Daily Fixed-Income Insights

December 06, 2023 (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

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

10-Yr US Government Yield (%)  vs Equity Return (%)

Cumulative MSCI Equity Return in USD (%)

10-Yr Government Yield: Cumulative Change (bps)

Strength of USD

*As of December 6
**See Appendix for data sources
Daily & Monthly US Corporate Spreads vs Equities

10-Yr BBB OAS (bps)

Equity Return (%)

10-Yr BBB OAS (bps)

Equity Return (%)

10-Yr Corporate OAS: Cumulative Change (bps)

10-Yr Corporate OAS: Cumulative Change (bps)

*As of December 6
**See Appendix for data sources
Euro Corporate and Sovereign Spreads vs Equities

10-Yr BBB OAS (bps)*

Equity Return (%)*

10-Yr Sovereign OAS (bps)*

Equity Return (%)*

10-Yr Corporate OAS: Cumulative Change (bps)

10-Yr Sovereign OAS: Cumulative Change (bps)

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

**As of December 6

***See Appendix for data sources
Drilldown: G4 Government Bonds and Rates
Government Nominal Yield Curves

**US Government Yield Curve (%)**

- 06-Dec 2023
- 30-Jun 2023
- 31-Dec 2022

**Germany Government Yield Curve (%)**

- 06-Dec 2023
- 30-Jun 2023
- 31-Dec 2022

**UK Government Yield Curve (%)**

- 06-Dec 2023
- 30-Jun 2023
- 31-Dec 2022

**Japan Government Yield Curve (%)**

- 06-Dec 2023
- 30-Jun 2023
- 31-Dec 2022

*See Appendix for data sources*
Government Yields: 1-Day Changes (Nominal)*

*Change from Dec 05 to Dec 06

**See Appendix for data sources.
Government Yields: 1-Week Changes (Nominal)*

*Change from Nov 29 to Dec 06

**See Appendix for data sources
Government Yields: 1-Month Changes (Nominal)*

*Change from Nov 06 to Dec 06

**See Appendix for data sources
1-Month Forward Rates on Futures and Overnight Index Swaps

USD SOFR Futures (SP) (%)

EUR ESTR OIS (SP) (%)

GBP SONIA OIS (SP) (%)

USD Fed Funds OIS (SP) (%)

*See Appendix for data sources
US Breakeven Inflation and Real Yields

**See Appendix for data sources**
US Government Yields: Nominal, Real and BEI

10-Yr US Government Yields (%)

10-Yr Yields: Cumulative Change (bps)

*See Appendix for data sources
## 4-Year Trends in Government Yields and Inflation

### 10-Yr Government Nominal Yields (%)

- **US**
- **Germany**
- **UK**
- **Japan**

### Realized Inflation (12-Month, in %)

- **US**: PCE ex Food/Energy; Eurozone: HICP ex Food/Energy/Alcohol/Tobacco
- **UK**: CPIH ex Food/Energy/Alcohol/Tobacco; Japan: CPI ex Food/Energy

### 10-Yr Government Breakeven Inflation Yields (%)

- **US**
- **Germany**
- **UK**
- **Japan**

### 10-Yr Government Real Yields (%)

- **US**
- **Germany**
- **UK**
- **Japan**

*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
Drilldown: Credit
Spread Term Structure: BBB Corporates & Sovereigns

US BBB OAS (bps)

Euro BBB OAS (bps)*

Euro Sovereign OAS (bps)*

Italy Sovereign OAS (bps)*

*Spread to German government curve

**See Appendix for data sources
4-Year Spread Trends on Corporates & Euro / EM Sovereigns

10-Yr US Corporate OAS (bps)

- BBB
- A
- AA

10-Yr Euro Sovereign OAS (bps)*

- Italy
- France
- Spain

10-Yr Euro OAS (bps)*

- BBB
- A
- AA

10-Yr Emerging Markets Sovereign OAS (bps)*

- Mexico
- Brazil
- Turkey
- Indonesia

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

*Spread to US Treasury curve
Long-Run Trends in Spreads

10-Yr US Corporate OAS (bps)
- BBB
- A
- AA

10-Yr Euro Sovereign OAS (bps)*
- Italy
- France
- Spain
*Spread to German government curve

10-Yr Euro OAS (bps)*
- BBB
- A
- AA

10-Yr Emerging Markets Sovereign OAS (bps)*
- Mexico
- Brazil
- Turkey
- Indonesia
*Spread to US Treasury curve

