

MacroResearchBoard

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Independent Investment Strategy

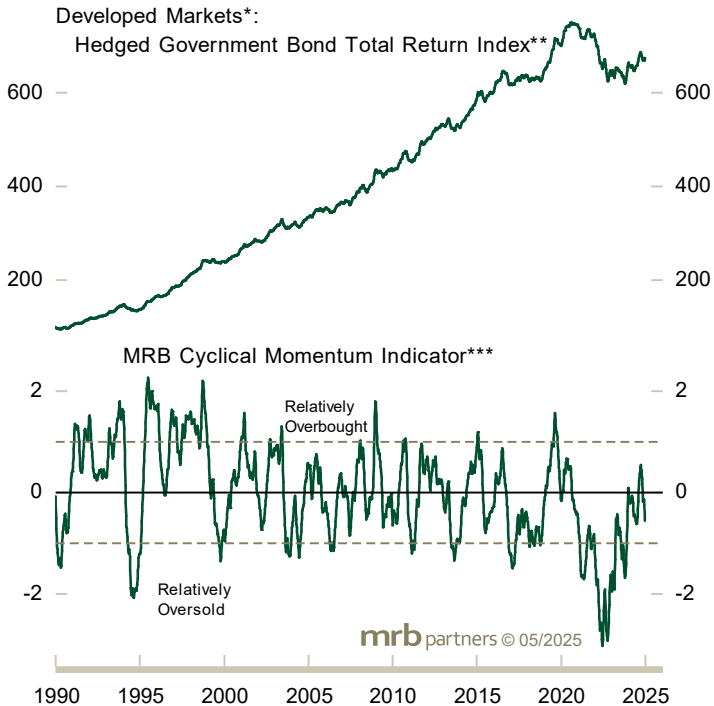
MRB Fixed Income Indicators

May 2025

Government Bonds/Duration	2
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Investment-Grade & High-Yield Corporates	5
Emerging Markets U.S. Dollar-Denominated & Local Currency Debt	6
Regional Bond Markets	7-28

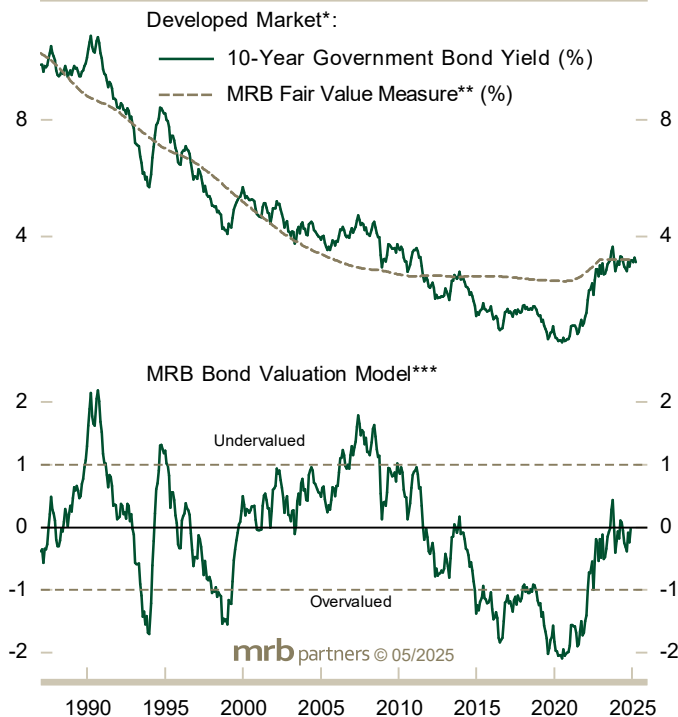
Duration: *Underweight* Government Bonds: *Neutral*

Relative Price Momentum



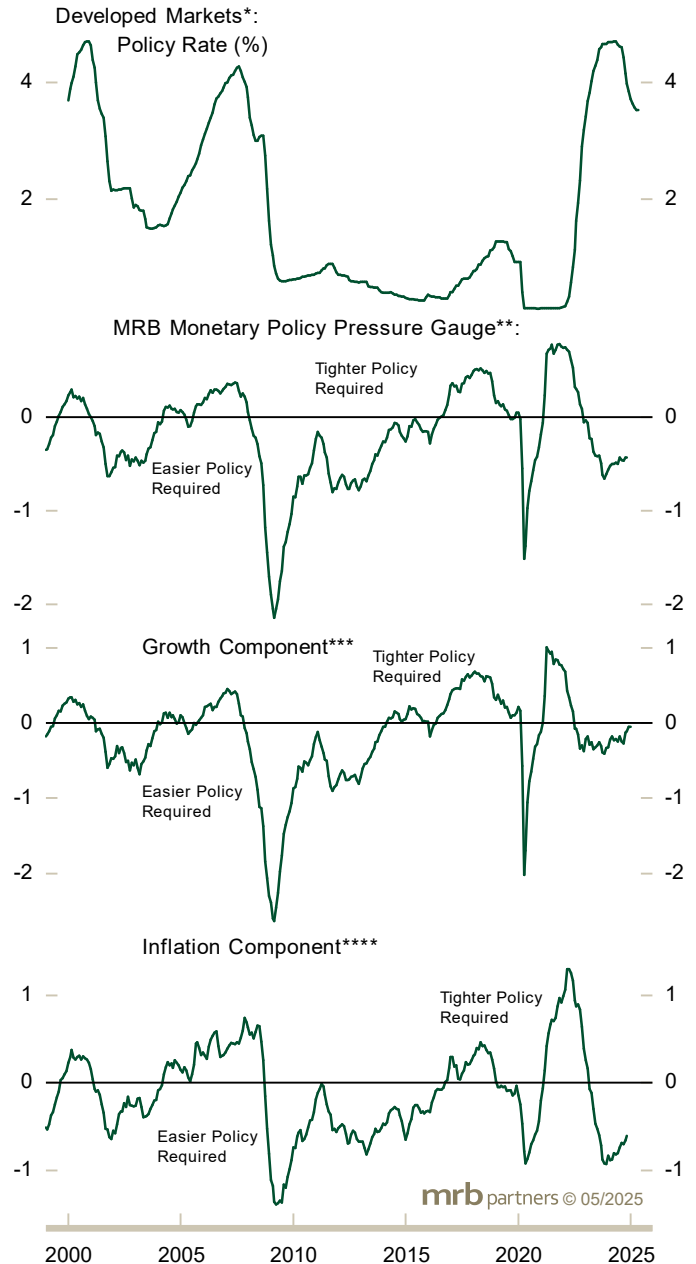
* Market-capitalization weighted aggregate
** Hedged using 3-month forward currency contracts; smoothed; rebased;
source: MRB calculation
*** Standardized

Valuation



* Equally-weighted aggregate
** Includes long-term economic growth and inflation measures
*** 10-year government bond yield minus MRB Fair Value Measure; standardized

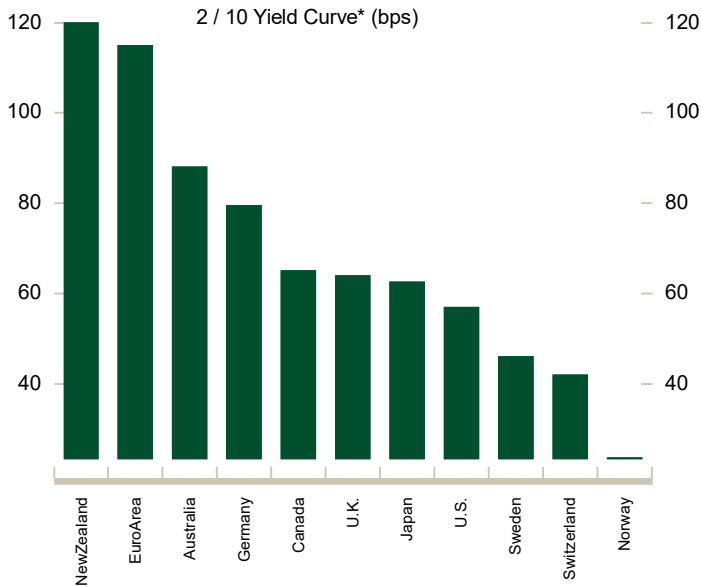
Policy, Growth & Inflation Pressures



* GDP-weighted aggregate
** Includes a growth and inflation component; standardized
*** Includes business and consumer sectors, labor market and financial conditions; standardized
**** Includes core price pressures, economic slack & inflation expectations; standardized

Yield Curve Strategy: *Steepener*

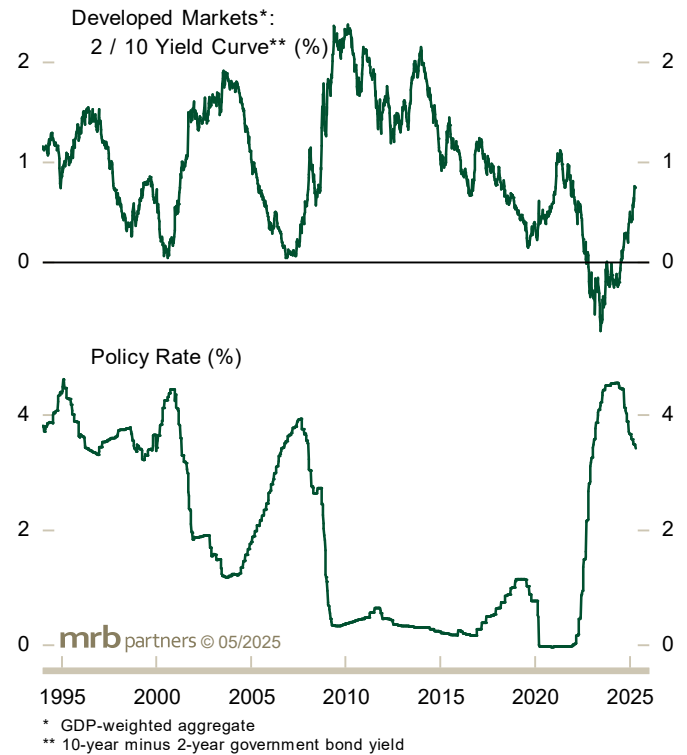
Regional Yield Curves



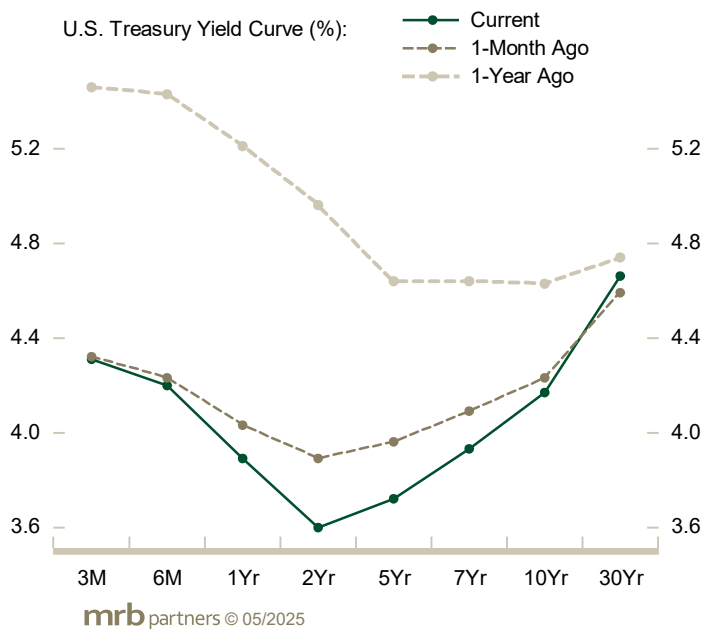
* 10-year minus 2-year government bond yield

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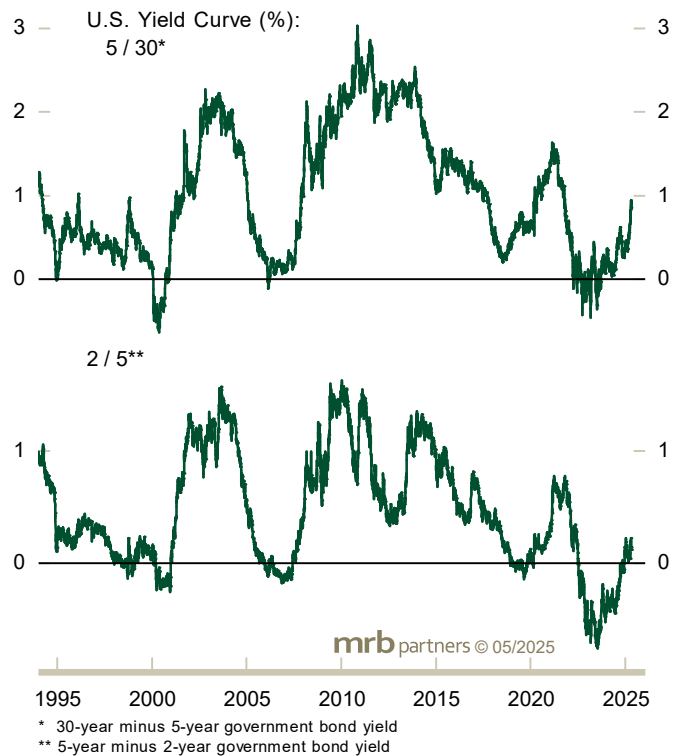
Global 2/10 Yield Curve



U.S. Yield Curve

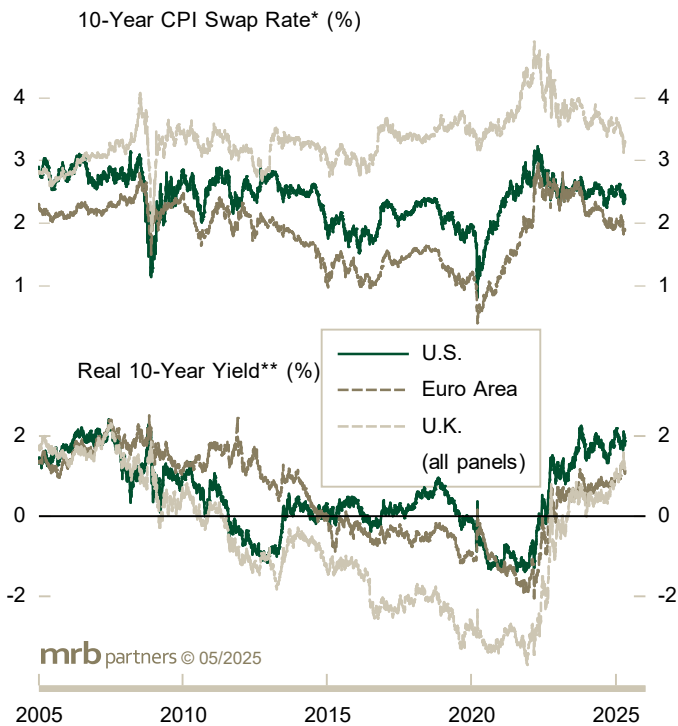


U.S. Yield Curve Segments

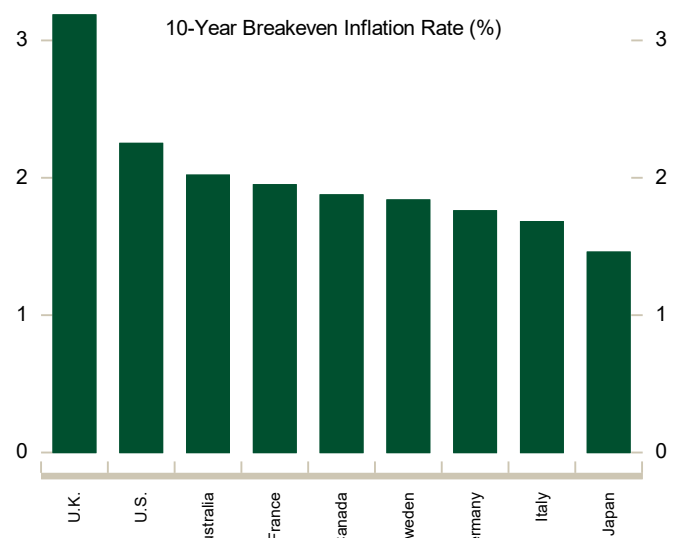


Inflation Protection: *Overweight*

CPI Swap Rates & Real Rates

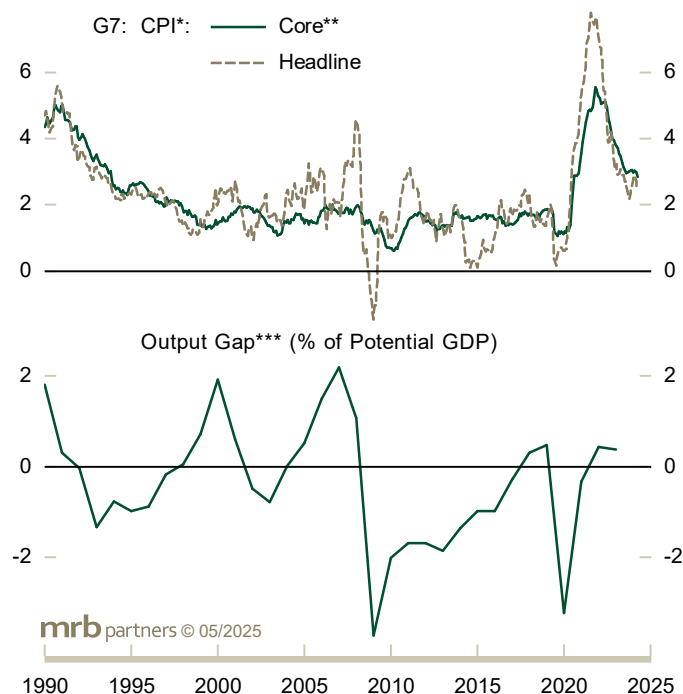


Regional Breakeven Inflation Rates



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Inflation

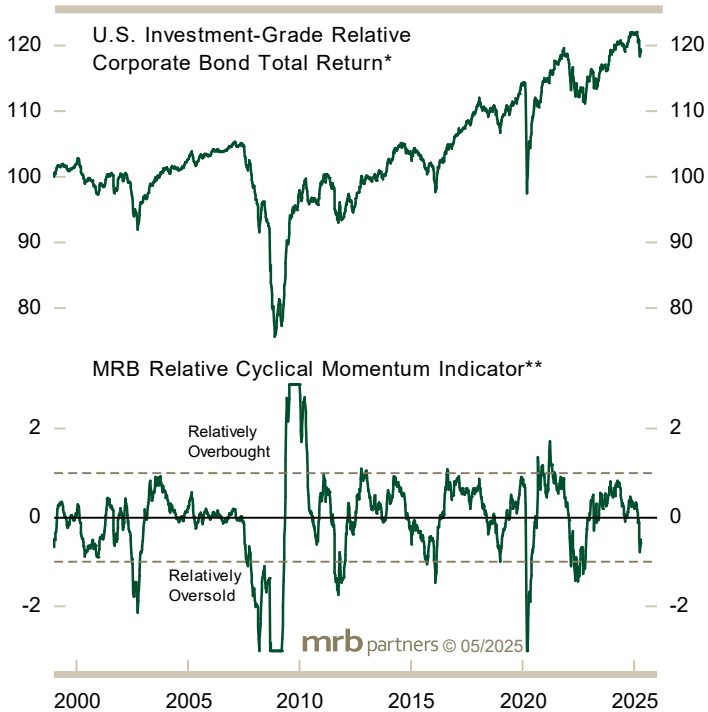


Source: OECD
 ** Excludes food and energy
 *** Source: IMF

Investment-Grade Corporates: *Neutral*

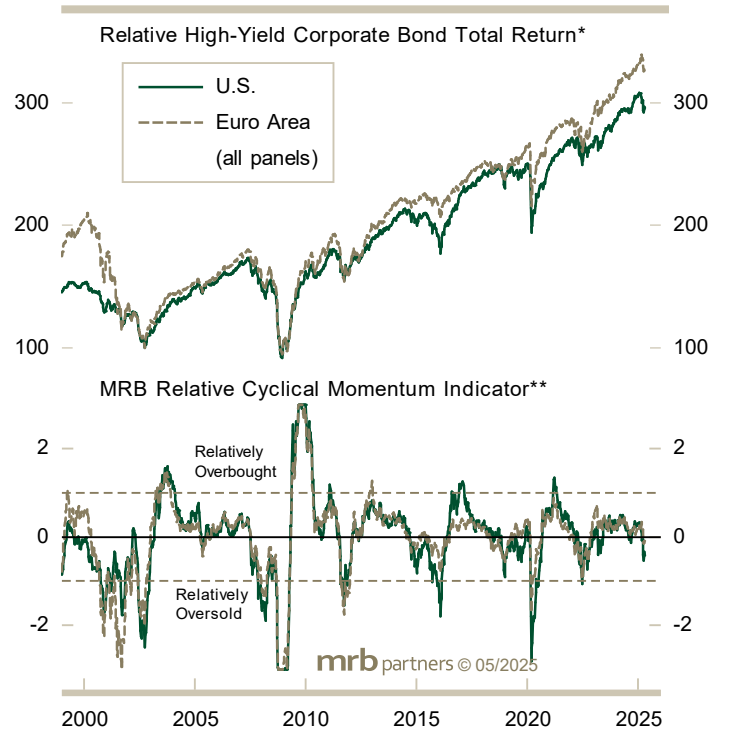
High-Yield Corporates: *Neutral*

Relative Price Momentum



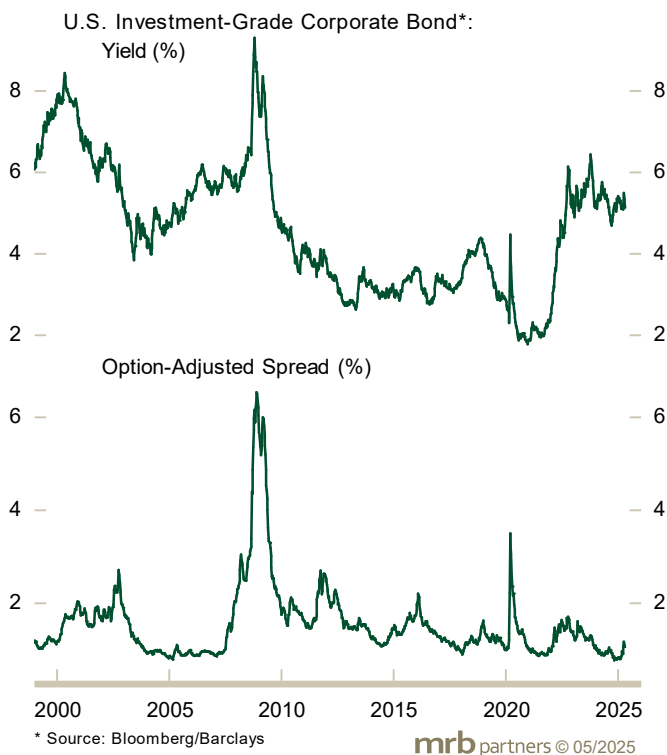
* Relative to a similar-duration government bond; rebased; source: BofA Merrill Lynch
 ** Truncated above 3 and below -3; standardized

