PGIM FIXED INCOME

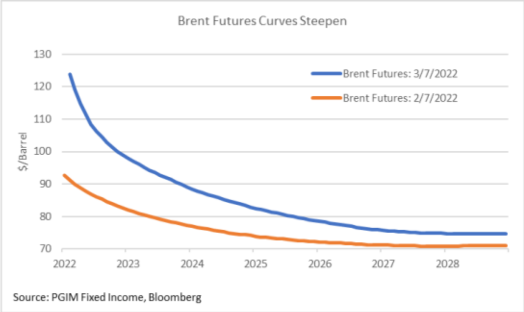
Rethinking the Post-GFC Convention

WEEKLY VIEW FROM THE DESK | March 7, 2022

QUICK LINK TO THE RETURNS TABLE

MACRO

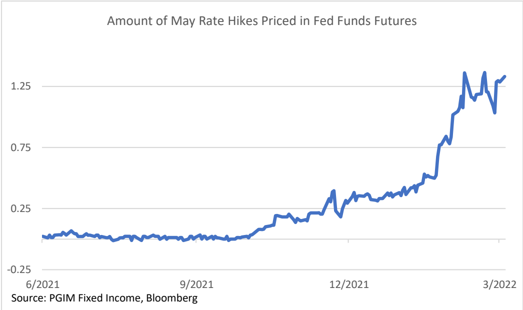
- The dual risks of geopolitical upheavals and central bank hawkishness amid accelerating inflation continue to feed onto the selloff in risky assets, although the near-term economic shock of war has, for now, taken the edge off speculation that central banks will frontload their policy tightening. Most geopolitical conflicts in post-war history have turned out to be red herring for investors, but it may be misplaced to extrapolate the past at this inflection point in history: we see a substantial rise in the likelihood of a left-tail market outcome, given the dangerous interplay between war, energy costs, and policy response. Even after the dramatic selloff, valuations remain rich by historical standards, and we think it is still too early to call the bottom.
- The persistent increase in asset valuations since 2008 has preconditioned investors to buy the dip as they have been rewarded for doing so in almost every asset class. But the dips-buying mantra is facing significant challenges on multiple fronts. In a backdrop with a rare combination of elevated inflation and asset valuations, investors might also rethink the convention that EM would outperform in a global growth recovery, military conflicts create investment opportunities, and the continued existence of a Fed/central bank "put" option.



- In terms of the monetary policy put, central bankers have repeatedly messaged that the battle against inflation supersedes other considerations, even economic growth, due to the increased cost of living for a large swath of households. It's difficult to see them being overly concerned with the wealthy minority who saw their financial assets soar during the pandemic.
- The refuting of these preconceived notions raises the specter of slowing global growth, Yet an approach of being long duration with an expectation to cut risk ahead of a downturn may be too simplistic given that recessions are notoriously difficult to predict and credit spreads exhibit numerous periods of volatility outside of recessions. This backdrop further emphasizes the importance of identifying sector rotation and alpha generating opportunities going forward.
- One of the most tangible effects of Russia's war on Ukraine is the disruption in global commodity supply. While the turmoil in energy is well-documented, the two nations together are responsible for almost 45% of global seed oil exports, and around 30% of barley and wheat. The squeeze on crude and fossil fuels is unlikely to ease over the next six months (see chart) as the market struggles to find ways to fill the gap left by Russian oil production, but we think prices could ease in the medium run as demand moderates alongside weather conditions and slowing economic growth worldwide.

RATES

- Heightened volatility continues to be realized across global sovereign rate complexes, with yields in Germany and the U.K. falling around 40 bps across the curve last week. Realized vol at the front of the U.S., U.K., and European curves has, on average, been the highest of any time since the financial crisis, and price swings will likely continue given the ongoing conflict, Thursday's U.S. CPI data, and next week's Fed meeting. Volatility has also exacerbated liquidity conditions, and the ability to transact large orders without moving the market has deteriorated to levels not seen since early 2020.



