



# Asia Macro Strategy Notes

## CCS monitor: Pick-up offered by reverse asset swaps to keep compressing

We have been highlighting over the past month how USD assets swapped back to local currency - let's call it the **reverse asset swap** - has been yielding more than local government bonds in markets like Thailand and China. Domestic asset managers in both THB and CNH markets (see [here](#), [here](#) and [here](#)) have had an opportunity to enhance their local currency returns by investing in USTs (or other DM bonds) and swapping them back into local currency.

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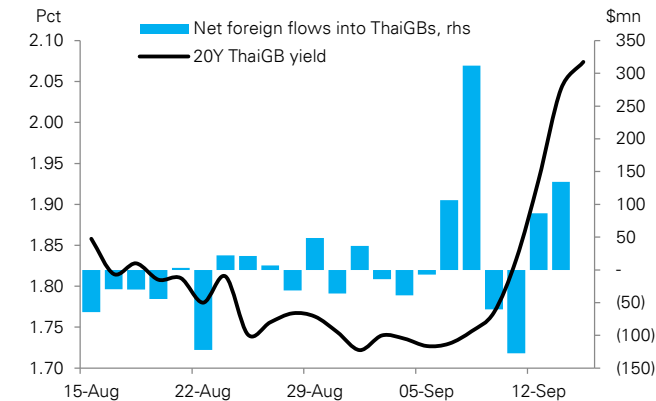
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**This past week, however, we have seen the pick-up in yield from these reverse ASWs compress significantly in both THB and CNH markets**, driven by distinct underlying factors.

- **In Thailand**, the 20Y ThaiGB has sold off by 35bps over the past week; the 5Y ThaiGB more like 15bp. Interestingly, foreign investors have been net buyers - though in small volumes - during this period ([Figure 1](#)). We would attribute the sell-off to a rotation by onshore asset managers away from ThaiGBs to the more attractive reverse ASWs to increase THB returns. While the pick-up offered by reverse ASW has compressed as a result; but 10Y UST swapped into THB, for example, is still offering an all-in yield of 1.80%, which is 31bps higher than 10Y ThaiGB. Note that this pick-up is more attractive for some European government yields (swapped into THB), so there remains an incentive for Thai domestic investors to continue this rotation.
- **In the CNH market**, the compression in the pick-up offered by the reverse ASW has been mostly due to a rally in CNH CCS. This rally is largely fuelled by an increase in dim sum bond issuances from non-Chinese entities and the corresponding flows to swap CNH proceeds into USD, i.e., receive CNH CCS ([Figure 2](#)). We previously [highlighted](#) that a significant amount of dim sum bonds were scheduled to mature in September. The strong demand from existing dim sum bond investors to roll their investments, combined with a subdued supply of dim sum bonds from Chinese issuers, is effectively attracting non-Chinese entities to issue dim sum bonds (and subsequently receive CNH CCS). Note that non-Chinese issuers are still able to realize approximately 30 bps in financing cost savings by issuing dim sum bonds and swapping them into USD, compared with directly issuing USD bonds.

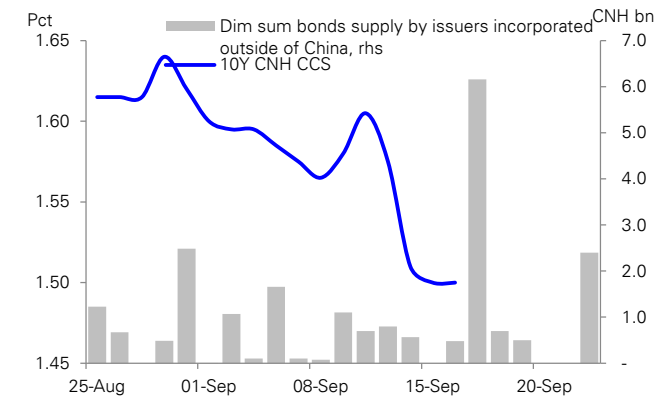


Figure 1: Foreign investors have net bought ThaiGBs during the sell-off



Source : Deutsche Bank, Bloomberg Finance LP

Figure 2: The rally in CNH CCS is being driven by the surge in dim sum bonds issuance by non-Chinese entities



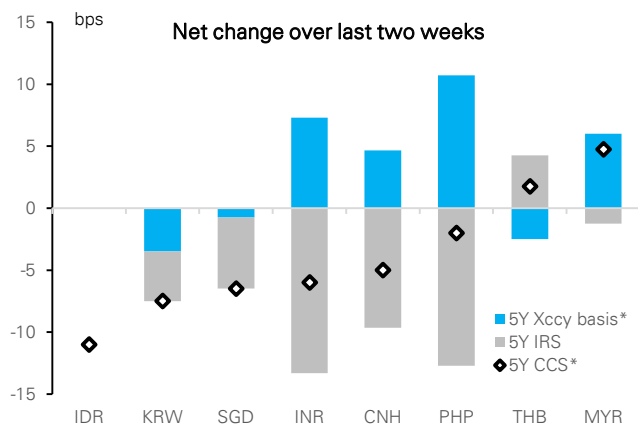
Source : Deutsche Bank, Bloomberg Finance LP

### Asia CCS updates

We share a few observations on Asia's CCS markets:

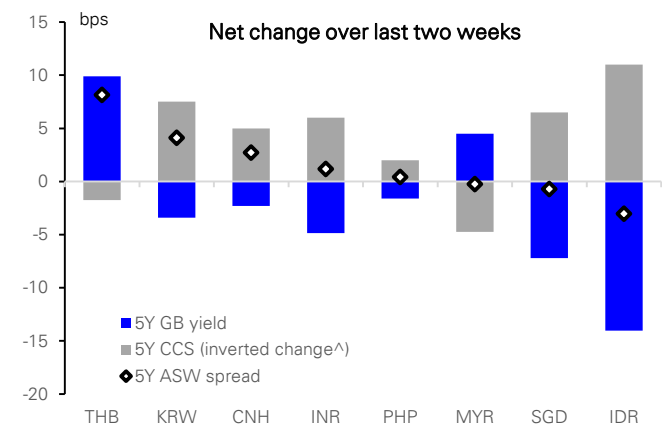
- **CCS fixed rates generally declined over the past two weeks**, largely driven by a rally in IRS markets, even as the Xccy basis has remained steady or increased in most places. The exceptions have been THB where sell-off in IRS drove the underperformance and MYR where an increase in the Xccy basis outweighed small IRS gains.
- **ASW trades in Asia generally underperformed** driven by a rally in CCS rates (ASW trades involve receiving local government bond rates and paying CCS). Local bonds delivered small gains in most markets, with the exceptions of THB and MYR.

Figure 3: Asia CCS performance



Source : Deutsche Bank, Bloomberg Finance LP; Note: \*We construct the implied Xccy basis for CCS markets where floating-to-floating swaps are not directly available; and implied CCS fixed rate for markets where fixed-to-floating swaps are not directly available.

Figure 4: Asia ASW trades performance



Source : Deutsche Bank, Bloomberg Finance LP; Note: ^The grey bar represents inverted change in CCS fixed rates. Negative bar = increase in CCS fixed rate.



## Cross-currency swap monitor

Figure 5: Indicative levels of Xccy basis (in bps) and percentiles since 2017

Xccy basis (bps)		Current values									Percentile since 2017								
floating-to-floating		1Y	2Y	3Y	5Y	10Y	20Y	1s2s	1s5s	5s10s	1Y	2Y	3Y	5Y	10Y	20Y	1s2s	1s5s	5s10s
Offshore	CNH	-4	-4	-4	-1	-2		0	-8	-12	24%	26%	32%	46%	63%		61%	86%	77%
	INR	62	69	71	68	35		7	6	-34	67%	82%	90%	95%	91%		63%	69%	32%
	KRW	-42	-44	-42	-38	-54	-68	-2	4	-16	98%	98%	97%	98%	91%	63%	64%	68%	2%
	PHP	-25	-25	-25	-14	-3		-1	11	10	16%	25%	33%	55%	79%		78%	86%	80%
Onshore	INR	62	60	64	67	47		-2	4	-20	76%	74%	77%	81%	60%		41%	45%	25%
	KRW	-46	-48	-46	-48	-58	-66	-2	4	-16	98%	98%	97%	97%	90%	55%	63%	69%	1%
	TWD	-45	-65	-65	-71	-108		-20	-26	-37	90%	76%	84%	78%	15%		12%	31%	3%
	SGD	-3	-7	-12	-22	-37	-68	-4	-19	-15	79%	90%	96%	94%	55%	31%	60%	55%	29%
	THB	-8	-8	-4	-8	-22	-25	3	0	-14	95%	96%	97%	98%	97%	98%	91%	97%	85%
	MYR	-49	-36	-34	-36	-50		13	13	-14	92%	97%	99%	98%	98%		74%	75%	51%
DM	EUR	-1.9	-3.0	-3.6	-4.8	-6.3	-4.9	-1.1	-2.8	-1.5	96%	95%	93%	93%	92%	92%	27%	52%	55%
	AUD	2.1	2.6	3.4	4.6	8.8	8.4	0.5	2.4	3.8	67%	66%	72%	52%	47%	66%	33%	41%	30%
	JPY	-2	-2	-3	-3	-3	-3	-5	-1	0	100%	100%	100%	100%	100%	99%	68%	94%	96%

