PGIM FIXED INCOME

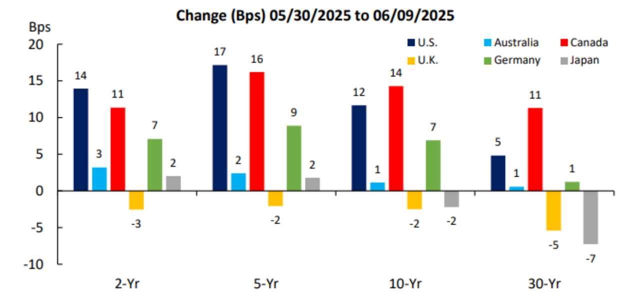
The U.S. Labor Market and the "Muddle Through" Scenario

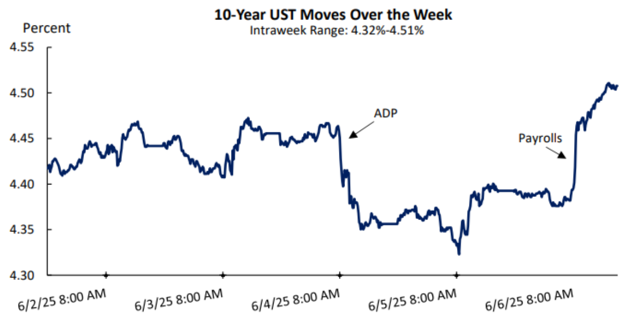
WEEKLY VIEW FROM THE DESK | June 9, 2025

LINK TO WEEKLY RETURNS TABLE

MACRO

- While the May payroll report in the U.S. did not reveal an unhealthy labor market, it showed one that is weaker than 12 months ago. Signs of this gradual weakening include less hiring across sectors, reduced participation rates, less "churn" in payroll positions, and less employee bargaining power. The broad result is that the labor market has less of a buffer to absorb new shocks.
- However, at this point, growth in aggregate labor income remains strong enough to support a healthy pace of consumption. All else being equal, the Federal Reserve can likely bide its time as the economy continues to "muddle through" a confusing environment.
- A potential muddle through outcome is another adjustment that we've recently made to our economic scenarios. We previously characterized our base case as one of "moderation" with a 55% probability, and we've modified that to "muddle through" with a 50% probability. [As we noted last week](), the muddle through scenario joins "Productivity Revival" at 10%, "Recession" at 20%, "Mild Stagflation" at 15%, and "Nominal GDP Boom" at 5% as our current economic scenarios in the U.S.





Source: PGIM Fixed Income

DEVELOPED MARKET RATES

- Given the attention on movement along DM rate curves (e.g., broad pressure on the long end of the curves), we'll look at the movement of the U.S. rates complex as an example of how this particular curve has changed this year. Starting at the front end, the U.S. 2-year yield has rallied by about 30 bps, while the 10-year yield has remained basically unchanged.
- Meanwhile, the 30-year yield has sold off by about 20 bps this year. Although the yield moves unto themselves are not significant, when combined, they reveal notable movement along the yield curve—indeed, the 2/30s curve is 50 bps steeper this year and 100 bps steeper over the last three years. The long end of the market will likely remain in focus as the U.S. budget process—and its implications for the Federal deficit—unfold over the coming weeks.
- In MBS, the recent rate selloff impacted lower coupons with spreads widening by one to three basis points, while higher coupons saw resilient demand. In terms of opportunities within the sector, floating-rate MBS issues have cheapened, creating an opportunity to increase CMO exposure with shorter durations and wider spreads. Therefore, we may look to increase our exposure to floaters as we seek to add carry with a shorter duration profile.

