

The Bloomberg Dollar Spot Index

Overview

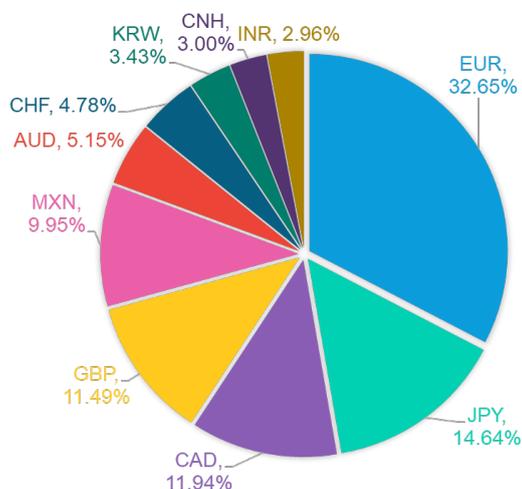
The Bloomberg Dollar Spot Index (BBDXY) tracks the performance of a basket of leading global currencies versus the U.S. dollar. The index represents both developed and emerging market currencies that have the highest liquidity in the currency markets and the biggest trade flows with the U.S. Through its dynamically updated composition and its diversified representation of a breadth of currencies that are important from trade and liquidity perspectives, it provides a better measure of the U.S. dollar compared with other indexes that do not update their composition and comprise a handful of currencies with concentrated weights.

A Gauge to Measure of the Dollar

The index rebalances once a year to capture the annual survey of major trading partners versus the U.S. dollar as reported by the Federal Reserve and the triennial survey of most liquid currencies as reported by the Bank of International Settlements. Index constituents are a union of sets of top currencies by trading and liquidity. The weightings of index constituents are a function of both trading and liquidity.

Currencies pegged to the U.S. dollar are excluded and currencies heavily managed have their exposure capped. To ensure tradability, currencies with weights of less than 2% are removed. The total return and inverse return versions of the index represent the fully collateralized positions that are long and short the index respectively.

BBDXY Currency Weights Distribution



As of 12/31/20 rebalance

A Better Measure of the U.S Dollar

The Bloomberg Dollar Spot Index differs in many respects from the ICE Dollar Index (DXY).

- **More Representative:** BBDXY tracks a more representative basket of currencies by considering global currency market liquidity and trading partners of the U.S.
- **More Diversified:** BBDXY is not dominated by the euro, unlike DXY, and also includes major emerging market currencies such as Korean won, Mexican peso and Chinese renminbi—all major trading partners of the U.S. with increasing liquidity.
- **More Dynamic:** Unlike the DXY's static composition, BBDXY is dynamic, with an annual rebalancing process that captures the changing state of currency markets. This results in the index that includes important currencies (like the Australian dollar) that rank higher in liquidity and trading versus the Swedish krona.

Historical Performance



As of 12/31/20 rebalance

Composition of the Bloomberg Dollar Spot Index (BBDXY) Versus the Ice Dollar Index (DXY)

Currency	Index Weights		Global Rankings	
	BBDXY	DXY	Liquidity	Trade
EUR	32.65%	57.60%	1	1
JPY	14.64%	13.60%	2	5
CAD	11.94%	9.10%	5	4
GBP	11.49%	11.90%	3	6
MXN	9.95%	0.00%	14	3
AUD	5.15%	0.00%	4	14
CHF	4.78%	3.60%	6	9
KRW	3.43%	0.00%	11	7
CNH	3.00%	0.00%	7	2
INR	2.96%	0.00%	15	8

BLOOMBERG, BLOOMBERG INDICES and the Bloomberg Currency Indices (the "Indices") are trademarks or service marks of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited, the administrator of the Indices (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Indices. Bloomberg makes no warranty, express or implied, as to the Indices or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an Index. Back-tested performance is not actual performance. Past performance is not an indication of future results. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with the Indices or any data or values relating thereto - whether arising from their negligence or otherwise. This document constitutes the provision of factual information, rather than financial product advice. Nothing in the Indices shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to "buy", "sell", "hold", or to enter or not to enter into any other transaction involving any specific interest or interests) by Bloomberg or a recommendation as to an investment or other strategy by Bloomberg. Data and other information available via the Indices should not be considered as information sufficient upon which to base an investment decision. All information provided by the Indices is impersonal and not tailored to the needs of any person, entity or group of persons. Bloomberg does not express an opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind. Customers should consider obtaining independent advice before making any financial decisions. © 2019 Bloomberg. All rights reserved. This document and its contents may not be forwarded or redistributed without the prior consent of Bloomberg.

The BLOOMBERG TERMINAL service and Bloomberg data products (the "Services") are owned and distributed by Bloomberg Finance L.P. ("BFLP") except (i) in Argentina, Australia and certain jurisdictions in the Pacific islands, Bermuda, China, India, Japan, Korea and New Zealand, where Bloomberg L.P. and its subsidiaries distribute these products, and (ii) in Singapore and the jurisdictions serviced by Bloomberg's Singapore office, where a subsidiary of BFLP distributes these products.

The data included in these materials are for illustrative purposes only. ©2021 Bloomberg

Bloomberg: **BDXY <GO**

Take the next step.

For additional information, press the <HELP> key twice on the Bloomberg Terminal®.

Beijing
+86 10 6649 7500
Dubai
+971 4 364 1000
Frankfurt
+49 69 9204 1210

Hong Kong
+852 2977 6000
London
+44 200 7330 7500
Mumbai
+91 22 6120 3600

New York
+1 212 318 2000
San Francisco
+1 415 912 2960
São Paulo
+55 11 2395 9000

Singapore
+65 6212 1000
Sydney
+61 2 9777 8600
Tokyo
+81 3 3201 8900