Relative Price Momentum



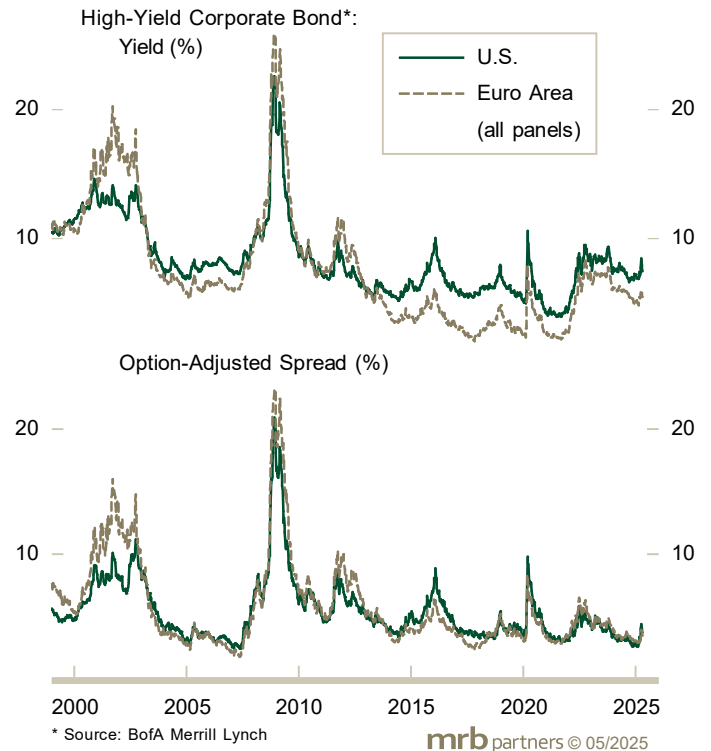
* Relative to a similar-duration government bond; rebased; source: BofA Merrill Lynch
 ** Truncated above 3 and below -3; standardized

Yields & Spreads



* Source: Bloomberg/Barclays

Yields & Spreads

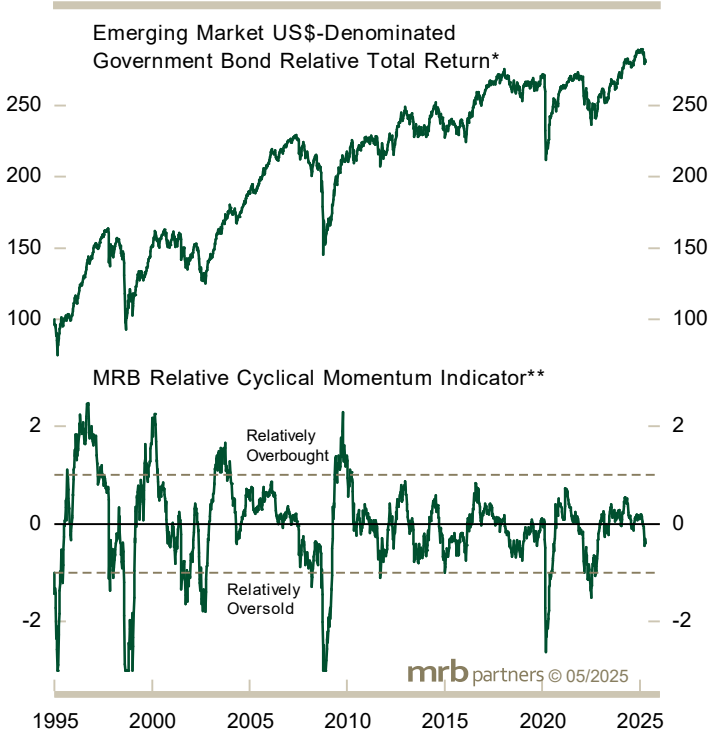


* Source: BofA Merrill Lynch

EM U.S. Dollar-Denominated Debt: *Neutral*

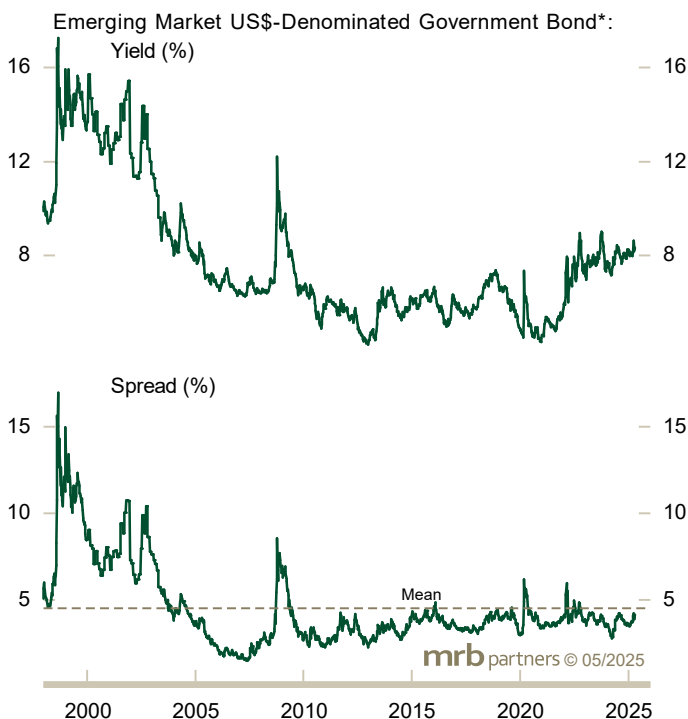
EM Local Currency Debt: *Overweight*

Relative Price Momentum



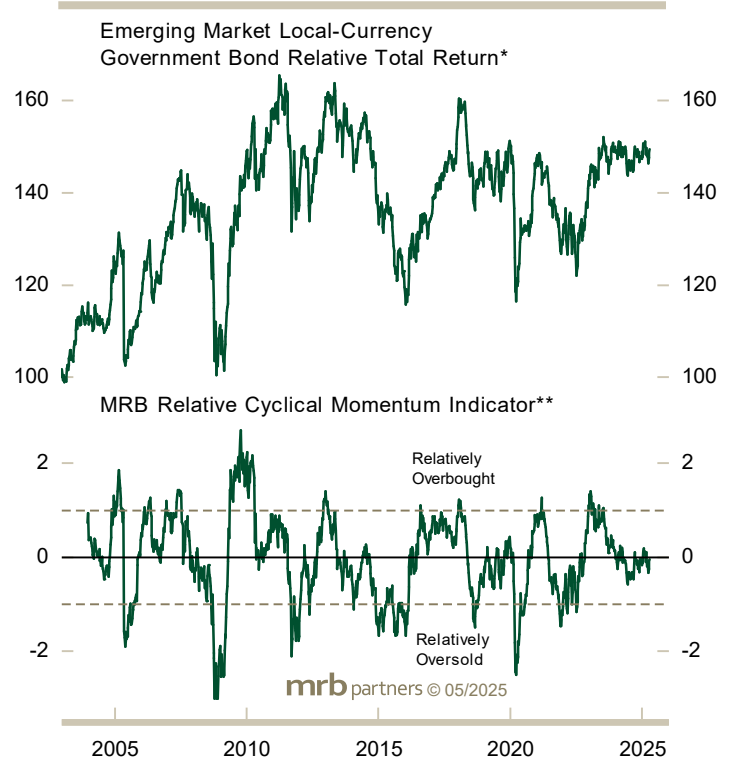
* Relative to a similar-duration Treasury bond; EMBI Global Core Diversified; rebased; source: J.P. Morgan Chase & Co.
 ** Truncated below -3; standardized

Yields & Spreads



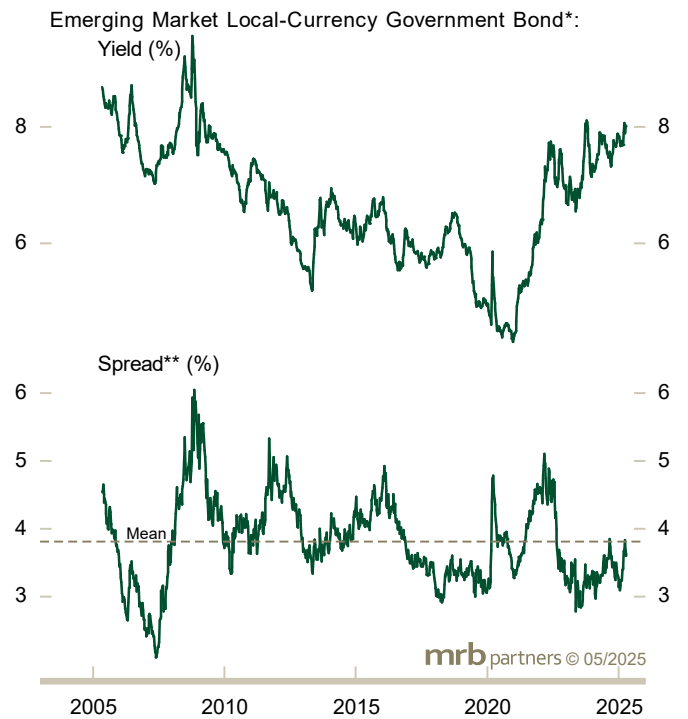
* EMBI Global Core Diversified; source: J.P. Morgan Chase & Co.

Relative Price Momentum



* Equally-weighted aggregate of 10-year EM government bonds; relative to a similar-duration Treasury bond
 ** Truncated below -3; standardized

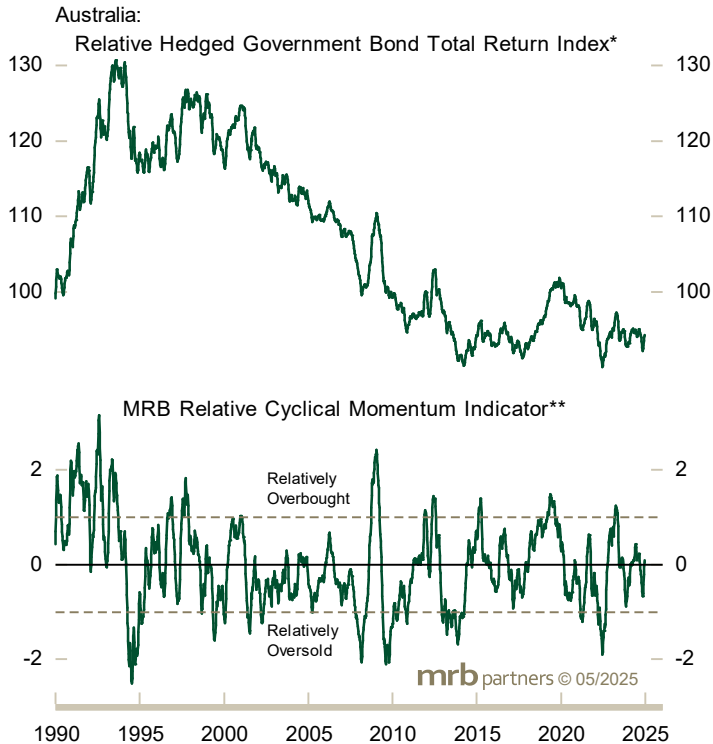
Yields & Spreads



* Equally-weighted aggregate of 10-year EM government bond yields
 ** Versus 10-year Treasury yield

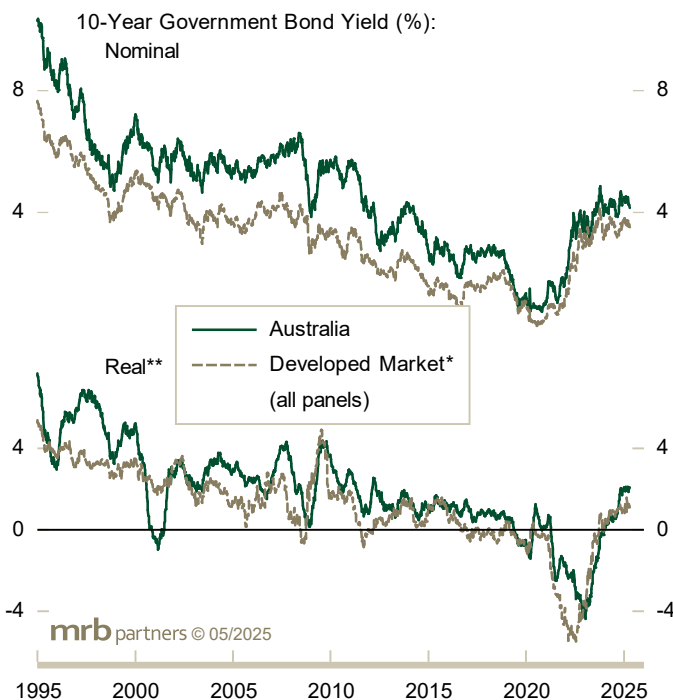
Australia: Overweight

Relative Price Momentum



* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
 ** Standardized

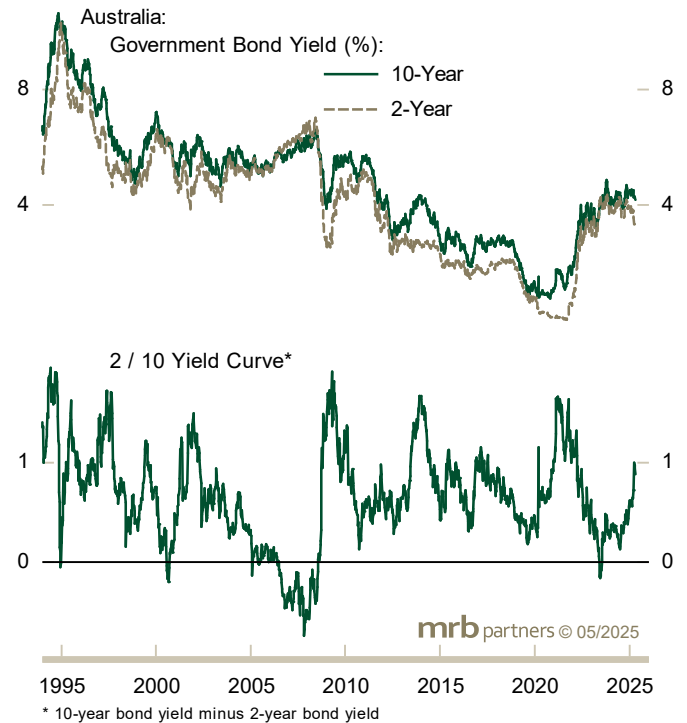
Real & Nominal Yields



* GDP-weighted aggregate

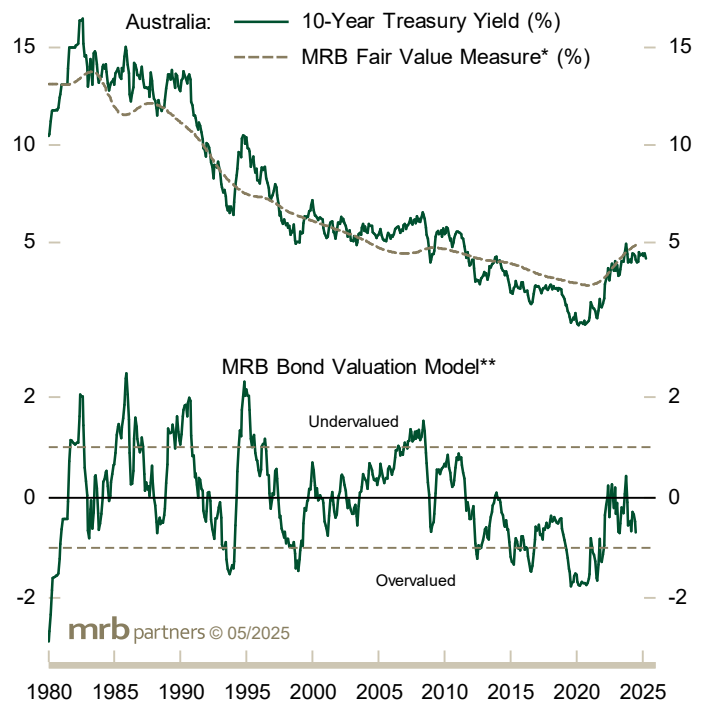
** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve



* 10-year bond yield minus 2-year bond yield

Valuation

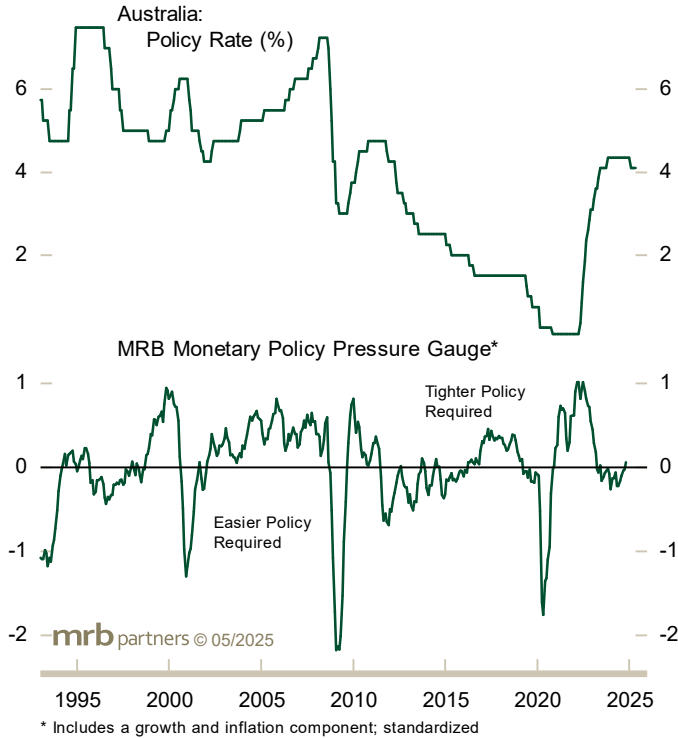


* Includes long-term economic growth and inflation measures

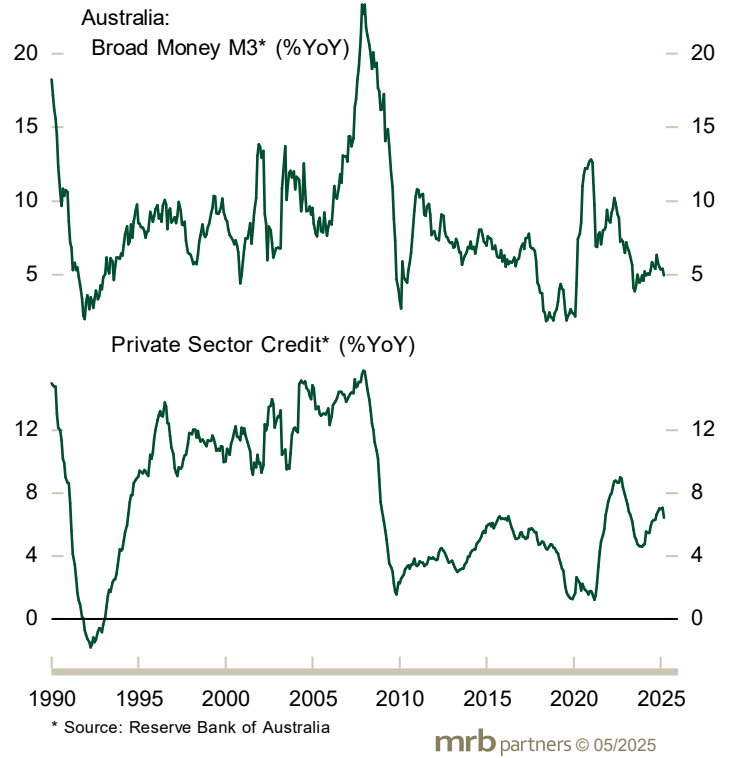
** 10-year government bond yield minus MRB Fair Value Measure; standardized

