PGIM

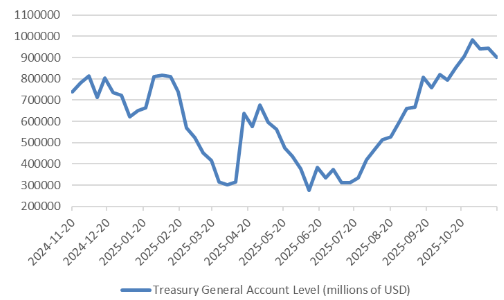
Expectations for Fed Cut Mount as Funding Concerns Linger

WEEKLY VIEW FROM THE DESK | November 24, 2025

LINK TO WEEKLY RETURNS TABLE

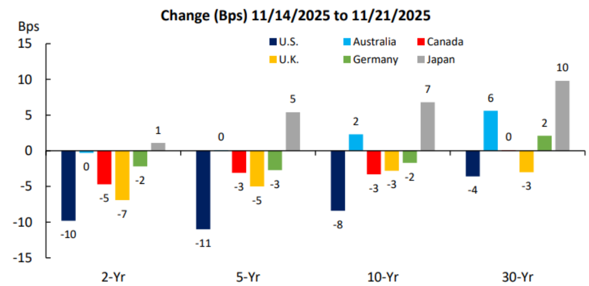
MACRO

- Market pricing for a Fed rate cut or pause in December was roughly even heading into last week's release of the September non-farm payroll report. That generally remained the case after the report showed relatively firm labor conditions in the context of a thin data calendar prior to the meeting (no release of the October CPI report), Q3 GDP growth that is tracking 2.5 pp above trend, and inflation that remains 1pp above target.
- However, late in the week, market pricing shifted towards a 25 bp cut on dovish comments from NY Fed President John Williams. These comments were followed by an article Tuesday alluding to either a "cut then hold" or a "hold until January" approach, with the suggested drawback to the latter being that economic signals may not be any clearer early in the new year. While the Fed's easing may not be in a straight line, we believe the Fed funds rate will continue heading towards neutral—i.e., 3.0-3.25%—until Chair Powell's departure in May. We continue to anticipate that U.S. monetary policy may assume a more accommodative trajectory once Powell's term concludes. Thus, our key economic risk scenario going forward remains one of overheating conditions.
- Another potential change from the Fed in 2026 could include reserve management purchases on its balance sheet via Treasury bills, which are aimed at maintaining ample reserves within the system. This technical adjustment—rather than the start of another round of QE—could start in Q2 of next year. These purchases would follow the latest strain on the U.S. funding markets that were partially driven by an unexpected increase in the Treasury general account (TGA; see the accompanying chart) amid the federal shutdown and higher-than-expected bill issuance.
- Despite the increase in the TGA, the repo market has continued to function as dealers intermediate cash at fair levels and closely-observed relationships between key rates hold up. The recent situation also points to key events when funding rates may encounter strain, such as corporate and household tax dates (quarterly and April 15, respectively), quarter-end and year-end reporting dates (i.e., reduced bank intermediation capacity, leading to higher funding rates), settlement dates (the November 15 settlement date was cited as the largest coupon payment of the year, which is then conceivably reinvested), and federal government shutdowns.



DEVELOPED MARKET RATES

- As the Fed's December decision approaches, the U.S. yield curve bull steeped last week on Williams' dovish comments. JGB rates stood out last week as the back of the curve steepened ahead of PM Takaichi's stimulus announcement. Additional fiscal stimulus likely involves adding to Japan's debt stock with increased JGB issuance.
- U.S. MBS traded weaker last week, with spreads slightly wider both for the week and month-to-date. Excess returns for November were slightly negative, indicating little movement in the sector. Mortgage origination volumes have declined meaningfully compared to the peak when rates were lower. This is attributed to a recent flush in pipelines after rates touched a recent low.



