Deutsche Bank
Chief Investment Office

PERSPECTIVES

ECONOMIC AND ASSET CLASS OUTLOOK

March 2025

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Confrontational competition

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Letter to Investors

Investing with foresight

Christian Nolting
Global CIO

Reading the business or political sections of daily newspapers is unlikely to bring much joy to most investors at this time. I think it is fair to say that market sentiment is bleak. The style of policymaking practised by the Trump administration is proving to be a source of global uncertainty. Particularly, in our view, the announced trade and tariff policies are weighing on investor sentiment and we expect this to remain the case for some time.

We therefore expect capital markets to remain volatile in the short term. However, the current turbulence does not change our positive medium- and long-term outlook. In our annual outlook for 2025 we already addressed the themes of recession, rates and rotations, and recommended not losing sight of the fundamentally positive growth expectations for 2025 and beyond. This assessment, we think, is still valid from both a macroeconomic and a corporate perspective. On a positive note: the level of U.S. tariffs appears to be quite malleable – as the examples of Mexico and Canada have shown. Europe, and especially Germany, should also have some bargaining power.

Over the next twelve months, we believe that positive market factors, including extended or additional tax relief and deregulation in the U.S., as well as fiscal stimulus in Europe, should prevail. For investors, this means not retreating from the capital markets now, but instead becoming active and viewing setbacks as potential opportunities. The long-term investment focus should remain broadly diversified.

We are always happy to support you – even more so in these volatile times.

Christian Nolting

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Global CIO

Macroeconomics: Confrontational competition

- Growth: U.S. exceptionalism moderating – Europe‘s awakening
- Inflation: Not conclusively beaten yet
- Central banks: Restrained easing versus dominant fiscal stimulus

The **U.S.** economy continued to grow at a robust pace in the final quarter of 2024, expanding 2.8% for the year. Increasing uncertainties over the political path of the new U.S. administration recently raised concerns over a soft patch of the economy. However, the labour market remains resilient and real wage growth should continue to boost the purchasing power of consumers. As the year progresses, diminishing uncertainty about the final tariff regime should improve private sector sentiment and a drawdown of inventories may occur. Nevertheless we expect GDP growth to slow to 2.0% in 2025 and 2026.

Economic resilience should dampen disinflation and keep inflation elevated during 2025 and 2026, limiting the Fed‘s scope for further easing. Over the next twelve months, we anticipate two more cuts, bringing the Fed Funds rate to 3.75-4.00% by the end of Q1 2026.

The **Eurozone** economy is weak and is yet to experience an urgently needed awakening, partly due to political uncertainties. The geopolitical realignment of the U.S. and how the Russia-Ukraine war unfolds present both risks and opportunities for Europe. The intended defence and infrastructure investment initiatives could trigger an economic upturn in the medium term. In the short term, however, Europe will probably have to rely on U.S. suppliers for their defence equipment. We expect economic momentum in the Eurozone to accelerate slowly from H2 2025, slightly lifting GDP growth to 1.0% in 2025 and further, as the multiplier effect of higher fiscal spending unfolds, to 1.5% in 2026.

Inflation is likely to remain on a bumpy path in the near term due to volatility in food and energy prices. A stronger fiscal impulse could add to price pressures in H2 2025 and beyond, with inflation to settle at 2.3% this year and in 2026. Against this backdrop, we anticipate the ECB making only one further cut over the next four quarters, which would bring the deposit rate down to 2.25% by March 2026.

In **Japan**, this year‘s Shunto wage settlement could exceed last year‘s 5%, setting the stage for robust domestic demand. We expect the economic upturn to continue despite potential headwinds from higher U.S. tariffs and to drive up GDP growth in 2025 to 1.2%. Against this backdrop, inflation is likely to reach 2.6% in 2025, above the BoJ‘s 2% target. The planned monetary policy normalisation may be accelerated and the BoJ key rate may be raised from 0.5% currently to 1.25%.

Having achieved its 5% growth target in 2024, **China** will probably focus on boosting domestic consumption, bolstering strategic industries and supporting private enterprises in 2025. Given the headwinds from higher U.S. tariffs, with further tit-for-tat retaliation likely, and the property market still not out of the woods, we expect GDP growth to slow to 4.5% and 4.0% in 2025 and 2026 respectively. This should keep price momentum low, making monetary stimulus less effective. We therefore expect only a gradual easing of financial conditions.