- The turmoil has also spread to some short-term dollar funding markets, with bank funding conditions, as seen in LIBOR-OIS, FRA-OIS and CP-OIS, strained even though other unsecured markets, such as cross-currency basis, normalized. We think banks are raising cash and issuing commercial paper as a precaution and were willing to pay high borrowing costs for the liquidity.
- Although the war has quashed speculation of a 50 bps hike at next week's Fed meeting, probability of a 50 bps hike in May is building (see chart) as inflation persists and the market is still pricing in six rate hikes at the next eight meetings.
- Agency MBS spreads widened last week, and we observed demand for duration in the outperformance of the 30-year sector and from convexity accounts selling coupon swaps as the rate rally continued. February prepayment data show speeds kept on falling to the lowest since Q2 2019, and while we expect prepayment speeds to continue to drop, the bulk of the decline is behind us.

IG CORPORATES

- Spreads have widened from the 80 bps area to +130 bps as of last week and are approaching the post-financial crisis average of 136 bps. Last week the intermediate portion of the curve underperformed as did the banking sector. The energy sector outperformed. For reference, U.S. IG spreads have traded inside of +125 bps about one third of the time since the financial crisis.

- Issuance of $59B required concessions of about 10 bps, and Rogers Communications was said to start price talk with a concession of 15-20 bps on an order book that was covered by less than two times. We're awaiting a $20-$25B transaction from Discovery to finance its merger with WarnerMedia. Although we believe value is being created in investment grade corporates, particularly with low default rates and the expectation that positive rating agency actions should continue, beyond further spread widening, the macro uncertainty makes it challenging to identify a catalyst for consistent tightening.
- Last week, spreads on European IG corporate bonds reached their widest levels since 2013, and Euro-denominated bonds of U.S. issuers traded at more attractive levels, after accounting for currency hedges, than their U.S. counterparts. At first sight, this makes the European IG corporate market attractive—but primarily for those who believe that tail risks, if they materialize (e.g., a disruption of all Russian energy supplies to Western Europe), will be countered by additional policy accommodation from the ECB.

HIGH YIELD

- U.S. high yield spreads widened last week and higher-quality credits outperformed, with BBs flat on the week while Bs and CCCs returned -0.16% and -0.32%, respectively. Most sectors were lower, with air transportation (-1.02%), chemicals (-1.13%), and food & drug retail (-1.19%) performing the worst. Energy was an outlier, returning +1.00% last week as WTI prices surged.
- The technical backdrop remained steady despite another weekly outflow totaling -$482M. This was the eighth consecutive weekly outflow totaling -$18.2B over that span. Meanwhile, a lack of primary activity helped to offset the technical headwinds from outflows as only four deals for $2.2B priced last week. Looking forward, we expect the new issue pipeline could increase if markets stabilize, but it is likely to remain largely market dependent. In addition, we are taking a more cautious approach to adding risk at this juncture.
- U.S. leveraged loans declined last week as broader market volatility began to impact the asset class. Nevertheless, loans continue to outperform YTD relative to other sectors. Primary market activity slowed considerably, with eight deals pricing for $6.9B in proceeds and only one new deal launching last week. Of those that priced, most flexed wider during syndication. Although technicals remain supportive, inflows moderated last week and CLO formation slowed. We tempered our view on U.S. loans as a less hawkish U.S. Fed potentially lessens the need for floating rates assets as a potential hedge against rising rates.
- Spreads on European high-yield bonds and loans widened last week, with few, if any, buyers as the outlook for both asset classes worsened. Europe's economic situation is likely to get worse before it gets better. A best-case scenario would merely see energy prices rise significantly. A worst-case scenario would see energy prices soar, have the EU looking for alternative sources/suppliers, and significantly increase defense spending.

EMERGING MARKETS

- Hard currency sovereign spreads widened last week to more than 500 bps, marking only the fourth period in the past 15 years that spreads have been this wide. Ex-Russia and ex-Ukraine, spreads ended the week at approximately 460 bps.
- For a good part of the week, trading across Russian assets was frozen as the market attempted to understand the implications of the SWIFT exclusion and sanctions. Russian assets traded around 30 cents on the dollar, though some assets are trading in the mid-teens. Some Russian corporates, where access to cash flows may be easier, however, are trading as high as the 40s. Reports emerged on Monday that Gazprom bondholders received payment in dollars on a bond due Monday.
- Away from Russia and Ukraine, EM remained differentiated with spreads on higher-quality GCC and select LatAm issuers only a few basis points wider. Though wider, lower-rated SSA issuers outperformed, while issuers facing near-term financing needs underperformed. While we remain cautious, we are beginning to see relative value opportunities across select parts of EM.
- EM local debt witnessed one of the worst selloffs since the taper tantrum of 2013. High yielding names, such as Brazil, Mexico, Turkey, and South Africa, sold off between 25-50 bps. EMFX posted negative returns as the Russian ruble sank a record low as ratings agencies junked Russia. The Polish zloty, Czech koruna, and Hungarian forint were among the worst performing currencies as they are the favored FX hedges for ongoing escalation of the conflict.