Australia: Overweight

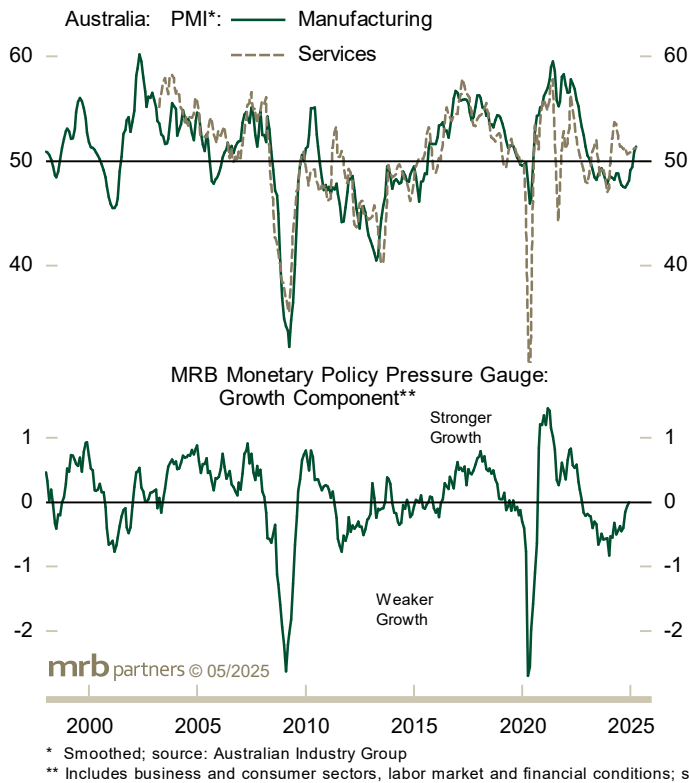
Monetary Policy



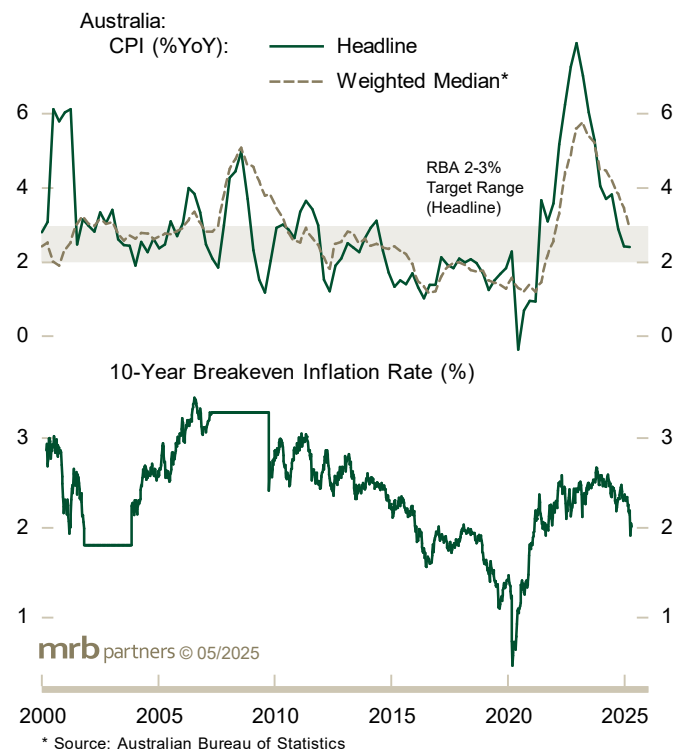
Liquidity & Credit



Growth Momentum



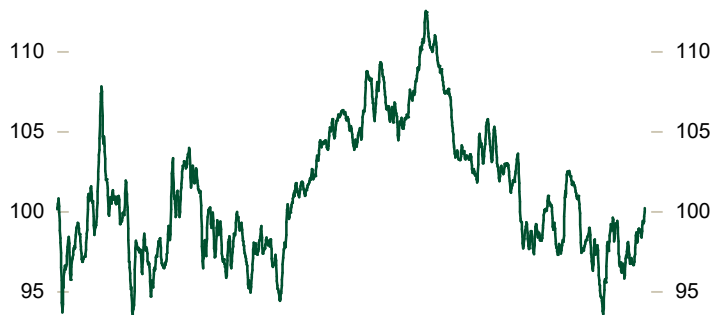
Inflation



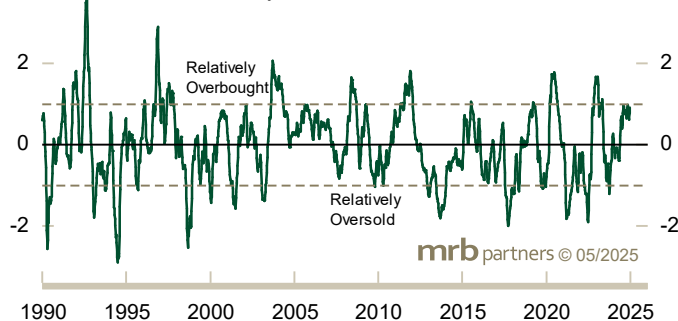
Canada: Overweight

Relative Price Momentum

Canada Relative Hedged Government Bond Total Return Index*



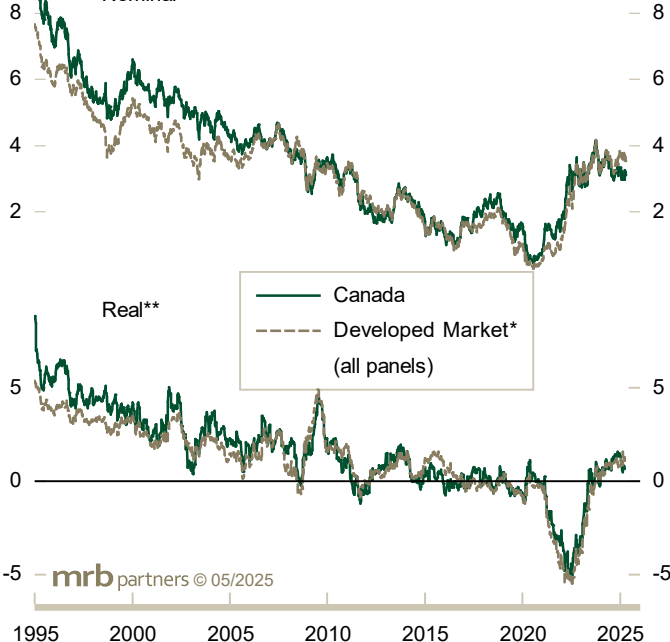
MRB Relative Cyclical Momentum Indicator**



* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
 ** Standardized

Real & Nominal Yields

10-Year Government Bond Yield (%):
 Nominal



Real**

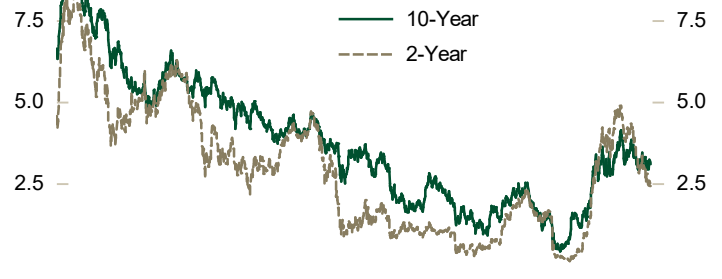
— Canada
 - - - Developed Market*
 (all panels)



* GDP-weighted aggregate
 ** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve

Canada:
 Government Bond Yield (%):



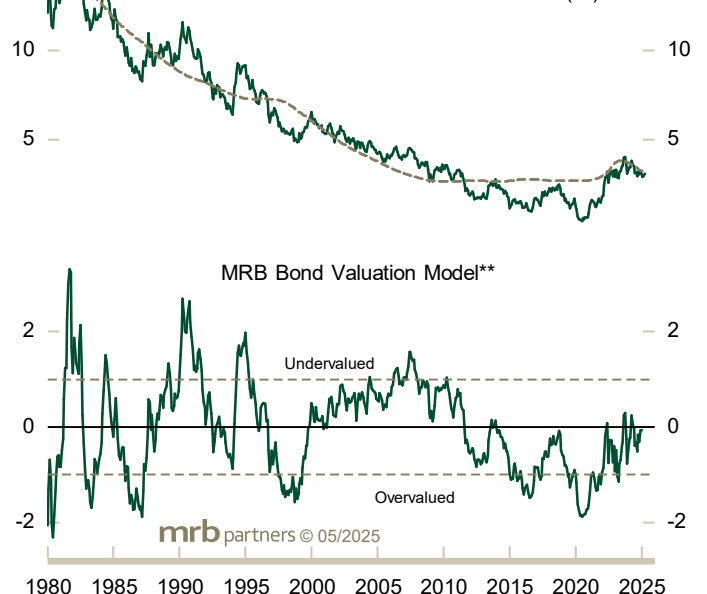
2 / 10 Yield Curve* (%)



* 10-year bond yield minus 2-year bond yield

Valuation

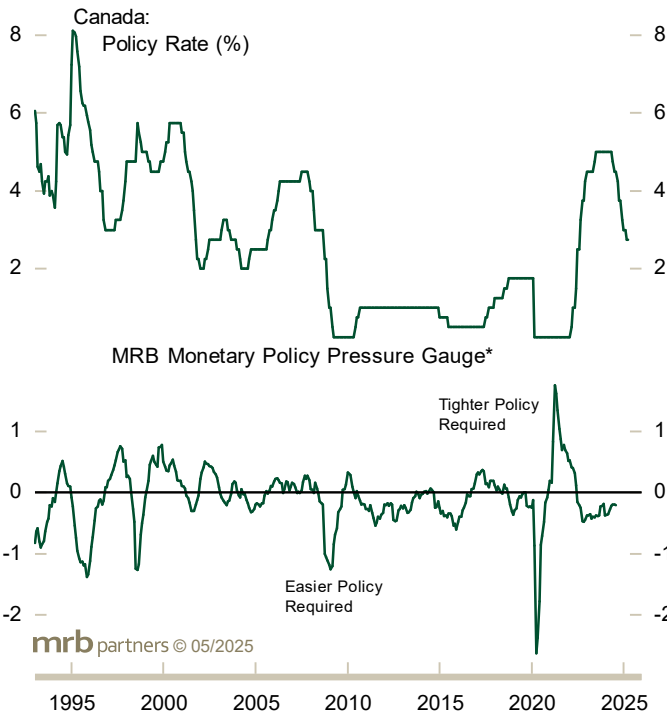
Canada: — 10-Year Government Yield (%)
 - - - MRB Fair Value Measure* (%)



* Includes long-term economic growth and inflation measures
 ** 10-year government bond yield minus MRB Fair Value Measure; standardized

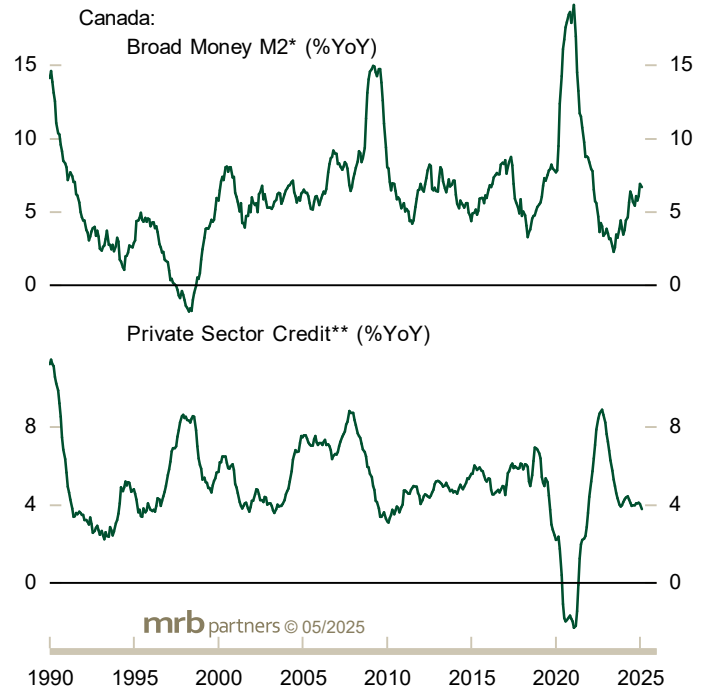
Canada: Overweight

Monetary Policy



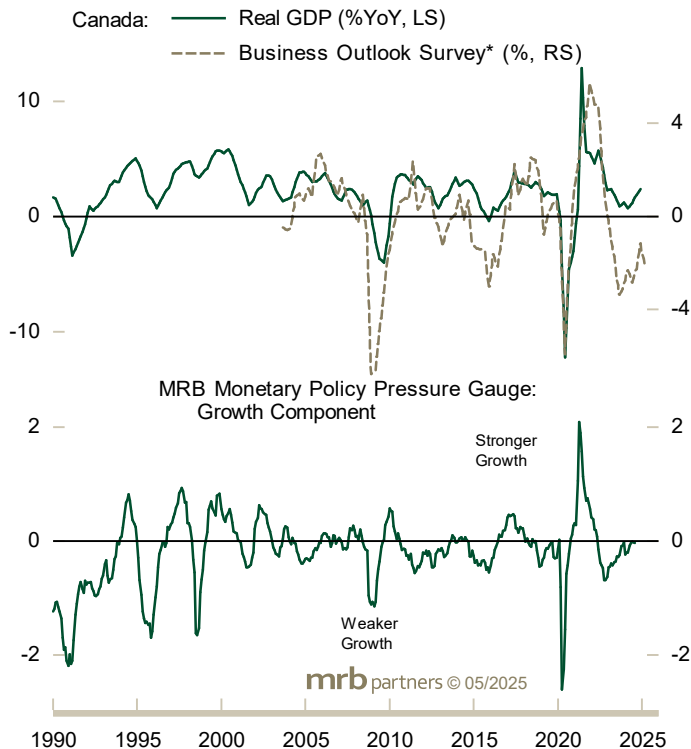
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



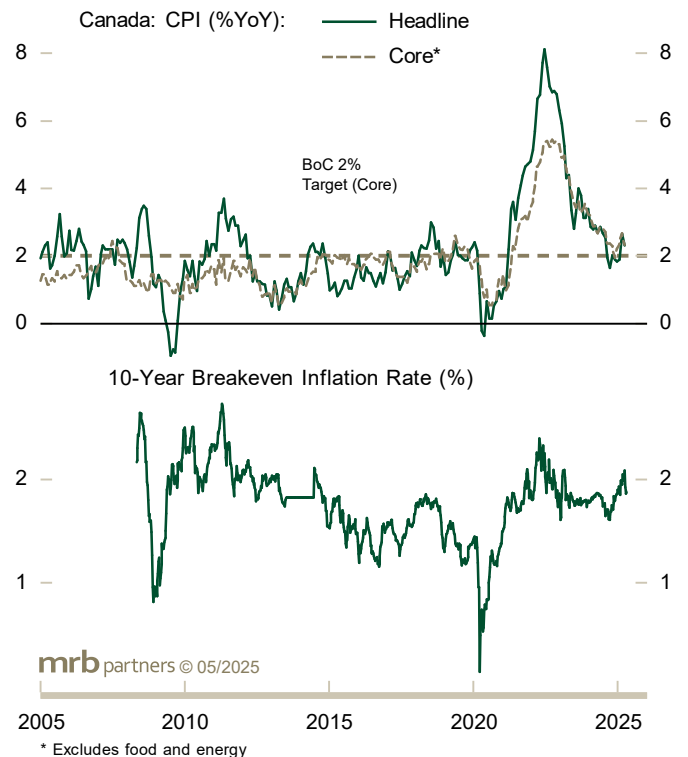
* Source: Bank of Canada
** Smoothed; source: Statistics Canada

Growth Momentum



* Source: Bank of Canada
** Includes business and consumer sectors, labor market and financial conditions; standardized

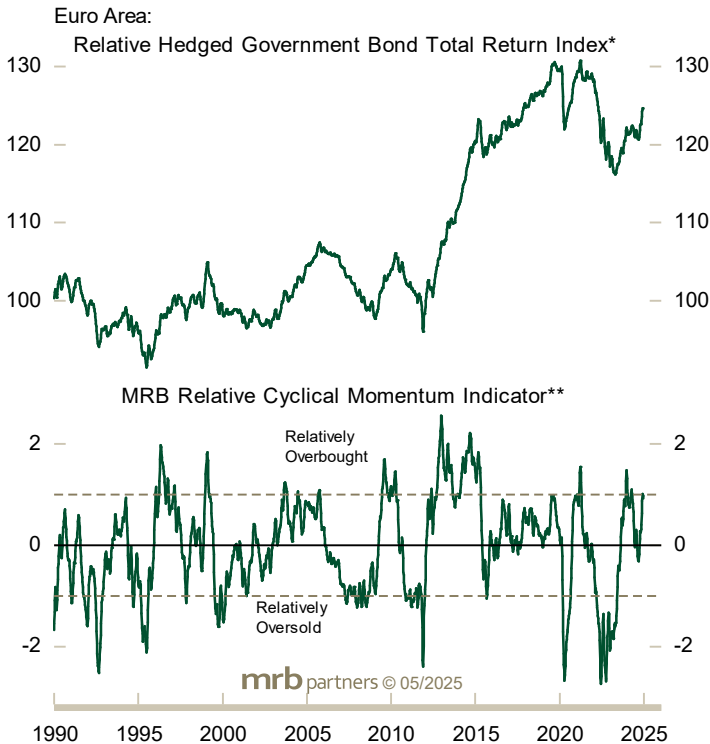
Inflation



* Excludes food and energy

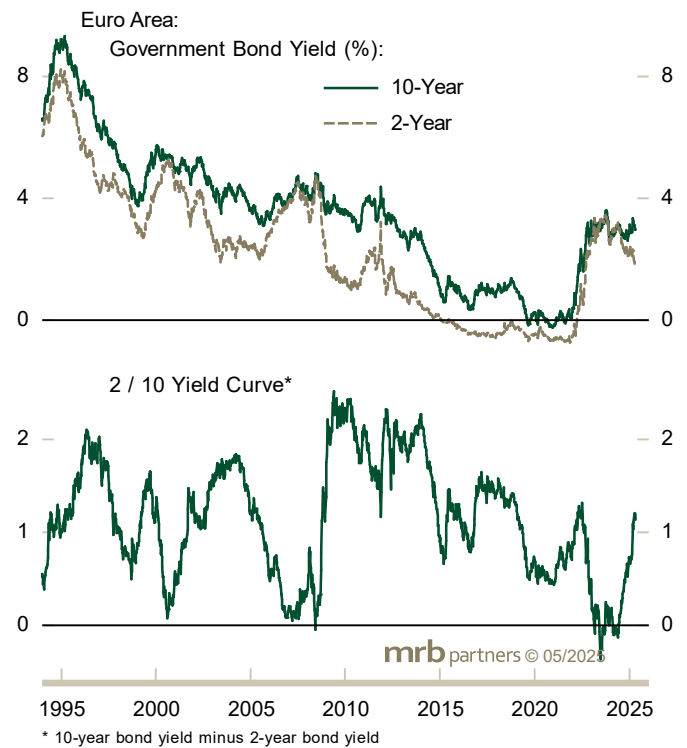
Euro Area: *Underweight*

Relative Price Momentum



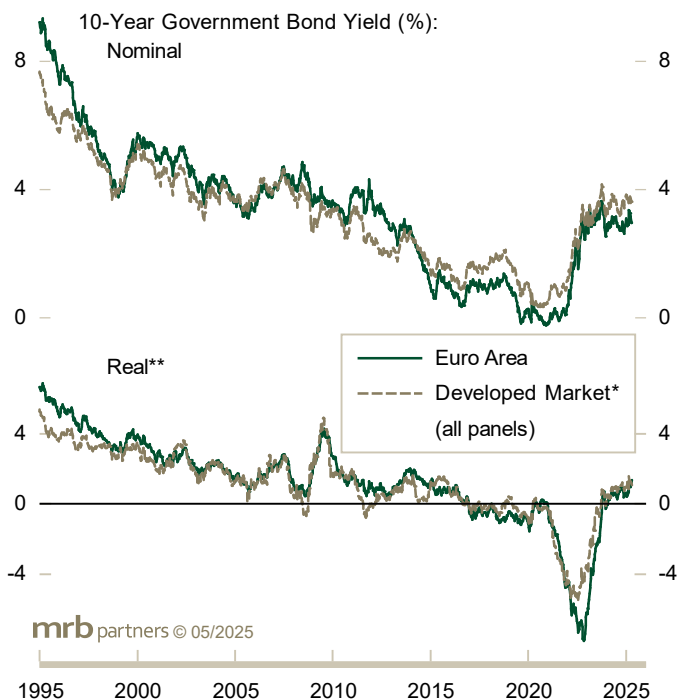
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
 ** Standardized

Yield Curve



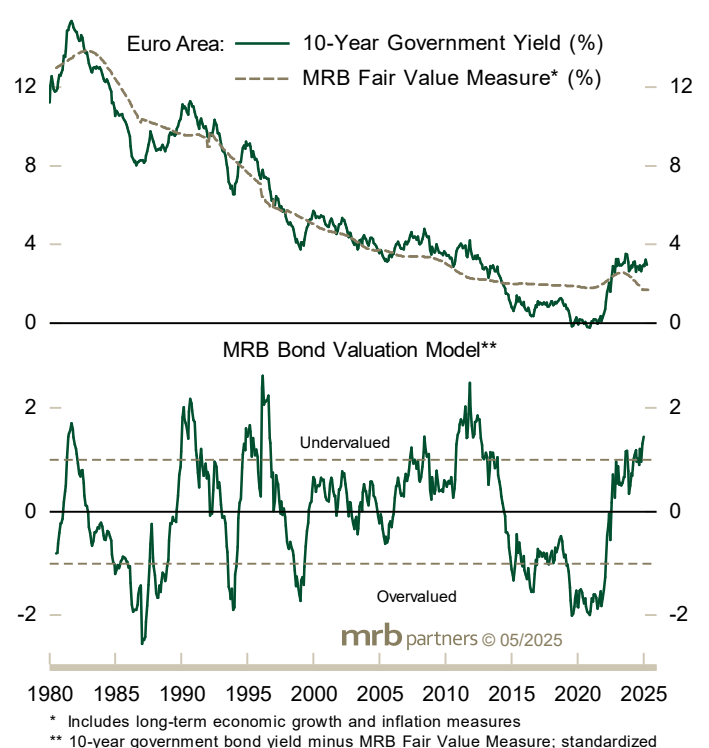
* 10-year bond yield minus 2-year bond yield

Real & Nominal Yields



* GDP-weighted aggregate
 ** Deflated by headline CPI inflation; sources: national sources and IMF

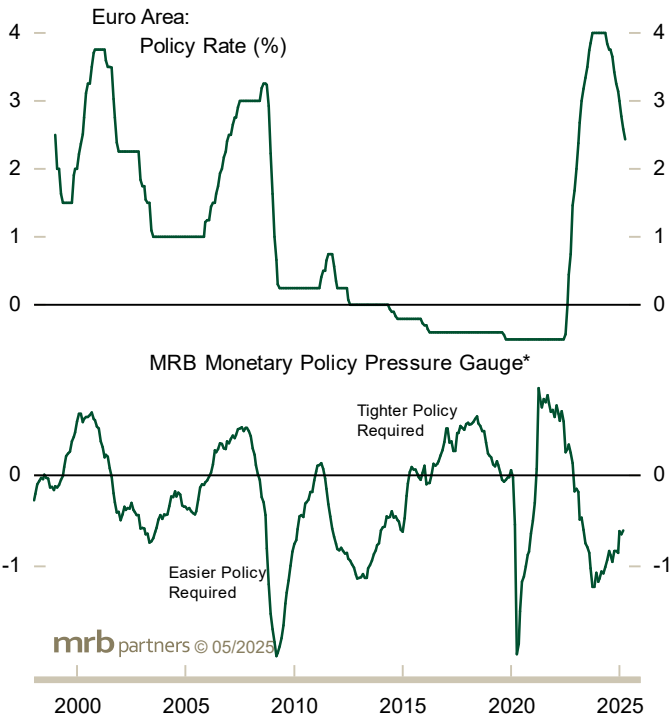
Valuation



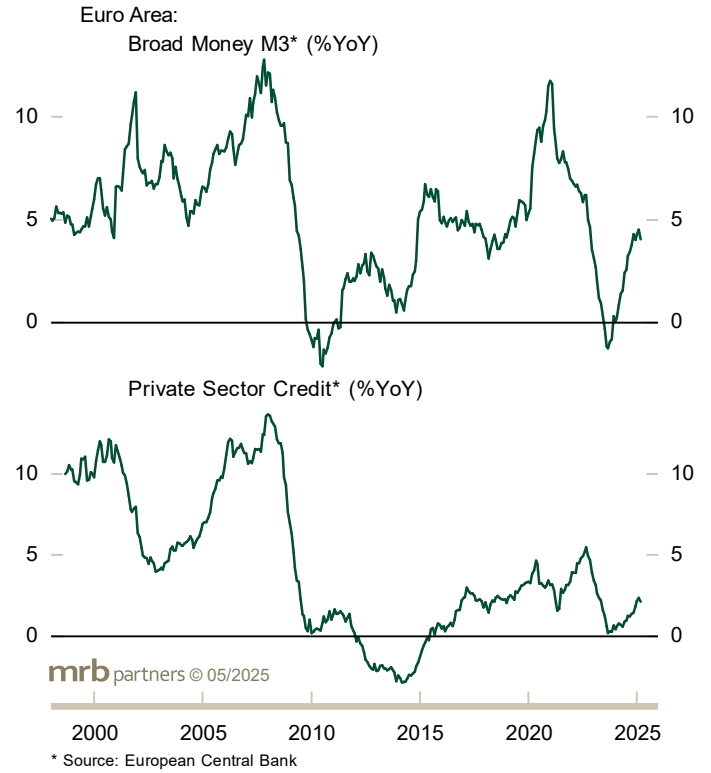
* Includes long-term economic growth and inflation measures
 ** 10-year government bond yield minus MRB Fair Value Measure; standardized