Fixed Income: A new equilibrium for Bunds

- Soft patch in the U.S. is masking the upward pressure on yields
- A new equilibrium for Bunds as fiscal levers are loosened
- Not only carry but also the high quality of Investment Grade will keep it well bid

While the policy uncertainty may have dragged down **U.S. Treasury** yields recently, long-term inflation expectations remain elevated, limiting the downside for yields. Once the economy has emerged from the soft patch, we expect yields to move higher as investors forego the need for the safety provided by Treasuries. The focus should return to the resurgence in growth, supported by the impending fiscal support and the inflationary impact of tariffs. Therefore, we expect a continued build-up of term premium and correspondingly see Treasury yields climbing higher (March 2026, 10-year yield target: 4.50%; 2-year yield target: 3.95%).

The yield environment for **German Bunds** has changed as the designated governing parties show urgency to provide the much-needed fiscal support. This planned additional spending is to be largely debt financed, bringing a substantial supply of Bunds into the market. With increased national debt, investors will demand higher compensation. We therefore expect Bund yields to move to a new equilibrium (March 2026, 10-year yield target: 2.90%; 2-year yield target: 2.25%).

Italian bond yields should benefit from the greater EU cooperation in the current geopolitical environment. In addition, the relative impact of German fiscal support should be felt more in Bunds than in other European government bonds, minimising the potential widening of Italian spreads to Bunds.

Investment Grade (IG) credit continues to enjoy strong demand in both USD and EUR, which we expect to persist going forward. Nevertheless, spread momentum in both currency markets has diverged recently. After initially falling appreciably due to high demand the risk premia of USD IG credit recently widened again. Conversely, EUR IG spreads have tightened further and now better reflect the underlying quality of the market and economic optimism. Further spread tightening is likely to remain elusive but all-in yields provide an attractive income opportunity.

High Yield (HY) spreads have also widened recently on the back of geopolitical frictions and economic uncertainty, especially in the U.S. Despite this, spreads remain close to historically tight levels. A further widening to compensate for the risks appears necessary. 'CCC' issuers still face significantly high refinancing costs with the difference in current coupons and market yields as much as double in the USD and triple in the EUR market.

We expect a slight widening of **EM Sovereign** spreads from historically tight levels, as solid fundamentals seem to be sufficiently priced. Also, the current spreads offer minimal cushion against protectionist trade measures, global growth concerns and monetary policy risks. The same risks remain true for **Asia Pacific credit**. However, improving balance sheets and steady default rates should continue to support tight spread levels. All that being said, current yields, which are well above their post-GFC average, provide an attractive proposition for carry-driven total return.

Equities: Volatility is back

- U.S. stocks to move higher, but with increased volatility
- European stocks remain attractively valued
- DeepSeek brought Chinese stocks back into the limelight

The **S&P 500** posted a solid start to the year as reported Q4 earnings topped analysts' expectations significantly. However, after reaching a new all-time high in February, the index has retreated amid declining economic momentum and rising policy uncertainty. Additionally, the emergence of China's AI model DeepSeek-R1 made investors question hyperscalers' capex spend as well as U.S. dominance in AI more broadly. The "Magnificent 7" TMT companies have collectively lost around 20% since mid-February, while the S&P 500 has plunged into negative year-to-date performance territory.

As stated in our annual outlook for 2025, we expect stock market volatility to remain elevated. However, we believe that the U.S. equity market could move higher in a "three steps forward, two steps back" pattern this year. We highlight that the S&P 500 typically advances in the absence of a recession – which we do not expect to occur – and follows company earnings in the long term. Consensus analysts project double-digit earnings growth for each year until 2027. Hence, long-term investors could use extended stock market weakness as buying opportunities. However, after the recent setback, we scale back our S&P 500 target to 6,300 points – still implying double-digit upside.

While U.S. stocks have struggled, their European peers have rallied so far in 2025 amid incremental improvements in economic data and hopes of a ceasefire in Ukraine and strong fiscal expansion by Germany and the EU. The recent rally has lifted the valuation metrics of European stocks back to historic average levels. However, despite the recent outperformance the valuation discount to U.S. stocks remains significant at some 30%. Hence, we remain bullish on European stocks. Our new target for the **STOXX Europe 600** is 570 points for March 2026.