Source: St. Louis Federal Reserve, PGIM

IG CORPORATES

- U.S. IG corporate spreads were "aggressively flat," widening by 3 bps despite last week's volatility. The widening was led by Oracle (5 bps to 10 bps), Ford (10 bps), and BDCs (10 bps). Meanwhile, Berkshire's PacifiCorp was 10 bps tighter due to a settlement associated with a 2020 fire.
- Last week, issuance totaled $47B. Deals were 3.4x oversubscribed and came with concessions ranging from -7 bps to 10 bps. On the demand side, inflows into mutual funds totaled $6B last week (+$300B YTD, a record). That stated, dealers were net purchases of ~$2B in paper, likely due to heavier issuance. Currently, November's supply has exceeded $135B, setting a monthly record. In addition, issuance totals $1.5T YTD; this compares to the record of $1.8T set in 2020.
- AI and M&A funding are driving increased longer term issuance causing the 10s30s spread curve to steepen. AI funding by Tech companies is projected to rise, contributing to the overall surge in gross issuance. Over 25% of November's issuance was in the long end (up from ~11% earlier in the year). Tech bonds are now trading cheap to A-rated, 30-year securities, reversing a previous trend wherein Tech traded rich after the Tax Cuts & Jobs Act (2017). In the short term, our ratings remain cautious as investors are reluctant to add risk before YE, and heavy issuance is expected in January.
- A Note on Meta: Meta has long-term leases (16-17 years) but only includes eight years of payments on the balance sheet as these leases are cancellable. While Meta's use of off-balance sheet structures is widely known, it could be seen as an accounting tactic, motivated (at least in part) by a desire to avoid another metaverse-related write down.
- In the EUR IG market, spreads closed last week 3 bps wider (OAS+86), with the long end marginally outperforming. Secondary spreads proved relatively resilient given both the ~2% drop in Euro Stoxx amid lingering fears about AI valuations. In the primary market, issuance

totaled a little over €20B. Paper was well absorbed despite the weaker and more volatile macro backdrop. Deals continued to price with minimal concessions aided by books >3x covered, despite higher attrition at final pricing. In terms of outlook, we expect positive technicals to support the market once issuance slows. Our ratings remain cautious in the short term but could turn positive next week.

LEVERAGED FINANCE

- U.S. HY bond spreads widened modestly last week—in-line with U.S. equity markets, as mixed payrolls data and AI-bubble concerns underscored a general risk-off sentiment. BBs were flat, but outperformed Bs, which edged negative, and CCCs, which were the weakest. Among sectors, broadcasting, diversified media, and industrials were the top performers, while chemicals, retail, and consumer products were the weakest.
- Retail fund flows were net negative for a third consecutive week, as the $187M of actively managed mutual fund inflows was overshadowed by the $520M of ETF outflows. Net YTD inflows remain above $16B. Eight new issues totaling $7.2B priced, bringing YTD volumes to $308.6B ($93.3B ex-refi). Nearly half of last week's proceeds backed acquisitions or general corporate purposes.
- The U.S. loan market held firm, shrugging off the risk-off sentiment in HY and equities. Approximately 50% of the market was trading above par, underscoring the level of repricing activity. Indeed, of the $25.2B of issuance across 25 deals that priced last week, nearly 55% were repricing transactions, and another 25% supported refis. With only two weeks remaining for launching new loan deals before year-end (due to longer lead times), we expect the market to remain technically robust, especially with continued strong demand from CLOs.
- European HY bonds edged wider last week, mainly as a beta move with decompression and widening across certain sectors, such as chemicals. Loans remained stable on solid demand from CLOs, especially those with appropriately leveraged businesses. Demand was focused on primary deals and less so on those with over-leveraged businesses.