Euro Area: *Underweight*

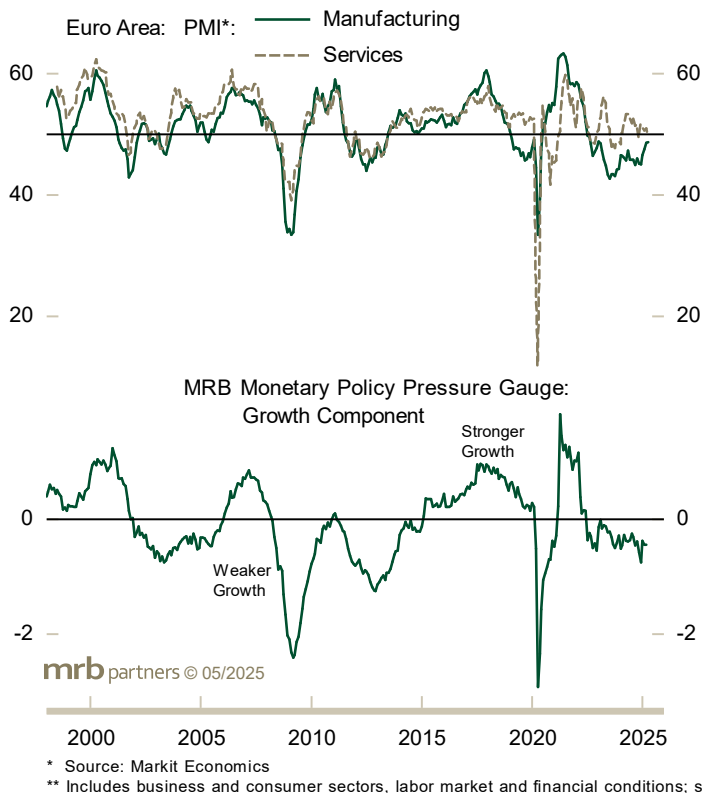
Monetary Policy



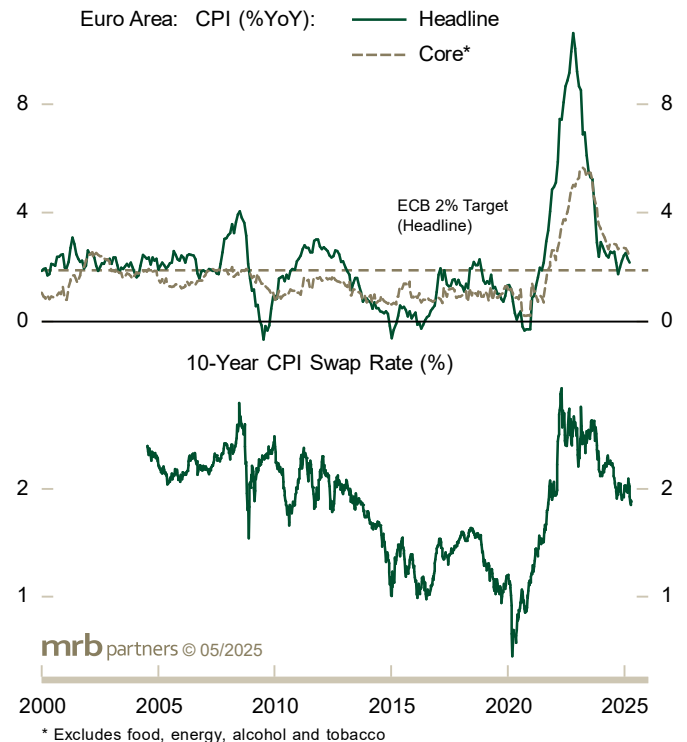
Liquidity & Credit



Growth Momentum

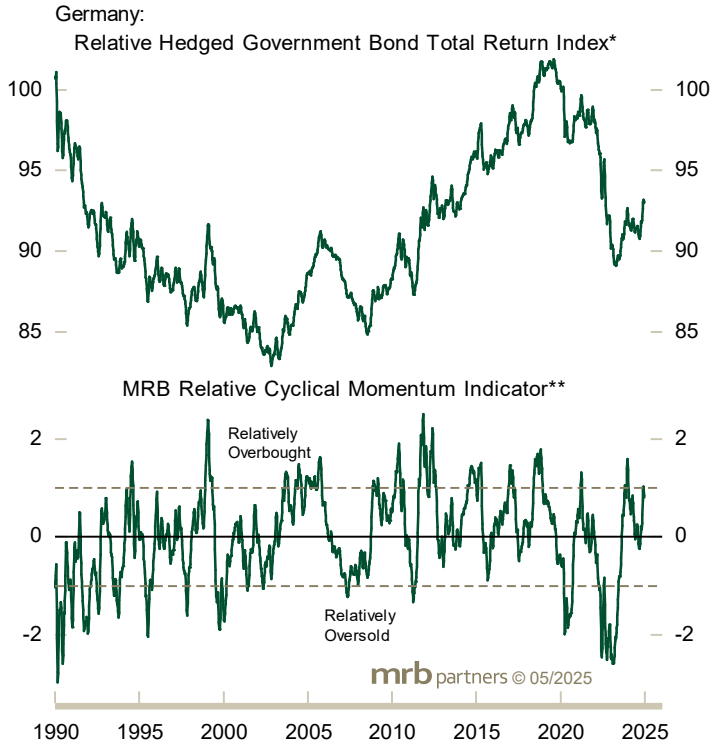


Inflation



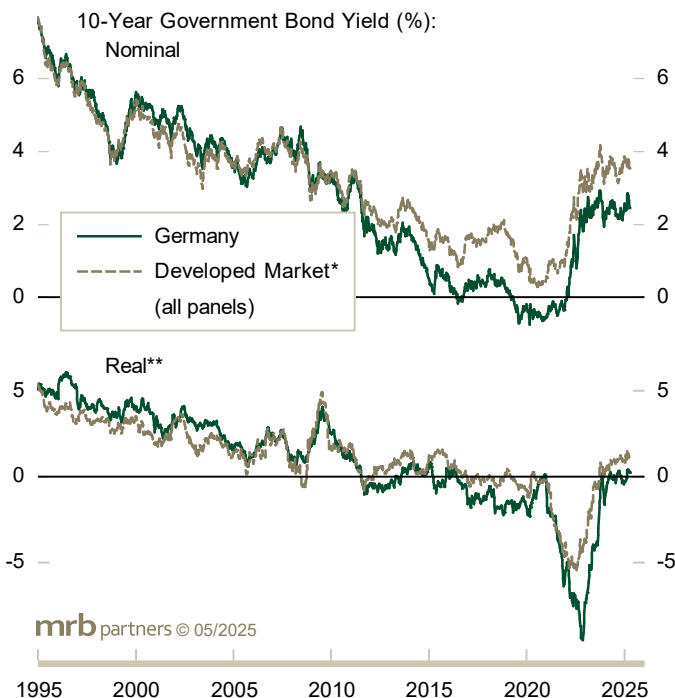
Germany

Relative Price Momentum



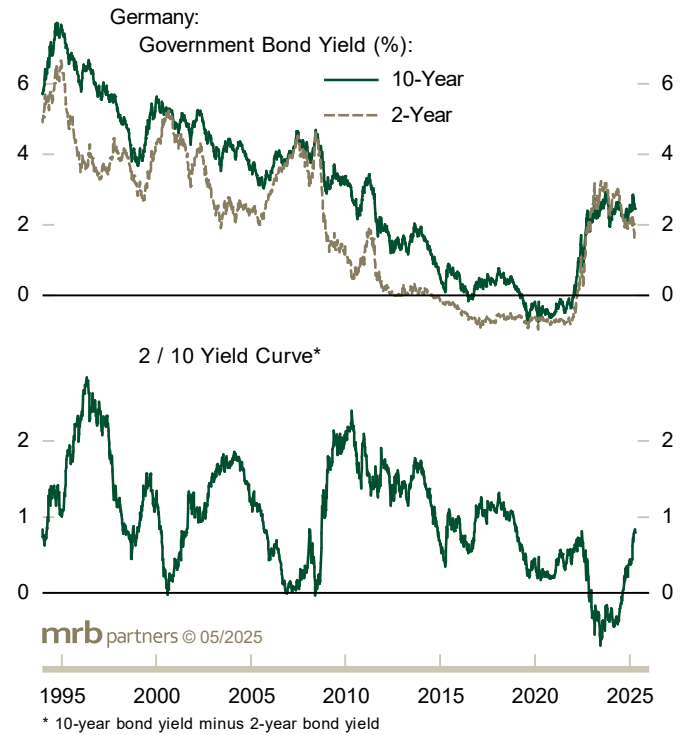
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
** Standardized

Real & Nominal Yields



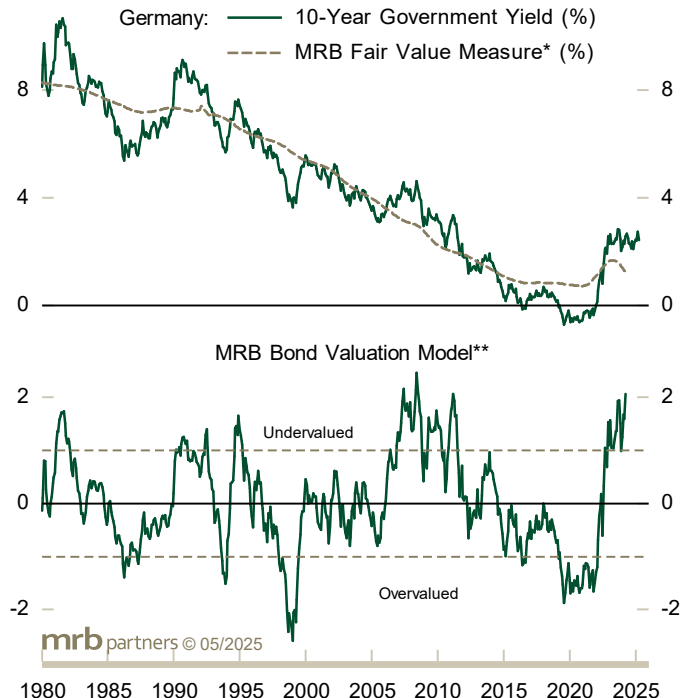
* GDP-weighted aggregate
** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve



* 10-year bond yield minus 2-year bond yield

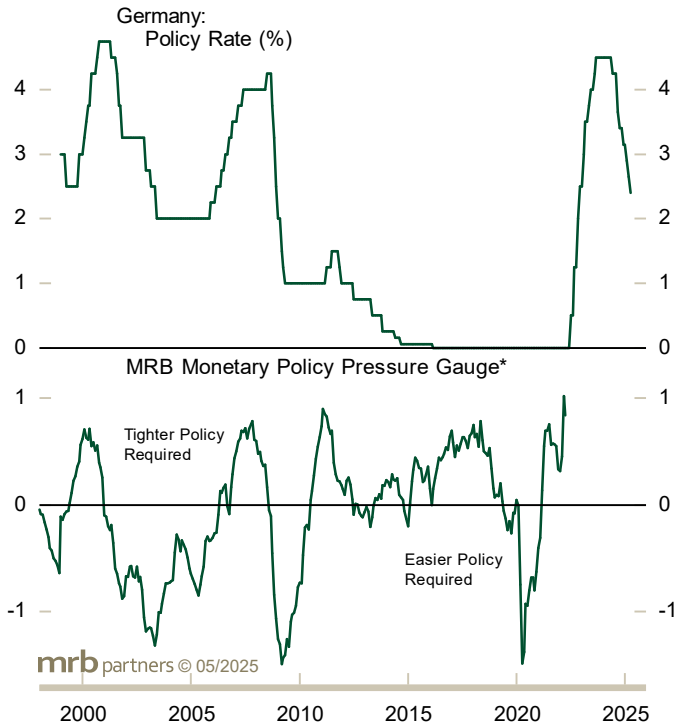
Valuation



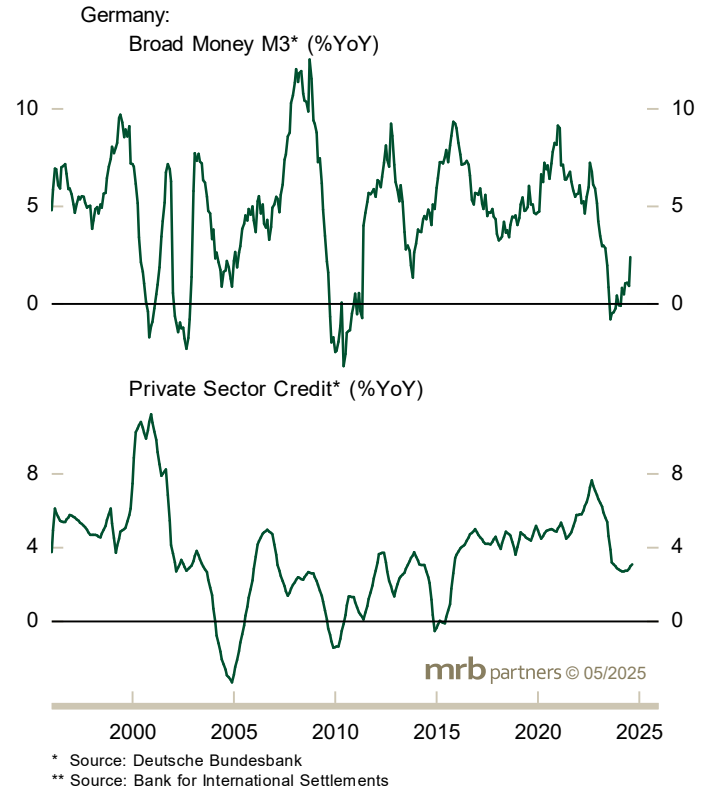
* Includes long-term economic growth and inflation measures
** 10-year government bond yield minus MRB Fair Value Measure; standardized

Germany

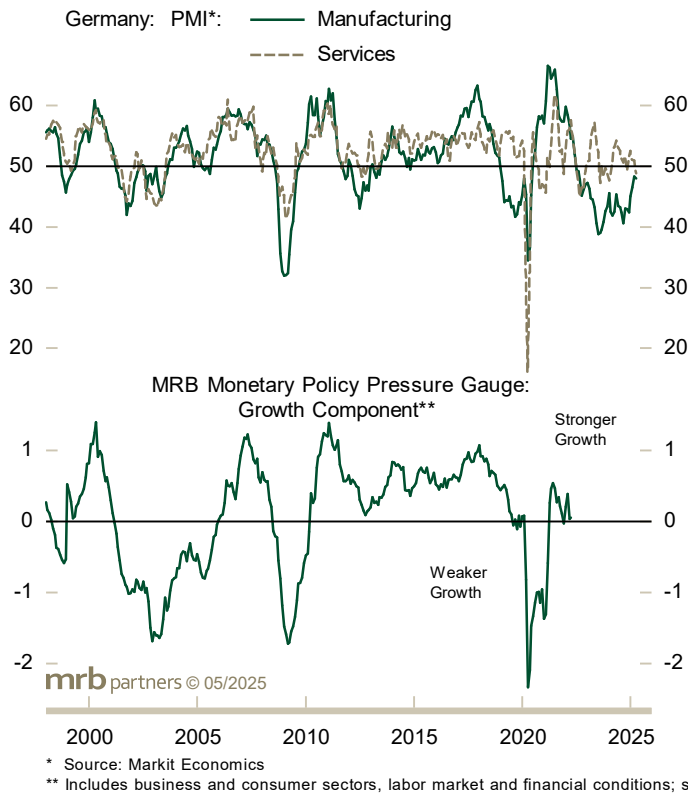
Monetary Policy



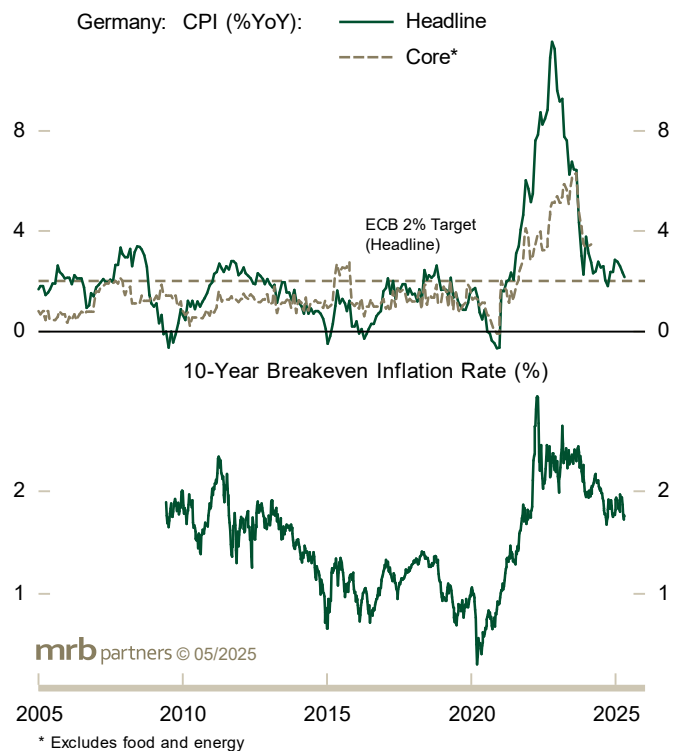
Liquidity & Credit



Growth Momentum



Inflation

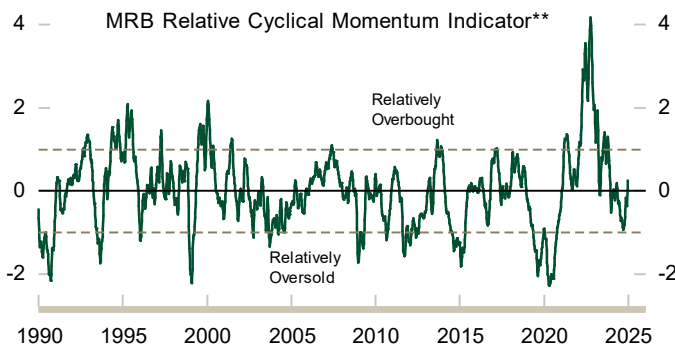
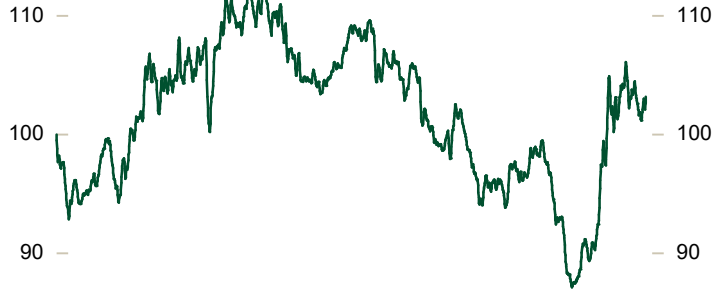


Japan: *Underweight*

Relative Price Momentum

Japan:

Relative Hedged Government Bond Total Return Index*



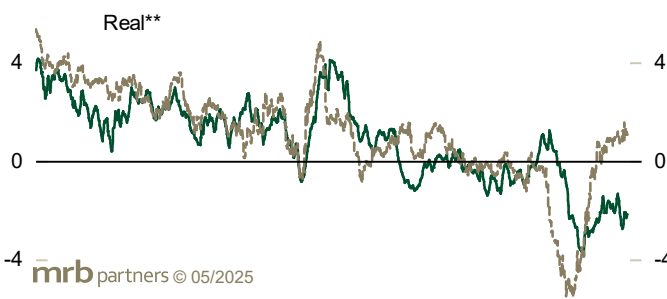
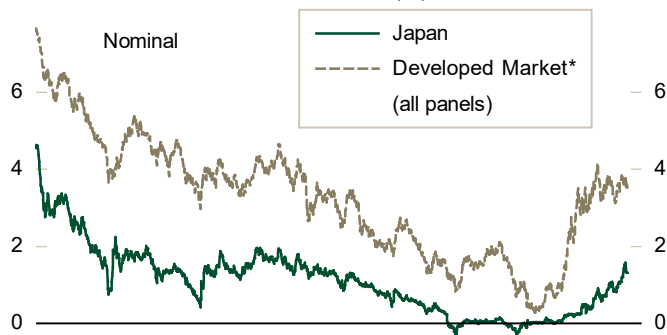
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation

** Standardized

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Real & Nominal Yields

10-Year Government Bond Yield (%):



1995 2000 2005 2010 2015 2020 2025

* GDP-weighted aggregate

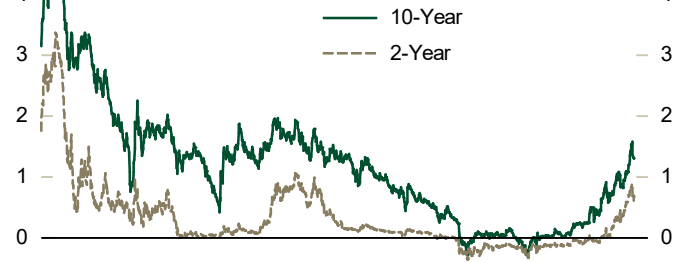
** Deflated by headline CPI inflation; sources: national sources and IMF

Note: Japan inflation is adjusted for the effect of the April 2014 consumption tax hike on the movement of prices

Yield Curve

Japan:

Government Bond Yield (%):



2 / 10 Yield Curve*



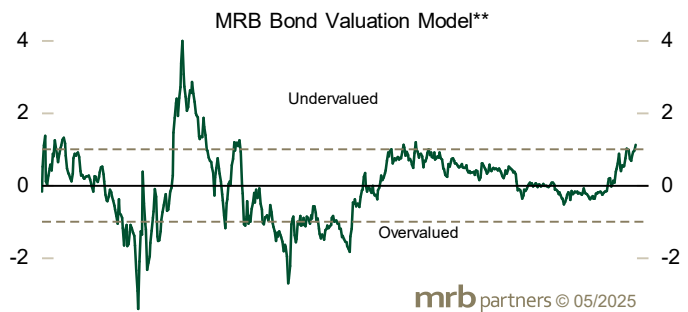
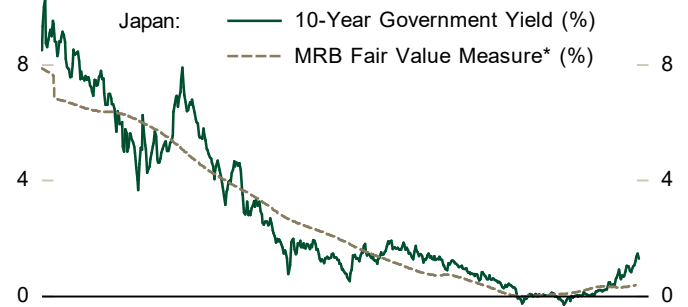
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1995 2000 2005 2010 2015 2020 2025