Moving to Asia, Japanese companies reported strong results in the recent earnings season which prompted the highest consensus earnings estimate upgrades worldwide. Still, Japanese stocks have underperformed due to rising bond yields and an appreciating JPY. While further currency strength may remain a headwind for Japanese stocks, we see upside in the longer term. Japan's economy is accelerating and has so far been relatively insulated from U.S. trade tariffs.

Chinese stocks have been showing some positive signs of resurgence despite new import tariffs from the U.S. Notably, the positive performance is driven by strong 'bottom-up' developments rather than stimulus activity – i.e. DeepSeek's breakthrough solidified China's strong technological capabilities. A combination of emerging cutting-edge AI technology matched with cheap valuations highlights the long-term upside of investing in Chinese stocks. We also see room for the Indian stock market to recover from its recent correction. Valuations have declined significantly and are closing in on historic averages, which we view as attractive entry levels.

Commodities: Gold outshining its peers

- Gold bolstered by trade conflicts and rising inflation expectations
- Copper has benefited from frontloading and could suffer from tariffs
- Oil markets heading for a supply surplus – barring delivery bottlenecks

Since the beginning of the year, **gold** prices have continued their sequence of hitting new record highs. Strong demand from central banks and Asian investors continues. Prices were also supported by buyers of gold ETCs, particularly in North America, and robust long positioning by investors on the U.S. futures exchanges. Gold thrives as a "safe haven" in times of high political uncertainty (particularly when caused by tariffs or trade conflicts) and benefits from its reputation as a protection against inflation. State budget deficits remain a bullish factor, too. Due to the strong long positioning on the U.S. futures exchanges, there may be occasional profit-taking and short-term price setbacks, as has recently been the case. In the medium term, however, we believe that a continuous upward trend in gold prices is intact and our forecast is USD3,250/oz for March 2026.

LME **Copper** recovered to around USD9,660/t, an increase of around 10% since the beginning of the year. However, copper prices on the U.S. futures exchanges rose almost twice as much. This was due to the U.S. government‘s announcement of potential 25% tariffs on copper imports into the U.S., which led to frontloading of purchases. The sharply increased copper inventories may be reduced in the coming months, which could result in weaker copper demand, especially if a slowdown in the global economy occurs due to trade conflicts (March 2026 target LME copper: USD9,430/t).

Oil prices have been under pressure as growth concerns have emerged with regards to the U.S. economy, the world's largest oil consumer. At the same time, Chinese apparent oil demand (refined output + net imports - change in inventories) has been falling for the past few months. Nevertheless, other Asian economies, including India, are showing strong demand conditions. On the supply side, non-OPEC+ supply remains strong. In addition, OPEC+ members will start scaling back their voluntary cuts gradually from April, adding around 140kbbl/d per month. As things stand, there is likely to be a small surplus in oil markets. Questions have been raised on the price impact of a possible ceasefire in the Russia/Ukraine war and a potential easing of sanctions on Russia down the line. This scenario still appears highly improbable at present, but even if this were to happen, we do not see a significant impact being caused, given that the bigger constraint on Russian oil production over the last year has been the OPEC+ quotas rather than sanctions. However, a tightening of sanctions on Iran could materially constrain supply and boost oil prices (March 2026 Brent target: USD69/bbl).

Carbon prices are likely to push higher going forward as carbon credits markets shift into a supply deficit from next year, when the free allocation for aviation will end and sectors covered by the carbon border adjustment mechanism will see their free allocation phased out. Increased industrial activity in Europe should also strengthen the demand for carbon credits.

Currencies: USD rally halted

- U.S. dollar suffering due to tariff policy and economic concerns
- Euro benefiting from planned fiscal stimulus
- Yen being supported by expected further rate hikes

EUR: After the USD showed strength at the beginning of this year, rising to a two-year high in trade-weighted terms, there has recently been a strong counter-movement. This change is due to three factors: 1) Tariffs have become a dominant topic and are causing significant volatility. The financial markets are currently focusing on the potentially dampening effects of import tariffs on the U.S. economy, 2) A swathe of unexpectedly weak data from the U.S. has been reported recently, particularly regarding consumer confidence, which has also prompted some market fears of an economic downturn or even stagflation, 3) Discussions about a significant increase in spending on infrastructure and defence by the potential new governing coalition in Germany are currently boosting hopes of more robust economic development in Germany and the Eurozone. Recently, portfolio shifts due to the mixed performance of the equity markets in the U.S. and the Eurozone are likely to have supported the EUR. Yield spreads have also narrowed while the growth differential is also expected to contract. If the planned stimulus measures in Germany achieve their objective, the EUR could continue to appreciate against the USD in the medium term. We see EUR/USD at 1.15 at the end of March 2026.