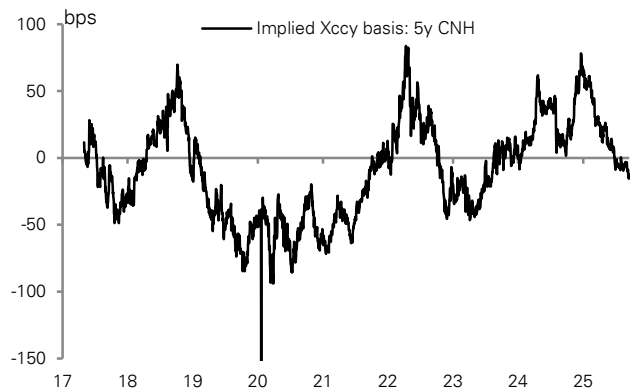
Source : Deutsche Bank, Bloomberg Finance LP; Note: We construct the implied Xccy basis for CCS markets where floating-to-floating swaps are not directly available. The implied Xccy basis is derived by subtracting IRS fixed rates from the CCS fixed rate of fixed-to-floating swaps.

Figure 6: Indicative levels of CCS fixed leg rates (in pct) and percentiles since 2017

CCS (pct)		Current values									Percentile since 2017								
fixed-to-floating swap		1Y	2Y	3Y	5Y	10Y	20Y	1s2s	1s5s	5s10s	1Y	2Y	3Y	5Y	10Y	20Y	1s2s	1s5s	5s10s
Offshore	CNH	1.49	1.48	1.49	1.50	1.50		-0.01	0.01	0.00	7%	6%	5%	4%	3%		43%	63%	75%
	INR	6.09	6.13	6.23	6.37	6.27		0.04	0.28	-0.10	40%	44%	48%	52%	53%		68%	75%	65%
	KRW	1.97	1.91	1.96	2.09	2.08	1.98	-0.06	0.12	-0.01	67%	65%	63%	65%	66%	63%	47%	68%	31%
	IDR	4.88	5.01	5.19	5.49	5.80		0.13	0.61	0.31	20%	17%	19%	21%	31%		60%	77%	92%
Onshore	PHP	4.60	4.49	4.49	4.60	4.71		-0.11	0.00	0.11	46%	47%	47%	50%	54%		63%	71%	55%
	INR	6.10	6.05	6.18	6.37	6.42		-0.05	0.27	0.05	42%	41%	46%	47%	48%		39%	58%	55%
	KRW	1.93	1.87	1.93	2.05	2.04	1.91	-0.05	0.12	-0.01	67%	65%	63%	65%	65%	61%	46%	68%	30%
	TWD	1.20	0.97	0.99	1.00	1.05		-0.24	-0.20	0.05	92%	83%	89%	90%	83%		6%	25%	20%
	SGD	1.09	1.09	1.10	1.15	1.28	1.12	0.00	0.06	0.14	30%	25%	24%	28%	29%	20%	63%	64%	50%
	THB	1.04	1.00	1.03	1.09	1.24	1.72	-0.04	0.05	0.15	30%	27%	29%	31%	29%	38%	35%	42%	50%
DM	MYR	2.69	2.74	2.76	2.80	2.85		0.05	0.12	0.05	49%	42%	41%	41%	40%		43%	40%	28%
	EUR	1.86	1.87	1.94	2.09	2.40	2.70	0.01	0.22	0.31	70%	70%	71%	74%	83%	95%	54%	60%	63%
	AUD	3.36	3.33	3.39	3.57	4.21	4.54	-0.03	0.21	0.65	66%	66%	66%	67%	70%	83%	40%	53%	83%
	JPY	0.44	0.55	0.61	0.71	1.03	1.81	0.11	0.27	0.32	100%	100%	100%	100%	100%	100%	98%	98%	94%

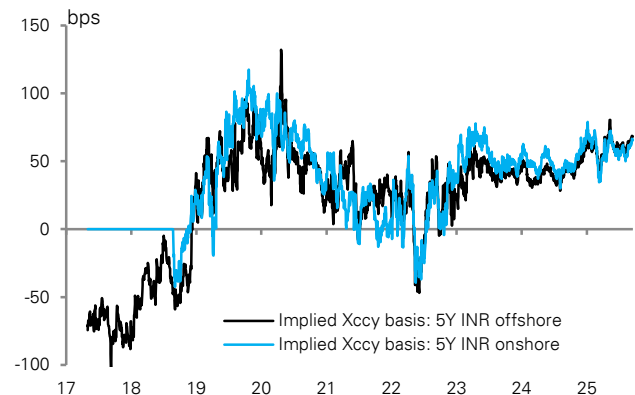
Source : Deutsche Bank, Bloomberg Finance LP; Note: We construct the implied CCS fixed rate for markets where fixed-to-floating swaps are not directly available. The implied CCS fixed rate is derived by adding IRS fixed rates on top of the Xccy basis.

Figure 7: Implied Xccy basis for CNH



Source : Deutsche Bank, Bloomberg Finance LP

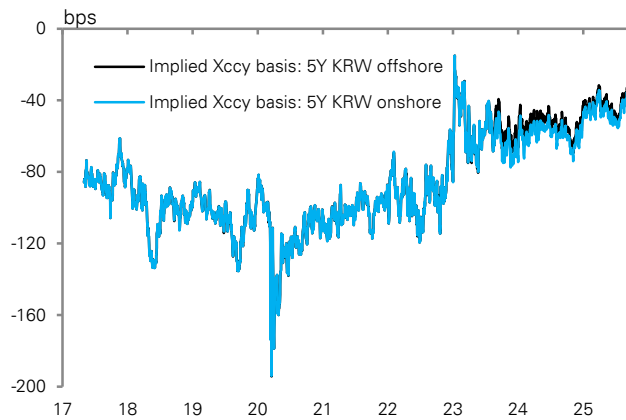
Figure 8: Implied Xccy basis for INR



Source : Deutsche Bank, Bloomberg Finance LP

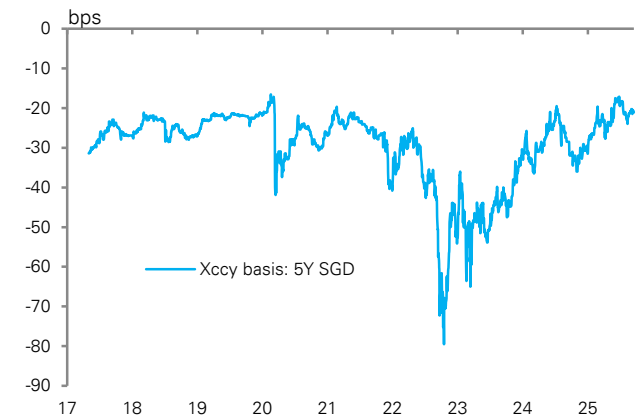


Figure 9: Implied Xccy basis for KRW



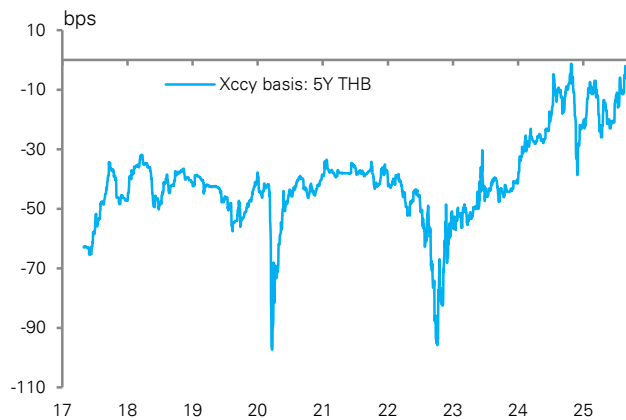
Source : Deutsche Bank, Bloomberg Finance LP