* 10-year bond yield minus 2-year bond yield

Valuation

Japan:



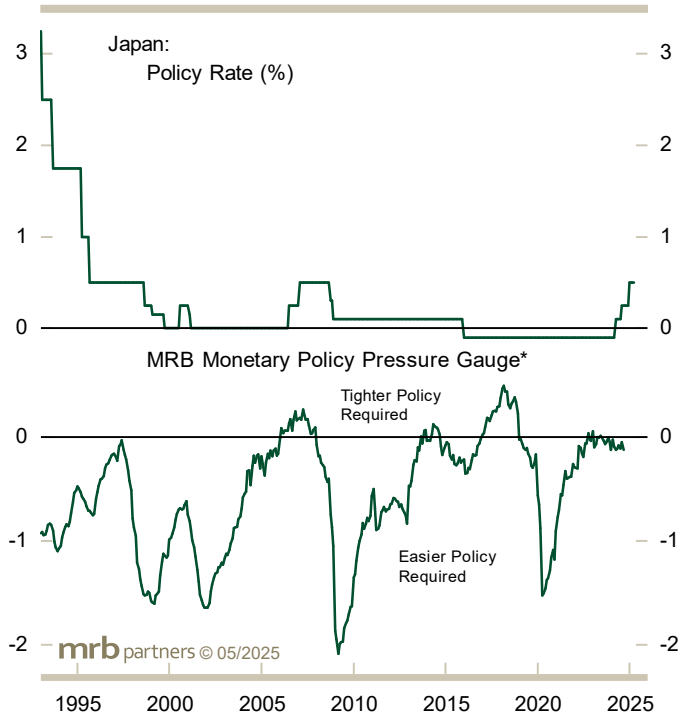
1980 1985 1990 1995 2000 2005 2010 2015 2020 2025

* Includes long-term economic growth and inflation measures

** 10-year government bond yield minus MRB Fair Value Measure; standardized

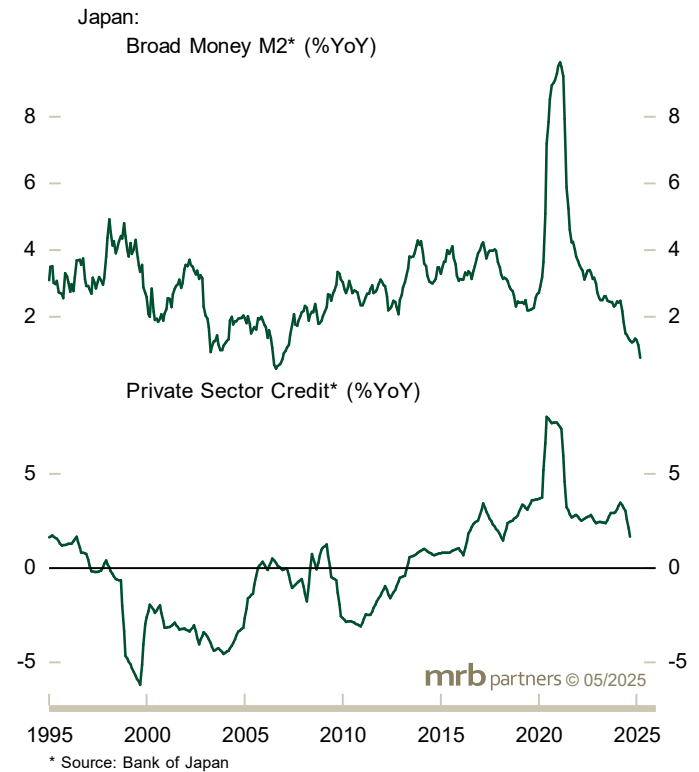
Japan: *Underweight*

Relative Price Momentum



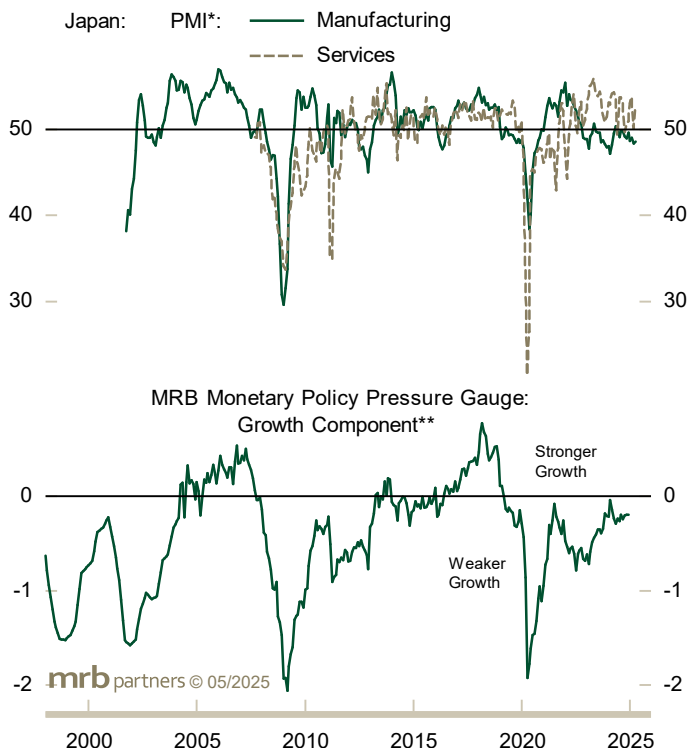
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



* Source: Bank of Japan

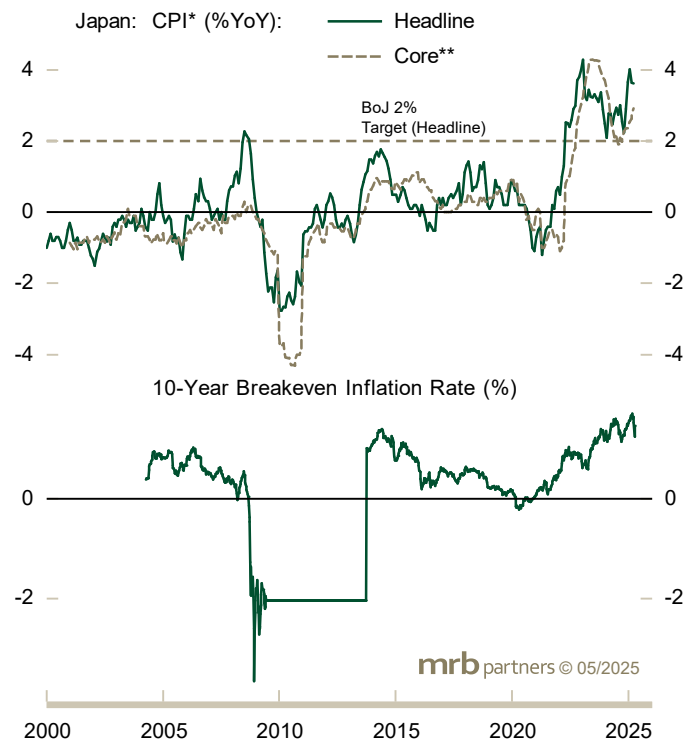
Growth Momentum



* Source: Markit Economics

** Includes business and consumer sectors, labor market and financial conditions; standardized

Inflation

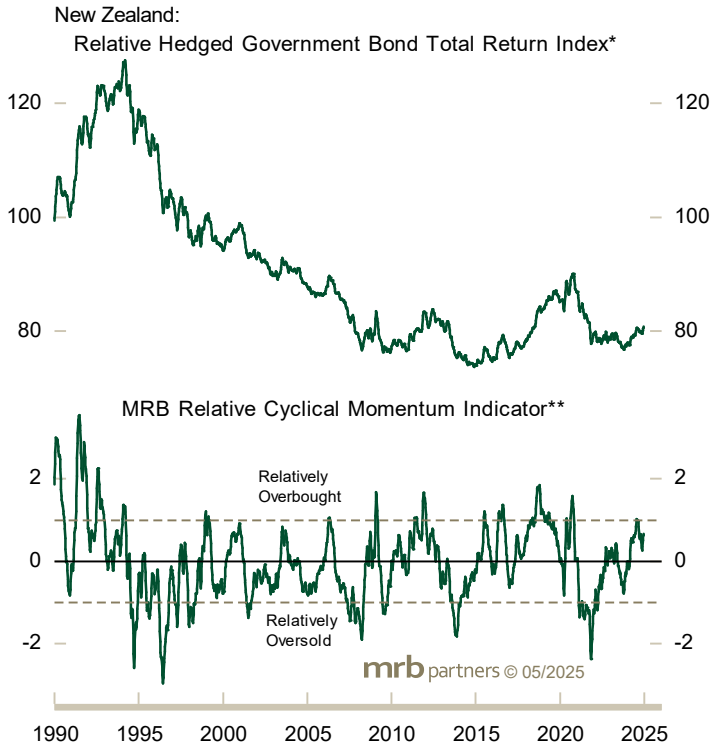


* Adjusted for the effect of the April 2014 consumption tax hike on the measurement of prices

** Excludes food and energy

New Zealand: *Overweight*

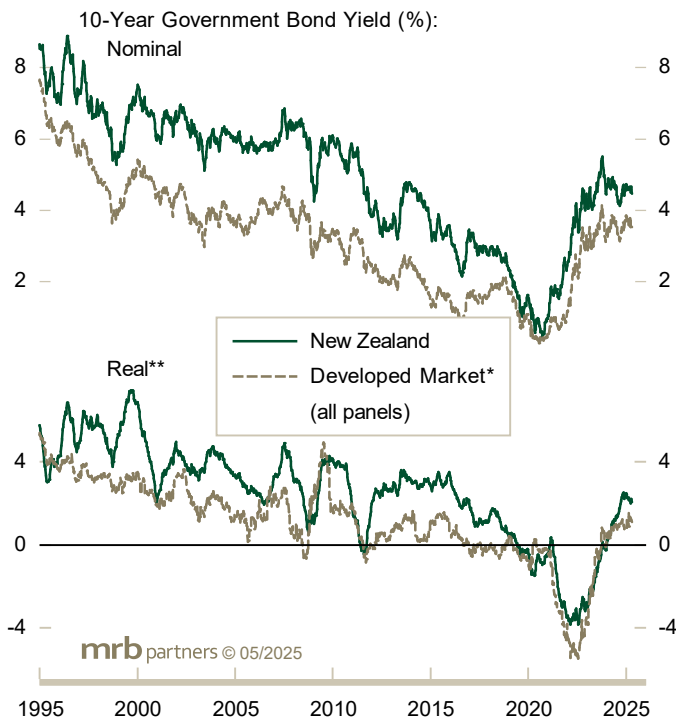
Relative Price Momentum



* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation

** Standardized

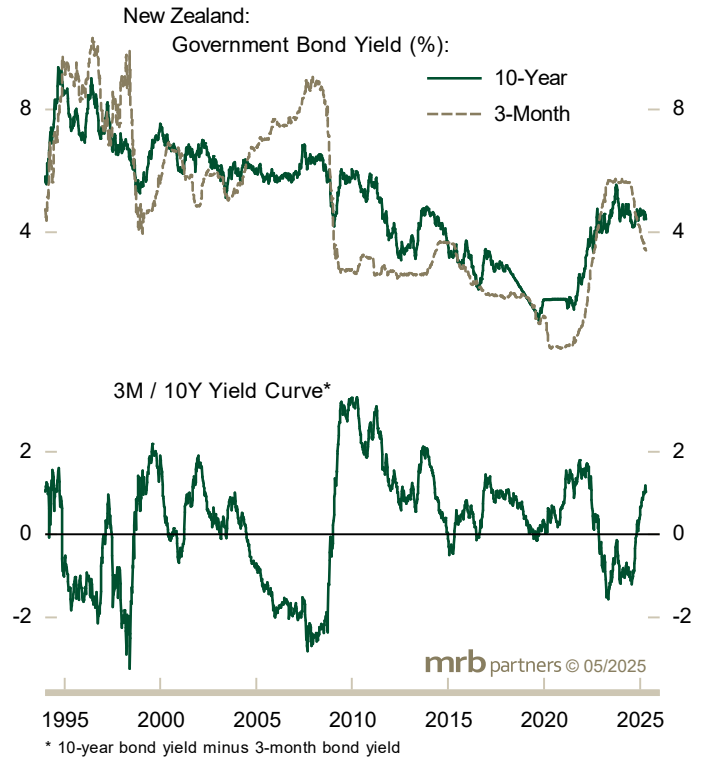
Real & Nominal Yields



* GDP-weighted aggregate

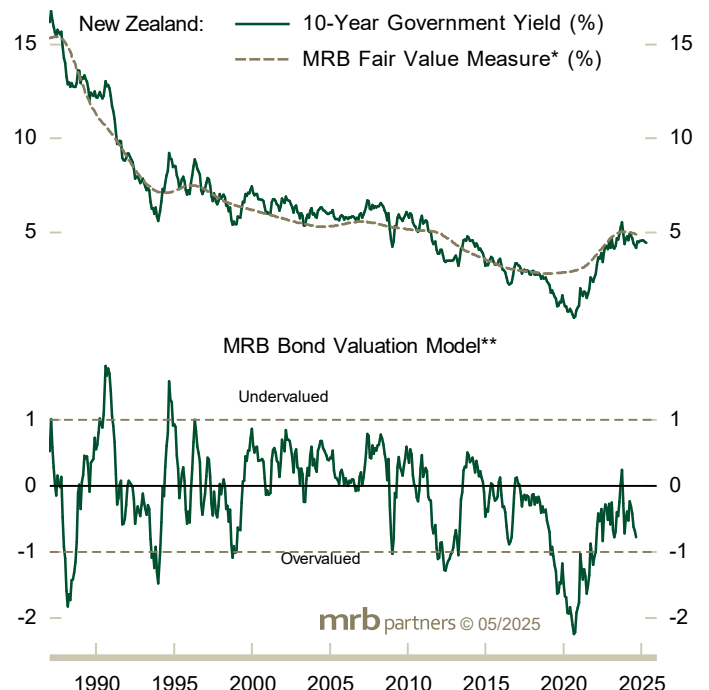
** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve



* 10-year bond yield minus 3-month bond yield

Relative Valuation

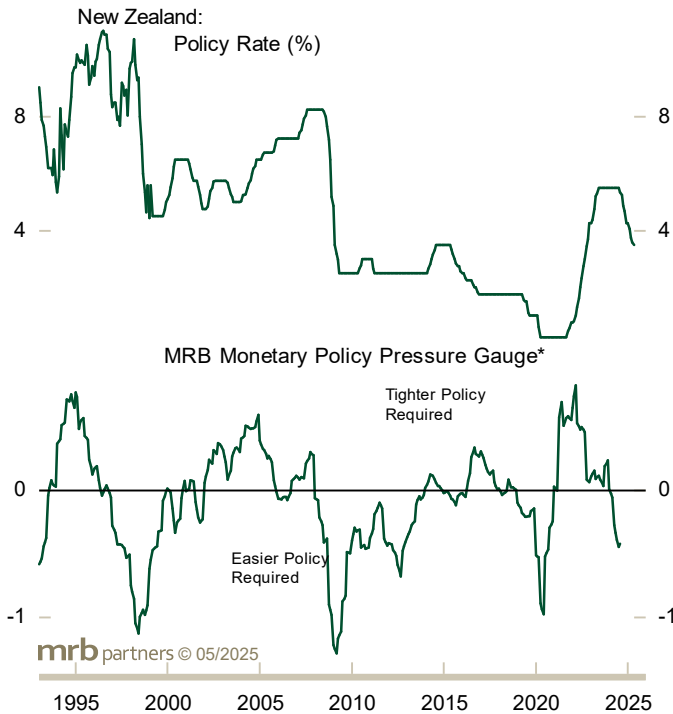


* Includes long-term economic growth and inflation measures

** 10-year government bond yield minus MRB Fair Value Measure; standardized

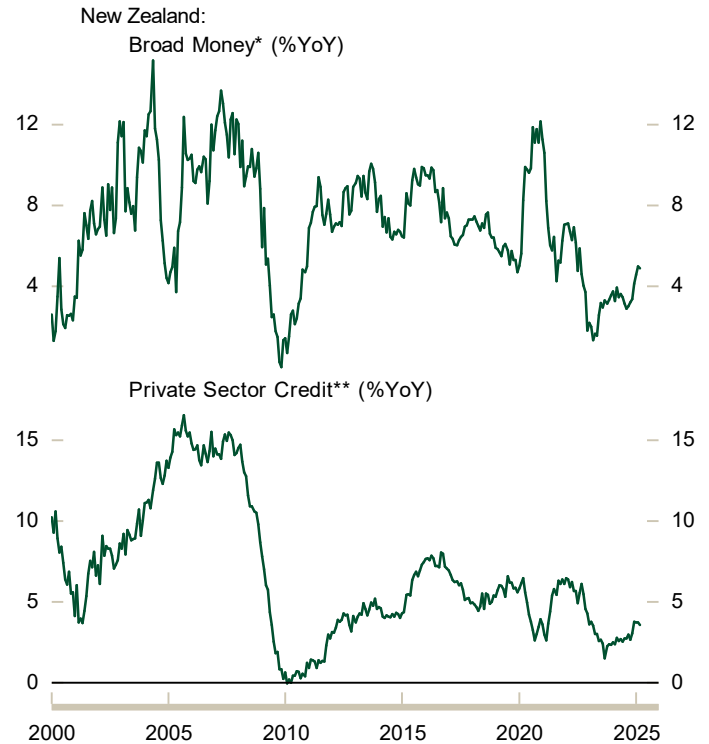
New Zealand: *Overweight*

Monetary Policy



* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

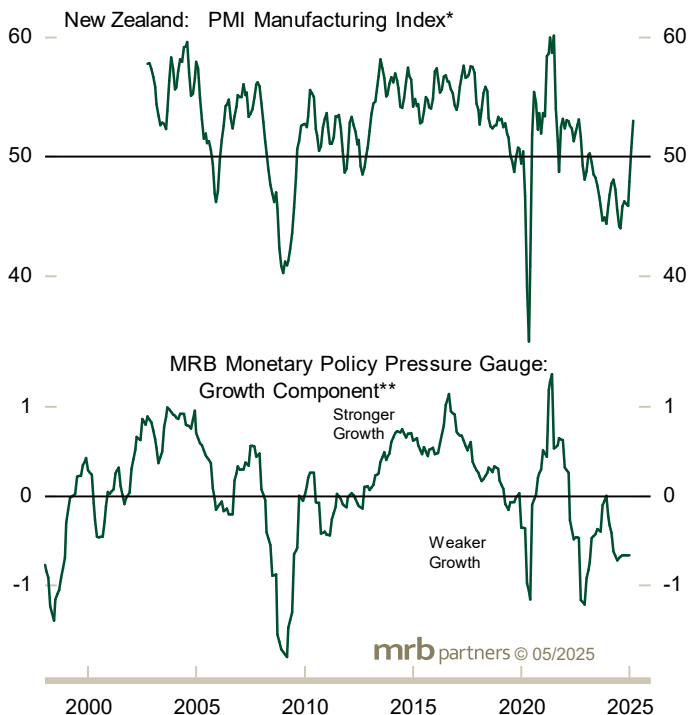
Liquidity & Inflation



* Source: Reserve Bank of New Zealand

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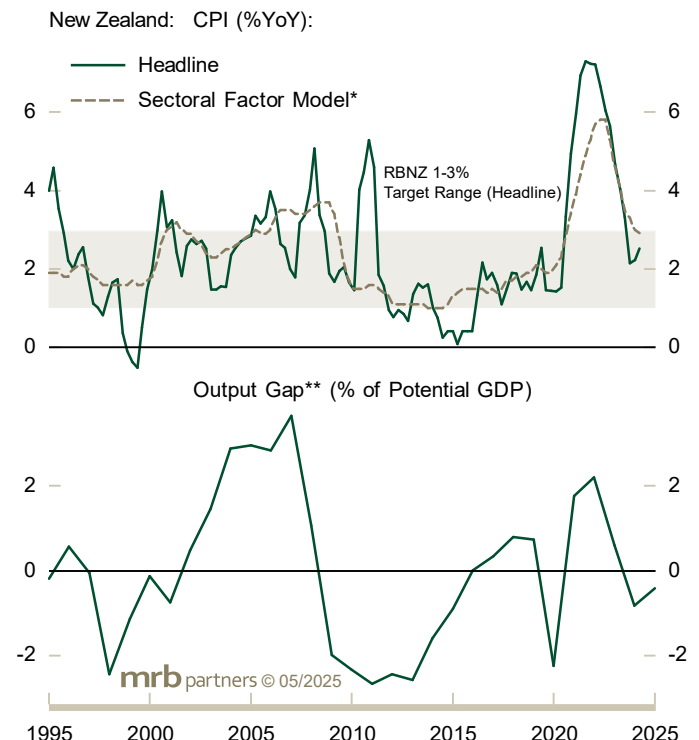
Growth Momentum