GBP: In the UK, recent economic data frequently exceeded market expectations, but inflation is also proving more persistent than the market consensus expected. Furthermore, the UK is likely to benefit from an economic recovery in the Eurozone once the planned stimulus measures kick in. Looking ahead to March 2026, the GBP has appreciation potential against the USD to GBP/USD 1.38.

JPY: Japan's growth remains robust, supported by strong private consumption and prospects of significant wage hikes. Rising real wages are boosting the BoJ's confidence regarding further policy normalisation. The BoJ is expected to speed up this process of normalisation in 2025, narrowing the differentials with U.S. interest rates. Furthermore, repatriation of Japan's foreign assets could occur as ongoing BoJ hikes would be expected to result in more compression of rate differentials relative to the U.S. and the Eurozone and thereby strengthen the JPY. After the northern European currencies, the JPY is one of the strongest G10 currencies in 2025, having appreciated by 5.5% against the USD since the beginning of the year. This appreciation is likely to continue at a moderate pace within our observation period. We forecast USD/JPY at 140 at the end of March 2026.

CNY: To date, the new U.S. administration has imposed 20% tariffs on Chinese imports. China then resorted to counter-tariffs. To mitigate its reliance on exports China plans to boost ailing private consumption through stimulus measures. Unless the trade conflict with the U.S. escalates further, the CNY should weaken only moderately – our target for the end of March 2026 is USD/CNY 7.45.

Appendix

Macroeconomic forecasts

	2025	2026	Consensus 2025 (BBG*)
GDP growth rate (%)			
U.S.[1]	2.0	2.0	2.3
Eurozone	1.0	1.5	0.9
Germany	0.4	1.6	0.3
France	0.8	1.4	0.7
Italy	0.6	1.1	0.6
Spain	2.2	2.0	2.5
Japan	1.2	0.7	1.2
China	4.5	4.0	4.5
World	3.2	3.1	2.9
Consumer price inflation (%)			
U.S.	2.6	2.4	2.8
Eurozone	2.3	2.3	2.1
Germany	2.6	2.6	2.3
Japan	2.6	2.0	2.4
China	0.5	1.4	0.7
Unemployment rate (%)			
U.S.	4.2	4.2	4.2
Eurozone	6.3	6.3	6.4
Germany	6.1	5.8	6.3
Japan	2.4	2.4	2.4
China[2]	5.0	5.0	5.1
Fiscal balance (% of GDP)			
U.S.	-6.8	-6.5	-6.5
Eurozone	-3.4	-4.0	-3.0
Germany	-2.5	-3.7	-2.0
Japan	-3.5	-3.0	-3.6
China[3]	-6.9	-7.7	-5.5

*Bloomberg consensus. [1] For the U.S., GDP growth Q4/Q4 % is 2.2% in 2025 and 1.7% in 2026. [2] Urban unemployment rate (end of period), not comparable to consensus data. [3] China fiscal deficit refers to IMF general public sector deficit. It is not comparable with the consensus

Source: Deutsche Bank AG, Bloomberg Finance L.P. Data as of March 13, 2025.

Appendix

Asset class forecasts for March 2026

Sovereign bond yields (%)

United States (2-Year U.S. Treasury)	3.95
United States (10-Year U.S. Treasury)	4.50
United States (30-Year U.S. Treasury)	4.70
Germany (2-Year German Bund)	2.25
Germany (10-Year German Bund)	2.90
Germany (30-Year German Bund)	3.40
United Kingdom (10-Year UK Government)	4.00
Japan (2-Year Japan Government)	1.20
Japan (10-Year Japan Government)	1.70

Benchmark rates (%)

United States (federal funds rate)	3.75-4.00
Eurozone (deposit rate)	2.25
United Kingdom (repo rate)	3.75
Japan (policy rate)	1.25
China (1-year lending rate)	2.60

Currencies

EUR vs. USD	1.15
USD vs. JPY	140
EUR vs. JPY	161
EUR vs. CHF	0.97
EUR vs. GBP	0.83
GBP vs. USD	1.38
USD vs. CNY	7.45

