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Exclusion of 50-year Tenor Bonds from the FTSE Korean Government Bond Index

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As part of its September 2024 Fixed Income Country Classification Review, FTSE Russell **announced** that local currency, fixed-rate South Korean government bonds would be added to the FTSE World Government Bond Index (WGBI), and indices that derive their membership from it, effective with November 2025 index profiles. Inclusion will be phased in over a one-year period, on a quarterly basis in four equal tranches. FTSE Russell also announced that Korean Treasury Bonds (KTBs) with an original tenor of 50 years will not be eligible for inclusion.

In advance of this change within the FTSE WGBI, KTBs with an original tenor of 50 years will be excluded from the standalone FTSE Korean Government Bond Index, effective with December 2024 index profiles.

To support this change, FTSE Russell will introduce two new index sectors within the Global and APAC Treasury Tracker files. The FTSE Korean Government Bond Index, which will exclude KTBs with an original tenor of 50 years effective with December 2024 index profiles, will be represented as "KR_GBI" and a separate index sector comprised of KTBs with an original tenor of 50 years will be represented as "KR_TSY_50Y". These additional sectors will be added to index files effective with December 2024 index profiles. The following index-level files will be impacted by this change:

IX_DPR_GLB_TSY_YYYYMMDD.csv
IX_MPRE_GLB_TSY_YYYYMM.csv
IX_MP_GLB_TSY_YYYYMM.csv
IX_DPR_APAC_TSY_YYYYMMDD.csv
IX_MPRE_APAC_TSY_YYYYMM.csv
IX_MP_APAC_TSY_YYYYMM.csv

FTSE Russell also confirms that KTBs with an original tenor of 50-years will be excluded from the FTSE Asian Government Bond Index (AGBI) and the FTSE Asian Pacific Government Bond Index (APGBI), effective with November 2025 index profiles.

At this time, there will be no change to the existing index sector, "KR_TSY", which is used to represent the country-level sub-index for South Korea and currently includes all KTBs, in the AGBI and APGBI files. This index sector will reflect the exclusion of 50-year KTBs effective November 2025, when the index inclusion changes are implemented.

To ensure that comprehensive coverage of the overall KTB market remains available as part of the FTSE fixed income index offering, the FTSE Korean Broad Bond Index (KRBBI) will continue to include KTBs with an original tenor of 50-years, following the inclusion of South Korea in the FTSE WGBI and changes to the sector definition in the FTSE AGBI and the FTSE APGBI.

Please contact us at fi.index@lseg.com with any comments or questions.

FTSE Russell

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