SECURITIZED PRODUCTS

- U.S. conduit AAA CMBS spreads were another 3bp tighter last week and some secondary demand emerged at wider levels. Two conduit deals are expected in March and conduit supply should remain limited in the near term.
- U.S. CLO spreads were generally unchanged across the capital structure last week. Primary markets continue to lag the secondary market, and we expect spreads for U.S. benchmark issuers would be ~3M SOFR+137/195/255/375/700 for AAA/AA/A/BBB/BB. Total issuance was ~$2.1B for the week, compared to ~$7.5B the prior week. European AAA spreads moved into the low 3E+100s from the mid-high 3E+90s. Notably, as AAA spreads hold in, mezzanine tranches have moved ~25-50 bps wider depending on the tranche. Total issuance was ~€900M for the week, compared to ~€2.6B the prior week.
- ABS spreads were 10-15 bps wider last week as unsecured consumer second tier seniors cleared mid +100s and first tier BBB cleared in +190 bps. This week there are a handful of deals announced so far, including subprime auto, unsecured consumer, student loan, and whole business asset classes. These transactions will help provide a better indication of market depth. New issue to secondary basis remains flat to negative, making secondary security spreads more attractive, albeit less scalable.

MUNICIPAL BONDS

- Muni technicals maintained a negative tone last week amid $1.2B of outflows (eighth consecutive week of outflows for a total of $12.6B), which contributed to increased bid list activity. Meanwhile, supply of $13B was 160% of the 5-year average. As a result, munis underperformed Treasuries, particularly at the back of the yield curve. Despite the weak technicals, we believe the repricing will eventually attract the attention of crossover buyers.