Equity indices

United States (S&P 500)	6,300
Germany (DAX)	24,000
Eurozone (EURO STOXX 50)	5,600
Europe (STOXX Europe 600)	570
Japan (MSCI Japan)	1,780
Switzerland (SMI)	13,350
United Kingdom (FTSE 100)	8,800
Emerging Markets (MSCI EM)	1,200
Asia ex. Japan (MSCI Asia ex. Japan)	770
Australia (MSCI Australia)	1,650

Commodities (USD)

Gold (oz)	3,250
Crude Oil (Brent Spot, bbl)	69
Copper (t)	9,430
EU Carbon Allowances (Carbon Spot, t)	85

Corporate & EM bond spreads (bps)

EUR IG Corp	80
EUR HY	360
USD IG Corp	90
USD HY	325
Asia Credit	125
EM Sovereign	350

Source: Deutsche Bank AG, Bloomberg Finance L.P.; Data as of March 13, 2025.

In Europe, Middle East and Africa as well as in Asia Pacific this material is considered marketing material, but this is not the case in the U.S. No assurance can be given that any forecast or target can be achieved. Forecasts are based on assumptions, estimates, opinions and hypothetical models which may prove to be incorrect. Past performance is not indicative of future returns. Performance refers to a nominal value based on price gains/losses and does not take into account inflation. Inflation will have a negative impact on the purchasing power of this nominal monetary value. Depending on the current level of inflation, this may lead to a real loss in value, even if the nominal performance of the investment is positive. Investments come with risk. The value of an investment can fall as well as rise and you might not get back the amount originally invested at any point in time. Your capital may be at risk. This document was produced in March 2025.

Appendix

Historical performance

	14.03.2020–14.03.2021	14.03.2021–14.03.2022	14.03.2022–14.03.2023	14.03.2023–14.03.2024	14.03.2024–14.03.2025
Performance					
S&P 500	45.5%	5.8%	-6.1%	31.4%	7.2%
STOXX Europe 600	41.4%	3.1%	3.0%	12.6%	6.8%
MSCI EM	51.3%	-21.7%	-10.4%	11.0%	5.5%
EURO STOXX 50	48.2%	-2.4%	11.7%	19.5%	6.6%
SMI	29.5%	7.7%	-8.2%	9.4%	9.5%
DAX	57.1%	-4.0%	9.4%	17.8%	25.8%
FTSE 100	26.0%	6.4%	6.2%	1.4%	10.3%
MSCI Japan	54.4%	-7.0%	6.9%	38.6%	0.5%
MSCI Australia	19.4%	5.4%	-0.4%	10.9%	-0.3%
MSCI Asia ex. Japan	52.2%	-24.2%	-8.7%	8.0%	8.7%
Bloomberg Magnificent 7	121.6%	16.1%	-7.1%	81.3%	26.5%
2-Year U.S. Treasury	0.8%	-2.4%	-1.3%	2.6%	5.2%
10-Year U.S. Treasury	-4.6%	-2.8%	-9.8%	-1.5%	4.3%
30-Year U.S. Treasury	-15.7%	-0.8%	-21.5%	-7.4%	1.5%
2-Year German Bund	-1.2%	-1.2%	-4.4%	1.9%	3.4%
10-Year German Bund	-2.2%	-5.0%	-10.9%	-3.1%	-1.1%
30-Year German Bund	-13.5%	-7.7%	-39.8%	-2.5%	-10.8%
10-Year UK Government	-2.7%	-4.6%	-11.0%	-0.1%	0.6%
2-Year Japan Government	-0.2%	-0.3%	0.0%	-0.2%	-0.6%
10-Year Japan Government	-0.8%	-0.3%	3.4%	-4.0%	-5.7%
EUR vs. USD	7.8%	-8.1%	-2.2%	1.4%	-0.5%
USD vs. JPY	1.3%	8.2%	13.9%	10.3%	0.3%
EUR vs. JPY	9.2%	-0.6%	11.4%	11.9%	-0.2%
EUR vs. CHF	5.1%	-7.4%	-4.5%	-1.9%	-0.4%
EUR vs. GBP	-4.4%	-1.8%	4.7%	-3.2%	-1.8%
GBP vs. USD	12.7%	-6.4%	-6.6%	4.8%	1.4%
USD vs. CNY	-7.1%	-2.2%	8.0%	4.7%	0.5%
Gold (oz)	13.0%	13.9%	-2.6%	13.3%	38.2%
Crude Oil (Brent Spot. bbl)	104.5%	54.4%	-27.5%	10.3%	-17.4%
Copper (t)	68.0%	9.3%	-11.5%	1.1%	22.1%

Source: Deutsche Bank AG, Bloomberg Finance L.P., LSEG Datastream; Data as of March 14, 2025.

