

Important notice: Published half-spreads are calculated over a 12-month rolling period. Therefore, the effect related to spikes observed during exceptional circumstances is smoothed and long-lasting

## December-23 public half spread (in bps)

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|--|------|
| Government bonds and similar instruments developed market rating AAA-A               | 4,9  |
| Government bonds and similar instruments developed market different rating below A   | 5,7  |
| Government bonds emerging markets (hard and soft currency)                           | 38,5 |
| Investment grade Corporate bonds   | 14,0 |
| High yield corporate bonds   | 48,6 |
| Money market instruments (for the sake of clarity, money markets funds not included) | 1,8  |
| Large-cap shares (developed markets)   | 3,1  |
| Mid-cap shares (developed markets)   | 7,4  |
| Small-cap shares (developed markets)   | 10,6 |
| Shares emerging markets ALL CAPS   | 6,6  |
| Listed derivatives   | 0    |
| OTC Exotic options   | 50   |
| OTC Plain vanilla options  | 3    |
| OTC IRS, CDS and similar   | 1    |
| OTC Swaps and similar instruments (different from IRS, CDS and similar)              | 3    |
| OTC FX Forwards developed markets  | 0,5  |
| OTC FX Forwards emerging markets   | 3    |

## COMMENTARY FROM THE STEERING COMMITTEE

- The relative importance of Spain and Italy in the asset class “Government bonds and similar instruments developed market rating below A” is underlined by the Committee.
- In the asset classes “Investment grade corporate bonds”, “High yield Corporate Bonds” and “Money Market Instruments”, the sensitivity of the spreads to the residual maturity of the instruments is important.
- The definition of the mid and small caps categories varies among market participants. This may lead to variations deviations around those average levels.
- Concerning “Listed Derivatives”, the implicit costs are immaterial, except for very active portfolios in this asset class.
- For the asset class “OTC derivatives”, considering the heterogeneity of each category, estimates may vary significantly according to the strategies and in case of tailor-made solutions.
- For the asset class “Shares emerging markets all caps”, the levels of liquidity and capitalization of the stocks vary a lot. This may lead to deviations around this average level depending on the investment universe. Our sample includes ETFs specialized in small and large caps.
- The published half-spreads are calculated on a rolling 12-month basis (i.e. the monthly table indicates an average for each half spread over the last 12 months).

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