Figure 10: Xccy basis for SGD



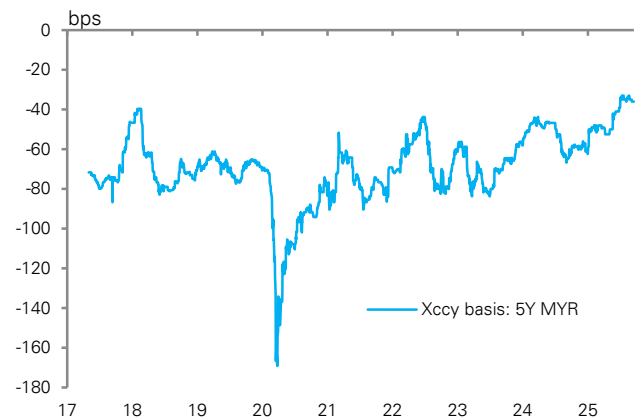
Source : Deutsche Bank, Bloomberg Finance LP

Figure 11: Xccy basis for THB



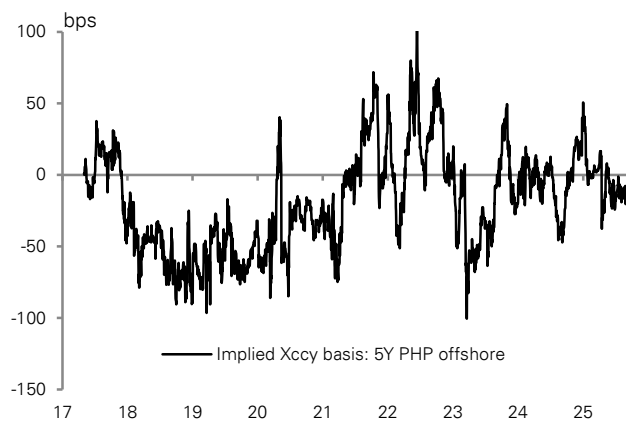
Source : Deutsche Bank, Bloomberg Finance LP

Figure 12: Xccy basis for MYR



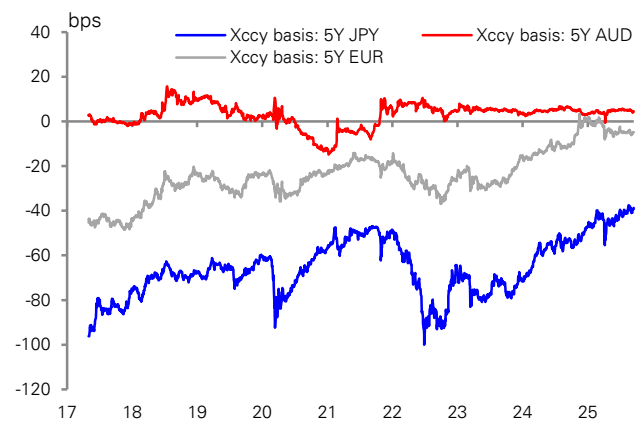
Source : Deutsche Bank, Bloomberg Finance LP

Figure 13: Implied Xccy basis for PHP



Source : Deutsche Bank, Bloomberg Finance LP

Figure 14: Xccy basis for EUR, AUD and JPY

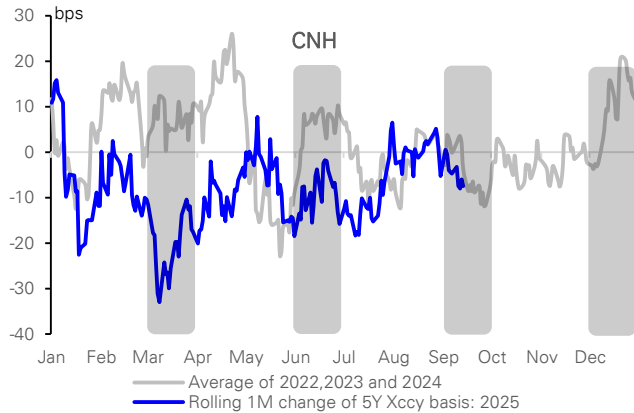


Source : Deutsche Bank, Bloomberg Finance LP



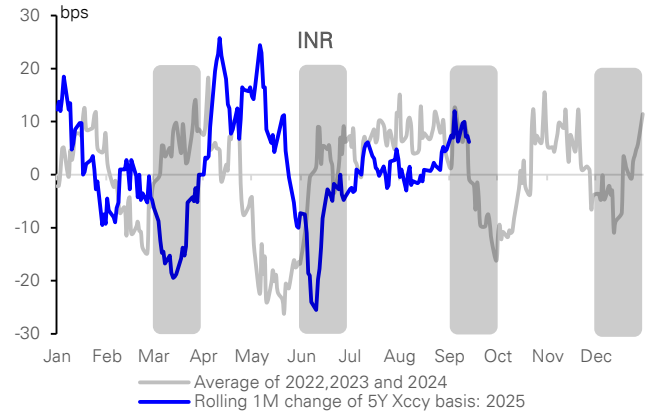
## CCS seasonality monitor

Figure 15: Implied Xccy basis seasonality: CNH



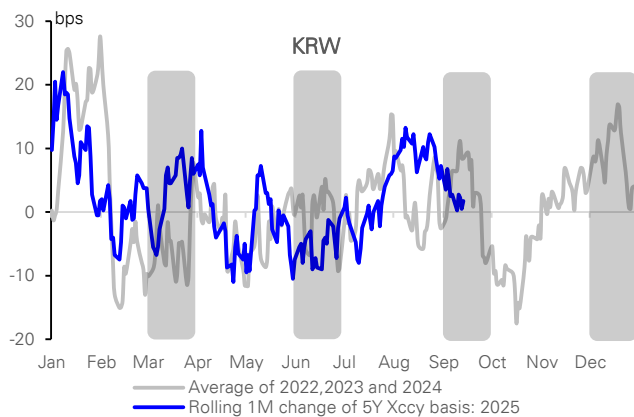
Source : Deutsche Bank, Bloomberg Finance LP

Figure 16: Implied Xccy basis seasonality: INR onshore



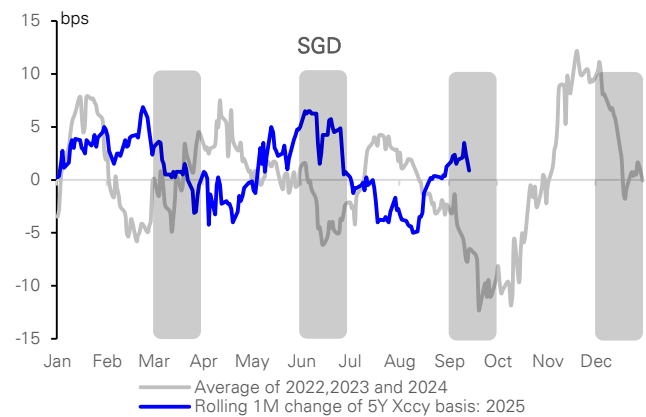
Source : Deutsche Bank, Bloomberg Finance LP

Figure 17: Implied Xccy basis seasonality: KRW onshore



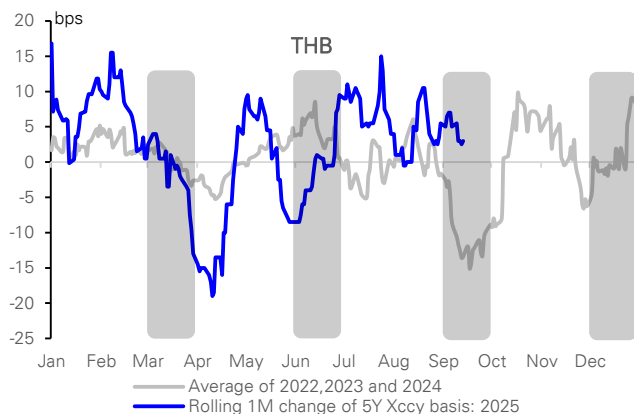
Source : Deutsche Bank, Bloomberg Finance LP