Glossary

Artificial intelligence (AI) in computer science refers to computer programmes and algorithms that are able to replicate human skills such as learning, problem solving or decision-making.

The **Bank of Japan (BoJ)** is the central bank of Japan.

Brent is a grade of crude oil used as a benchmark in oil pricing.

Bunds are federal bonds, i.e. German government bonds.

Carry investments are intended to deliver higher returns, perhaps accessed (as in currencies) through borrowing in a lower-yielding environment.

CHF is the currency code for the Swiss Franc.

CNY is the currency code for the Chinese yuan.

The **consumer price index (CPI)** measures the price of a basket of products and services that is based on the typical consumption of a private household.

The **DAX** is a blue-chip stock-market index consisting of the 40 major German companies trading on the Frankfurt Stock Exchange; other DAX indices include a wider range of firms.

DeepSeek is a Chinese artificial intelligence model.

A **developed market (DM)** is a country that is advanced economically, with developed capital markets and high levels of per capita income.

An **emerging market (EM)** is a country that has some characteristics of a developed market in terms of market efficiency, liquidity and other factors, but does not meet all developed market criteria.

EUR is the currency code for the euro, the currency of the Eurozone.

The **European Central Bank (ECB)** is the central bank for the Eurozone.

The **EURO STOXX 50 Index** tracks the performance of blue-chip stocks in the Eurozone and includes the super-sector leaders in terms of market capitalization.

The **Eurozone** is formed of 20 European Union member states that have adopted the euro as their common currency and sole legal tender.

Exchange-traded commodities (ETCs) refers to commodities traded on a stock exchange.

The **Federal Reserve (Fed)** is the central bank of the United States. Its Federal Open Market Committee (FOMC) meets to determine interest rate policy.

The **Fed funds rate** is the interest rate at which depository institutions lend overnight to other depository institutions.

Frontloading the purchasing of imported goods or commodities is a strategy aimed at avoiding any import tariffs that may be enacted in the future.

The **FTSE 100 Index** tracks the performance of the 100 major companies trading on the London Stock Exchange.

GBP is the currency code for the British pound/sterling.

Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

High yield (HY) bonds are higher-yielding bonds with a lower credit rating than investment-grade corporate bonds, Treasury bonds and municipal bonds.

Glossary

An **Investment Grade (IG)** rating by a rating agency such as Standard & Poor's indicates that a bond is seen as having a relatively low risk of default.

JPY is the currency code for the Japanese yen, the Japanese currency.
The **London Metal Exchange (LME)** is a major centre for industrial metals trading.

"**Magnificent 7**" is a term for the most dominant U.S. tech companies.

The **MSCI Asia ex Japan Index** captures large- and mid-cap representation across 2 of 3 developed-market countries (excluding Japan) and 8 emerging-market countries in Asia.

The **MSCI Australia Index** tracks the performance of large- and mid-cap stocks in Australia.

The **MSCI EM Index** captures large and mid cap representation across 23 emerging markets countries.

The **MSCI Japan Index** measures the performance of around 323 large and mid-cap stocks drawn accounting for about 85% of Japanese market capitalization.

The **Organization of the Petroleum Exporting Countries (OPEC)** is an international organization with the mandate to "coordinate and unify the petroleum policies" of its 12 members. The so-called "**OPEC+**" brings in Russia and other producers.

The **S&P 500 Index** includes 500 leading U.S. companies capturing approximately 80% coverage of available U.S. market capitalization.

A **spread** is the difference in the quoted return on two investments, most commonly used in comparing bond yields.

The **Stoxx Europe 600 Index** includes 600 companies across 18 European Union countries.

The **Swiss Market Index (SMI)** includes 20 large and mid-cap stocks.

TOPIX refers to the Tokyo Stock Price Index.

Treasuries are bonds issued by the U.S. government.

U.S. is the United States.

USD is the currency code for the U.S. Dollar.

Volatility is the degree of variation of a trading-price series over time.

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