* Smoothed; source: Markit Economics

** Includes business and consumer sectors, labor market and financial conditions; standardized

Inflation

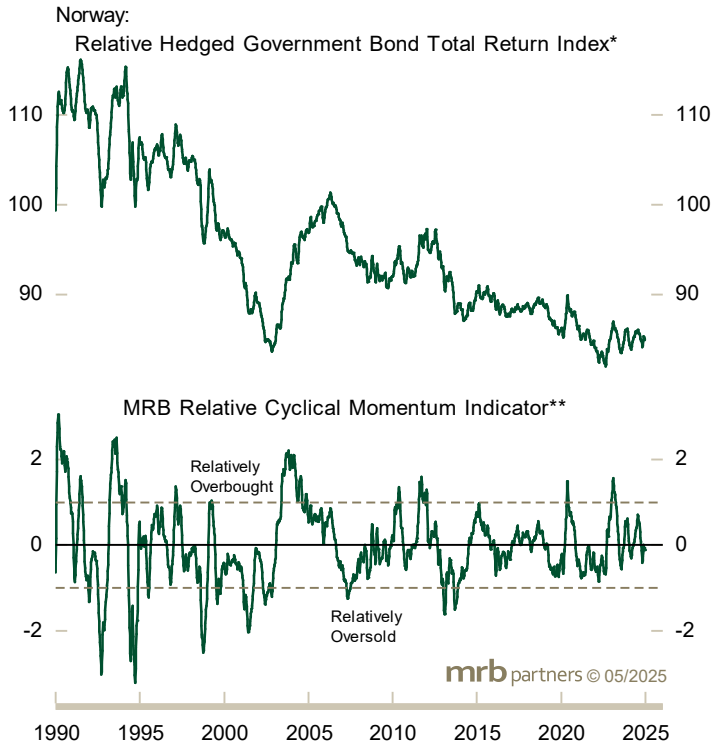


* Source: Reserve Bank of New Zealand

** Source: IMF

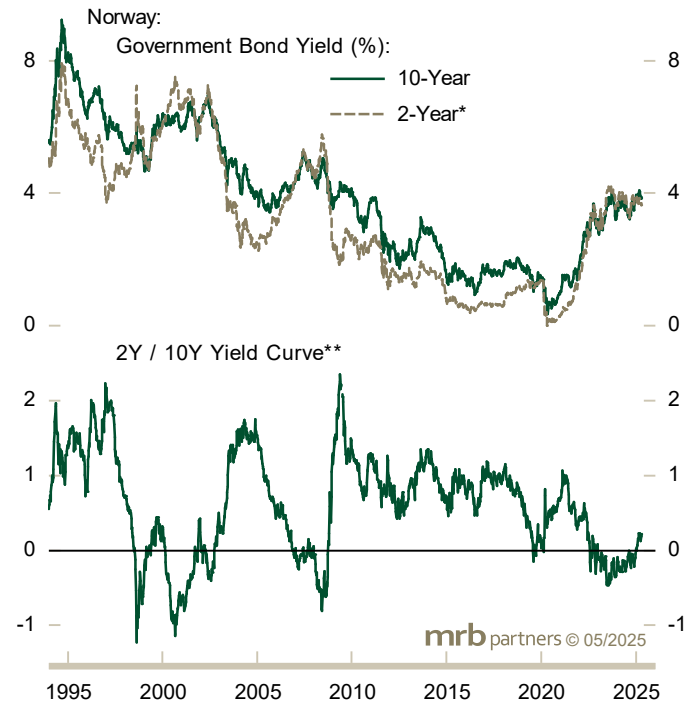
Norway: Overweight

Price Performance



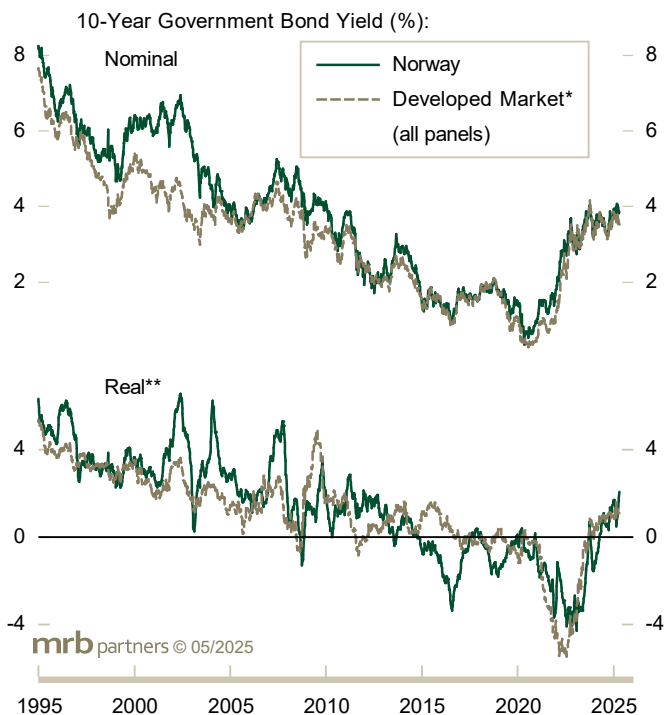
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
** Standardized

Yield Curve



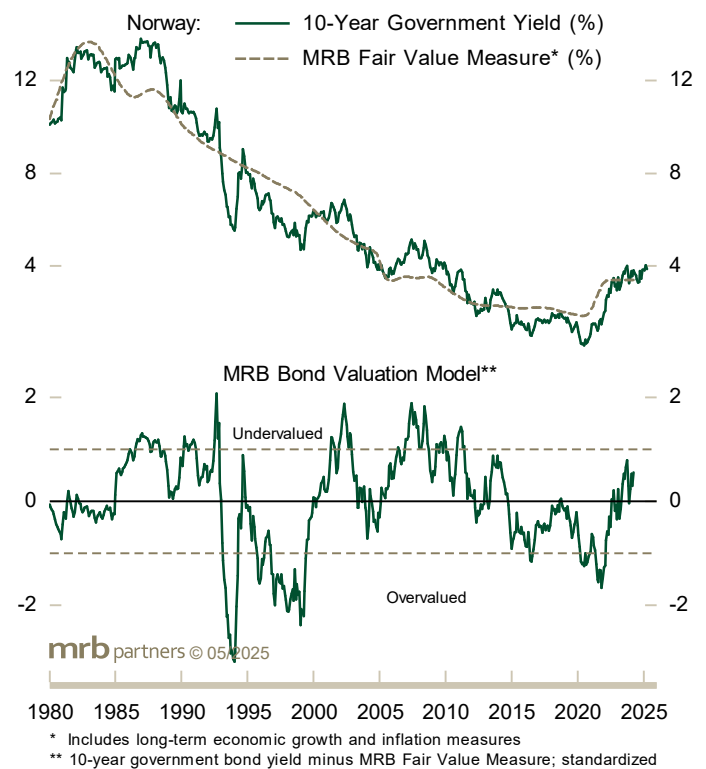
* 2-year bond yield prior to 2003
** 10-year bond yield minus 2-year bond yield

Real & Nominal Yields



* GDP-weighted aggregate
** Deflated by headline CPI inflation; sources: national sources and IMF

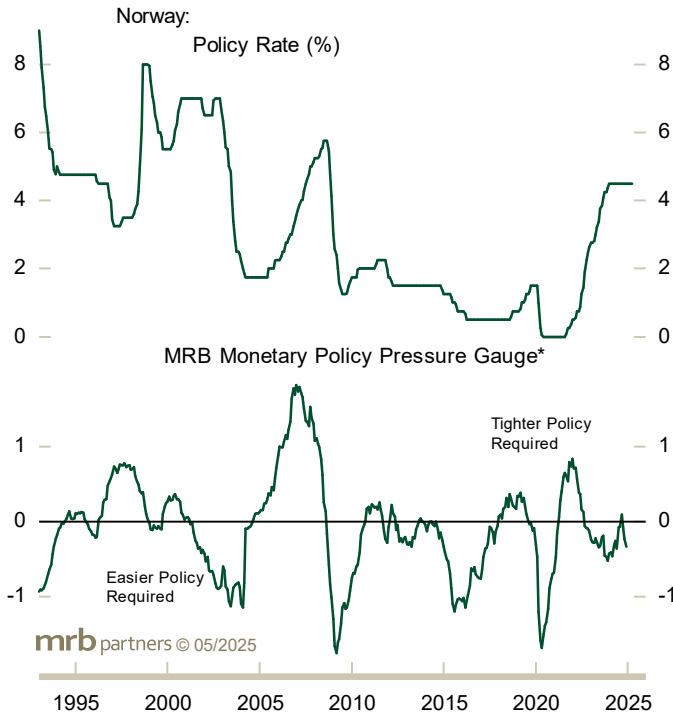
Valuation



* Includes long-term economic growth and inflation measures
** 10-year government bond yield minus MRB Fair Value Measure; standardized

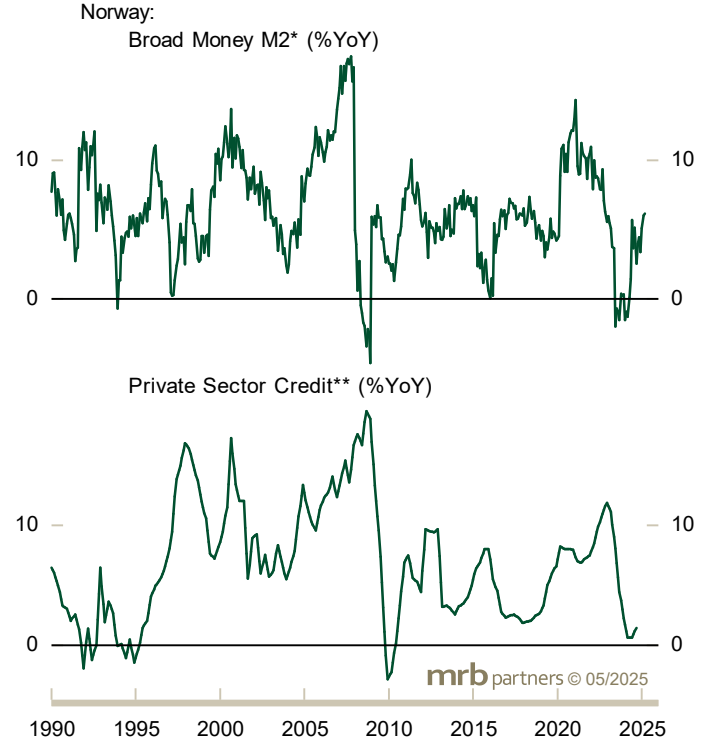
Norway: Overweight

Monetary Policy



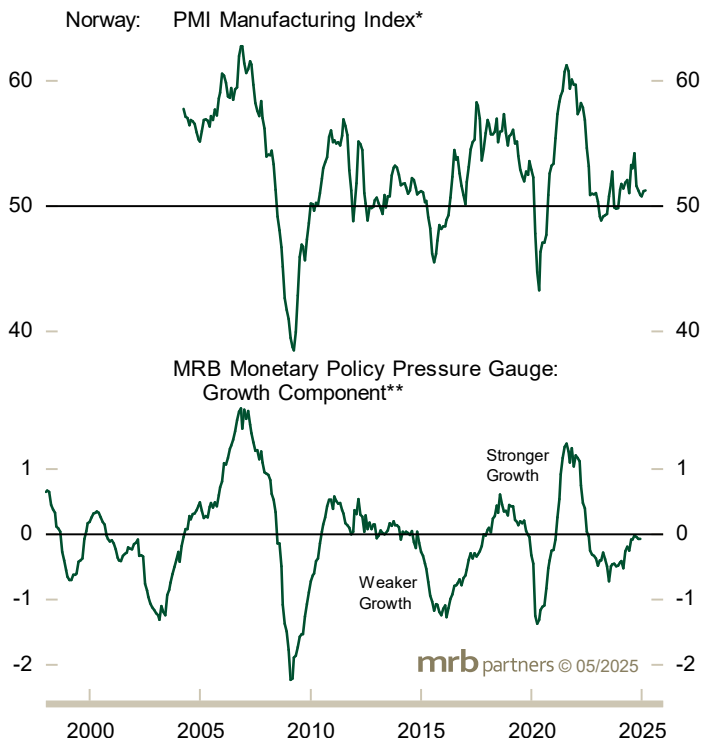
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



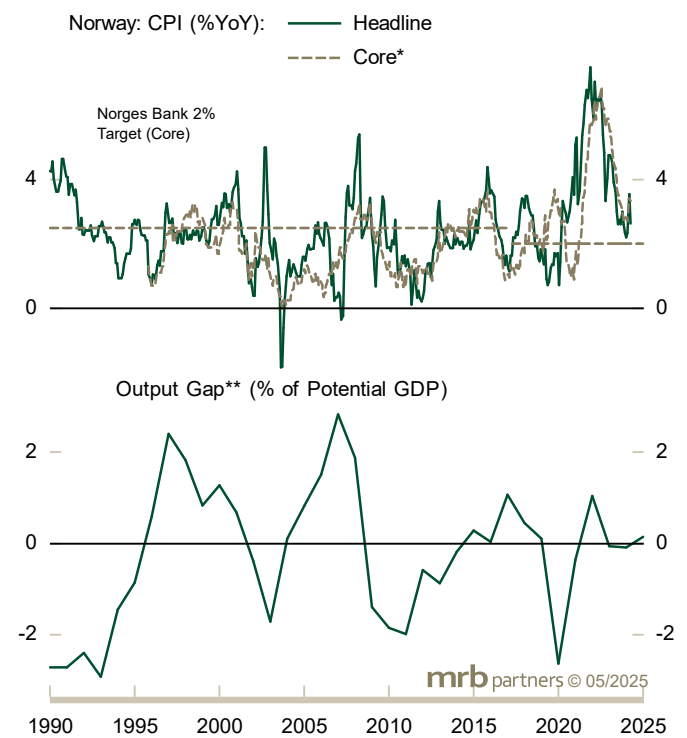
* Source: Norges Bank
** Source: Bank for International Settlements

Growth Momentum



* Smoothed; source: DNB
** Includes business and consumer sectors, labor market and financial conditions; standardized

Inflation



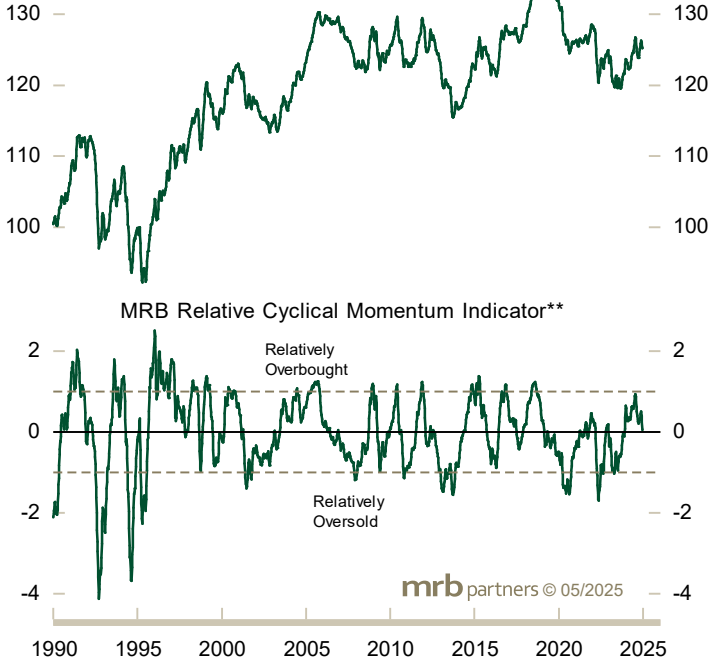
* Adjusted for tax changes and excluding energy products
** Source: IMF

Sweden: Overweight

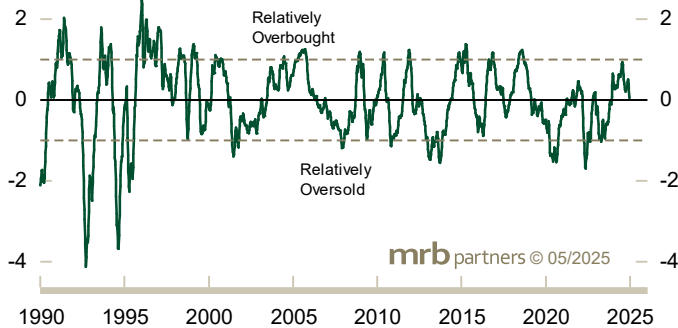
Relative Price Performance

Sweden:

Relative Hedged Government Bond Total Return Index*



MRB Relative Cyclical Momentum Indicator**



* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation

** Standardized

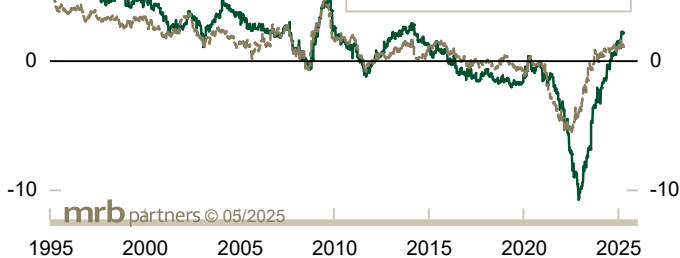
Real & Nominal Yields

10-Year Government Bond Yield (%):
Nominal



Real**

— Sweden
--- Developed Market*
(all panels)



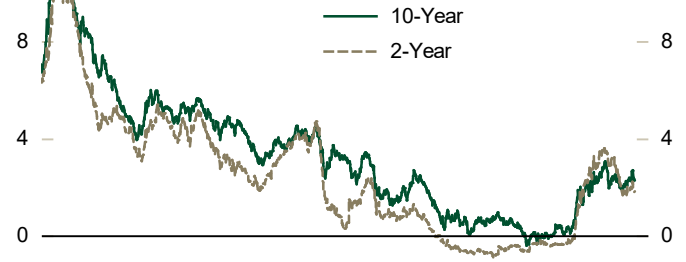
* GDP-weighted aggregate

** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve

Sweden:

Government Bond Yield (%):



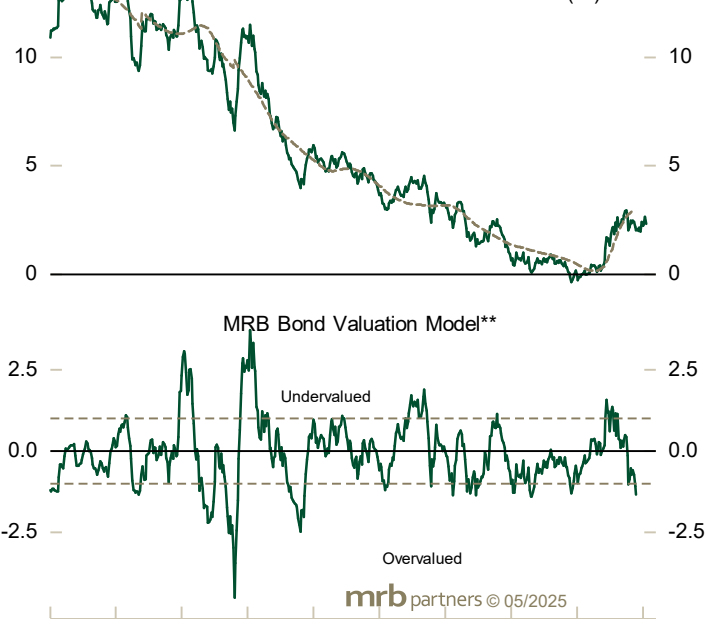
2 / 10 Yield Curve*



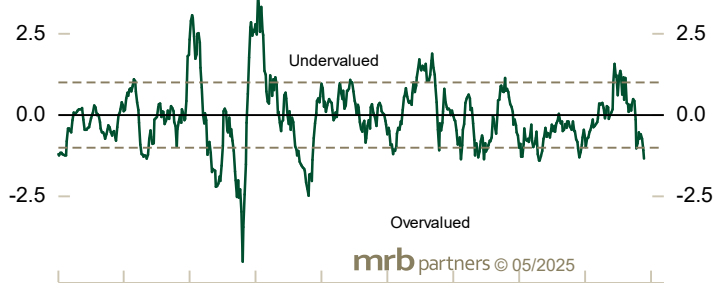
* 10-year bond yield minus 2-year bond yield

Valuation

Sweden: — 10-Year Government Yield (%)
--- MRB Fair Value Measure* (%)



MRB Bond Valuation Model**

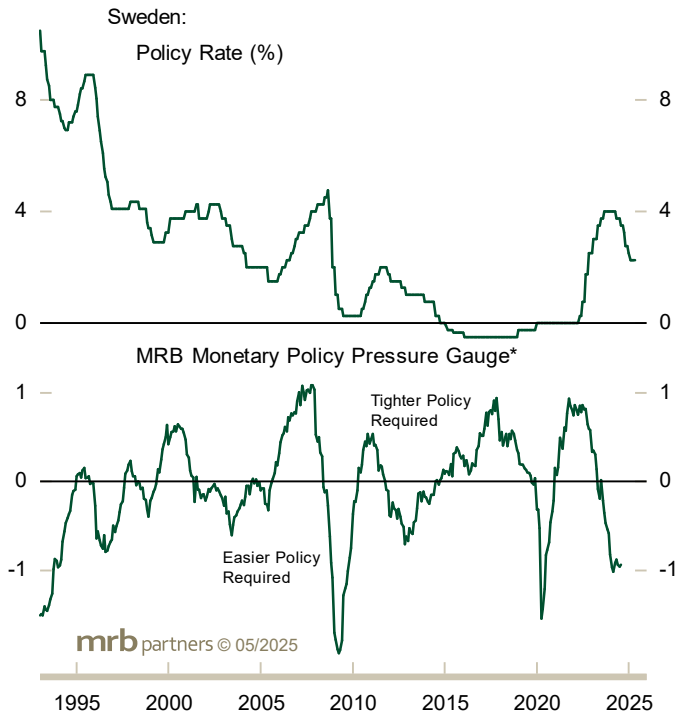


* Includes long-term economic growth and inflation measures

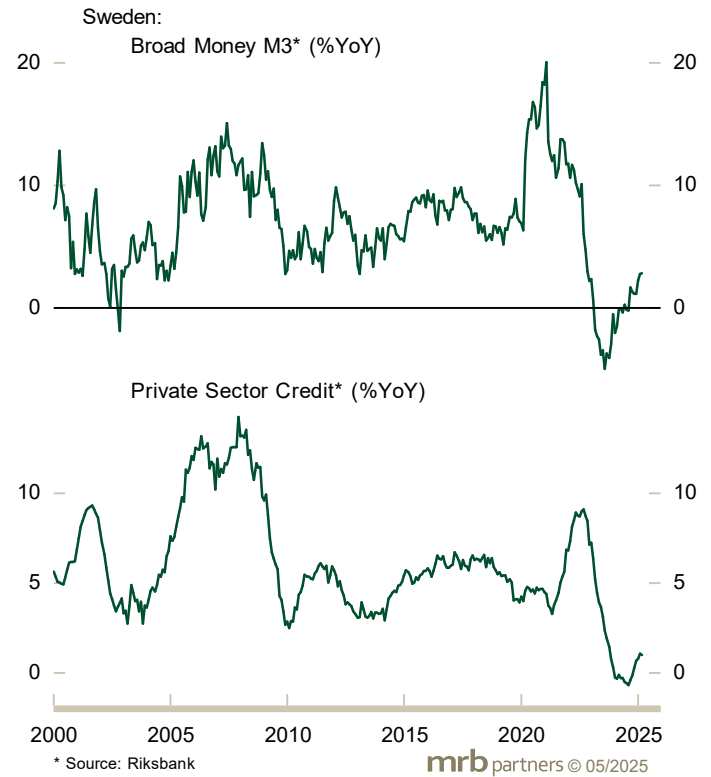
** 10-year government bond yield minus MRB Fair Value Measure; standardized