Figure 18: Xccy basis seasonality: SGD



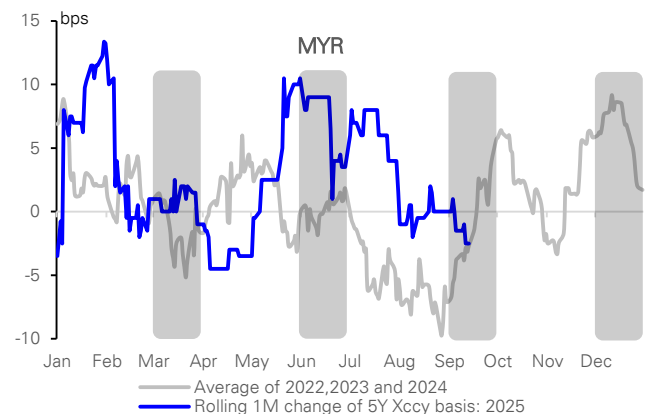
Source : Deutsche Bank, Bloomberg Finance LP

Figure 19: Xccy basis seasonality: THB



Source : Deutsche Bank, Bloomberg Finance LP

Figure 20: Xccy basis seasonality: MYR



Source : Deutsche Bank, Bloomberg Finance LP



## ASW monitor for USD-based investors

Figure 21: Asset Swap (ASW) pick-up over floating SOFR rate

ASW pickup (SOFR+bps)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	-9	-7	-7	10	29		70%	63%	52%	48%	34%	
	INR*	-129	-119	-111	-106	-75		43%	17%	13%	6%	15%	
	KRW	30	50	48	50	75	83	2%	4%	6%	3%	17%	28%
	IDR*	-19	-34	-42	-44	-9		87%	71%	45%	28%	36%	
	PHP*	-24	-3	4	4	5		86%	80%	80%	66%	50%	
Onshore	INR*	-130	-111	-106	-107	-91		32%	19%	13%	8%	24%	
	KRW	34	54	51	54	79	90	1%	4%	6%	3%	16%	35%
	SGD	32	32	0	34	50	76	70%	85%		32%	30%	48%
	THB	26	15	13	13	3	27	84%	44%	24%	7%	0.5%	1%
	MYR	17	22	30	33	57		12%	7%	9%	4%	6%	25%
DM	EUR	8	14	14	21	29	46	76%	98%	98%	99%	98%	99%
	AUD	5.8	3.5	3.2	7.6	0.6	28.2	78%	85%	83%	86%	86%	87%
	JPY	27	33	33	45	58	86	27%	11%	6%	7%	17%	57%

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 22: Asset Swap (ASW) all-in rates in USD

ASW all-in rates in USD (%)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	3.51	3.22	3.14	3.32	3.79		68%	66%	66%	67%	75%	
	INR*	2.31	2.10	2.10	2.16	2.75		65%	58%	52%	51%	61%	
	KRW	3.90	3.79	3.69	3.72	4.24	4.67	62%	60%	55%	53%	70%	86%
	IDR*	3.41	2.95	2.79	2.79	3.41		66%	63%	63%	64%	79%	
	PHP*	3.35	3.25	3.25	3.26	3.55		71%	69%	67%	66%	74%	
Onshore	INR*	2.30	2.17	2.15	2.16	2.59		57%	50%	49%	52%	66%	
	KRW	3.94	3.83	3.72	3.76	4.28	4.73	62%	61%	56%	54%	71%	88%
	SGD	3.92	3.61		3.56	4.00	4.60	64%	65%		64%	68%	77%
	THB	3.86	3.43	3.34	3.36	3.53	4.10	64%	63%	63%	62%	60%	63%
	MYR	3.77	3.50	3.51	3.55	4.07	3.84	62%	62%	62%	62%	66%	75%
DM	EUR	3.68	3.43	3.35	3.43	3.79	4.30	64%	65%	67%	71%	81%	90%
	AUD	3.66	3.32	3.24	3.30	3.50	4.12	65%	65%	67%	72%	81%	89%
	JPY	3.86	3.62	3.54	3.68	4.07	4.69	63%	62%	62%	64%	72%	83%

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 23: Asset Swap (ASW) pick-up over UST

ASW pickup over UST (bps)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	11	31	35	27	24		64%	48%	32%	31%	22%	
	INR*	-30	-43	-39	-43	-28		38%	8%	7%	4%	6%	
	KRW	29	26	19	13	22	6	3%	2%	4%	2%	7%	27%
	IDR*	21	58	70	81	61		86%	57%	30%	8%	15%	
	PHP*	26	27	24	33	48		83%	69%	67%	51%	41%	
Onshore	INR*	-31	-35	-34	-44	-44		28%	8%	8%	5%	10%	
	KRW	33	30	22	17	26	13	2%	2%	4%	2%	7%	32%
	SGD	31	8		-3	-2	-1	62%	21%		3%	3%	9%
	THB	24	-9	16	24	50	50	70%	3%	3%	2%	0%	3%
	MYR	15	-2	1	-4	4	0	10%	2%	3%	1%	1%	1%
DM	EUR	6	10	14	16	24	31	51%	45%	58%	63%	62%	95%
	AUD	4.5	2.5	2.4	2.4	5.1	4.8	69%	41%	46%	55%	56%	62%
	JPY	25	9	5	8	5	9	25%	1%	1%	1%	1%	9%

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.



## ASW monitor for EUR-based investors

Figure 24: Asset Swap (ASW) pick-up over floating ESTR rate

ASW pickup (ESTR+bps)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	-11	-10	-10	5	23		83%	73%	67%	66%	54%	
	INR*	131	122	114	111	82		64%	33%	24%	12%	22%	
	KRW	29	47	44	45	68	78	17%	19%	19%	11%	30%	48%
	IDR*	-21	-37	-45	-48	-15		90%	78%	67%	51%	54%	
	PHP*	-26	-6	1	-1	-1		92%	90%	91%	83%	60%	
Onshore	INR*	132	114	109	112	97		59%	40%	36%	17%	38%	
	KRW	33	51	47	49	72	85	20%	22%	20%	10%	33%	62%
	SGD	30	29		29	44	71	86%	91%		82%	68%	75%
	THB	24	12	9	8	-4	22	96%	81%	69%	38%	6%	2%
	MYR	15	19		28	50		35%	32%	38%	18%	35%	
DM	AUD	4.0	0.5	-0.4	2.8	5.7	23.4	97%	92%	92%	93%	93%	92%
	JPY	25	30	29	40	51	81	96%	86%	80%	81%	81%	87%

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 25: Asset Swap (ASW) all-in rates in EUR

ASW all-in rates in EUR (%)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	1.77	1.81	1.88	2.18	2.69		74%	76%	76%	80%	84%	
	INR*	0.57	0.69	0.84	1.02	1.64		72%	69%	69%	70%	76%	
	KRW	2.17	2.38	2.42	2.58	3.14	3.53	66%	69%	71%	69%	82%	95%
	IDR*	1.67	1.54	1.52	1.65	2.31		70%	69%	66%	67%	86%	
	PHP*	1.62	1.84	1.99	2.12	2.45		78%	77%	78%	79%	85%	
Onshore	INR*	0.56	0.76	0.89	1.02	1.49		64%	62%	64%	66%	75%	
	KRW	2.21	2.42	2.45	2.62	3.18	3.60	66%	69%	71%	68%	82%	97%
	SGD	2.18	2.20		2.42	2.90	3.46	70%	72%		69%	75%	87%
	THB	2.12	2.02	2.07	2.22	2.42	2.97	71%	69%	68%	67%	64%	66%
	MYR	2.03	2.09	2.24	2.41	2.96		66%	67%	68%	66%	68%	
DM	AUD	1.92	1.91	1.97	2.16	2.40	2.98	72%	73%	74%	84%	95%	98%
	JPY	2.13	2.21	2.27	2.53	2.97	3.56	69%	69%	69%	71%	80%	93%

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 26: Asset Swap (ASW) pick-up over Bund

ASW pickup over Bund (bps)		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	17	21	21	11	0		63%	45%	26%	26%	19%	
	INR*	37	33	25	27	40		35%	8%	5%	3%	2%	
	KRW	23	36	34	29	46	37	2%	2%	3%	2%	4%	4%
	IDR*	27	48	56	64	37		83%	58%	28%	4%	12%	
	PHP*	32	17	10	17	24		83%	68%	61%	44%	34%	
Onshore	INR*	38	25	20	27	20		26%	9%	6%	4%	6%	
	KRW	27	40	37	33	50	44	1%	2%	3%	2%	4%	7%
	SGD	24	18		13	21	30	61%	31%		6%	4%	2%
	THB	18	1	-2	-8	26	19	71%	10%	5%	2%	1%	1%
	MYR	9	8	15	12	28		9%	4%	5%	3%	3%	
DM	AUD	1.8	1.5	1.1	1.0	2.2	17.8	72%	39%	32%	46%	44%	14%
	JPY	19	19	19	24	29	40	18%	0%	1%	0%	1%	1%

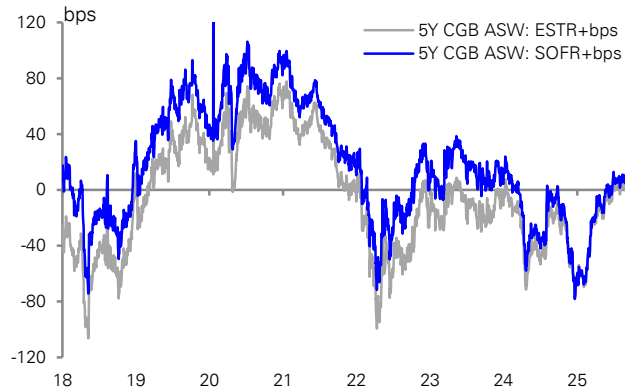
Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.