EMERGING MARKETS

- EM hard currency spreads widened last week as a stronger U.S. dollar, mixed equity markets, and uncertainty around the Fed's next move weighed on the market. Underperformers were recent outperformers: Argentina on headlines that banks were going to fund a $5B repo rather than $20B private sector loan, Ecuador on the heels of the loss of Noboa's Constituent Assembly vote, and Colombia on an underwhelming conclusion of its third tender and sizable Eurobond offering. Outperformers were geopolitical in nature: Venezuela on more speculation of a Maduro regime change and Ukraine on the Trump/Russia 28-point Peace Plan.
- EMFX saw negative performance, with LatAm underperforming. Positioning unwinds late in the week were evident in BRL, ZAR, and COP, in particular. EGP also saw de-risking. Late in the week, CEE3 currencies declined after Ukraine and European allies rejected key parts of U.S.-Russia plan. Asian low-carry currencies, such as KRW and TWD, were also among the bottom performers. The USD is now at the top of its multi-month consolidation range, threatening a breakout. While we believe the Fed will continue its cutting cycle and that the USD should be biased lower, the near-term is unclear. Thus, we have reduced our small USD underweight at the margin.
- EM local markets were broadly unchanged except for Turkey (-50 bps), Peru (-11 bps), Colombia (+24 bps), and Hungary (+7 bps). In Hungary, Orban's fiscal push ahead of next year's elections and the departure of Central Bank Deputy Governor Virag put pressure on yields. Colombia bond and swap yields came under pressure after last week's better-than-expected economic data and expectations of a larger wage hike increased the probability a hiking cycle beginning as early as December.
- EM corporate spreads widened last week. The Q3 earnings season continued with decent earnings from Vedanta, SQM, Bank Hapoalim and Banc Colombia. Braskem Idesa (Mexican subsidiary of Braskem) missed its coupon as expected but bonds bounced back after an initial sell-off. We expect fundamentals to remain mostly resilient while global geopolitical headlines remain potential risk factors.

SECURITIZED PRODUCTS

- CMBS conduit AAA spreads were marginally wider, while subordinate tranches were unchanged. SASB AAA floaters and fixed rates tightened, while subordinate tranches were flat. CRE CLO spreads tightened, with AAA new issues at +140. Five transactions priced-two SASB and one conduit, CRE CLO, and agency. The SASB pipeline remains active and the recent uptick un CRE CLO issuance continues on tightening spreads.
- In RMBS, non-QM and second-lien spreads widened across the stack on heavy new issuance and macro volatility. CRTs were range-bound as trading picked up. Last week saw heavy new issuance ahead of the Thanksgiving holiday, with 11 deals totaling $4.7B coming to market, led by non-QM's five deals totaling $2.3B.
- U.S. AAA CLO spreads were flat, but AAs and As were slightly tighter. Benchmark mezzanine spreads were mixed, as BBs widened, but middle-mezz held firm. European CLOs were mostly unchanged. In the U.S. primary market, $12.1B across 27 deals came priced, while €4.1B across 10 deals priced in Europe. The U.S. market saw 13 new issues, 10 resets, and four refi's, while Europe saw eight resets, one new issue, and one refi.
- ABS spreads were slightly wider against broader market volatility, which pressured some new issue deals—investment grade offers generally cleared in the context of initial price talk while below were a little softer on the break. We're cautious over the short-term on heavy primary supply while secondary dealer desks have been net adding securities over the last few weeks. The better tone continues in non-prime sectors as we believe that credit risk remains idiosyncratic.

MUNICIPALS

- The tax-exempt muni market is experiencing a period where supply and demand are the main drivers of performance, with alternating light and heavy issuance calendars affecting market tone. Last week, tax-exempt munis underperformed due to heavy supply, with ratios moving higher across the board. The two-year ratio is at 70% and the 30-year ratio is close to 90%, both considered historically weak. In high yield munis, underperformance is concentrated in transportation, tobacco, and corporate-backed bonds (IDR & PCR). In addition, spreads on Prepaid Gas widened due to increased issuance.
- This week's calendar is estimated to at $1B, followed by very heavy calendars in the first couple of weeks in December. Net supply expected to be flat in November and turn negative in December, supported by favorable technical. There is no change to our ratings or outlook as the period is still expected to be positive for munis, driven by supply and demand. The main focus is on supply/demand dynamics and sector-specific developments.
- On the upside, there was an uptick in activity in the taxable muni market, with new deals from Cornell University and others performing well in the primary market.

THE RETURNS TABLE AS OF NOVEMBER 21, 2025

	Duration	YTM	OAS	Yield / OAS change (bps) WTD	MTD	QTD	YTD	Prior year	Total return (%) WTD	MTD	QTD	YTD	Prior year
Sovereign rates													
U.S. 2-Year	1.85	3.51	---	-10	-7	-10	-73	-84	0.26	0.37	0.68	4.43	5.02
U.S. 5-Year	4.47	3.62	---	-11	-7	-12	-76	-68	0.59	0.61	1.05	6.98	6.99
U.S. 10-Year	8.14	4.07	---	-8	-1	-9	-51	-36	0.77	0.59	1.38	8.41	7.55
U.S. 10-Year Breakeven	--	2.25	---	-5	-7	-12	-9	-10	---	---	---	---	---
U.S. 10-Year TIPS	4.36	1.80	---	-3	4	2	-43	-28	0.42	0.09	0.62	9.21	8.20
U.S. 20-Year	12.90	4.68	---	-5	5	-3	-18	-1	0.65	-0.20	0.94	6.09	4.23
U.S. 30-Year	16.03	4.71	---	-4	6	-2	-7	11	0.63	-0.56	0.84	5.14	2.59
U.S. SOFR	---	---	---	-2	-29	-31	-56	-64	0.08	0.23	0.60	3.95	4.48
UK 10-Year	7.44	4.54	---	-3	14	-15	-2	10	0.32	-0.68	1.73	4.79	4.30
Germany 10-Year	8.40	2.70	---	-2	7	-1	34	39	0.18	-0.38	0.42	0.18	0.02
Switzerland 10-Year	9.45	0.13	---	-1	3	-5	-14	-23	0.20	-0.07	0.59	2.00	2.76
Japan 10-Year	8.34	1.77	---	7	11	13	69	68	-0.41	-0.69	-0.53	-3.71	-3.69
Australia 10-Year	7.95	4.46	---	2	17	16	10	-12	-0.05	-0.96	-0.54	3.73	6.12
Canada 10-Year	8.01	3.19	---	-3	7	1	-3	-26	0.30	-0.38	0.30	3.55	6.00
Major fixed income multi-sector indices		**YTW**											
Global Aggregate Unhedged	6.42	3.46	30	1	2	1	-4	-5	-0.28	-0.45	-0.70	7.15	6.54
Global Aggregate Hedged	6.42	3.46	30	1	2	1	-4	-5	0.21	-0.06	0.73	4.80	5.24
U.S. Aggregate	6.07	4.30	30	1	2	2	-3	-3	0.45	0.24	0.86	7.05	6.81
Euro-Aggregate (Unhedged)	6.32	2.88	48	1	1	0	-14	-16	0.04	-0.30	0.51	1.52	1.79
Japanese Aggregate	8.28	1.69	0	0	0	0	0	0	-0.57	-1.16	-0.92	-4.87	-4.70
Major fixed income credit indices		**YTW**											
Mortgage-Backed (Agency)	5.63	4.66	29	1	2	-1	-13	-12	0.41	0.30	1.16	8.00	7.77
Global IG Corporate Bonds	6.02	4.34	87	2	7	9	-2	-2	-0.02	-0.29	-0.34	9.09	8.53
U.S. IG Corporate Bonds	6.97	4.83	85	3	6	11	5	7	0.40	-0.03	0.36	7.26	6.87
European IG Corporate	4.59	3.12	86	2	9	7	-16	-20	0.08	-0.42	0.28	3.04	3.57
U.S. High Yield Bonds	3.18	6.90	301	10	20	34	14	43	0.03	-0.22	-0.06	7.16	7.15
European High Yield Bonds	3.05	5.39	304	5	13	23	-14	-18	-0.01	-0.31	-0.24	3.92	4.92
U.S. Leveraged Loans	0.3	8.05	465	4	11	14	-10	3	-0.09	0.04	0.33	5.04	5.85
European Leveraged Loans	0.3	7.34	483	3	-3	14	11	29	-0.02	0.36	0.16	3.46	4.18
EM Hard Currency Sovereigns	6.60	6.92	274	8	11	-10	-52	-56	0.10	-0.17	1.95	12.88	12.44
EM Corporates	4.45	6.37	250	10	14	16	9	10	0.07	0.05	0.61	8.00	8.04
EM Currencies	---	5.69	---	0	0	0	-3	-2	-0.79	-0.29	-0.42	10.78	9.63
EM Local Rates	5.29	5.92	6	0	0	0	0	0	0.05	0.22	0.85	7.44	7.16
CMBS	3.85	4.40	76	1	-1	1	-4	-10	0.45	0.56	1.03	7.42	7.92
ABS	2.89	4.16	56	3	2	7	12	9	0.29	0.38	0.76	5.42	6.05
CLOs	4.02	4.64	132	0	0	0	-8	-9	0.09	0.30	0.67	4.87	5.54
Municipal Bonds	6.19	3.60	---	2	2	-7	-15	3	-0.09	0.08	1.32	4.00	3.38

	Level	Total return (%) WTD	MTD	QTD	YTD	Prior year
Equity / volatility indices						
S&P 500 Index	6,603	-1.9	-3.4	-1.1	13.6	12.4
DAX	23,092	-3.3	-3.6	-3.3	16.0	20.6
Stoxx 600	562	-2.2	-1.6	0.9	14.3	15.6
Nikkei 225	48,626	-3.5	-7.2	8.2	24.1	30.4
Shanghai Composite	3,835	-3.9	-3.0	-1.1	17.3	16.8
MSCI ACWI Index	971	-2.4	-3.4	-1.2	17.4	16.2
FTSE 100	9,540	-1.6	-1.5	2.5	20.6	21.1
MOVE Index	79	-1.1	18.3	1.1	-20.2	-22.7
VIX Index	23	18.2	34.3	43.9	35.0	38.9

	Spot	Change (%) WTD	MTD	QTD	YTD	Prior year
FX / commodities						
EUR / USD	1.2	-0.9	-0.2	-1.9	11.2	9.9
USD / JPY	156.4	1.2	1.6	5.8	-0.5	1.2
GBP / USD	1.3	-0.5	-0.4	-2.6	4.7	4.1
EUR / CHF	0.9	0.9	0.3	-0.4	-1.0	0.2
USD / CHF	0.8	1.8	0.5	1.5	-10.9	-8.8
USD (DXY)	100.2	0.9	0.4	2.5	-7.7	-6.3
Oil	58.3	-3.0	-4.4	-6.5	-18.7	-17.3
Gold	4065.1	-0.5	1.6	5.3	54.9	52.3

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Source(s) of data (unless otherwise noted): PGIM as of November 2025.

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European Investment Grade Corporate Bonds: Bloomberg Barclays European Corporate Bond Index (unhedged): The Bloomberg Barclays Euro-Aggregate: Corporates bond Index is a rules-based benchmark measuring investment grade, EUR denominated, fixed rate, and corporate only. Only bonds with a maturity of 1 year and above are eligible.

U.S. High Yield Bonds: ICE BofAML U.S. High Yield Index: The ICE BofAML U.S. High Yield Index covers US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, and at least one year remaining term to final maturity as of the rebalancing date.

European High Yield Bonds: ICE BofAML European Currency High Yield Index: This data represents the ICE BofAML Euro High Yield Index value, which tracks the performance of Euro denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch). Qualifying securities must have at least one year remaining term to maturity, a fixed coupon schedule, and a minimum amount outstanding of €100 M. ICE Data Indices, LLC, used with permission. ICE DATA INDICES, LLC IS LICENSING THE ICE DATA INDICES AND RELATED DATA "AS IS," MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE ICE DATA INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND PGIM FIXED INCOME OR ANY OF ITS PRODUCTS OR SERVICES.

U.S. Senior Secured Loans: The iBoxx USD Leveraged Loan index family represents the main sections of the USD leveraged loan market. Index constituents are derived using selection criteria such as loan type, minimum size, liquidity, credit ratings, initial spreads and minimum time to maturity.

European Senior Secured Loans: The index universe of the S&P UBS Western European Leveraged Loan Index is meant to represent assets or activity in Western Europe, and includes loans denominated in EUR, GBP, or USD.

Emerging Markets U.S.D Sovereign Debt: JP Morgan Emerging Markets Bond Index Global Diversified: The Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for U.S.D-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. To be deemed an emerging market by the EMBI Global Diversified Index, a country must be rated Baa1/BBB+ or below by Moody's/S&P

rating agencies. Information has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2021, J.P. Morgan Chase & Co. All rights reserved.

Emerging Markets Local Debt (unhedged): JPMorgan Government Bond Index-Emerging Markets Global Diversified Index: The Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM Global) tracks total returns for local currency bonds issued by emerging market governments.

Emerging Markets Corporate Bonds: JP Morgan Corporate Emerging Markets Bond Index Broad Diversified: The CEMBI tracks total returns of U.S. dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries.

Emerging Markets Currencies: JP Morgan Emerging Local Markets Index Plus: The JP Morgan Emerging Local Markets Index Plus (JPM ELMI+) tracks total returns for local currency–denominated money market instruments.

Municipal Bonds: Bloomberg Barclays Municipal Bond Indices: The index covers the U.S.D-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The bonds must be fixed-rate or step ups, have a dated date after Dec. 13, 1990, and must be at least 1 year from their maturity date. Non-credit enhanced bonds (municipal debt without a guarantee) must be rated investment grade (Baa3/BBB-/BBB- or better) by the middle rating of Moody's, S&P, and Fitch.

U.S. Treasury Bonds: Bloomberg Barclays U.S. Treasury Bond Index: The Bloomberg Barclays U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Mortgage Backed Securities: Bloomberg Barclays U.S. MBS - Agency Fixed Rate Index: The Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage.

Commercial Mortgage-Backed Securities: Bloomberg Barclays CMBS: ERISA Eligible Index: The index measures the performance of investment-grade commercial mortgage-backed securities, which are classes of securities that represent interests in pools of commercial mortgages. The index includes only CMBS that are Employee Retirement Income Security Act of 1974, which will deem ERISA eligible the certificates with the first priority of principal repayment, as long as certain conditions are met, including the requirement that the certificates be rated in one of the three highest rating categories by Fitch, Inc., Moody’s Investors Services or Standard & Poor’s.

Palmer Square AAA CLO DM Index represents the discount margin of CLO AAA rated tranches in the Palmer Square CLO Senior Index, which is designed to reflect the investable universe of U.S CLO senior original rated AAA and AA debt issued after Jan 1, 2011.

Global Aggregate Bond Index is a measure of global investment grade debt from twenty four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

U.S. Aggregate Bond Index: Bloomberg Barclays U.S. Aggregate Bond Index: The Bloomberg Barclays U.S. Aggregate Index covers the U.S.D-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities and includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody’s, S&P, and Fitch.

Euro Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, euro-denominated, fixed rate bond market, including treasuries, government-related, corporate and securitized issues. Inclusion is based on currency denomination of a bond and not country of risk of the issuer.

Japanese Aggregate Bond Index The Japanese Aggregate Index contains fixed-rate investment-grade securities denominated in Japanese yen and registered as domestic bonds. The index is composed primarily of local currency sovereign debt but also includes government-related, corporate, and securitized bonds.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over U.S.D 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately U.S.D 3.4 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

The DAX Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation. The DAX has a base value of 1,000 as of December 31, 1987. As of June 18, 1999 only XETRA equity prices are used to calculate all DAX indices.

The STOXX 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region.

The Nikkei 225 Index is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949.

Shanghai Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. The index was developed on December 19, 1990.

MSCI ACWI is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1987. MXWD includes both emerging and developed world markets.

FTSE 100 is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

MOVE Index is a yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average of volatilities on the CT2, CT5, CT10, and CT30. (weighted average of 1m2y, 1m5y, 1m10y and 1m30y Treasury implied vols with weights 0.2/0.2/0.4/0.2, respectively).

VIX Index is a financial benchmark designed to be an up-to-the-minute market estimate of the expected volatility of the S&P 500® Index, and is calculated by using the midpoint of real-time S&P 500 Index (SPX) option bid/ask quotes.

Bloomberg Commodity Index Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The U.S. Dollar Index indicates the general international value of the USD. The USDX does this by averaging the exchange rates between the USD and major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

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