Sweden: Overweight

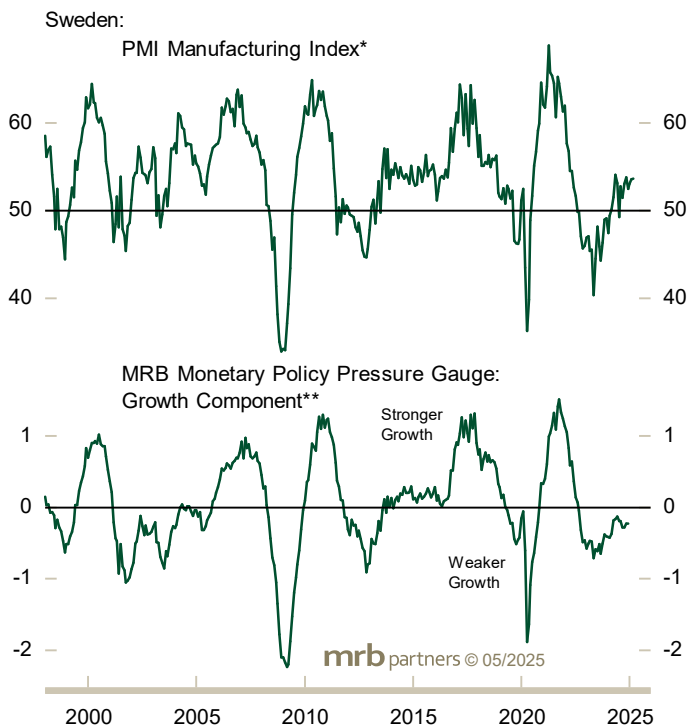
Monetary Policy



Liquidity & Credit



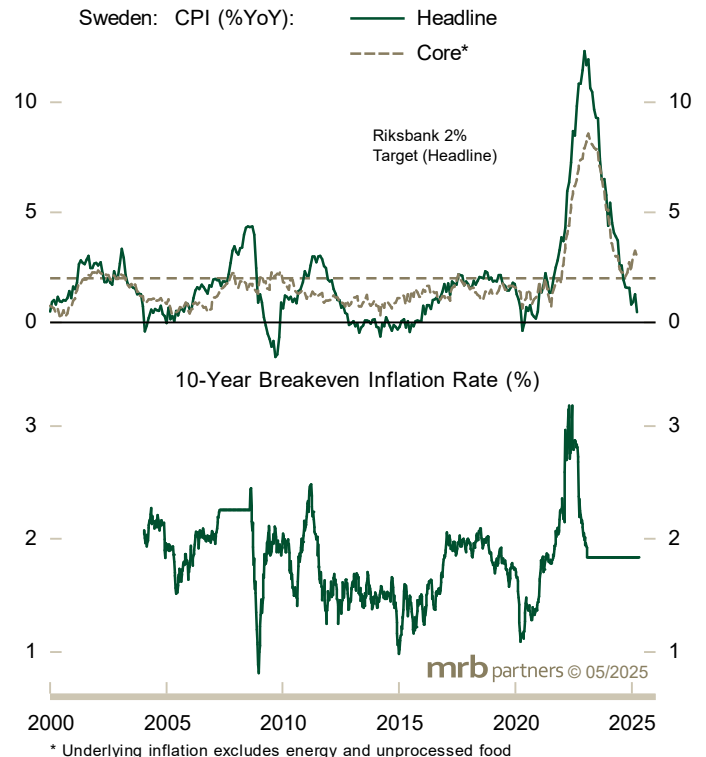
Growth Momentum



* Source: Swedbank

** Includes business and consumer sectors, labor market and financial conditions; standardized

Inflation



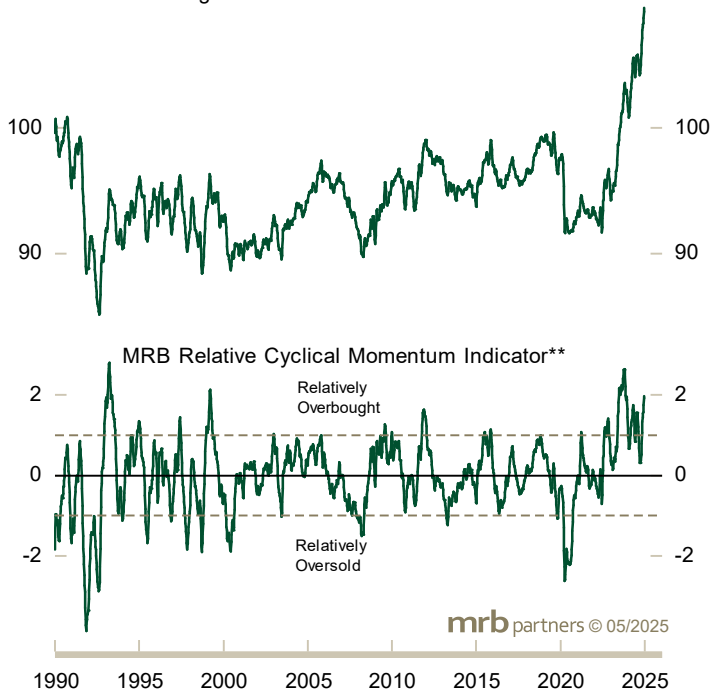
* Underlying inflation excludes energy and unprocessed food

Switzerland: *Neutral*

Relative Price Performance

Switzerland:

Relative Hedged Government Bond Total Return Index*



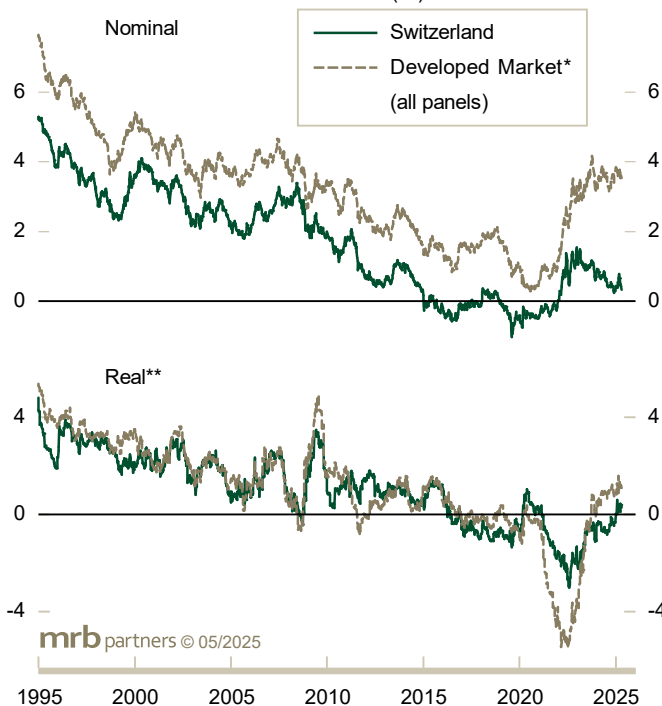
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation

** Standardized

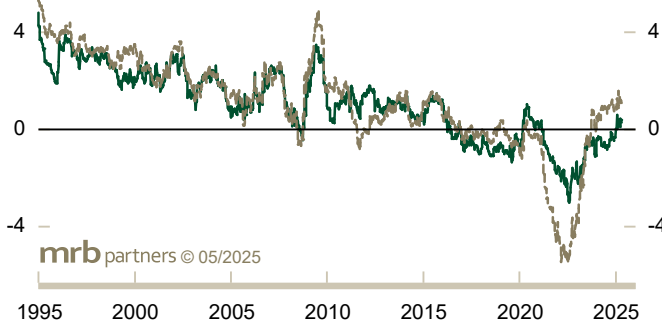
Real & Nominal Yields

10-Year Government Bond Yield (%):

Nominal



Real**



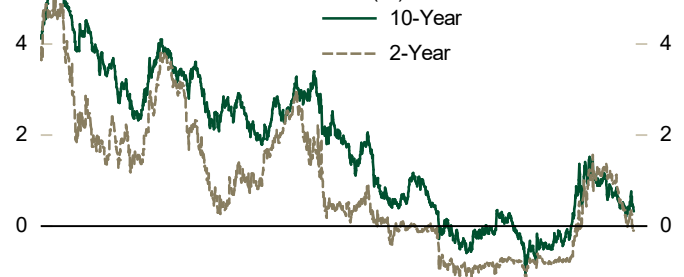
* GDP-weighted aggregate

** Deflated by headline CPI inflation; sources: national sources and IMF

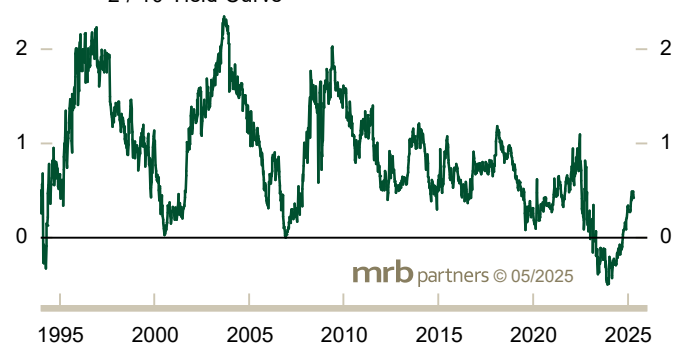
Yield Curve

Switzerland:

Government Bond Yield (%):



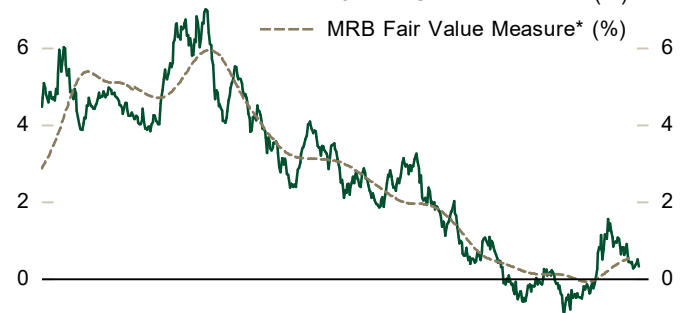
2 / 10 Yield Curve*



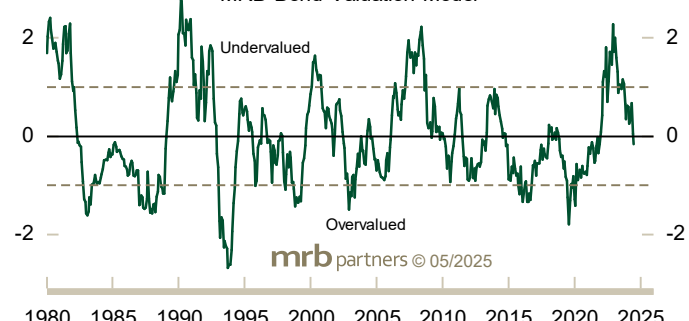
* 10-year bond yield minus 2-year bond yield

Valuation

Switzerland: 10-Year Government Yield (%)



MRB Bond Valuation Model**

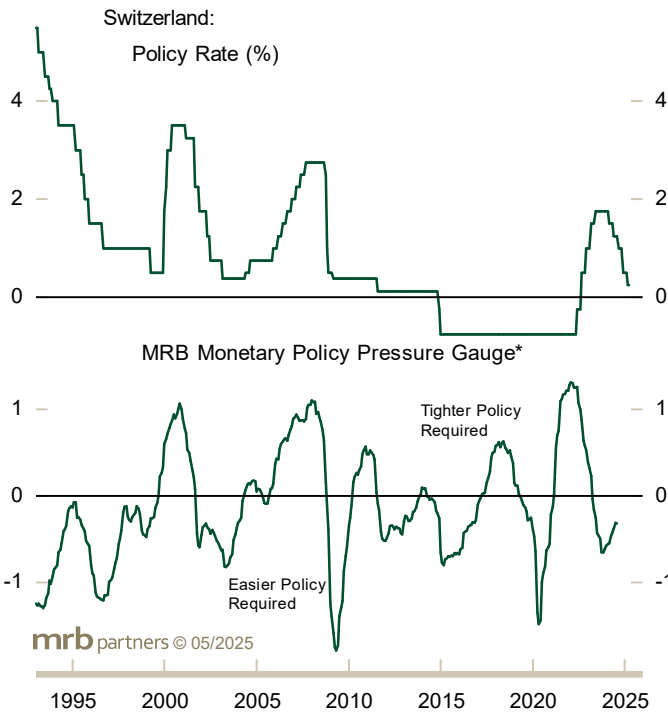


* Includes long-term economic growth and inflation measures

** 10-year government bond yield minus MRB Fair Value Measure; standardized

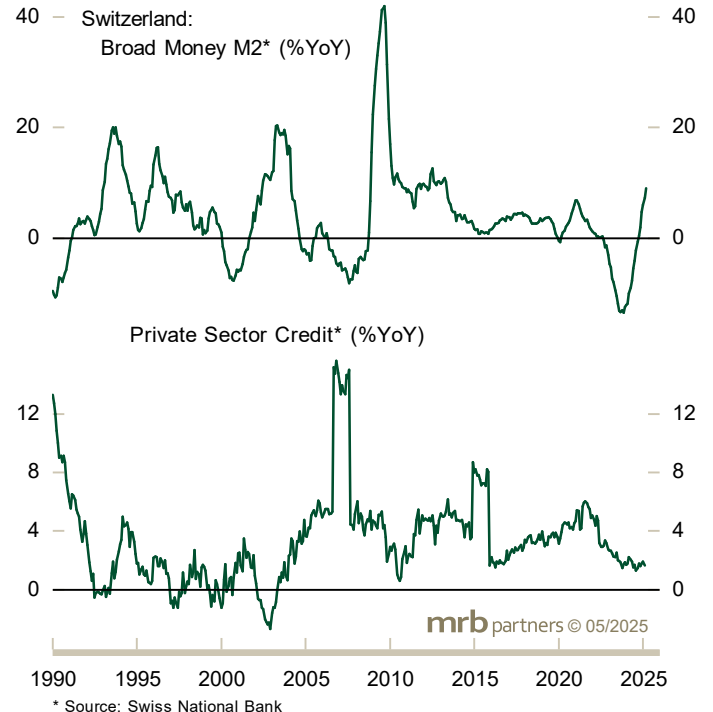
Switzerland: *Neutral*

Monetary Policy



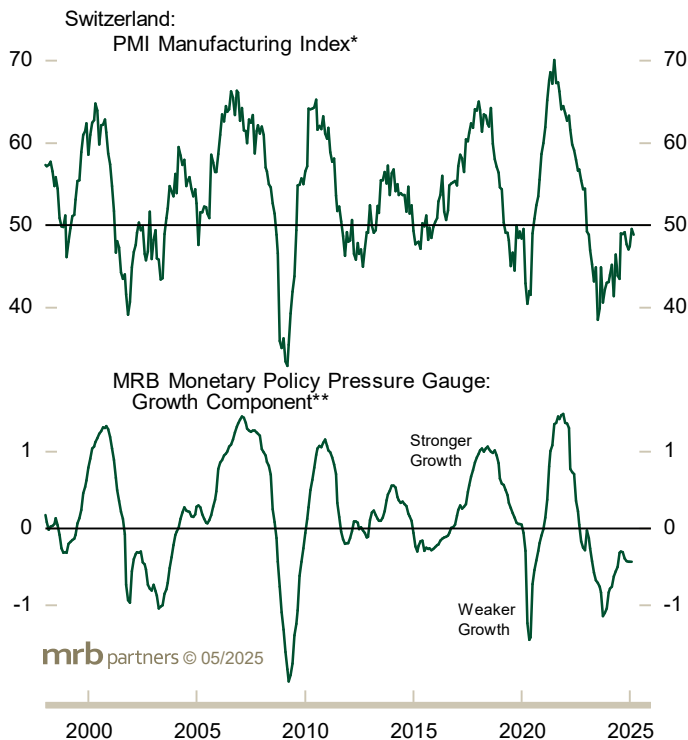
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



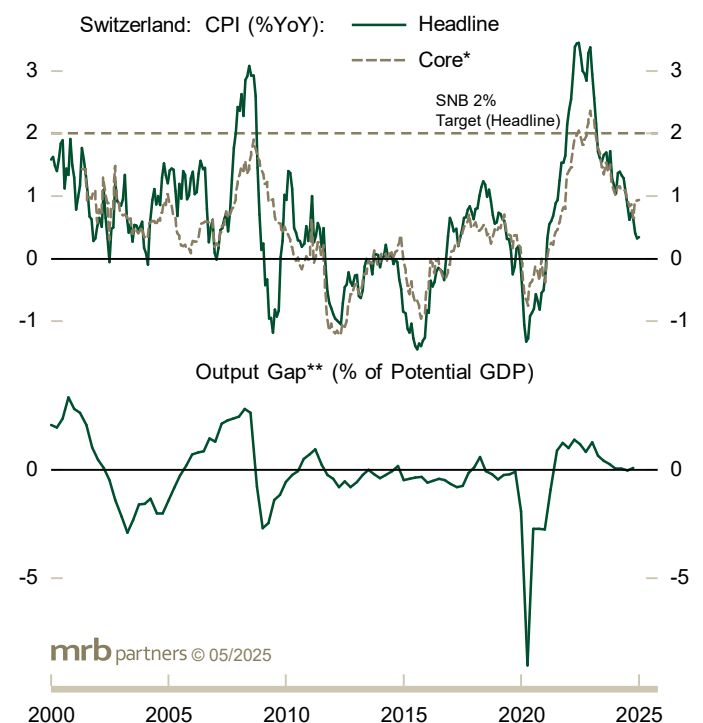
* Source: Swiss National Bank

Growth Momentum



* Source: Credit Suisse

Inflation

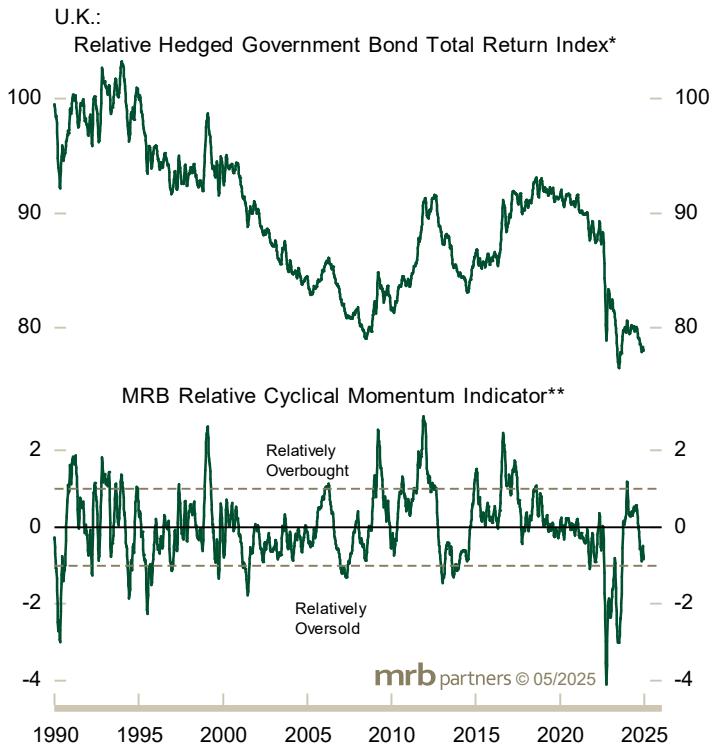


* Excludes food and energy

** Source: SNB

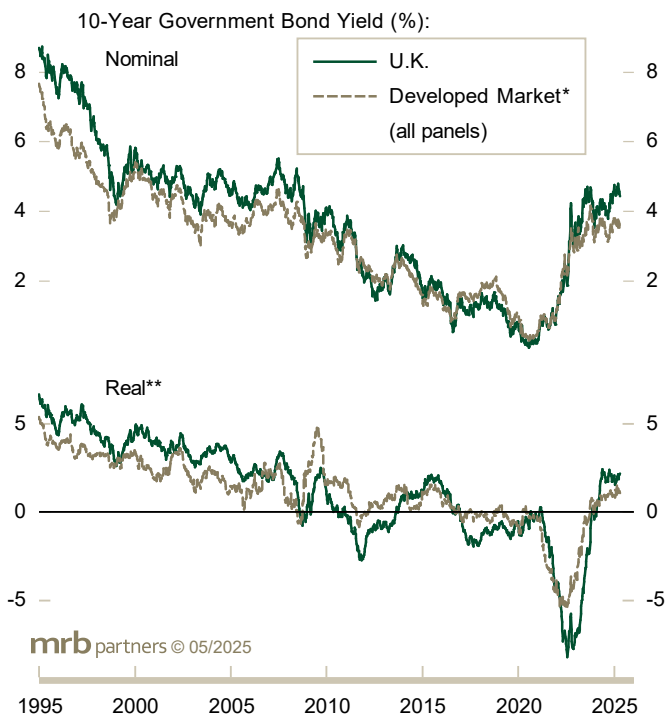
U.K.: Overweight

Relative Price Performance



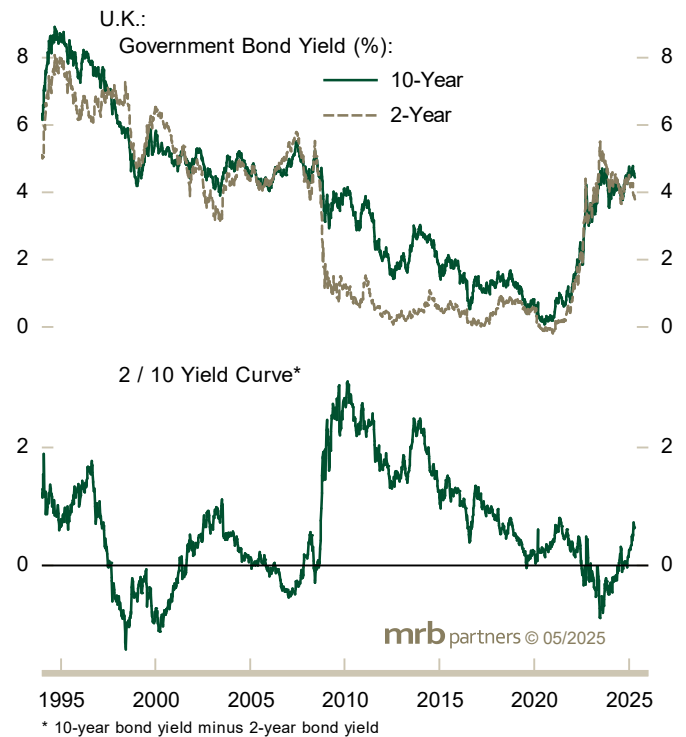
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
** Standardized

