

# FIXED INCOME ISSUE REPORT

2026. 7. 2

Global Fixed Income Team

**Jiman Kim**

Analyst

Jiman8.kim@samsung.com



Scan to go to  
Research Center report database

## Global Fixed Income

### Foreign net buying increases for 2-30 year KTBs

- Foreign net buying of 2-30 year KTBs—WGBI-eligible bonds—rose from KRW7.8t/month in 1Q to KRW10.6t/month in 2Q.
- Foreign net buying honed in on 5-year KTBs: Foreign holdings rose from 26% of outstanding 5-year KTBs to 32%.
- Over the past three months, foreign net buying has consistently clustered on the final trading day of each month.

#### Following Korea's WGBI inclusion, foreign net buying increases

Foreign net buying of Korean won-denominated bonds climbed from an average of KRW9.3t/month in 1Q to KRW11.6t/month in 2Q. The rise was even more pronounced for WGBI-eligible bonds: Foreign net buying of KTBs with maturities of 2-30 years increased from KRW7.8t/month to KRW10.6t/month. Since end-April, foreign net buying has centered on 5-year KTBs, with foreign holdings of such KTBs has expanded KRW9.2t—the largest increase across all maturities—vs up KRW6.3t for 2-year KTBs, up KRW4.5t for 30-year KTBs, up KRW3.6t for 20-year KTBs, and up KRW2.5t for 3- and 10-year KTBs (each). The heavy buying of 5-year KTBs initially extended the duration of foreign-held Korean bonds from 6.49 years to 6.86 years in April, though the figure has since shortened to 6.38 years. The share of foreign holdings of 5-year KTBs rose from 26% to 32%, reaching a level comparable to that of 10-year KTBs (31% to 32%).

#### Foreign capital inflows seen following monthly fixing dates

Over the past three months, foreign buying has consistently clustered on the final trading day of each month (KRW3.6t on Mar 31, KRW2t on Apr 30, and KRW5.2t on May 29). However, buying activity was subdued over end-March to end-April, likely due to prolonged Middle East tensions pushing up global oil prices and shifting expectations surrounding Korea's monetary policy.

#### Foreign influence in KTB market to grow further

Despite Korea's inclusion in the WGBI, both interest rates and the USD/KRW rate have continued to move higher. Higher interest rates have been driven by upward revisions to growth and inflation forecasts, shifting expectations towards monetary policy and weakening demand for ultra-long-term bonds.

*(Continued on the next page)*

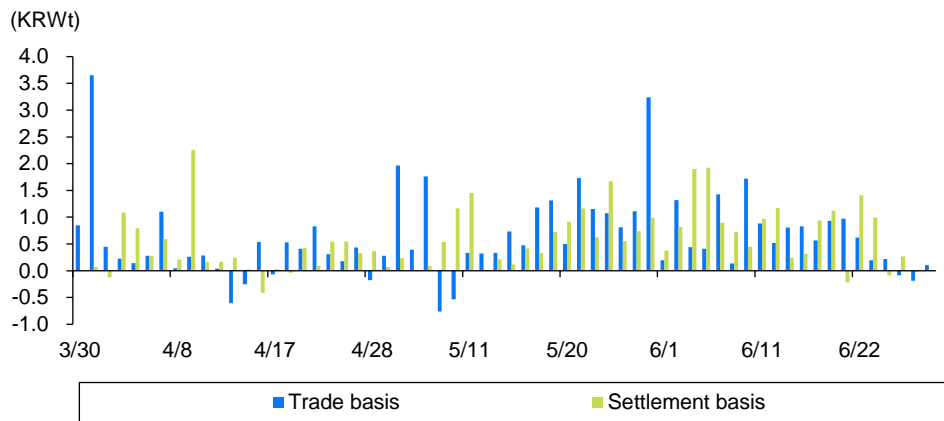
#### Compliance Note

All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities. None of the material, nor its content, nor any copy of it, may be altered in any form or by any means, transmitted, copied, or distributed to any other party, without the prior express written permission of Samsung Securities. This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee that it is accurate or complete. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from any use of this memorandum or its contents. Statements, if any, relating to affiliates of Samsung Securities are also based upon information available to the public and do not necessarily represent the views of the management of such affiliates. This report has been prepared without any undue external influence or interference, and accurately reflects the personal views of the analyst(s) on the company(ies) herein.

The won’s depreciation has been caused by outflows from the equity market—the Kospi saw net foreign outflows of KRW14.6t in 1H, though the Kosdaq recorded KRW0.6t in inflows—with the net outflows far outweighing inflows into the bond market. While interest rates and the forex rate might have risen even more without Korea’s WGBI inclusion, the impact of various external factors overshadowed inclusion effects, making it less perceptible.

