



Box 1: Global fixed-income index for government bonds

The Citigroup World Government Bond Index (WGBI) for domestic currency government bond issues was introduced in 1987 and is a market capitalisation weighted bond index covering the government bond markets of 22 countries. Country eligibility is determined based on bond issue size, credit quality and ease of entry. The index includes fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least US\$25 billion at any point.

A further index often quoted in connection with international bonds is the Emerging Markets Bond Index Plus (EMBI+) compiled by JPMorgan.

The main differences between the WGBI and EMBI+ are:

- WGBI includes local currency-denominated bond issues, whereas the EMBI+ includes US dollar-denominated bond issues; and
- EMBI+ includes only debt issues of emerging markets, while the WGBI includes debt issues of emerging and developed markets.