THE RETURNS TABLE As of March 4, 2022

Sovereign Rates	Duration	YTM	OAS	Yield/ OAS Change (BPS) WTD	QTD	YTD	Prior Year	Total Return (%) WTD	QTD	YTD	Prior Year
U.S. 2-Year	1.9	1.48	---	-9	75	75	133	0.20	-1.22	-1.22	-1.72
U.S. 5-Year	4.7	1.63	---	-23	38	38	85	1.23	-1.56	-1.56	-2.56
U.S. 10-Year	9.0	1.72	---	-23	22	22	17	2.51	-1.71	-1.71	0.20
U.S. 10-Year Breakeven	--	2.70	---	14	10	10	49	---	---	---	---
U.S. 10-Year TIPS	4.9	-0.97	---	-37	13	13	-32	3.90	0.37	0.37	10.19
U.S. 20-Year	15.8	2.22	---	-13	29	29	3	2.54	-4.97	-4.97	0.82
U.S. 30-Year	21.7	2.15	---	-12	25	25	-16	3.37	-5.69	-5.69	4.77
UK 10-Year	8.5	1.21	---	-25	24	24	48	2.47	-1.63	-1.63	-2.09
Germany 10-Year	9.9	-0.07	---	-30	11	11	24	3.03	-0.17	-0.17	-0.17
Japan 10-Year	9.6	0.16	---	-5	9	9	3	0.47	-0.36	-0.36	-0.36
Australia 10-Year	9.4	2.15	---	-8	48	48	38	0.83	-3.95	-3.95	-0.73
Canada 10-Year	9.0	1.67	---	-23	24	24	17	2.48	-1.42	-1.42	0.95
MAJOR FI MS INDICES											
Global Aggregate Unhedged	7.5	1.70	49	4	13	13	16	0.21	-3.44	-3.44	-5.10
Global Aggregate Hedged	7.5	1.70	49	4	13	13	16	0.93	-2.40	-2.40	-1.57
U.S. Aggregate	6.8	2.32	45	3	9	9	13	0.95	-3.09	-3.09	-1.79
Euro-Aggregate (Unhedged)	7.6	0.48	85	10	28	28	37	1.79	-1.89	-1.89	-2.95
Japanese Aggregate	9.6	0.22	1	0	0	0	0	0.48	-1.02	-1.02	-0.40
MAJOR FI CREDIT INDICES											
Mortgage-Backed (Agency)	5.4	2.45	28	0	-4	-4	14	0.78	-2.25	-2.25	-2.59
Global IG Corporate Bonds	7.1	2.63	141	12	44	44	46	0.07	-5.58	-5.58	-5.30
U.S. IG Corporate Bonds	8.4	3.12	130	9	38	38	38	0.83	-5.44	-5.44	-2.31
European IG Corporate	5.1	1.06	151	13	56	56	63	1.30	-2.74	-2.74	-3.11
U.S. High Yield Bonds	4.7	5.77	376	23	93	93	50	-0.16	-4.07	-4.07	0.32
European High Yield Bonds	3.8	4.54	465	49	147	147	149	-0.18	-4.16	-4.16	-1.82
U.S. Leveraged Loans	0.3	6.10	450	8	8	8	-5	-0.09	-0.25	-0.25	3.15
European Leveraged Loans	0.3	3.91	467	20	20	20	39	-0.15	-0.89	-0.89	2.16
EM Hard Currency Sovs.	7.5	7.00	511	81	143	143	159	-4.12	-11.20	-11.20	-9.45
EM Corporates	4.8	5.91	418	56	107	107	121	-1.96	-7.07	-7.07	-6.02
EM Currencies	---	6.93	---	57	260	260	443	-3.39	-3.45	-3.45	-5.35
EM Local Rates	5.0	6.66	7	0	1	1	2	-4.18	-6.01	-6.01	-9.07
CMBS	5.0	2.54	89	6	21	21	20	0.88	-2.53	-2.53	-2.03
ABS	2.3	1.94	48	4	10	10	20	0.23	-1.23	-1.23	-1.52
CLOs	---	1.26	126	2	18	18	22	-0.05	-0.46	-0.46	-0.55
Municipal Bonds	4.9	1.91	---	3	80	80	68	-0.14	-3.30	-3.30	-1.09

Equity/Volatility	Level	Total Return (%) WTD	QTD	YTD	Prior Yr
S&P 500 Index	9094	-1.2	-8.9	-8.9	16.5
DAX	12948	-10.1	-17.6	-17.6	-6.8
Stoxx 600	223	-7.6	-13.6	-13.6	3.3
Nikkei 225	25221	-1.9	-9.7	-9.7	-8.7
Shanghai Comp.	3373	-0.1	-5.3	-5.3	0.5
MSCI ACWI	351	-2.7	-9.8	-9.8	5.5
FTSE 100	6963	-6.7	-4.9	-4.9	8.6
MOVE Index	132	41.2	71.0	71.0	93.5
VIX Index	34	15.9	85.7	85.7	11.9

FX/Commodities	Spot	% Change WTD	QTD	YTD	Prior Year
EUR/USD	1.1	-3.0	-3.9	-3.9	-8.7
USD/JPY	114.8	-0.6	-0.2	-0.2	6.3
GBP/USD	1.3	-1.3	-2.2	-2.2	-4.8
USD/CHF	0.9	-0.9	0.4	0.4	-1.3
USD (DXY)	98.6	2.1	3.1	3.1	7.7
Oil	77.0	24.9	50.3	50.3	81.2
Gold	1970.7	4.3	7.7	7.7	16.1

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Source(s) of data (unless otherwise noted): PGIM Fixed Income as of March 2022

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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: Credit Suisse Leveraged Loan Index: The Credit Suisse Leveraged Loan Index is a representative, unmanaged index of tradable, U.S. dollar denominated floating rate senior secured loans and is designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. The Index return does not reflect the impact of principal repayments in the current month.

European Senior Secured Loans: Credit Suisse Western European Leveraged Loan Index: All Denominations EUR hedged. The Index is a representative, unmanaged index of tradable, floating rate senior secured loans designed to mirror the investable universe of the European leveraged loan market. The Index return does not reflect the impact of principal repayments in the current month.

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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