Daily Fixed-Income Insights

November 10, 2023 (market close)
Daily Trends in Yields, Equity Returns, FX

10-Yr US Government Yield (%)
- Nominal Yield
- MSCI USA

Equity Return (%)

Cumulative MSCI Equity Return in USD (%)
- USA
- World ex USA
- Emerging Markets

10-Yr Government Yield: Cumulative Change (bps)
- US
- Germany
- UK
- Japan

Strength of USD
- vs EUR
- vs GBP
- vs JPY
- vs CNY

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

10-Yr US Government Yield (%)
- 10.0
- 5.0
0.0
5.0
10.0
Cumulative MSCI Equity Return in USD (%)
-10.0
-5.0
0.0
5.0
10.0
15.0

Equity Return (%)
- 10.0
- 5.0
0.0
5.0
10.0

10-Yr Government Yield: Cumulative Change (bps)
- 6.0
- 4.0
- 2.0
0.0
2.0
4.0
6.0

Strength of USD
90.0
95.0
100.0
105.0
110.0
115.0

USA
World ex USA
Emerging Markets

Nominal Yield
MSCI USA

US
Germany
UK
Japan

US
Germany
UK
Japan

vs EUR
vs GBP
vs JPY
vs CNY

*As of November 10
**See Appendix for data sources
**Daily & Monthly US Corporate Spreads vs Equities**

10-Yr BBB OAS (bps) vs Equity Return (%)

10-Yr Corporate OAS: Cumulative Change (bps)

*As of November 10
**See Appendix for data sources
Euro Corporate and Sovereign Spreads vs Equities

**10-Yr Corporate OAS: Cumulative Change (bps)**

- **BBB OAS**: Cumulative Change (bps)
- **A OAS**: Cumulative Change (bps)
- **AA OAS**: Cumulative Change (bps)

**10-Yr Sovereign OAS: Cumulative Change (bps)**

- **Italy OAS**: Cumulative Change (bps)
- **France OAS**: Cumulative Change (bps)
- **Spain OAS**: Cumulative Change (bps)

**Equity Return (%)**

- **MSCI Europe Equity Return (%)**

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

**As of November 10

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

US Government Yield Curve (%)

Germany Government Yield Curve (%)

UK Government Yield Curve (%)

Japan Government Yield Curve (%)

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

*Change from Nov 09 to Nov 10

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

*Change from Nov 03 to Nov 10

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

*Change from Oct 10 to Nov 10
**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

US Government Breakeven Inflation Yield Curve (%)

US CPI vs Breakeven Inflation Yields (%)

US Government Real Yield Curve (%)

US Real Yields (%)

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

10-Yr Government Nominal Yields (%)

Realized Inflation (12-Month, in %)

10-Yr Government Breakeven Inflation Yields (%)

10-Yr Government Real Yields (%)

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

*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 Yields and Inflation

10-Yr Government Nominal Yields (%)

Realized Inflation (12-Month, in %)

10-Yr Government Breakeven Inflation Yields (%)

10-Yr Government Real Yields (%)

*US: PCE ex Food/Energy; Eurozone: HICP ex Food/Energy/Alcohol/Tobacco
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**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)

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
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

*Spread to US Treasury curve
**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, 3.75
- Yield curve showing changes over time with different lines representing different dates:
  - 10-Nov 2023
  - 31-May 2023
  - 30-Nov 2022

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

- Yields: 2.93, 2.84, 2.75, 2.66, 2.57, 2.49

**Equity Return (%)**

- Returns: 15.00, 10.00, 5.00, 0.00, -5.00, -10.00

**Realized Inflation (%)**

- Dates: Dec 2019, Jan 2020, Jul 2020, Jan 2021, Jul 2021, Jan 2022, Jul 2022, Jan 2023, Jul 2023
- Inflation: -2.00, -5.00, 0.00, 5.00, 10.00, 15.00

***See Appendix for data sources

**China inflation (yoy) 0.0% as of Sep 2023
Inflation measured by All Items CPI includes food and energy prices**
Volatilities, Correlations, FX
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*

-0.75 -0.50 -0.25 0.00 0.25 0.50 0.75 1.00

Jan 2000 Jan '05 Jan '08 Jan '11 Jan '14 Jan '17 Jan '20 Jan '23

10-Yr Nominal vs: MSCI USA MSCI World ex USA MSCI Emerging Markets

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

-0.75 -0.50 -0.25 0.00 0.25 0.50 0.75 1.00

Jan 2000 Jan '05 Jan '08 Jan '11 Jan '14 Jan '17 Jan '20 Jan '23

MSCI USA vs: 10-Yr Government BEI 10-Yr Government Real

Yield Correlations: 10-Yr US Government*

-0.75 -0.50 -0.25 0.00 0.25 0.50 0.75 1.00

Jan 2000 Jan '05 Jan '08 Jan '11 Jan '14 Jan '17 Jan '20 Jan '23

10-Yr Nominal vs: 10-Yr BEI 10-Yr Real

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

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

-200 -100 0 100 200 300 400 500

Jan 2000 Jan '05 Jan '08 Jan '11 Jan '14 Jan '17 Jan '20 Jan '23

US Germany UK Japan
FX Trends

Strength of US Dollar

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

FX Forward Curve: Strength of US Dollar*

- vs EUR
- vs GBP
- vs JPY

Strength of US Dollar

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

FX Volatility (%)**

- USD/EUR
- USD/GBP
- USD/JPY
- USD/CNY

*As of November 10
**Realized volatility using exponential time decay with half life of 18-weeks

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

CPI 1-Year (%)

PCE 1-Year (%)

CPI 1-Month (%)

PCE 1-Month (%)

*As of Sep 2023: 4.1 for ex Food/Energy and 3.7 for All Items
*As of Sep 2023: 3.7 for ex Food/Energy and 3.4 for All Items

ex Food/Energy
All Items

*As of Sep 2023: 0.3 for ex Food/Energy and 0.4 for All Items

**See Appendix for data sources
Global Inflation: Annual

US CPI (%)

Eurozone HICP (%)

China CPI (%)

Japan CPI (%)

UK CPIH (%)

Germany HICP (%)

*Also excludes Alcohol and Tobacco

**See Appendix for data sources
### GDP

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<td><strong>Eurozone GDP (%)</strong></td>
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<td><strong>UK GDP (%)</strong></td>
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<td><strong>Germany GDP (%)</strong></td>
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**Most recent quarterly GDP:**
- US: 1.2
- Eurozone: -0.1
- China: 1.3
- Japan: 1.2
- UK: 0.0
- Germany: -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
OECD, Eurostat, UK Office of National Statistics, Cabinet Office of Japan,
National Bureau of Statistics China
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