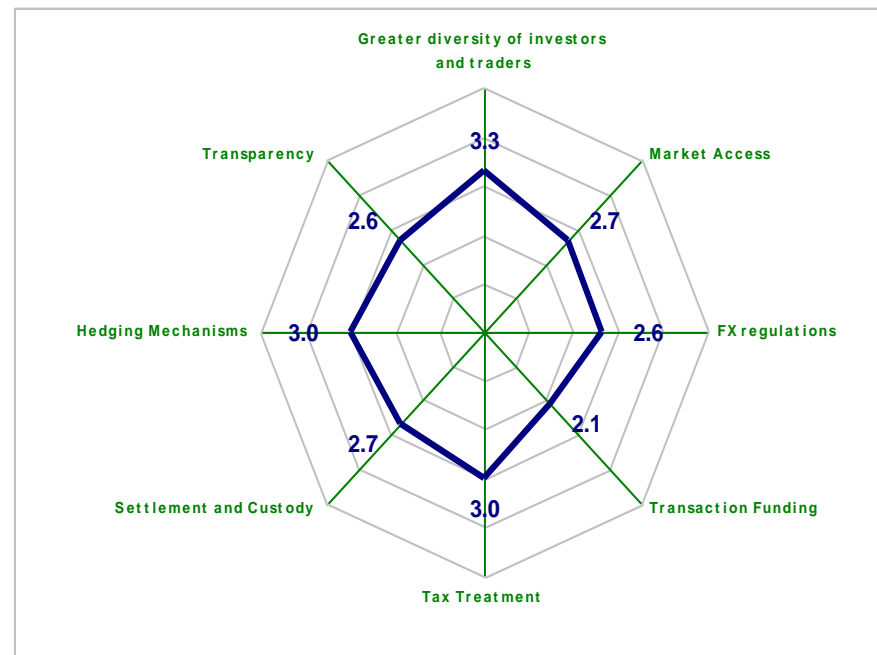
Source: Asia Bond Monitor.