IG CORPORATES

- U.S. IG corporate spreads continued to grind tighter last week, despite softness in economic data releases (e.g., ISM services and beige book combined with higher steel and aluminum tariffs). Spreads were generally 3-5 bps tighter, with higher beta sectors outperforming other sectors (e.g., energy was 7-15 bps tighter as crude oil WTI was up 6%).
- In the absence of significant market moving headlines, technicals drove the market—e.g., the pace of issuance slowed, and dealer inventories were light amid continued demand for yields.
- Last week, supply totaled $23B and was well absorbed. Deals were 3.2x oversubscribed and came with no concessions. About 5% of issuance was in the long end (i.e., 11% of issuance YTD, the lowest on a percentage basis since 2011). YTD, gross supply is up 5%, but down 20% on a net basis. Looking ahead, we expect $100B-$25B of issuance in June.
- Last week, retails inflows totaled $4.9B. May was the strongest month of inflows since 2023. Trading volumes were lighter-than-average, but dealers net sold $2.4B with an additional ~$1.1B sold overseas.
- In Europe, the EuroAgg Corp Index was 4 bps tighter (OAS+96) last week, undeterred by the collapse of the Dutch government, concerns about U.S. fiscal policy, or signs of softening in U.S. economic data releases. As expected, the ECB cut rates by 25 bps last Thursday. Surprisingly, the ECB did not revise down their growth projections and estimated underlying inflation to be at (or around) 2%.
- Despite a shortened week for the primary market (due to the ECB meeting) issuance totaled €16B. We anticipate a similar amount of new issuance next week ~€15B) split evenly between financials and corporates.
- Last week's deals were ~3x oversubscribed and priced with concessions in the 0-5 bps range. Bid spreads on most new deals ended the week tighter. In addition, corporate hybrids outperformed banks (particularly, subordinated paper), and BBB-rated bonds outperformed A-rated bonds.

LEVERAGED FINANCE

- U.S. HY spreads held steady against a backdrop of softer interest rates and mixed economic data, as the strong technical environment prevailed. As we are unlikely to see the typical summer slowdown in HY this year amid elevated fiscal, trade, and geopolitical risks, we are cautiously optimistic over the short-term, targeting a beta of slightly below one.
- Primary activity surged last week, with $12.2B pricing across 14 deals. Inflows were positive for a sixth consecutive week, with $1.46B flowing into the market, bringing the six-week total to $9.6B. Among credit tiers, BB and B-rated issues posted gains, but CCCs were flat. Among sectors, energy, metals/mining, and air transportation outperformed, while cable, food & drug retail, and gaming lagged the most, albeit all on positive performance.
- Bank loans gained modestly, pushing the percentage of loans trading above par up further to a three-month high of 30.2%. Despite a slight outflow last week, flows remain positive YTD, and retail interest appears to be building, likely due to attractive yields and monthly coupons. LBO activity is up 30% y-o-y, underscoring a recovering market. Primary activity resumed, with 16 deals totaling around $11.7B coming to market.
- European HY bonds tightened with BB and B-rated issues leading the charge. New issuance resumed, with approximately €5B coming to market across seven deals. Market sentiment has improved significantly, with a positive outlook from a recent conference indicating strong inflows and a constructive view on the market.

EMERGING MARKETS

- EM sovereign spreads tightened last week and are now near the tights of the year as the asset class has benefitted from attractive yields, the broader risk-on sentiment, a weaker U.S. dollar, and stable global growth. Spreads have tightened across ratings buckets as investors diversify asset allocations. Brazil issued $2.75B of a 5- and 10-year at +174 bps and +236 bps, respectively, last week.
- While EM sentiment has improved and remains resilient, it remains sensitive to movement in U.S. Treasury yields and top-down risk drivers. High yield (especially B and below) are vulnerable given macro uncertainty and commodity-sensitivity but are highly idiosyncratic credits. Overall, we remain somewhat cautious and are closely watching U.S. fiscal and U.S. Treasury developments.
- EMFX was positive last week despite a rise in U.S. Treasury yields. While the U.S. dollar was better bid following Friday's nonfarm payrolls report, the beta to yields was subdued and much of the strength was quickly unwound. The best performers included BRL as data points to later rate cuts, ZAR on bond inflows, KRW on a favorable presidential outcome, MXN on growth stabilization hopes, and CZK on a higher-than-expected CPI print. Laggards included PLN and TWD. We continue to run relative value (high carry vs low carry) but at reduced risk levels as well as a marginal USD short.
- EM local rate yields were flat last week with wide underlying dispersion as country-specific developments continue to drive returns. Yields in South Africa and Mexico were 10-15 bps tighter, but Brazil, Colombia, Poland, and Czech were 15-20 bps higher. Doubts over fiscal sustainability in Colombia and Brazil, presidential election results in Poland, and a higher inflation print in Czech were behind the selloffs.
- EM corporate spreads were tighter amid progress in the U.S.-China negotiations and supportive U.S. payroll data. We had previously upgraded our view of the sector, acknowledging the lower left tail risk, weak dollar environment, and strong corporate fundamentals. However, we are also cognizant of the sector's strong performance over the last couple of months.

SECURITIZED PRODUCTS

- CMBS AAA conduit and subordinate spreads were marginally tighter last week, as were SASB fixed-rate profiles. Floating SASB AAAs were unchanged overall, with a few prints tighter. Of the seven deals that priced, four were SASB, one an ABS data center, one CRE CLO, and one agency. We've noted a recent uptick in CRE CLO issuance as spreads have tightened.
- In RMBS, spreads continued to compress, especially among non-QM and CRTs. Second liens were also tighter, but in light volumes as no new issues came to market. Nonetheless, the second lien market is growing, with AAAs offering value at T+155 for two to three year bonds. Primary activity picked up, with 13 transactions amounting to $4.7B last week.
- In U.S. CLOs, issuance remains robust and well absorbed as secondary technical factors create short-term noise. In last week's primary market, about $7.9B priced across 16 deals, including 10 new issues and six resets. In Europe, €5B from 13 transactions priced, including seven new issues, five resets, and one refinancing.
- ABS spreads held firm from the previous week, while ABS' spread to corporates tightened another 3 bps to 38 bps. New issuance resumed, with $10B in supply being met with enough demand that pricing levels broke at or inside of guidance. The $147B of YTD gross supply is around 7% less than the year-ago period, despite the early April pause from the Trump tariff announcement. This underscores the market's ability to absorb the late May into June surge in supply.

MUNICIPALS

- Last week, munis mostly outperformed U.S. Treasuries. M/T yields ratios on the 5-year and 10-year points were down -4.0% and -1.5% (respectively), while the 30-was up 0.1% on the week. The steepening muni curve has made longer-dated bonds more attractive. This, in turn, has made it harder to find shorter "durable yield" opportunities.
- Supply continues to drive the narrative in the muni market. Last week, issuance totaled $20B. Despite heavy supply, concessions were modest. For June, net supply is expected to remain positive as heavy supply outpaces above average reinvestment ($43B for the month). Healthcare and education continue to be the top issuing sectors amidst financial uncertainty. About $17B in issuance is expected this week.
- Spreads have widened in the prepay gas sector (10 bps in the last month), as well as in high quality names in universities, healthcare, and airport sectors.

THE RETURNS TABLE As of June 2, 2025

				Yield/ OAS Change (BPS)				Total Return (%)			
Sovereign Rates	**Duration**	**YTM**	**OAS**	**WTD**	**QTD**	**YTD**	**Prior Year**	**WTD**	**QTD**	**YTD**	**Prior Year**
U.S. 2-Year	1.88	4.04	---	14	15	-21	-69	-0.20	0.30	1.87	4.83
U.S. 5-Year	4.46	4.12	---	16	17	-26	-17	-0.64	-0.10	2.82	4.53
U.S. 10-Year	7.98	4.51	---	11	30	-6	23	-0.85	-1.49	2.46	2.29
U.S. 10-Year Breakeven	--	2.32	---	-1	-5	-2	1	---	---	---	---
U.S. 10-Year TIPS	4.28	2.18	---	12	35	-5	20	-1.11	-1.89	3.22	3.09
U.S. 20-Year	12.50	5.00	---	6	40	14	49	-0.82	-4.14	-0.14	-2.63
U.S. 30-Year	15.61	4.97	---	4	40	19	54	-0.69	-5.14	-0.96	-4.56
U.S. SOFR	---	---	---	-6	-12	-20	-104	0.08	0.81	1.91	4.90
UK 10-Year	7.69	4.64	---	0	-3	8	46	0.11	1.12	1.01	1.01
Germany 10-Year	8.41	2.57	---	7	-16	21	6	-0.59	1.88	0.79	0.79
Switzerland 10-Year	9.86	0.33		9	-22	6	-47	-0.94	2.21	0.04	5.81
Japan 10-Year	8.53	1.45	---	-4	-4	36	44	0.42	-1.82	-1.82	-1.82
Australia 10-Year	8.42	4.27	---	1	-12	-9	2	0.01	2.13	3.03	4.30
Canada 10-Year	8.08	3.34	---	14	37	11	-4	-1.07	-2.42	0.45	3.70
MAJOR FI MS INDICES											
Global Aggregate Unhedged	6.58	3.63	33	-1	-1	-2	-4	-0.08	2.49	5.20	5.85
Global Aggregate Hedged	6.58	3.63	33	-1	-1	-2	-4	-0.17	0.48	1.66	4.89
U.S. Aggregate	6.12	4.81	34	0	-1	0	-4	-0.44	-0.76	2.00	3.69
Euro-Aggregate (Unhedged)	6.46	2.80	53	-2	-2	-9	-7	-0.22	1.62	0.71	4.40
Japanese Aggregate	8.67	1.41	0	0	0	0	0	0.44	-0.34	-2.72	-3.32
MAJOR FI CREDIT INDICES											
Mortgage-Backed (Agency)	6.05	5.25	42	1	6	-1	-5	-0.52	-1.14	1.88	3.75
Global IG Corporate Bonds	5.99	4.67	91	-3	-6	2	-6	-0.07	2.01	4.90	6.34
U.S. IG Corporate Bonds	6.92	5.29	85	-3	-9	5	-3	-0.23	-0.27	2.03	4.15
European IG Corporate	4.62	3.12	96	-4	-1	-5	-13	-0.13	1.42	1.41	5.93
U.S. High Yield Bonds	3.30	7.43	300	-15	-47	13	-11	0.32	1.99	3.01	8.99
European High Yield Bonds	2.91	5.54	318	-16	-28	0	-24	0.25	1.80	2.35	8.30
U.S. Leveraged Loans	0.3	8.42	466	-6	-32	-9	-26	0.14	1.66	2.28	6.90
European Leveraged Loans	0.3	7.04	452	-6	-42	-20	-18	0.20	1.34	2.34	6.58
EM Hard Currency Sovs.	6.42	7.76	318	-16	-31	-7	-73	0.47	1.36	3.74	7.85
EM Corporates	4.26	6.94	259	-13	-7	18	-13	0.13	0.31	2.74	6.84
EM Currencies	---	5.82	---	0	-1	-2	-2	0.63	5.34	8.64	7.97
EM Local Rates	5.29	6.07	6	0	0	0	-1	0.12	2.06	3.71	7.43
CMBS	3.95	5.03	85	-2	-3	5	-10	-0.41	0.24	2.81	6.04
ABS	2.62	4.69	56	-4	-4	12	1	-0.11	0.40	1.93	5.46
CLOs	3.75	5.16	139	0	-4	-1	-7	0.11	1.16	2.26	5.98
Municipal Bonds	6.79	4.05	---	1	20	31	26	-0.09	-0.83	-1.05	0.71

		Total Return (%)			
Equity/Volatility	Level	WTD	QTD	YTD	Prior Yr
S&P 500 Index	6,000	1.5	7.2	2.6	13.6
DAX	24,304	1.3	9.7	22.1	30.3
Stoxx 600	554	0.9	5.5	11.8	9.2
Nikkei 225	37,742	-0.6	6.0	-4.5	-0.6
Shanghai Composite	3,385	1.2	1.8	1.6	14.9
MSCI ACWI Index	892	1.5	8.4	7.1	14.2
FTSE 100	8,838	0.8	3.9	10.3	10.6
MOVE Index	90	-2.7	-11.5	-9.3	-11.2
VIX Index	17	-9.7	-24.7	-3.3	33.3

		% Change			
FX/Commodities	Spot	WTD	QTD	YTD	Prior Year
EUR/USD	1.1	0.4	5.4	10.1	4.7
USD/JPY	144.9	0.6	-3.4	-7.9	-6.9
GBP/USD	1.4	0.5	4.7	8.1	5.8
EUR/CHF	0.9	0.4	-2.0	-0.3	-3.2
USD/CHF	0.8	0.0	-7.0	-9.4	-7.5
USD (DXY)	99.2	-0.1	-4.8	-8.6	-4.7
Oil	64.6	6.2	-9.7	-10.0	-14.5
Gold	3310.4	0.6	6.0	26.1	39.3

Sources: Bloomberg except EMD (J.P. Morgan), HY (ICE BofAML), Bank Loans (S&P), and CLOs (Palmer Square). European returns are unhedged in euros unless otherwise indicated. An investment cannot be made directly in an index

NOTICE: IMPORTANT INFORMATION

Source(s) of data (unless otherwise noted): PGIM Fixed Income as of June 2025.

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U.S. Investment Grade Corporate Bonds: Bloomberg Barclays U.S. Corporate Bond Index: The Bloomberg Barclays U.S. Investment Grade Corporate Bond Index covers U.S.D-denominated, investment-grade, fixed-rate or step up, taxable securities sold by industrial, utility and financial issuers. It includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. 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.

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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