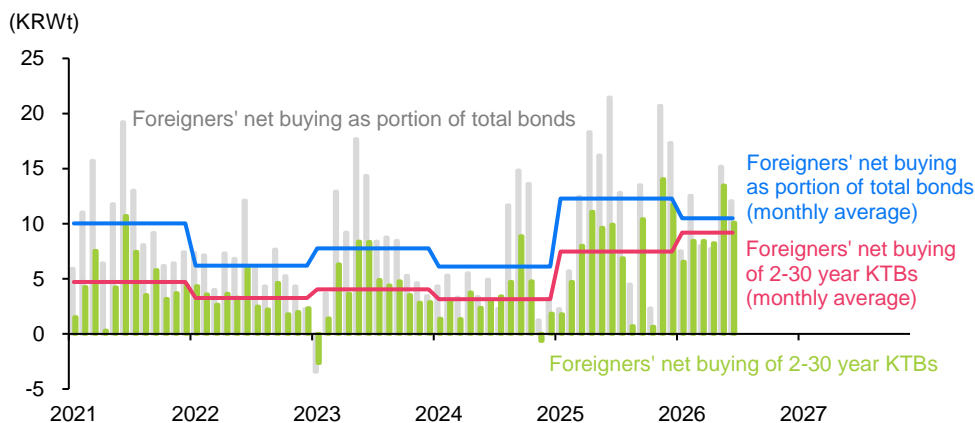
By year-end or early next year, the portion of KTBs held by foreigners is likely to rise further, potentially reaching around 30%. As foreigners’ influence in the Korean KTB market grows, phenomena previously confined to Korea’s KTB market dynamics may fade. For instance, the spread between ultra-long-term yields and 10-year yields, which had been unusually narrow in Korea, is now similar to that in global markets, and the spread has room to widen further in the future.