Liquidity in LCY Government Bonds : ASEAN-6

Indonesia



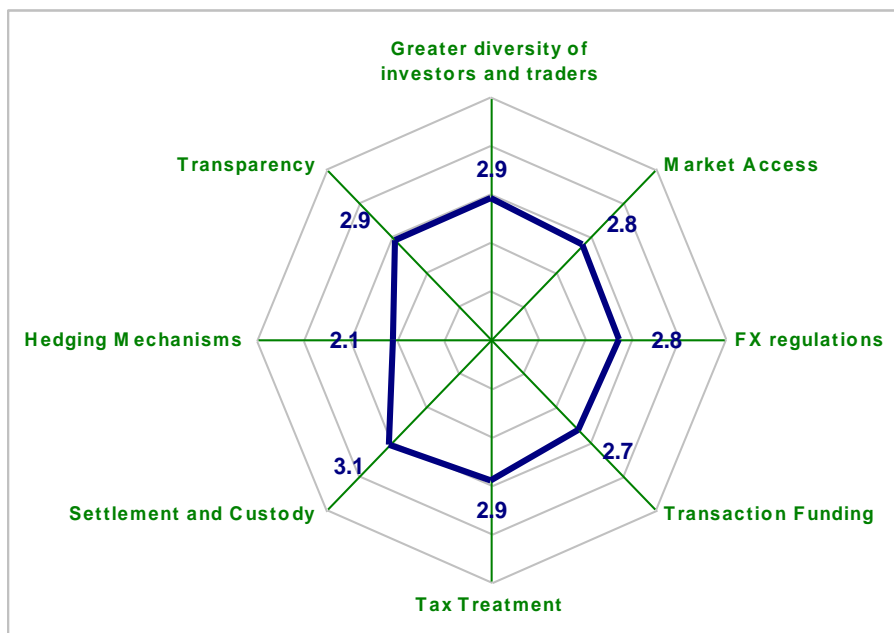
Malaysia



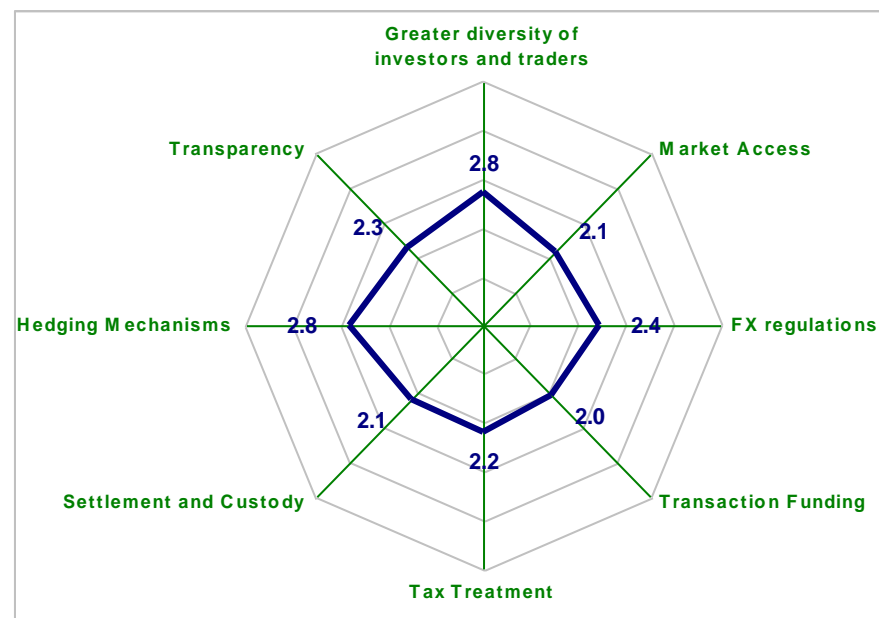
Source: Asia Bond Monitor.

Liquidity in LCY Government Bonds : ASEAN-6

Philippines



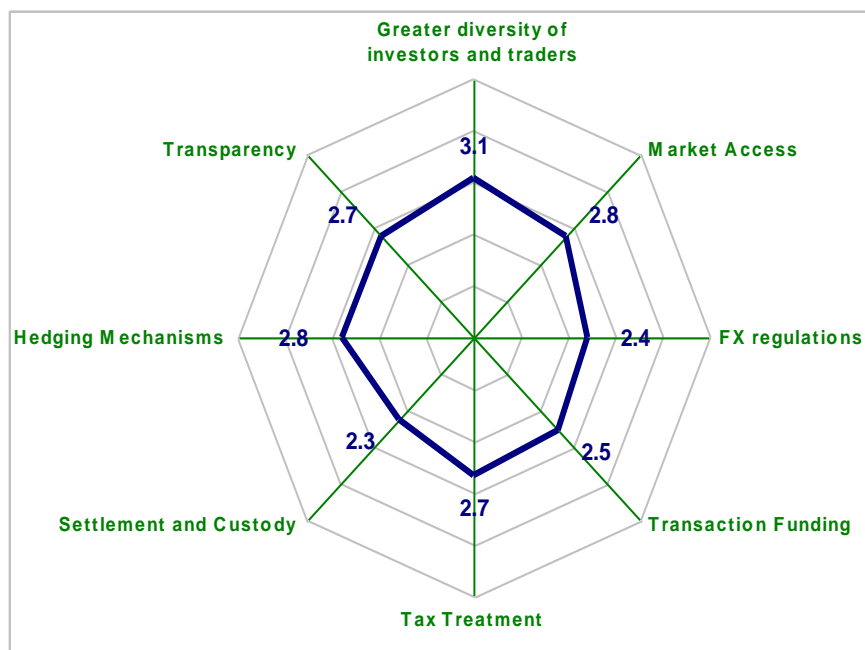
Singapore



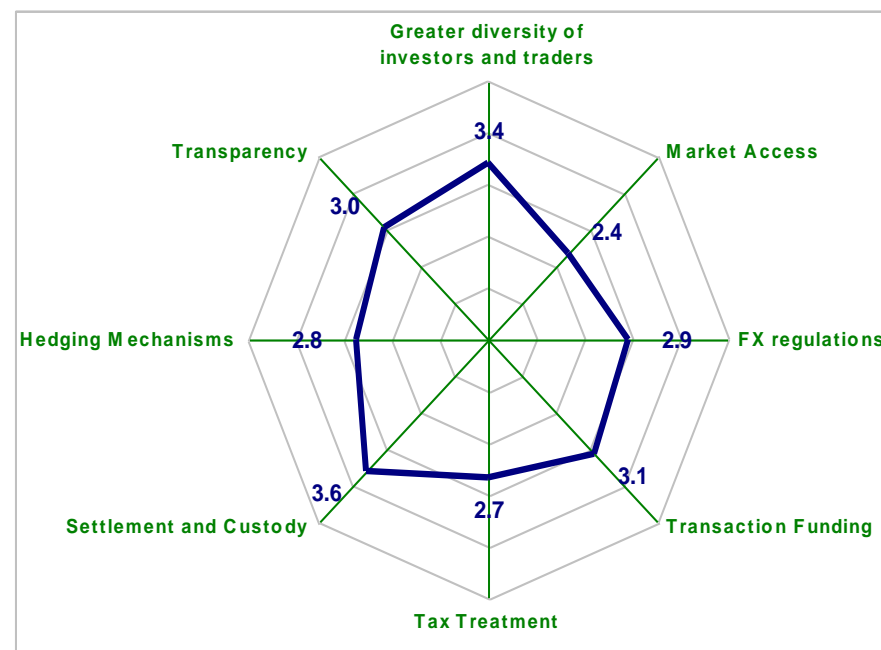
Source: Asia Bond Monitor.

