Daily Fixed-Income Insights

September 09, 2022 (market close)
Daily Trends in Yields, Equity Returns, FX

10-Yr US Government Yield (%)

Equity Return (%)

Cumulative MSCI Equity Return in USD (%)

10-Yr Government Yield: Cumulative Change (bps)

Strength of USD

*See Appendix for data sources
Monthly Trends in Yields, Equity Returns, FX

- **10-Yr US Government Yield (%)**
- **Equity Return (%)**
- **Cumulative MSCI Equity Return in USD (%)**
- **10-Yr Government Yield: Cumulative Change (bps)**
- **Strength of USD**

*As of September 9
**See Appendix for data sources
Government Nominal Yield Curves

*See Appendix for data sources*
Daily & Monthly US Corporate Spreads vs Equities

10-Yr BBB OAS (bps)

Equity Return (%)

10-Yr Corporate OAS: Cumulative Change (bps)

10-Yr Corporate OAS: Cumulative Change (bps)

*As of September 9
**See Appendix for data sources
Euro Corporate and Sovereign Spreads vs Equities

10-Yr BBB OAS (bps)*
- Option Adjusted Spread
- MSCI Europe

*Option Adjusted Spread in basis points to German government curve.
Equity return expressed in USD

10-Yr Corporate OAS: Cumulative Change (bps)
- BBB
- A
- AA

*As of September 9
***See Appendix for data sources

10-Yr Sovereign OAS (bps)*
- Italy
- France
- Spain
- MSCI Europe

*Option Adjusted Spread in basis points to German government curve.
Equity return expressed in USD
Spread Term Structure: BBB Corporates & Sovereigns

US BBB OAS (bps)

- **Maturity (years)**
  - 1
  - 3
  - 5
  - 7
  - 10
  - 15
  - 20
  - 30

- **US BBB OAS (bps)**
  - 09-Sep 2022
  - 31-Mar 2022
  - 30-Sep 2021

Euro BBB OAS (bps)*

- **Maturity (years)**
  - 1
  - 3
  - 5
  - 7
  - 10
  - 15
  - 20
  - 30

- **Euro BBB OAS (bps)*
  - 09-Sep 2022
  - 31-Mar 2022
  - 30-Sep 2021
  - *Spread to German government curve

Euro Sovereign OAS (bps)*

- **Maturity (years)**
  - 1
  - 3
  - 5
  - 7
  - 10
  - 15
  - 20
  - 30

- **Euro Sovereign OAS (bps)*
  - Italy
  - Spain
  - France
  - *Spread to German government curve as of September 09

Italy Sovereign OAS (bps)*

- **Maturity (years)**
  - 1
  - 3
  - 5
  - 7
  - 10
  - 15
  - 20
  - 30

- **Italy Sovereign OAS (bps)*
  - 09-Sep 2022
  - 31-Mar 2022
  - 30-Sep 2021
  - *Spread to German government curve

**See Appendix for data sources**
Trends in Government Yields and Actual Inflation

10-Yr Government Nominal Yields (%)

10-Yr Government Breakeven Inflation Yields (%)

10-Yr Government Real Yields (%)

Realized Inflation (12-Month, in %)

*UK breakeven inflation and real yields are adjusted to reflect historical differences between the Retail Price Index (RPI) and the Consumer Price Index (CPI)

**See Appendix for data sources
Spreads on Corporates & Euro / EM Sovereigns

10-Yr US Corporate OAS (bps)

10-Yr Euro Sovereign OAS (bps)*

10-Yr Euro OAS (bps)*

10-Yr Emerging Markets Sovereign OAS (bps)*

*Spread to German government curve
**See Appendix for data sources

*Spread to US Treasury curve

BBB, A, AA
US Breakeven Inflation and Real Yields

**US Government Breakeven Inflation Yield Curve (%)**

- Maturity (years)
- 09-Sep 2022
- 31-Mar 2022
- 30-Sep 2021

**US CPI vs Breakeven Inflation Yields (%)**

- Maturity (years)
- CPI ex Food/Energy
- 2-yr
- 5-yr
- 10-yr

**US Government Real Yield Curve (%)**

- Maturity (years)
- 09-Sep 2022
- 31-Mar 2022
- 30-Sep 2021

**US Real Yields (%)**

- Maturity (years)
- 2-yr
- 5-yr
- 10-yr

**See Appendix for data sources**
US Govt Yield Drilldown: Nominal, Real and BEI

10-Yr US Government Yields (%)

- US Nominal
- US BEI
- US Real

10-Yr Yields: Cumulative Change (bps)

- US Nominal
- US BEI
- US Real

*See Appendix for data sources
Long-Run Trends in Yields and Inflation

10-Yr Government Nominal Yields (%)

Realized Inflation (12-Month, in %)

10-Yr Government Breakeven Inflation Yields (%)

10-Yr Government Real Yields (%)

*UK breakeven inflation and real yields are adjusted to reflect historical differences between the Retail Price Index (RPI) and the Consumer Price Index (CPI)

**See Appendix for data sources
**Long-Run Trends in Spreads**

10-Yr US Corporate OAS (bps)

10-Yr Euro Sovereign OAS (bps)*

10-Yr Euro OAS (bps)*

10-Yr Emerging Markets Sovereign OAS (bps)*

*Spread to German government curve

**See Appendix for data sources

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*Spread to US Treasury curve
Trends in Yield and Return Volatilities

10-Yr Government Nominal Yield Volatility (bps)*

US Nominal Yield Volatility Curve (bps)*

Equity and 10-Yr US Government Return Volatility (%)*

*Realized volatility using exponential time decay with half life of 18-weeks
**See Appendix for data sources
Trends in Correlations and Yield Curve Slope

**Return Correlations: Equities & 10-Yr US Government**
- 10-Yr Nominal vs: MSCI USA, MSCI World ex USA, MSCI Emerging Markets

**Return Correlations: US Equity & 10-Yr US Real, BEI**
- MSCI USA vs: 10-Yr Government BEI, 10-Yr Government Real

**Yield Correlations: 10-Yr US Government**
- 10-Yr Nominal vs: 10-Yr BEI, 10-Yr Real

**Yield Curve Slope: 10-Yr less 3-Month (bps)**
- US, Germany, UK, Japan

*Realized correlation using exponential time decay with half life of 2-years
**See Appendix for data sources
FX Trends

**Strength of US Dollar**

- vs EUR
- vs GBP
- vs JPY
- vs CNY

**Strength of US Dollar**

- vs MXN
- vs BRL
- vs CAD
- vs KRW

**FX Forward Curve: Strength of US Dollar***

*As of September 09

**FX Volatility (%)**

**Realized volatility using exponential time decay with half life of 18-weeks

**See Appendix for data sources**
US Inflation: Annual and Monthly (CPI and PCE)

**CPI 1-Year (%)**
*As of Jul 2022: 5.9 for ex Food/Energy and 8.5 for All Items*

**PCE 1-Year (%)**
*As of Jul 2022: 4.6 for ex Food/Energy and 6.3 for All Items*

**CPI 1-Month (%)**
*As of Jul 2022: 0.3 for ex Food/Energy and -0.0 for All Items*

**PCE 1-Month (%)**
*As of Jul 2022: 0.1 for ex Food/Energy and -0.1 for All Items*

**See Appendix for data sources**
**GDP**

**US GDP (%)**

- Most recent quarterly GDP: -0.1

**Eurozone GDP (%)**

- Most recent quarterly GDP: 0.8

**China GDP (%)**

- Most recent quarterly GDP: -2.6

**Japan GDP (%)**

- Most recent quarterly GDP: 0.9

**UK GDP (%)**

- Most recent quarterly GDP: -0.1

**Germany GDP (%)**

- Most recent quarterly GDP: 0.1

**See Appendix for data sources**
Appendix
Data Sources

Yields and Spreads
MSCI zero coupon yield and spread curves

Indexes
MSCI USA Index, MSCI World ex USA Index, MSCI Europe Index, MSCI China, MSCI Emerging Market Index

Relative Strength of Currencies
MSCI

Inflation and GDP
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