**See Appendix for data sources
China Government Bond Drilldown

**China Sovereign (CNY) Yield Curve (%)**

- Maturity (years): 1.75, 2.00, 2.25, 2.50, 2.75, 3.00, 3.25, 3.50
- Yields: 1.75, 2.00, 2.25, 2.50, 2.75, 3.00, 3.25, 3.50

**10-Yr China Sovereign Yield (%)**

- Yields: 2.49, 2.57, 2.64, 2.72, 2.79, 2.87, 3.00
- *As of December 6. Equity return in USD*

**Realized Inflation (%)**

- Inflation: -2.00, 0.00, 2.00, 4.00, 6.00, 8.00, 10.00

**MSCI China Equity Return (%)**

- Yields: 2.49, 2.57, 2.64, 2.72, 2.79, 2.87

**China inflation (yoy) -0.2% as of Oct 2023**

Inflation measured by All Items CPI includes food and energy prices

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***See Appendix for data sources***

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**US Treasury (USD)**

**US AA Corporate (USD)**

**China Sovereign (USD)**

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**Yield (CNY)**

**MSCI China**
Volatilities, Correlations, FX
**Trends in Yield and Return Volatilities**

1. **10-Yr Government Nominal Yield Volatility (bps)**
   - Yearly data from 2000 to 2023 for US, Germany, UK, and Japan.
   - Volatility measured in basis points (bps).

2. **US Nominal Yield Volatility Curve (bps)**
   - Maturity ranging from 1 year to 30 years.
   - Data points from 01-Dec 2023, 30-Jun 2023, and 30-Dec 2022.

3. **10-Yr US Yield Volatility (bps)**
   - Data from 2000 to 2023.
   - Volatility measured using exponential time decay with half-life of 18 weeks.

4. **Equity and 10-Yr US Government Return Volatility (%)**
   - Data from 2000 to 2023.
   - Categories: US 10-Yr Nominal, MSCI USA, MSCI World ex USA, MSCI Emerging Markets.

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

**See Appendix for data sources.**

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MSCI
Trends in Correlations and Yield Curve Slope

Return Correlations: Equities & 10-Yr US Government*

Return Correlations: US Equity & 10-Yr US Real, BEI*

Yield Correlations: 10-Yr US Government*

Yield Curve Slope: 10-Yr less 3-Month (bps)

*Realized correlation using exponential time decay with half life of 2-years

**See Appendix for data sources
FX Trends

Strength of US Dollar

FX Forward Curve: Strength of US Dollar*

FX Volatility (%)**

*As of December 06
***See Appendix for data sources

**Realized volatility using exponential time decay with half life of 18-weeks
Historical Inflation and GDP
US Inflation: Annual and Monthly (CPI and PCE)

CPI 1-Year (%)

- ex Food/Energy
- All Items

*As of Oct 2023: 4.0 for ex Food/Energy and 3.2 for All Items

CPI 1-Month (%)

- ex Food/Energy
- All Items

*As of Oct 2023: 0.2 for ex Food/Energy and 0.0 for All Items

PCE 1-Year (%)

- ex Food/Energy
- All Items

*As of Oct 2023: 3.5 for ex Food/Energy and 3.0 for All Items

PCE 1-Month (%)

- ex Food/Energy
- All Items

*As of Oct 2023: 0.2 for ex Food/Energy and 0.0 for All Items

**See Appendix for data sources**
Global Inflation: Annual

**US CPI (%)**  
-2.00 to 12.00

**Eurozone HICP (%)**  
-2.00 to 12.00

**China CPI (%)**  
-2.00 to 12.00

**Japan CPI (%)**  
-2.00 to 12.00

**UK CPIH (%)**  
-2.00 to 12.00

**Germany HICP (%)**  
-2.00 to 12.00

*Also excludes Alcohol and Tobacco*  
**See Appendix for data sources**
GDP

US GDP (%)

*Most recent quarterly GDP: 1.3

Eurozone GDP (%)

*Most recent quarterly GDP: -0.1

China GDP (%)

*Most recent quarterly GDP: 1.3

Japan GDP (%)

*Most recent quarterly GDP: -0.5

**See Appendix for data sources

UK GDP (%)

*Most recent quarterly GDP: 0.0

Germany GDP (%)

*Most recent quarterly GDP: -0.1

*Most recent quarterly GDP: 0.0
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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