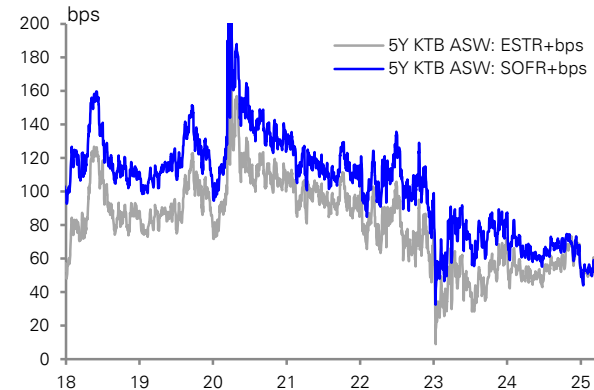
## ASW pick-up over SOFR/ESTR for 5-year Asian GBs

Figure 27: ASW pick-up: 5Y CGB



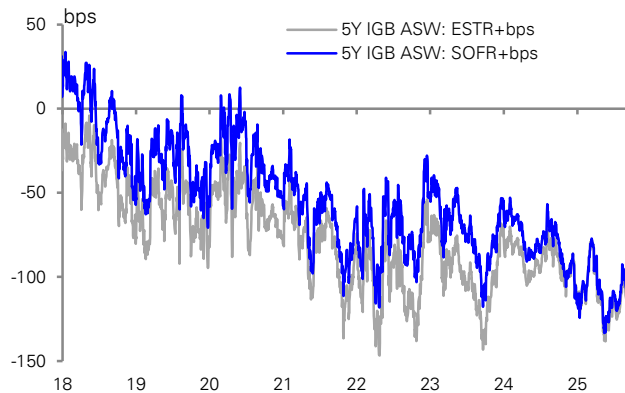
Source : Deutsche Bank, Bloomberg Finance LP

Figure 28: ASW pick-up: 5Y KTB



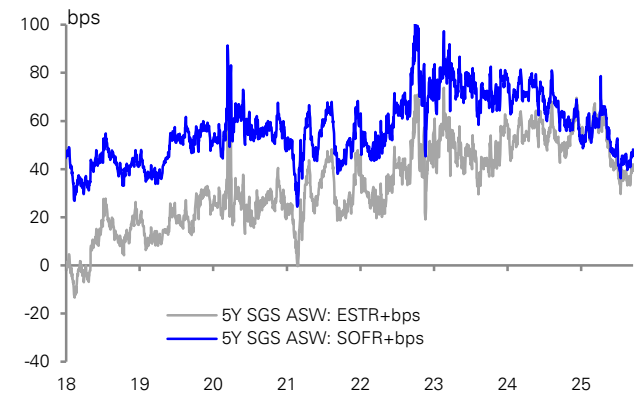
Source : Deutsche Bank, Bloomberg Finance LP

Figure 29: ASW pick-up: 5Y IGB



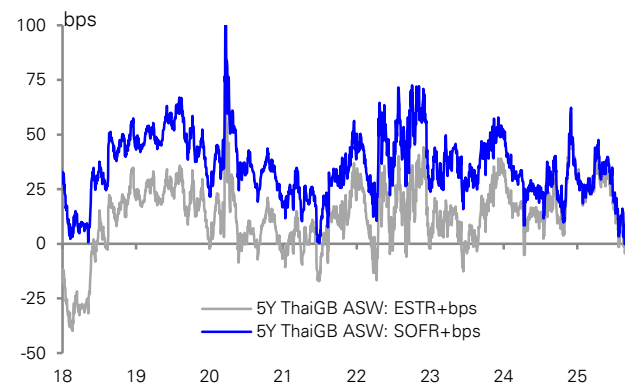
Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 15% for foreign investors in IGBs. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 30: ASW pick-up: 5Y SGS



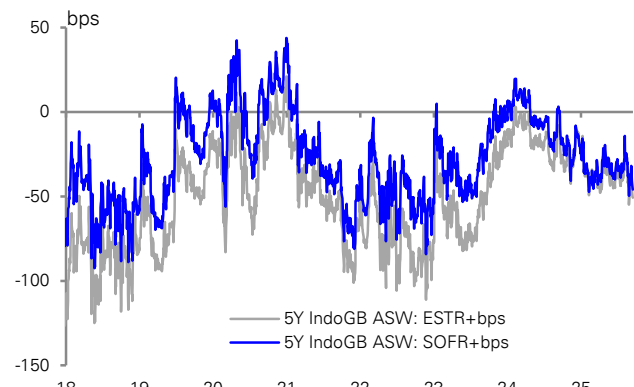
Source : Deutsche Bank, Bloomberg Finance LP

Figure 31: ASW pick-up: 5Y ThaiGB



Source : Deutsche Bank, Bloomberg Finance LP

Figure 32: ASW pick-up: 5Y IndoGB



Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.





## Intra Asia ASW monitor

Figure 33: Intra Asia Asset Swap (ASW) all-in rates

Home market	Local 5Y GB yield	5Y GB ASW all-in rates (home currency, %)													
		CNH	INR*	KRW	IDR*	PHP*	TWD	SGD	THB	MYR	EUR	AUD	JPY	USD	
CNH	1.60		0.44	2.00	1.06	1.54	1.79	1.84	1.63	1.83	1.71	1.58	1.95	1.87	
INR	6.24	6.46		6.86	5.93	6.40	6.65	6.70	6.49	6.69	6.57	6.44	6.81	6.73	
KRW	2.58	2.18	1.02		1.65	2.12	2.37	2.42	2.21	2.41	2.29	2.16	2.53	2.45	
IDR	5.61	5.58	4.42	5.98		5.52	5.77	5.82	5.61	5.81	5.69	5.56	5.93	5.85	
PHP	5.80	4.70	3.54	5.10	4.16		4.89	4.94	4.73	4.93	4.81	4.68	5.05	4.97	
TWD	1.29	1.10	-0.06	1.50	0.56	1.04		1.34	1.13	1.33	1.21	1.08	1.45	1.37	
SGD	1.48	1.24	0.08	1.64	0.71	1.18	1.43		1.28	1.47	1.35	1.22	1.60	1.52	
THB	1.21	1.18	0.02	1.58	0.65	1.12	1.37	1.42		1.41	1.29	1.16	1.53	1.45	
MYR	3.13	2.90	1.74	3.30	2.37	2.84	3.09	3.14	2.93		3.01	2.88	3.25	3.17	
EUR	2.29	2.18	1.02	2.58	1.65	2.12	2.37	2.42	2.22	2.41		2.16	2.53	2.46	
AUD	3.64	3.66	2.51	4.06	3.13	3.60	3.85	3.90	3.70	3.89	3.77		4.02	3.94	
JPY	1.15	0.80	-0.36	1.20	0.27	0.74	0.99	1.04	0.84	1.03	0.91	0.78		1.08	
USD	3.60	3.32	2.16	3.72	2.79	3.26	3.51	3.56	3.36	3.55	3.43	3.30	3.68		

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 34: Intra Asia Asset Swap (ASW) pick-up

Home market	5Y GB ASW pickup over home market 5Y GB (home currency, bps)													
	CNH	INR	KRW	IDR	PHP	TWD	SGD	THB	MYR	EUR	AUD	JPY	USD	
CNH		-116	40	-53	-6	19	24	3	23	11	-2	35	27	
INR	22		62	31	16	11	46	26	45	33	20	57	50	
KRW	40	-156		93	46	21	16	37	17	29	42	-5	13	
IDR	-3	-119	37		-9	16	21	1	20	8	-5	32	25	
PHP	-110	-226	70	-153		91	86	-107	37	99	-112	75	33	
TWD	19	-135	21	72	25		3.2	-15.6	4.1	-8	21	16	8	
SGD	24	-140	16	77	30	-3.2		-20.8	-1.1	13	26	11	3	
THB	-3	-119	37	57	-9	15.6	20.8		19.7	8	-5	32	24	
MYR	23	-139	17	76	29	-4.0	1.1	-15.7		12	25	12	4	
EUR	11	-127	29	64	17	8	13	-8	12		13	24	16	
AUD	2	-114	42	51	-4	21	26	5	25	13		37	29	
JPY	35	-151	5	88	41	16	11	32	12	24	37		-8	
USD	27	-143	13	81	33	8	-3	24	-4	16	29	8		

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 35: Percentile of Intra Asia Asset Swap (ASW) pick-up

Home market	Percentile of ASW pickup over home market 5Y GB since 2017													
	CNH	INR	KRW	IDR	PHP	TWD	SGD	THB	MYR	EUR	AUD	JPY	USD	
CNH		13%	5%	42%	64%	34%	51%	33%	26%	74%	74%	41%	69%	
INR	87%		55%	75%	96%	73%	89%	81%	67%	97%	95%	90%	96%	
KRW	95%	45%		74%	96%	63%	87%	76%	68%	98%	97%	91%	98%	
IDR	58%	25%	26%		78%	38%	66%	44%	31%	96%	95%	55%	92%	
PHP	36%	4%	4%	22%		11%	31%	17%	13%	56%	55%	22%	49%	
TWD	66%	27%	37%	62%	89%		87%	66%	51%	98%	95%	79%	96%	
SGD	49%	11%	14%	34%	69%	13%		13%	5%	94%	89%	33%	97%	
THB	67%	19%	24%	56%	83%	34%	87%		32%	98%	96%	76%	98%	
MYR	74%	33%	32%	69%	87%	49%	95%	68%		98%	97%	88%	99%	
EUR	26%	3%	2%	4%	44%	2%	6%	2%	3%		46%	0%	37%	
AUD	26%	5%	3%	5%	45%	5%	11%	4%	4%	54%		3%	45%	
JPY	59%	10%	9%	45%	78%	21%	67%	24%	12%	100%	97%		99%	
USD	31%	4%	2%	8%	51%	4%	3%	2%	1%	63%	55%	1%		

Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPGBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.



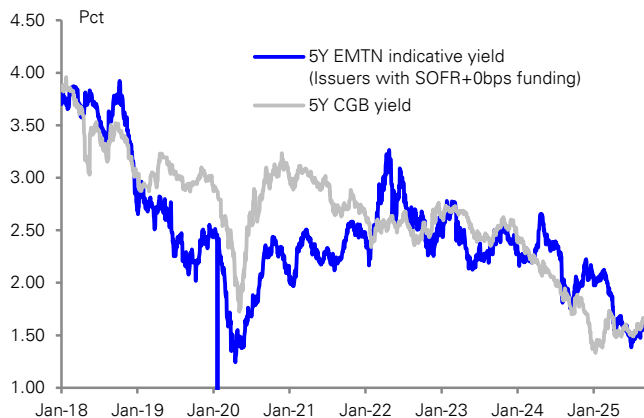
## EMTN monitor

Figure 36: Indicative EMTN yields over Local GBs (in bps) and percentiles since 2017

Indicative EMTN pickup <sup>^</sup> over Local GBs (bps)	Current values						Percentile since 2017					
	1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
CNH	9	7	7	-10	-29		30%	37%	48%	52%	66%	
INR*	29	119	11	106	75		57%	83%	87%	94%	85%	
KRW	-30	-50	-48	-50	-75	-83	98%	96%	94%	97%	83%	72%
IDR*	19	34	42	44	9		13%	29%	55%	72%	64%	
PHP*	24	3	-4	-4	-5	0	14%	20%	20%	34%	50%	
SGD	-32	-32		-34	-50	-76	30%	15%		68%	70%	52%
THB	-26	-15	-13	-13	-3	-27	16%	56%	76%	93%	100%	99%

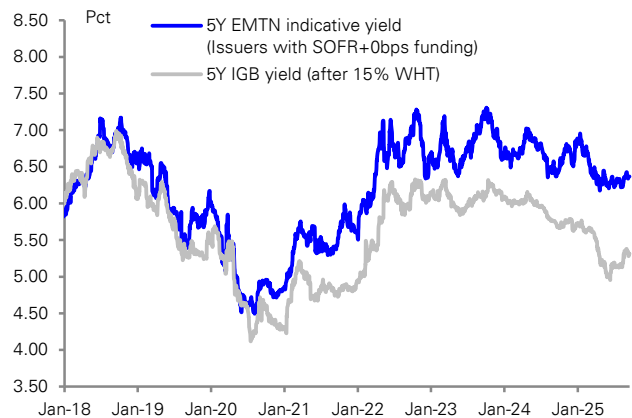
Source : Deutsche Bank, Bloomberg Finance LP; Note: \*Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs, 15% in IGBs, 20% in RPBs and 0% in other markets. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation. ^The indicative EMTN yields (and therefore pick-up) are computed based on supranationals with SOFR+0bps funding cost.

Figure 37: Indicative 5Y EMTN yield versus 5Y CGB yield



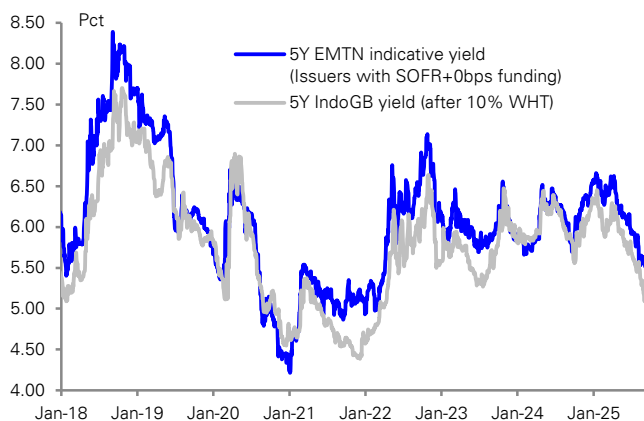
Source : Deutsche Bank, Bloomberg Finance LP

Figure 38: Indicative 5Y EMTN yield versus 5Y IGB yield



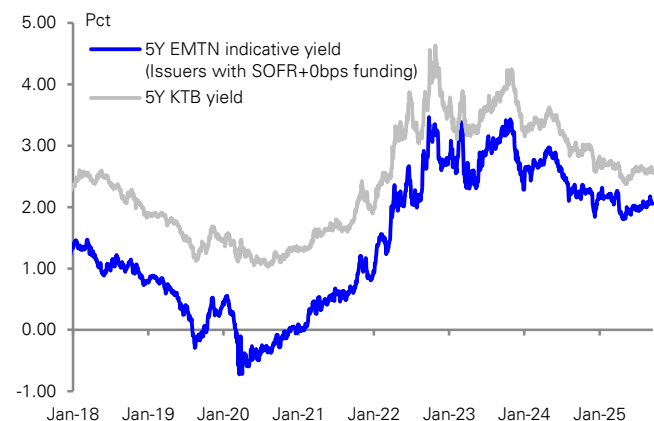
Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 15% for foreign investors in IGBs. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 39: Indicative 5Y EMTN yield versus 5Y IndoGB yield



Source : Deutsche Bank, Bloomberg Finance LP; Note: We assume withholding tax rates of 10% for foreign investors in IndoGBs. Withholding tax might vary in different regions/regimes. Please reach out to your tax advisor for confirmation.