**Foreigners’ net buying of won-denominated bonds**



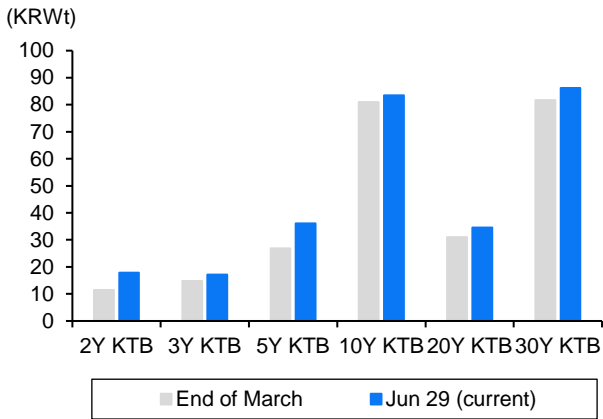
Source: Infomax, Samsung Securities

**Confirmed increase in net buying centered on WGBI-eligible KTBs (2-30 year)**



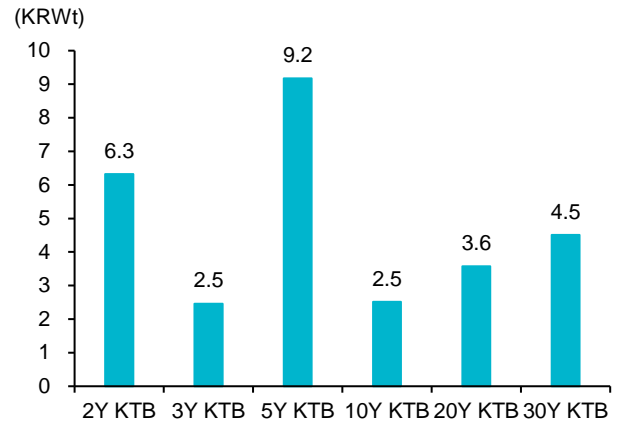
Source: Infomax, Samsung Securities

**Change in foreigners' KTB holdings (by maturity)**



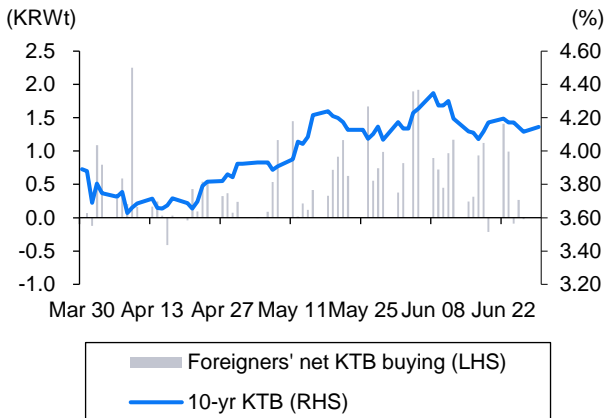
Source: Koscom, Samsung Securities

**Change in foreigners' KTB holdings over April-June**



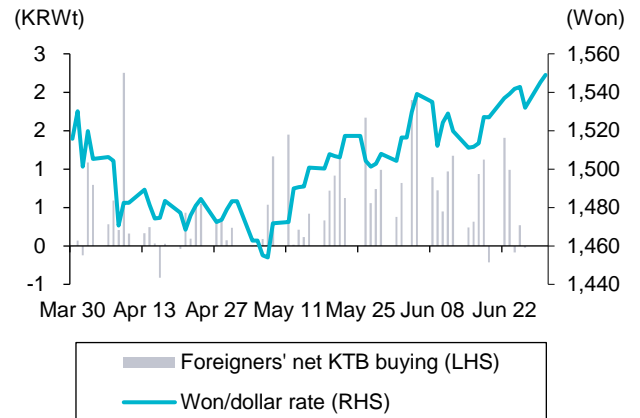
Source: Koscom, Samsung Securities

**Foreigners' net KTB buying and yield changes (KRWt)**



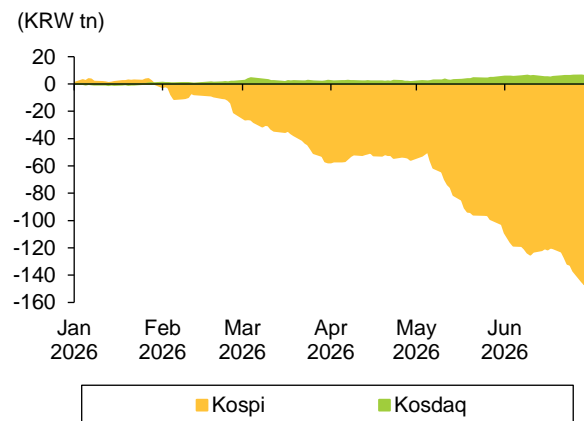
Source: Infomax, Samsung Securities

**Foreigners' net KTB buying vs won/dollar rate (Won)**



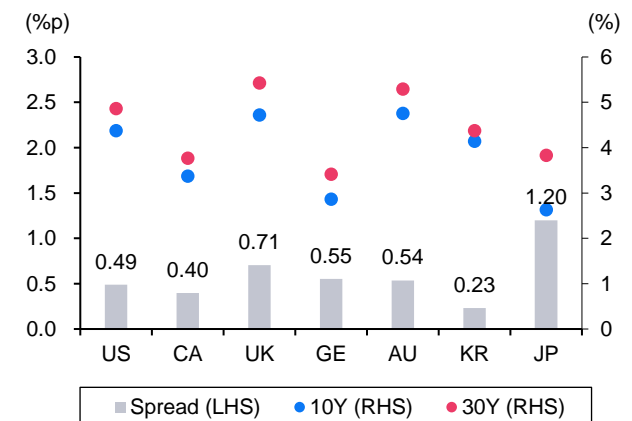
Source: Bloomberg, Samsung Securities

**Foreigners' equity trading (cumulative YTD)**



Source: Korea Exchange, Samsung Securities

**Ultra-long segment: Global 30yr-10yr spreads**



Source: Bloomberg, Samsung Securities

## Global Disclosures & Disclaimers

### General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

### For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

### For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high-net-worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

### For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

### For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

### Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

## Samsung Securities

### SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,  
Seochodaero-ro, Seocho-gu, Seoul, Korea 06620  
Tel: 02 2020 8000 / www.samsungpop.com

**Family Center:** 1588 2323

**Voice Of Customer:** 080 911 0900

---

**For more information,  
please call our sales representatives:**

#### LONDON

##### Samsung Securities Europe Limited

1st Floor, 30 Gresham Street, London EC2V 7PG UK  
Tel. 44-207-776-4311  
Fax. 44-203-837-9219

#### NEW YORK

##### Samsung Securities America Limited

1330 Avenue of the Americas, 10th Floor, New York,  
NY 10019  
Tel: 1-212-972-2454  
Fax: 1-212-972-2704

#### HONG KONG

##### Samsung Securities (Asia) Limited

Suite 4511, Two International Finance Center,  
8 Finance Street, Central, Hong Kong  
Tel: 852-3411-3608  
Fax: 852-2114-0290

#### BEIJING

##### Samsung Securities Beijing Representative Office

Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao  
Yang District, Beijing, China  
Tel: 86-10-6522-1855 (extension 7891)  
Fax: 86-10-6522-1855 (extension 7889)

#### TOKYO

##### Samsung Securities Tokyo Representative Office

#106-8532 19F, Roppongi T-Cube 3-1-1,  
Roppongi Minato-ku Tokyo, Japan  
Tel: 81-3-6333-2952  
Fax: 81-3-6333-2953

---



Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA