U.S. CPI May Signal Building Inflation Wedge

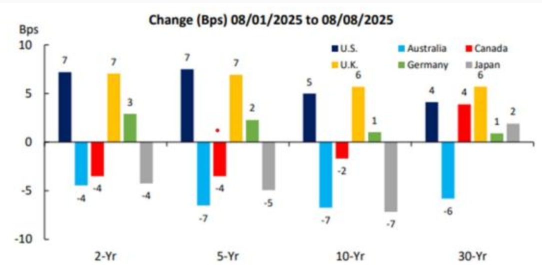
WEEKLY VIEW FROM THE DESK | August 11, 2025

LINK TO WEEKLY RETURNS TABLE

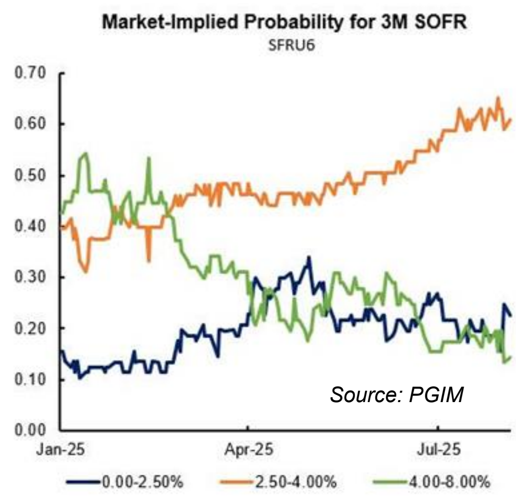
MACRO

- One of our takeaways from the crosscurrents of a weakening U.S. labor market and rising goods prices is the potential for an inflation "wedge" to develop between the U.S. (i.e., higher on tariff-related effects) and the rest of the world (i.e., easing on tariffs' disinflationary effects), which could also mean greater policy rate differentials going forward.
- Although there is a scenario where—all else being equal with no additional tariffs—the inflation effects should eventually fade, this tariff imposition is different than the 2017-2018 tariff episode. Indeed, the inflation effects on the latest imposed tariffs could be far broader and more gradual—similar to multiple drips rather than a sharp spike—given the breadth of categories included and companies' strategy to boost inventories beforehand.
- Therefore, inflation may continue to rise in the coming months just as the Fed resumes its policy easing cycle in September and likely through year end. While the policy easing amidst rising inflation may prompt some surprise as it occurs, the presumptive increase will likely be temporary, hence potentially justifying additional rate cuts in 2026.
- While the Bank of England cut its policy rate last week, it maintained a hawkish tone as inflation in the UK also appears elevated with an expected peak at about 4% on lingering services and food price inflation. We attribute the stickiness in UK inflation to past policy credibility issues, a wage-price spiral, and food price inflation. However, once inflation peaks, we expect the BoE to implement 25 bps rate cuts in November and December. For reference, we expect the ECB to hold rates at 2% through the remainder of the year.

DEVELOPED MARKET RATES



- As for the Fed, we anticipate a total of four 25 bps rate cuts that would bring the Fed funds rate to ~3.50%. However, following the July payroll report, the market is pricing in a more aggressive easing. The accompanying chart shows a probability of about 60% for a Fed funds range between 2.50-4.0% and a recent bump to a 20% probability for a Fed funds rate between 0 and 2.50%.
- In terms of **market determined U.S. rates**, we see the potential for front-end forward rates to decline by 50-100 bps, with the 10-year nominal yield potential declining by half of that to a range of 3.75-4.0%. If economic conditions continue to deteriorate, the potential 10-year range could decline by another ~30 bps.
- MBS spreads remained steady last week as higher coupons outperformed as rates sold off. Overseas investors remain buyer of production coupons, while convexity buyers added duration as the U.S. 10-year yield moved towards 4.20%. Mortgage REITs continued to add par coupons.



IG CORPORATES

- In the U.S., the IG market tightened by 2 bps and the CDX was unchanged, despite a disappointing U.S. ISM Services report - which did little to dispel growing fears about stagflation. Meanwhile, the VIX closed with a 15 handle, and crude oil was slightly lower as the U.S. and Russia work towards a plan to freeze the war in Ukraine. In terms of sectors, utilities and energy were slightly softer due to increased supply.
- **Fundamentals & Technicals:** earnings continue to be strong, with an estimated 12% EPS growth and 6.3% revenue growth for Q2. In terms of technical, demand remains strong with inflows totaling $12B, the fifth largest calendar on record.
- Last week's issuance was heavy, totaling $42B. Deals were 4.4x oversubscribed and came with a 1.3 bp concession (on average). Notably, 20% of supply was in the long end, in utilities and energy space.
- **Extension Trades**: Despite the spread curve being relatively flat, the U.S. Treasury curve is very steep, making all-in yield levels on 30-year corporates attractive to insurers. Dealers added $1.5B of paper, mostly in 10-year maturities, but were sellers of long-end bonds.
- In Europe, **EUR IG spreads** rebounded from the widening that resulted from U.S. non-farm payroll. The primary market has entered its summer slowdown with just €4B of issuance expected this week, including a handful of banks taking advantage of favorable primary dynamics. Books remain comfortably oversubscribed and deals continue to price with de-minimis concessions.

LEVERAGED FINANCE

- U.S. HY bond spreads tightened, recouping a decent portion of the post-payroll widening seen the prior week. Last week saw better-than-expected corporate earnings, steady new issuance, and renewed inflows, leading to an overall better tone. Secondary volumes remained light as accounts focused on the primary market. All credit tiers saw positive returns, with lower quality (CCCs) slightly outperforming. By industry, paper, home building & materials, and super retail performed the best.

- U.S. high yield bond funds reported inflows of $1.65B ($1.0B of which went to ETFs). This was the largest weekly inflow since late June. YTD, inflows into high yield funds now total $13.1B. Primary activity remained robust, with 15 issues pricing for $12.3B, which brings YTD gross issuance to $195.4B and net issuance to $51.2B.
- U.S. bank loans rose, with BBs leading the way. Inflows into loan funds continued, with last week's $470M bringing total YTD inflows to $6.3B. Heavy primary activity continued, with 36 deals printing for $43B. Heavy repricing activity has weighed slightly on bid levels, as 40% of the market is currently bid at or above par (down from 60%) as approximately 28% of the market has repriced so far this year.
- European HY bonds tightened (with Bs outperforming) as high yield bond funds saw their 15th consecutive weekly inflow. The primary market's summer lull has commenced. Our short-term outlook remains positive with an up-in-quality bias. European bank loans were relatively flat last week. With a sparse primary pipeline and CLOs still printing, technicals in the European loan market are expected to remain strong over the near term.

EMERGING MARKETS

- EM hard currency spreads tightened last week, regaining cycle tights following the prior week's widening. While both the IG and HY sectors saw positive returns, the largest moves were geopolitically driven. Ukraine was better on news of a Trump/Putin summit and Lebanon rallied significantly on normalization initiatives. Pemex retraced some of its large moves of the prior week as a longer-term plan for its debt issues was underwhelming.
- EMFX reversed nearly all its losses from the prior week. LatAm outperformed, followed by Europe and Asia. Concerns that higher-than-expected tariffs were sidelined as the next Fed rate move came into sharp focus following the U.S. payrolls report, with expectations of a September rate cut growing. Top performers included BRL, COP, ZAR, and MXN. Bottom performers included INR, TWD, SGD, and CNH. Another notable was CLP which rose but less than its LatAm peers after the central bank announced an FX reserve purchase program. CEE3 FX was also quite strong on optimism over a potential ceasefire in Ukraine.
- In EM local rates, the index yield declined to the YTD low as a weaker USD and lower oil prices boosted sentiment. The high yielders Colombia, Brazil, Indonesia, Hungary, and Turkey were the largest movers. The Czech National Bank kept the policy rate unchanged at 3.50% but the tone was hawkish. Conversely, Banxico downshifted its cutting cycle by 25 bps but the communication was quite dovish. The current macroeconomic setup of a weaker USD, lower oil prices, growing expectations of rate cuts, and disinflation in EM is quite favorable for EM rates.
- EM corporate spreads tightened last week, with HY outperforming. The Ukraine complex outperformed while India corporates lagged slightly on the announced 50% tariffs but ended the week tighter. Tullow bonds were lower on weaker earnings. Braskem was lower on weaker-than-expected earnings but bounced on Friday on news of a potential sale of its U.S. assets. The Nwdevl complex bounced on reports that Blackstone is considering an investment.

SECURITIZED PRODUCTS

- CMBS conduit AAA spreads were 3-5 bps tighter as the primary-secondary basis collapsed. Subordinate tranches were directionally tighter with single-A's in the +200 area, BBB flat in the mid +300's. In SASB, floating AAA spreads were little changed at +135 in primary, wider for lower tier issuers. Fixed rate profiles continue to trade well with benchmark office names in the +100 context to Treasuries. Subordinate tranches were tighter on the week.
- In RMBS, non-QM spreads tightened by about 10 basis points to T+135, driven by increased buying. Closed-end seconds remain at T+145. Elevated issuance in CLO, RMBS, and CMBS has not widened spreads; instead, spreads are moving toward year-to-date tights.
- CLO spreads for benchmark issuers are ~3M SOFR+126/160/180/270/485 for AAA/AA/A/BBB/BB, respectively. Benchmark AAA spreads are moving to the 3M SOFR+125 area. We expect some near-term resistance at the 3M SOFR+125 level. We continue to see strong demand for mezzanine tranches, particularly in AA/BBBs. Spreads for Euro benchmark issuers are ~3M SOFR+126/160/180/270/485 for AAA/AA/A/BBB/BB, respectively. Benchmark AAA spreads are moving to the 3M SOFR+125 area. We expect some near-term resistance at the 3M SOFR+125 level. We continue to see strong demand for mezzanine tranches, particularly in AA/BBBs.
- ABS spreads were range bound last week. ABS vs. corporates were unchanged at 37bps (ICE BofA index +89 vs. 1-5 IG corps +52. European auto AAA and A spreads are Euribor+50 and +125 bps, respectively.

MUNICIPALS

- Tax-exempt munis performed well last week, digesting ~ $20B of supply. M/T yield ratios on the 5-year, 10-year and 30-year ended the week at 63%, 75%, and 94% (respectively). We note that the front end of the muni curve has richened, with strong SMA interest pushing yields lower. In addition, the YTD return for the Bloomberg Muni index return turned positive last week after a rough start to the year.
- Inflows last week totaled $1.7B, bringing the YTD total to +$21B ($14B into ETFs, and into $7B open-end funds. In addition, reinvestment cash this month is expected to be a record for the month of August ($50B).
- This week's calendar is ~$11B. Despite the elevated issuance, we believe crossover long-end buying, attractive valuations/ ratios, positive fund flows, and healthy August reinvestment, put the muni market on solid footing.
- Taxable Issuance: Aside from a $500M, 5-year issuance from Stanford University expected last week, taxable supply remains very light providing a strong technical backdrop for the asset class. Spreads are somewhat tight but offer some value vs. IG corps.

THE RETURNS TABLE As of August 8, 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	3.76	---	8	4	-48	-28	-0.07	0.29	2.99	3.99
U.S. 5-Year	4.48	3.83	---	7	3	-55	0	-0.26	0.21	4.86	3.73
U.S. 10-Year	8.08	4.28	---	7	5	-29	29	-0.37	0.12	5.16	1.86
U.S. 10-Year Breakeven	--	2.40	---	6	11	6	26	---	---	---	---
U.S. 10-Year TIPS	4.50	1.89	---	0	-4	-34	3	0.13	1.02	6.87	4.83
U.S. 20-Year	12.41	4.83	---	4	6	-3	46	-0.49	-0.06	2.70	-2.43
U.S. 30-Year	15.81	4.85	---	3	7	7	57	-0.60	-0.59	1.55	-5.20
U.S. SOFR	---	---	---	1	-10	-14	-99	0.08	0.47	2.68	4.72
UK 10-Year	7.53	4.60	---	7	11	4	62	-0.47	-0.37	2.13	2.13
Germany 10-Year	8.68	2.69	---	1	8	32	42	-0.05	0.03	0.03	0.03
Switzerland 10-Year	9.73	0.24	---	-9	-17	-3	-17	0.69	1.48	0.81	1.97
Japan 10-Year	8.58	1.49	---	-7	6	40	64	0.60	-0.35	-0.35	-0.35
Australia 10-Year	8.39	4.25	---	-7	8	-12	18	0.65	-0.27	3.96	3.10
Canada 10-Year	8.27	3.38	---	0	11	16	21	0.06	-0.55	3.23	3.23
MAJOR FI MS INDICES											
Global Aggregate Unhedged	6.52	3.50	30	-1	-2	-5	-11	0.39	-0.39	6.86	4.62
Global Aggregate Hedged	6.52	3.50	30	-1	-2	-5	-11	0.03	0.33	3.14	4.01
U.S. Aggregate	6.11	4.53	31	-1	-2	-3	-10	-0.18	0.37	4.40	3.59
Euro-Aggregate (Unhedged)	6.37	2.83	47	-1	-4	-14	-23	0.07	0.09	0.93	2.64
Japanese Aggregate	8.47	1.45	0	0	0	0	0	0.36	-0.69	-3.26	-4.51
MAJOR FI CREDIT INDICES											
Mortgage-Backed (Agency)	5.87	4.96	38	-2	0	-5	-6	-0.13	0.36	4.61	3.56
Global IG Corporate Bonds	5.98	4.42	81	-2	-7	-7	-29	0.24	0.30	7.72	7.09
U.S. IG Corporate Bonds	6.95	4.98	78	-2	-5	-2	-25	-0.12	0.61	4.81	5.02
European IG Corporate	4.53	3.03	80	-2	-11	-21	-40	0.08	0.55	2.36	4.91
U.S. High Yield Bonds	3.20	6.99	283	-17	-6	-4	-56	0.38	0.70	5.30	9.07
European High Yield Bonds	2.93	5.28	292	-9	-29	-26	-98	0.29	1.25	3.58	8.39
U.S. Leveraged Loans	0.3	8.06	455	1	-4	-20	-52	0.11	0.84	3.82	7.81
European Leveraged Loans	0.3	7.08	459	3	-4	-13	-21	0.00	0.49	2.89	6.32
EM Hard Currency Sovs.	6.54	7.35	298	-17	-24	-27	-113	0.70	2.04	7.79	10.09
EM Corporates	4.35	6.57	248	-10	-17	8	-36	0.33	1.42	5.51	7.51
EM Currencies	---	6.34	---	0	1	-2	0	1.02	-0.19	10.23	8.97
EM Local Rates	5.33	5.90	6	0	0	0	0	0.32	1.04	5.50	6.53
CMBS	3.89	4.68	79	-1	-5	-1	-23	-0.16	0.50	5.02	5.70
ABS	2.70	4.36	51	0	-6	7	-12	-0.08	0.58	3.52	5.04
CLOs	3.85	4.84	135	0	-2	-5	-16	0.11	0.59	3.31	6.06
Municipal Bonds	6.80	3.90	---	-4	-6	16	41	0.24	0.43	0.09	0.10

		Total Return (%)			
Equity/Volatility	Level	WTD	QTD	YTD	Prior Yr
S&P 500 Index	6,389	2.4	3.1	9.5	21.7
DAX	24,163	3.1	1.1	21.4	36.7
Stoxx 600	547	2.2	1.2	10.8	14.0
Nikkei 225	41,820	2.5	3.3	6.0	22.4
Shanghai Composite	3,635	2.2	6.4	10.7	30.1
MSCI ACWI Index	941	2.6	2.6	13.2	22.7
FTSE 100	9,096	0.5	4.1	14.0	15.7
MOVE Index	79	-5.5	-12.3	-19.8	-28.3
VIX Index	15	-25.7	-9.4	-12.7	-36.3

		% Change			
FX/Commodities	Spot	WTD	QTD	YTD	Prior Year
EUR/USD	1.2	0.5	-1.2	12.4	6.6
USD/JPY	147.7	0.2	2.6	-6.0	0.3
GBP/USD	1.3	1.3	-2.0	7.5	5.5
EUR/CHF	0.9	1.0	0.7	0.1	-0.6
USD/CHF	0.8	0.5	1.9	-10.9	-6.7
USD (DXY)	98.2	-1.0	1.3	-9.5	-4.9
Oil	63.9	-5.1	-1.9	-10.9	-16.2
Gold	3397.8	1.0	2.9	29.5	40.0

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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

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

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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