Figure 40: Indicative 5Y EMTN yield versus 5Y KTB yield



Source : Deutsche Bank, Bloomberg Finance LP



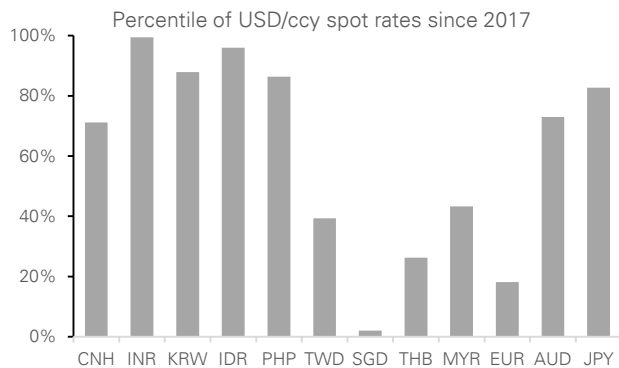
## Balance sheet hedge monitor for USD based MNCs

Figure 41: Net carry\* in B/S hedges (equals USD fixed rate in synthetic fixed-to-fixed CCS, local ccy leg fixed at 0%)

USD fixed rate v.s. local ccy rate fixed at 0%		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	2.11	1.81	1.72	1.73	2.00		68%	71%	76%	83%	94%	
	INR	-2.49	-2.84	-3.02	-3.14	-2.77		71%	67%	68%	70%	83%	
	KRW	1.63	1.38	1.25	1.14	1.42	1.86	65%	56%	57%	62%	80%	92%
	TWD	4.71	4.24	3.53	2.83	2.82		90.6%	93.5%	89.0%	87.1%	94.8%	
	IDR	-1.28	-1.72	-1.98	-2.26	-2.30		82%	82%	85%	87%	90%	
	PHP	-1.00	-1.20	-1.28	-1.37	-1.21		73%	70%	71%	72%	89%	
Onshore	INR	-2.50	-2.76	-2.97	-3.14	-2.92		61%	60%	62%	68%	83%	
	KRW	1.67	1.42	1.28	1.18	1.46	1.93	65%	58%	58%	62%	82%	92%
	TWD	2.40	2.32	2.22	2.23	2.45		46%	45%	42%	44%	67%	
	SGD	2.51	2.20	2.11	2.08	2.22	2.72	98.6%	98.0%	97.9%	98.0%	98.9%	99.1%
	THB	2.56	2.29	2.18	2.14	2.26	2.12	73%	74%	77%	91%	95%	93%
	MYR	0.91	0.55	0.45	0.42	0.65		63%	64%	64%	67%	78%	87%
DM	EUR	1.74	1.41	1.27	1.14	1.10	1.14	35%	28%	26%	17%	14%	20%
	AUD	0.24	-0.04	-0.18	-0.34	-0.71	-0.70	43%	24%	21%	23%	35%	41%
	JPY	3.16	2.74	2.60	2.52	2.47	2.02	59%	44%	41%	37%	32%	22%

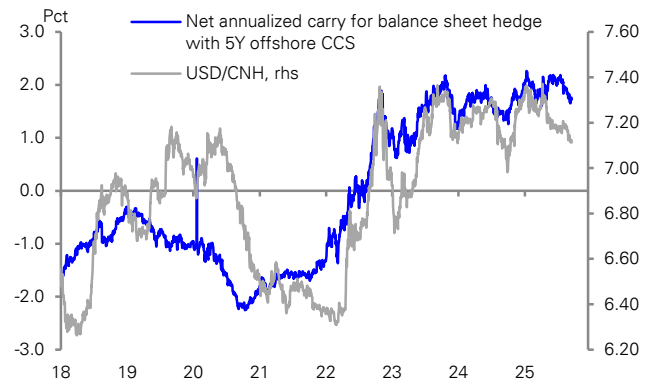
Source : Deutsche Bank, Bloomberg Finance LP; \*Positive carry implies MNCs receive a net positive cash flow from their balance sheet hedge.

Figure 42: Relative valuation of USD/CCY spot with respect to their historical trading ranges



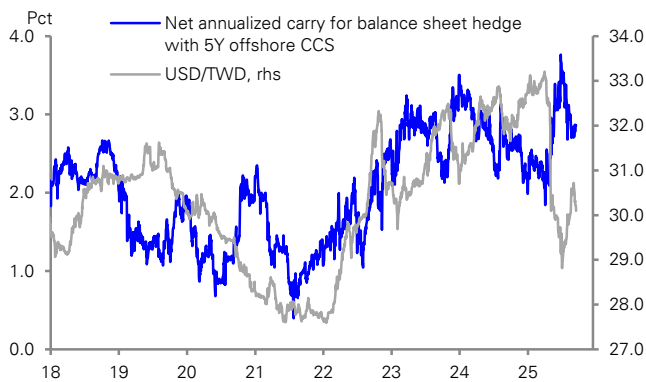
Source : Deutsche Bank, Bloomberg Finance LP

Figure 43: Net carry\* in balance sheet hedge in CNH



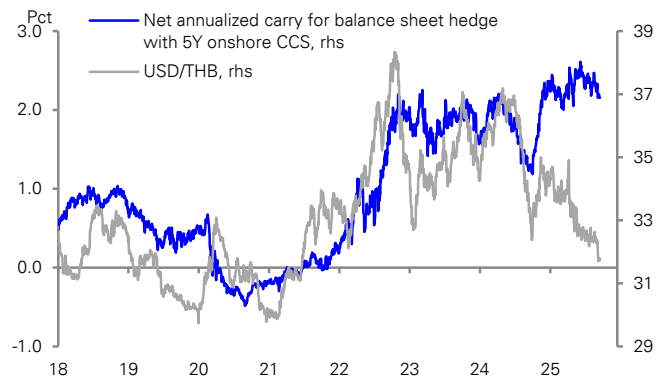
Source : Deutsche Bank, Bloomberg Finance LP  
Note: Equals to the USD fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.

Figure 44: Net carry\* in balance sheet hedge in TWD



Source : Deutsche Bank, Bloomberg Finance LP  
Note: Equals to the USD fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.

Figure 45: Net carry\* in balance sheet hedge in THB



Source : Deutsche Bank, Bloomberg Finance LP  
Note: Equals to the USD fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.



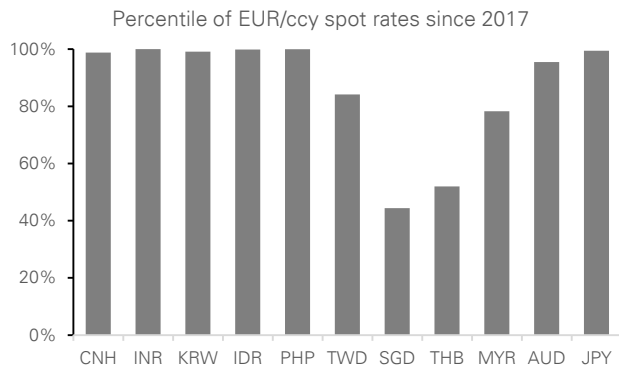
## Balance sheet hedge monitor for EUR-based MNCs

Figure 46: Net carry\* in B/S hedges (equals EUR fixed rate in synthetic fixed-to-fixed CCS, local ccy leg fixed at 0%)

EUR fixed rate v.s. local ccy rate fixed at 0%		Current values						Percentile since 2017					
		1y	2y	3y	5y	10y	20y	1y	2y	3y	5y	10y	20y
Offshore	CNH	0.39	0.42	0.49	0.63	0.96		76%	82%	88%	94%	99%	
	INR	4.20	4.22	4.25	4.23	3.80		78%	77%	77%	79%	92%	
	KRW	0.08	0.01	0.02	0.05	0.39	0.77	73%	78%	86%	90%	97%	99%
	TWD	2.99	2.85	2.30	1.73	1.79		83.8%	88.3%	87.6%	90.0%	94.6%	
	IDR	3.00	3.11	3.21	3.35	3.33		82%	84%	86%	88%	93%	
	PHP	2.72	2.59	2.51	2.47	2.24		70%	72%	77%	85%	90%	
Onshore	INR	4.21	4.15	4.20	4.24	3.96		71%	71%	72%	80%	94%	
	KRW	0.04	0.03	0.05	0.09	0.43	0.84	72%	78%	86%	90%	98%	100%
	TWD	0.68	0.94	0.99	1.13	1.41		67%	72%	72%	72%	79%	
	SGD	0.79	0.82	0.88	0.99	1.18	1.63	100%	100%	100%	100%	100%	100%
	THB	0.84	0.90	0.95	1.05	1.23	1.03	78%	82%	89%	96%	98%	95%
	MYR	0.80	0.83	0.78	0.67	0.39		71%	74%	74%	79%	86%	91%
DM	AUD	1.48	1.43	1.41	1.43	1.75	1.79	44%	47%	54%	59%	63%	55%
	JPY	1.45	1.36	1.37	1.43	1.43	0.93	64%	62%	60%	59%	57%	30%

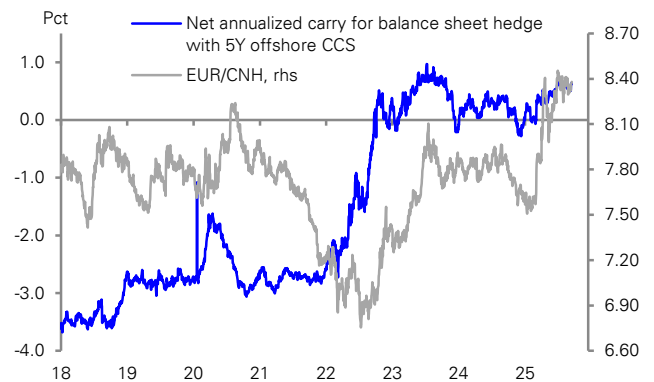
Source : Deutsche Bank, Bloomberg Finance LP; \*Positive carry implies MNCs receive a net positive cash flow from their balance sheet hedge.

Figure 47: Relative valuation of EUR/CCY spot with respect to their historical trading ranges



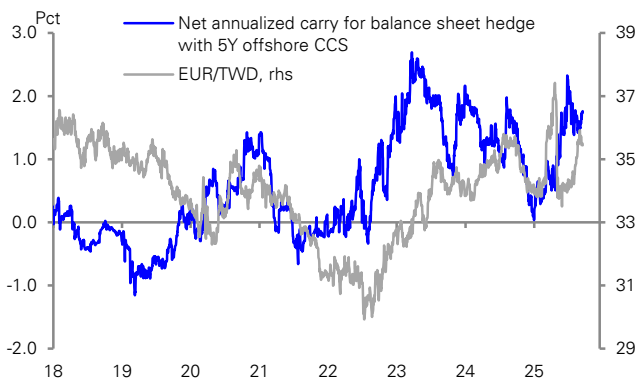
Source : Deutsche Bank, Bloomberg Finance LP

Figure 48: Net carry\* in balance sheet hedge in CNH



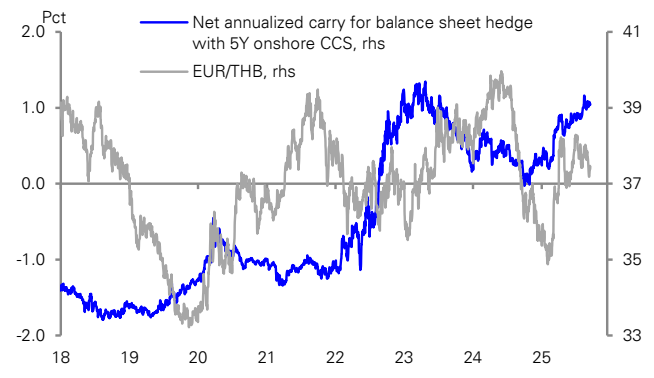
Source : Deutsche Bank, Bloomberg Finance LP  
\*Equals to the EUR fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.

Figure 49: Net carry\* in balance sheet hedge in TWD



Source : Deutsche Bank, Bloomberg Finance LP  
\*Equals to the EUR fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.

Figure 50: Net carry\* in balance sheet hedge in THB

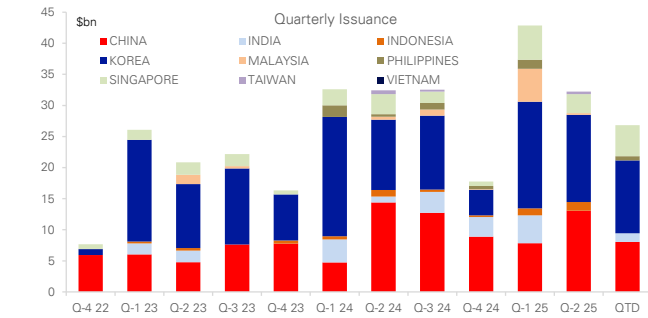


Source : Deutsche Bank, Bloomberg Finance LP  
\*Equals to the EUR fixed rate in synthetic fixed-to-fixed CCS with local currency leg fixed at 0%.



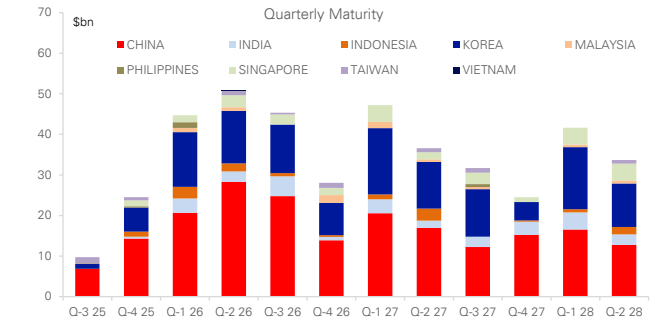
## Asia Credit issuance & maturity monitor

Figure 51: Hard currency bond issuance in Asia



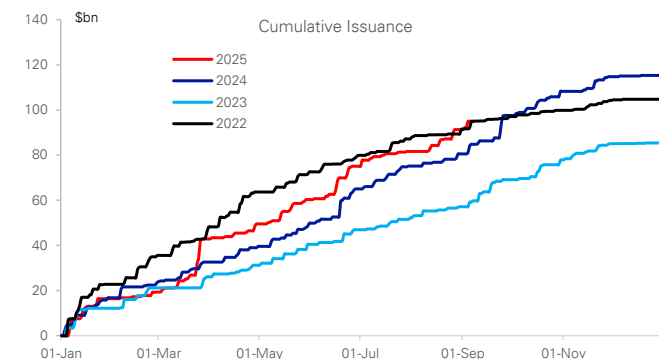
Source : Deutsche Bank, Bloomberg Finance LP, Bondradar

Figure 52: Hard currency bonds maturities in Asia



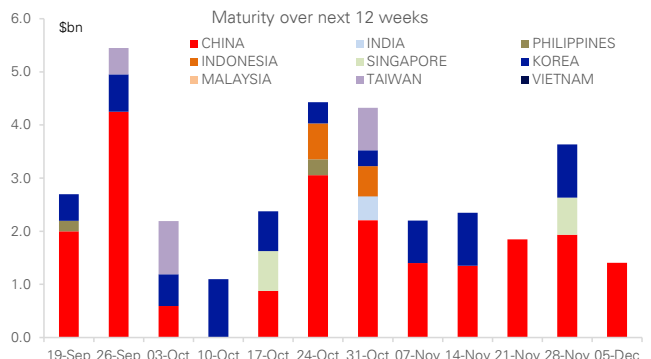
Source : Deutsche Bank, Bloomberg Finance LP, Bondradar

Figure 53: Cumulative issuance run rate versus history



Source : Deutsche Bank, Bloomberg Finance LP, Bondradar

Figure 54: Hard currency bond maturities over next 12 weeks



Source : Deutsche Bank, Bloomberg Finance LP, Bondradar

Figure 55: The largest five hard currency bond maturities in each country over next 30 days

Country	Sector	Maturity	Issue Date	Currency	USD equivalent (\$mn)	Coupon
CHINA	Banking,	21-Sep-2025	15-Sep-2015	USD	1984	4.875
CHINA	Technology, Electronics	17-Sep-2025	10-Sep-2020	USD	997	1.88
CHINA	Basic Materials, Chemicals	22-Sep-2025	14-Sep-2020	USD	597	2.00
CHINA	Industrials, Conglomerate	24-Sep-2025	17-Sep-2020	EUR	588	1.00
CHINA	Industrials, Real Estate & REITs	17-Sep-2025	10-Sep-2019	USD	500	6.15
KOREA	Financial Services	15-Oct-2025	15-Sep-2020	USD	749	1.80
KOREA	Industrials, Real Estate & REITs	06-Oct-2025	25-Sep-2023	USD	698	5.75
KOREA	Basic Materials, Oil & Gas	01-Oct-2025	22-Sep-2015	USD	598	3.25
KOREA	Agency	18-Sep-2025	11-Sep-2023	USD	499	5.375
KOREA	Agency	21-Sep-2025	14-Sep-2020	USD	400	0.75
PHILIPPINES	Industrials, Real Estate & REITs	17-Sep-2025	10-Sep-2020	USD	199	4.13
SINGAPORE	Banking	13-Oct-2025	04-Oct-2022	EUR	749	2.81
TAIWAN	Technology, IT	28-Sep-2025	23-Sep-2020	USD	999	0.75
TAIWAN	Consumer Goods & Services, Foodstuffs/Drink/Tobacco	24-Sep-2025	17-Sep-2020	USD	497	1.63

Source : Deutsche Bank, Bloomberg Finance LP, Bondradar



# Appendix 1

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