Liquidity in LCY Government Bonds : ASEAN-6

Thailand



Viet Nam



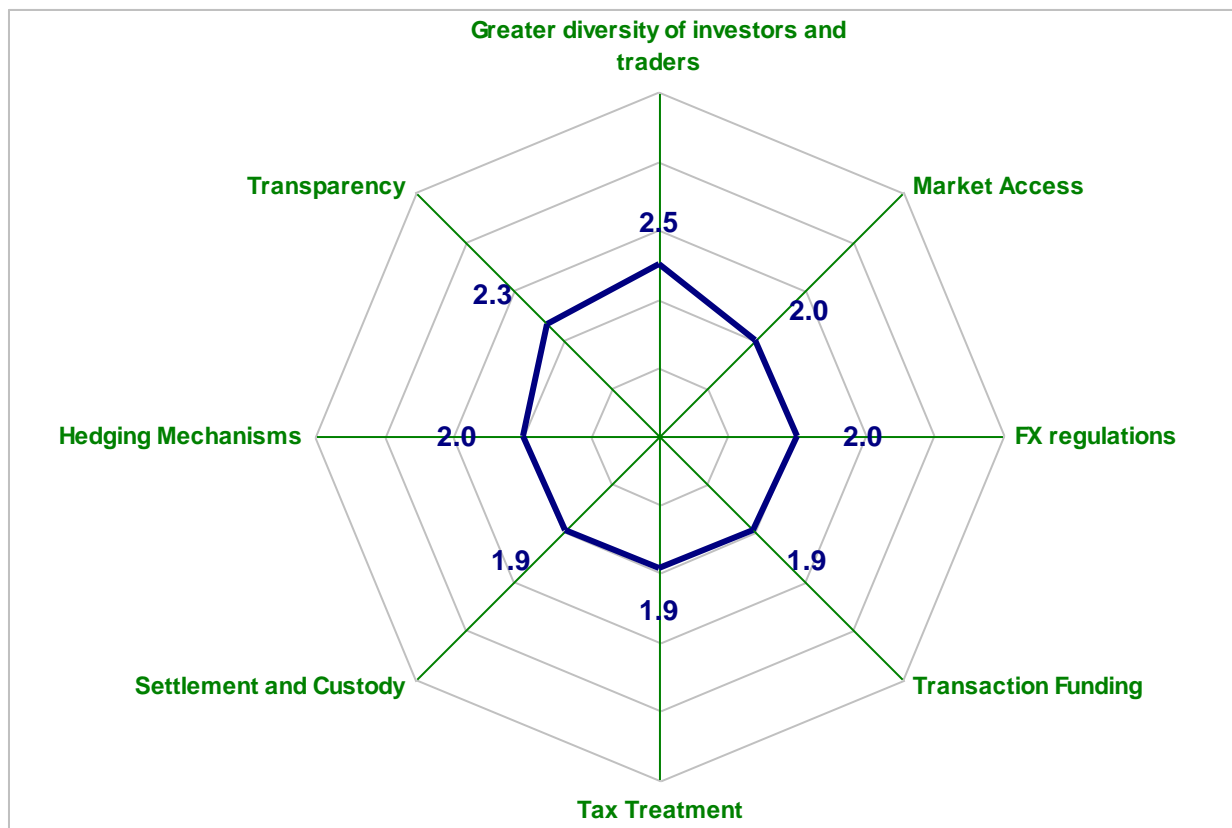
Source: Asia Bond Monitor.