Real & Nominal Yields



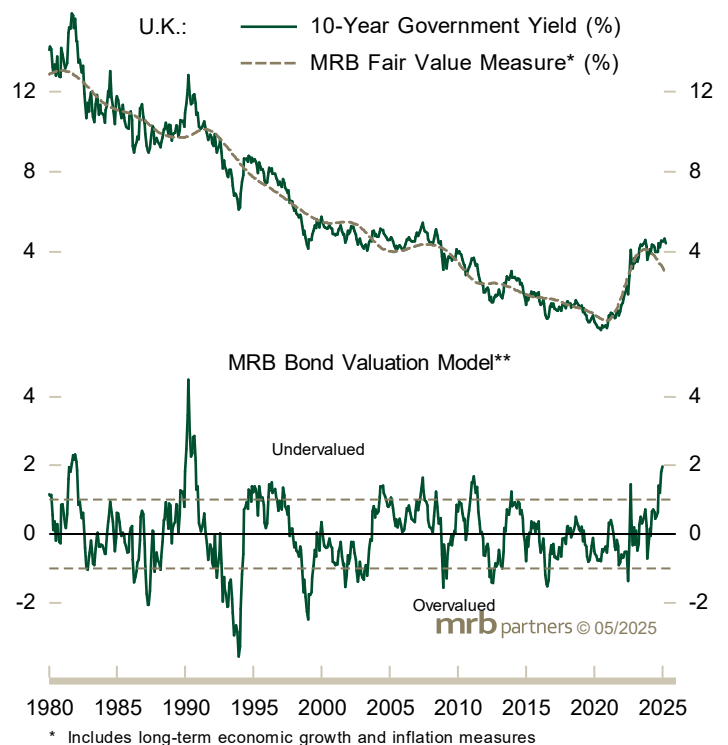
* GDP-weighted aggregate
** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve



* 10-year bond yield minus 2-year bond yield

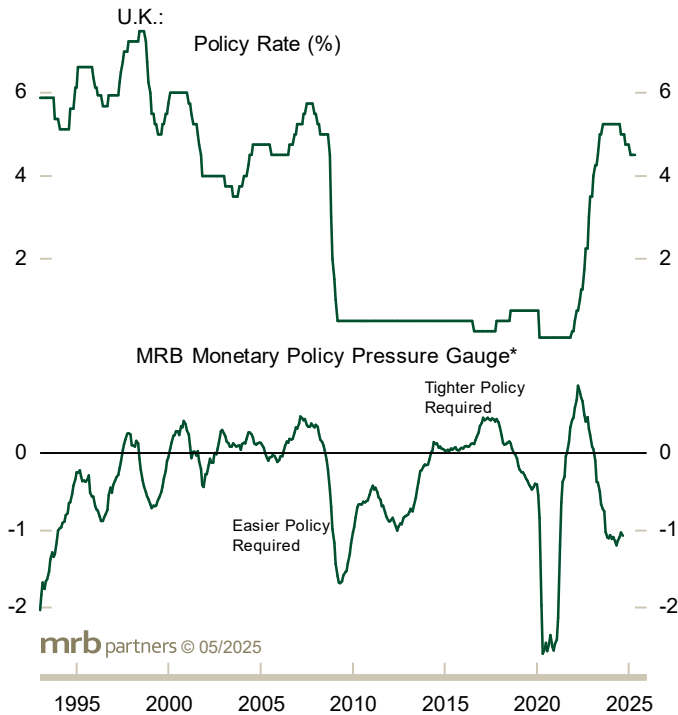
Valuation



* Includes long-term economic growth and inflation measures

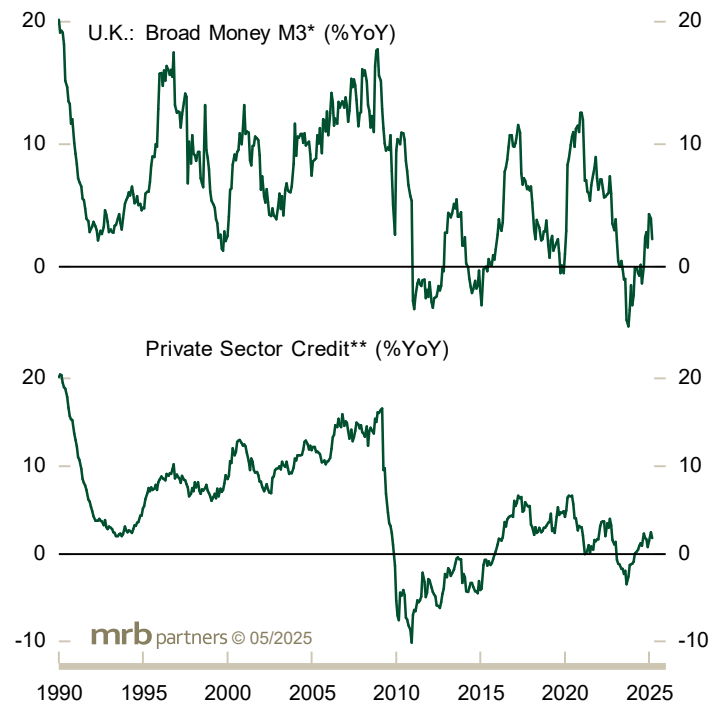
U.K.: Overweight

Monetary Policy



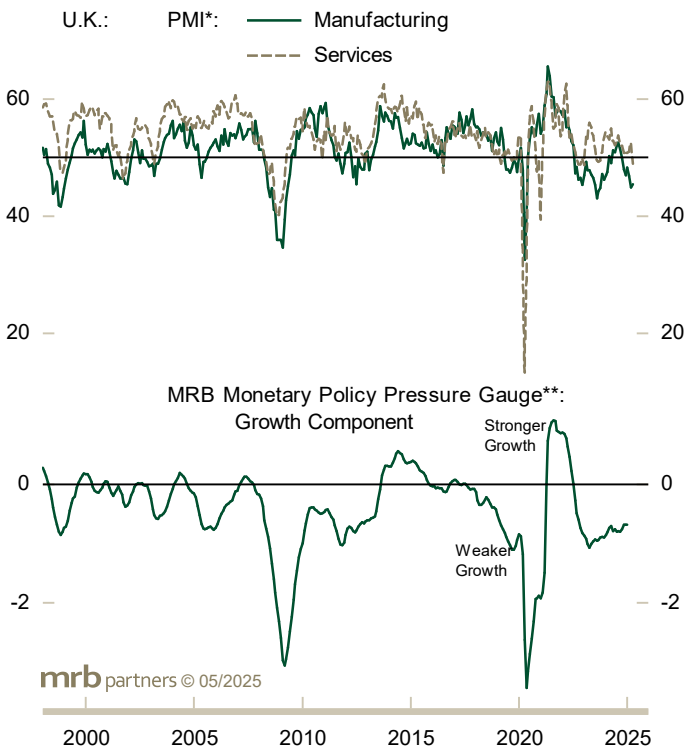
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



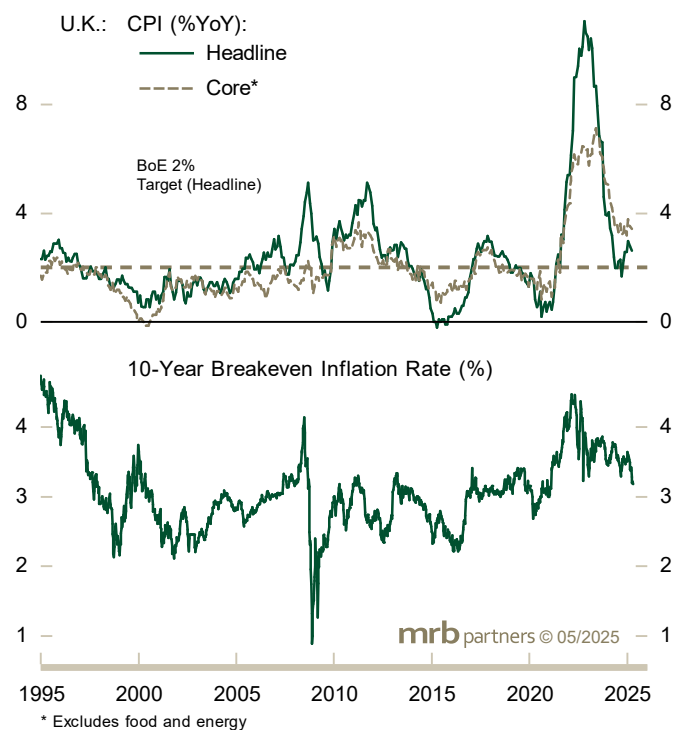
* Source: Bank of England
** M4 lending excluding intermediate OFCs

Growth Momentum



* Source: Markit Economics
** Includes business and consumer sectors, labor market and financial conditions; standardized

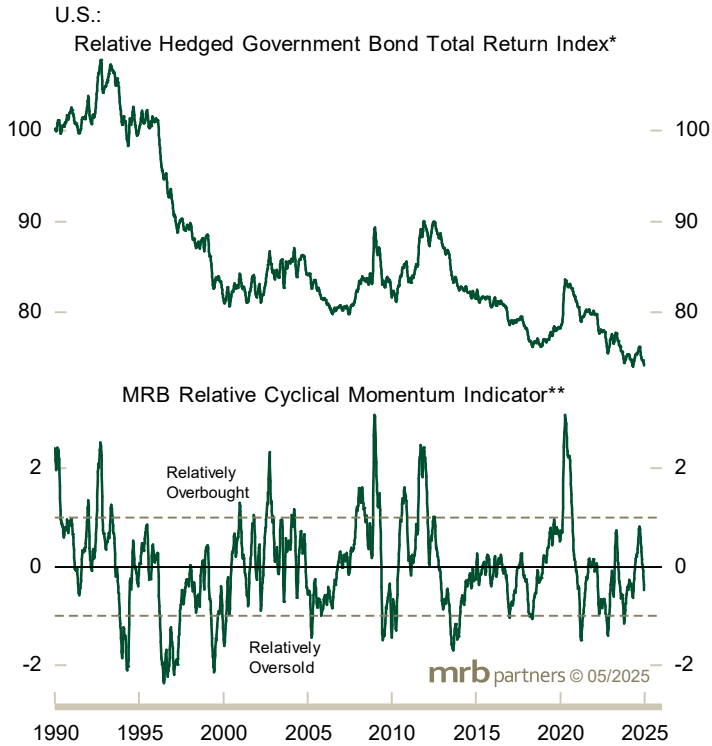
Inflation



* Excludes food and energy

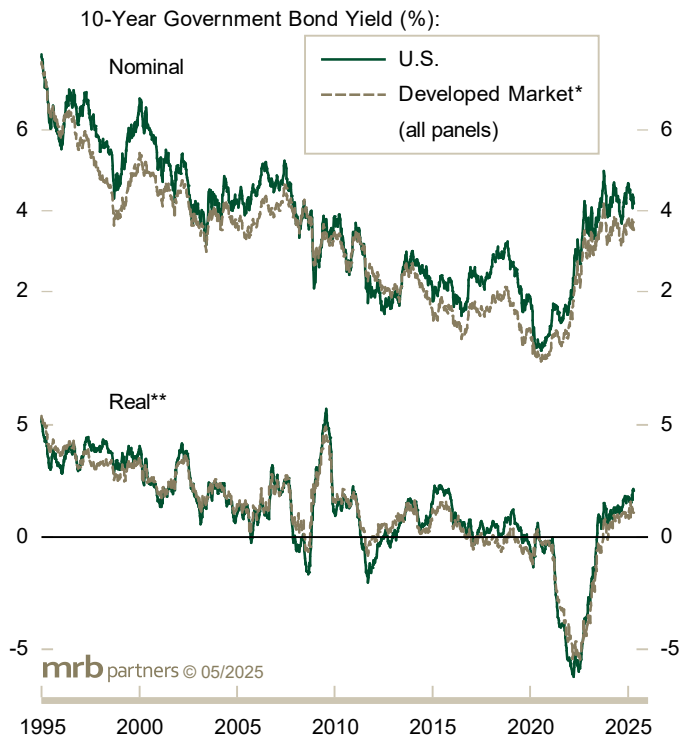
U.S.: *Neutral*

Relative Price Performance



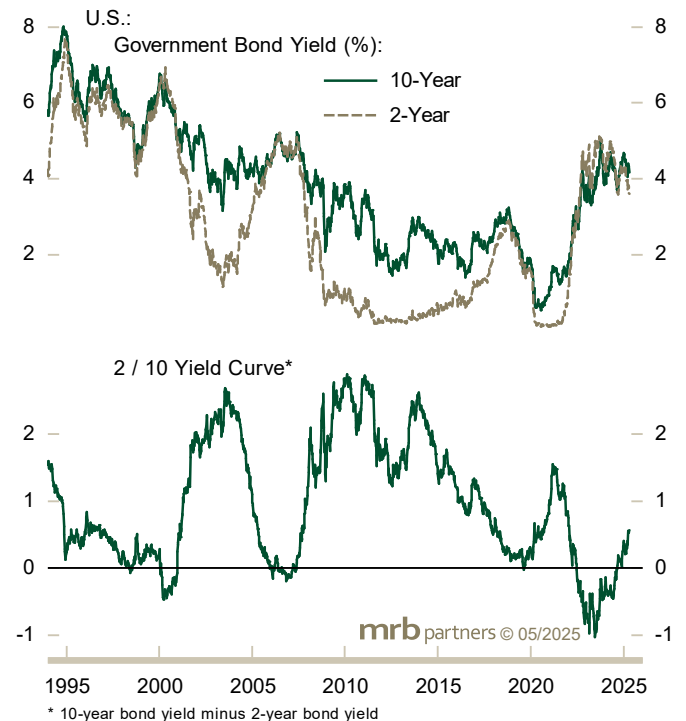
* Hedged using 3-month forward currency contracts; relative to market-capitalization weighted DM aggregate; smoothed; source: MRB calculation
** Standardized

Real & Nominal Yields



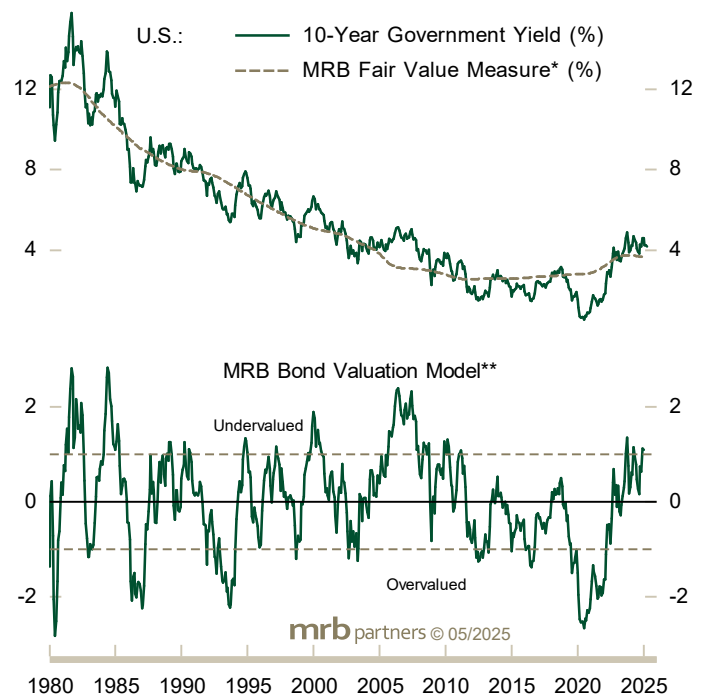
* GDP-weighted aggregate
** Deflated by headline CPI inflation; sources: national sources and IMF

Yield Curve



* 10-year bond yield minus 2-year bond yield

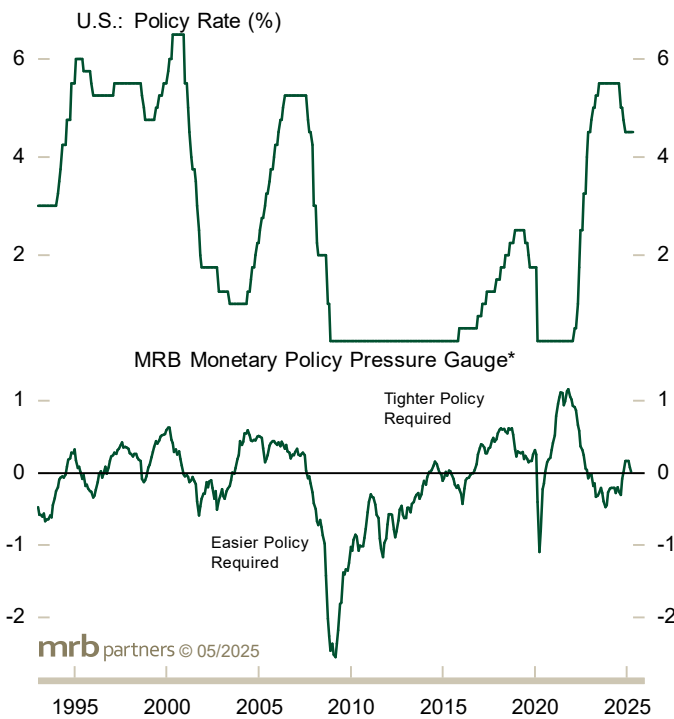
Valuation



* Includes long-term economic growth and inflation measures
** 10-year government bond yield minus MRB Fair Value Measure; standardized

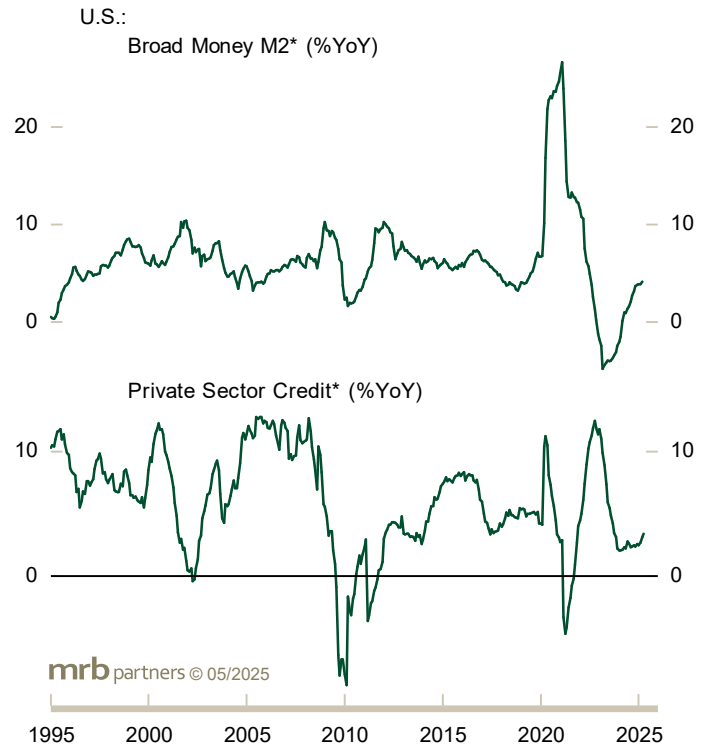
U.S.: Neutral

Monetary Policy



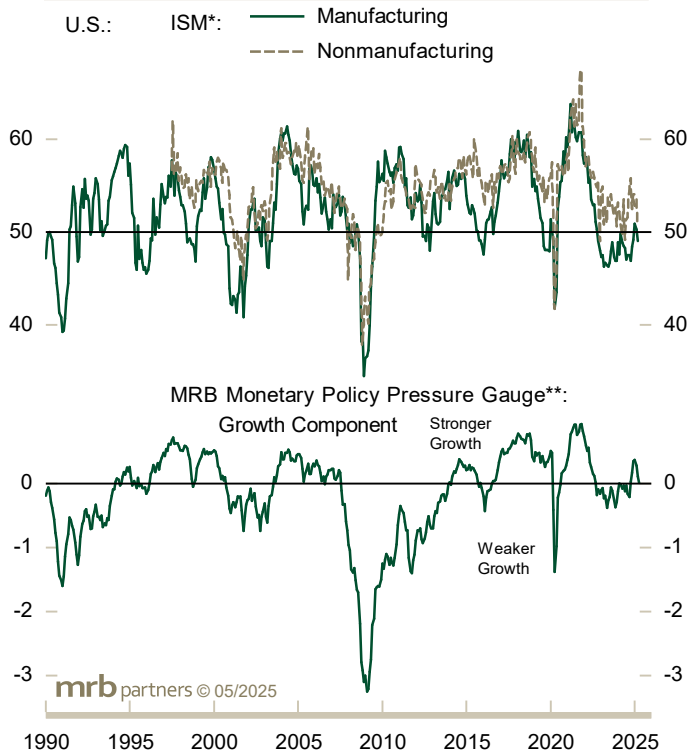
* Includes a growth and inflation component; standardized
Note: Shaded when MRB Monetary Policy Pressure Gauge is above zero

Liquidity & Credit



* Source: Federal Reserve

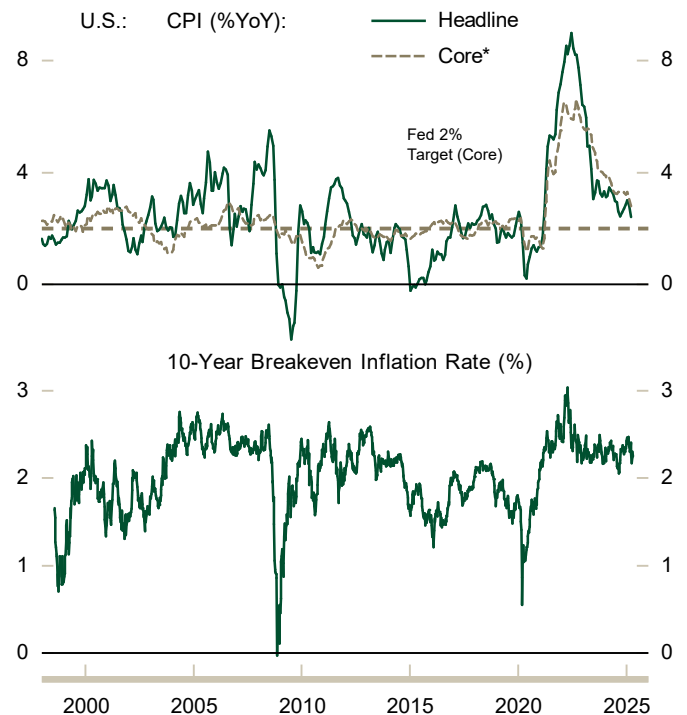
Growth Momentum



* Source: Institute for Supply Management

** Includes business and consumer sectors, labor market and financial conditions; standardized

Inflation



* Excludes food and energy

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For more information, please contact:

Client Relations

clientrelations@mrbbpartners.com

London

24 Old Bond Street, 3rd Floor,
London, W1S 4AP, United Kingdom
Tel (+)44 (0) 20 3523 9618

Montreal

1275 Ave. des Canadiens-de-Montréal, Suite 500
Montreal, Quebec H3B 0G4, Canada
Tel +1 514 558 1515

New York

1345 Avenue of the Americas, FL 2
New York, NY, 10105, United States
Tel +1 212 390 1148

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