Corporate Bond Market: Quantitative Indicators (ASEAN-6)

QUESTION	STATS	ID	MY	PH	SG	TH	VN	ASEAN-6
II. CORPORATE BOND MARKET LIQUIDITY								
Typical issue size of corporate bonds (USD million)	Average	90.5	149.2	108.1	75.5	85.5	42.2	91.8
	Count	2	9	7	4	12	12	46
	SD	18.3	82.8	24.8	33.6	58.0	19.0	35.6
Typical bid-ask spread for new corporate issue – bps	Average	112.5	10.3	43.8	12.5	8.6	132.0	53.3
	Count	2	8	4	3	11	10	38
	SD	17.7	7.5	16.1	10.9	4.6	115.0	55.3
Typical transaction size of LCY corporate bonds (USD million)	Average	0.8	1.8	0.1	1.3	0.7	3.8	1.4
	Count	2	10	4	4	13	12	45
	SD	0.4	0.7	0.03	1.1	0.4	2.2	3.3

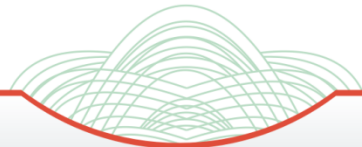
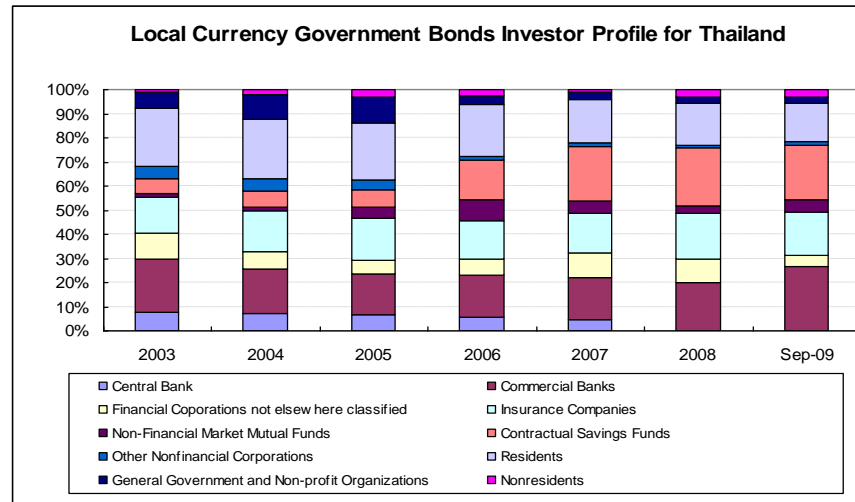
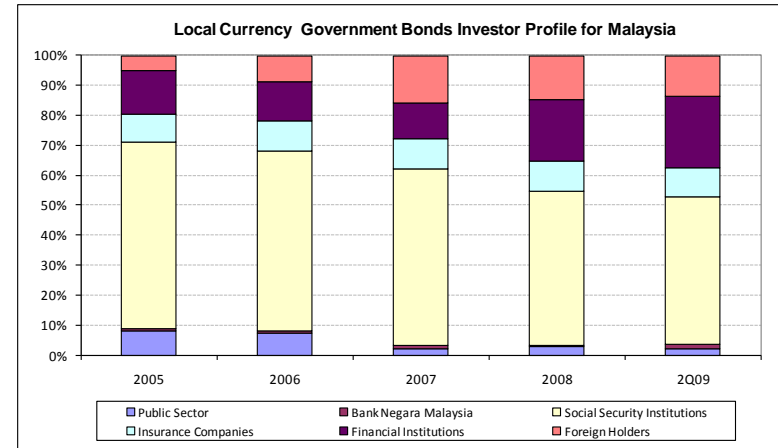
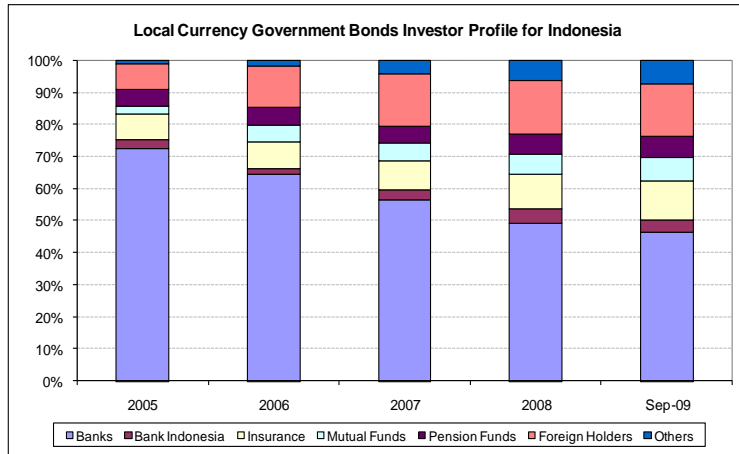
Source: Asia Bond Monitor.

Corporate Bond Market Structural Issues – Regional Average (ASEAN-6)



Source: Asia Bond Monitor.

Changing Investor Profile



The ADB logo consists of the letters 'ADB' in a white, serif font, centered within a dark blue square. The background of the slide features a large, stylized graphic of a globe or a network of white lines on a light green background, with a red horizontal line at the bottom.

Thank You

For inquiries:

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