

# Bloomberg US Dollar Forward Index (BBDXF)

## Overview

The Bloomberg US Dollar Forward Index (BBDXF) is the excess return version of the Bloomberg US Dollar Spot Index (BBDXY). It is generated by entering into a basket of 1-month short currency forward positions, which are rolled at expiry. This document intends to provide an indicative summary of the index. Please see [here](#) for the full methodology.

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. The annually updated composition and diversified representation of currencies aims to provide a global measure of the U.S. Dollar.

## Index Summary

<b>Rebalancing</b>	Annual. The Index rebalances once a year on the last business day of June.
<b>Allocation</b>	Trade (33%) - Federal Reserve Survey of major trading partners versus the U.S. Dollar. Liquidity (66%) - Bank for International Settlements (BIS) Triennial Central Bank Survey of Foreign exchange turnover.
<b>Constituents</b>	Index constituents are a set of top currencies based on trading and liquidity. The weightings of index constituents are a function of both trading and liquidity. (see Fig. 2 below).
<b>Exclusions</b>	Currencies pegged to the US Dollar.
<b>Exceptions</b>	Offshore Chinese Renminbi (CNH) has its exposure capped to 7%.

## Notable changes in the 2024 Rebalance

- There was no change to the ranking order of currencies in the index.
- EUR remained the highest weight, increasing by 0.08% to 30.50%.
- CHF, KRW, and SGD all had their weights decreased, with the largest decrease being JPY at -0.14%.

**Composition** Effective after the close of June 28, 2024, see Fig.1 below.

Currency		Region	2024 Weight	2023 Weight	Difference
<b>Euro</b>	<b>EUR</b>	EMEA	30.50%	30.42%	<b>+0.08%</b>
<b>Japanese Yen</b>	<b>JPY</b>	APAC	14.45%	14.59%	<b>-0.14%</b>
<b>British Pound Sterling</b>	<b>GBP</b>	EMEA	11.45%	11.44%	<b>+0.01%</b>
<b>Canadian Dollar</b>	<b>CAD</b>	AMER	9.87%	9.86%	<b>+0.01%</b>
<b>Offshore Chinese Renminbi</b>	<b>CNH</b>	APAC	7.00%	7.00%	<b>+0.00%</b>
<b>Mexican Peso</b>	<b>MXN</b>	AMER	6.74%	6.66%	<b>+0.08%</b>
<b>Australian Dollar</b>	<b>AUD</b>	APAC	5.24%	5.22%	<b>+0.02%</b>
<b>Swiss Franc</b>	<b>CHF</b>	EMEA	5.01%	5.07%	<b>-0.06%</b>
<b>South Korean Won</b>	<b>KRW</b>	APAC	2.84%	2.85%	<b>-0.01%</b>
<b>Singapore Dollar</b>	<b>SGD</b>	APAC	2.55%	2.61%	<b>-0.06%</b>
<b>Indian Rupee</b>	<b>INR</b>	APAC	2.45%	2.40%	<b>+0.05%</b>
<b>Taiwan Dollar</b>	<b>TWD</b>	APAC	1.91%	1.88%	<b>+0.03%</b>

Fig. 1

**Rankings** Effective after the close of June 28, 2024.

- Liquidity ranking remained the same and will remain so until the next BIS survey due in 2025.
- Trade ranking changed slightly from 2023 with Mexico increasing to 2<sup>nd</sup> rank swapping places with Offshore Chinese Renminbi (CNH) which dropped to 3<sup>rd</sup>.
- Swiss Franc dropped a rank to 9<sup>th</sup> and Indian Rupee gained one place from 9<sup>th</sup> to 8<sup>th</sup>, leaving all other rankings unchanged.

Currency		Region	2024 Weight	Liquidity Rank *	Trade Rank **
<b>Euro</b>	<b>EUR</b>	EMEA	30.50%	1	1
<b>Japanese Yen</b>	<b>JPY</b>	APAC	14.45%	2	5
<b>British Pound Sterling</b>	<b>GBP</b>	EMEA	11.45%	3	6
<b>Canadian Dollar</b>	<b>CAD</b>	AMER	9.87%	6	4
<b>Offshore Chinese Renminbi</b>	<b>CNH</b>	APAC	7.00%	4	3
<b>Mexican Peso</b>	<b>MXN</b>	AMER	6.74%	15	2
<b>Australian Dollar</b>	<b>AUD</b>	APAC	5.24%	5	16
<b>Swiss Franc</b>	<b>CHF</b>	EMEA	5.01%	7	9
<b>South Korean Won</b>	<b>KRW</b>	APAC	2.84%	11	7
<b>Singapore Dollar</b>	<b>SGD</b>	APAC	2.55%	9	12
<b>Indian Rupee</b>	<b>INR</b>	APAC	2.45%	14	8
<b>Taiwan Dollar</b>	<b>TWD</b>	APAC	1.91%	16	10

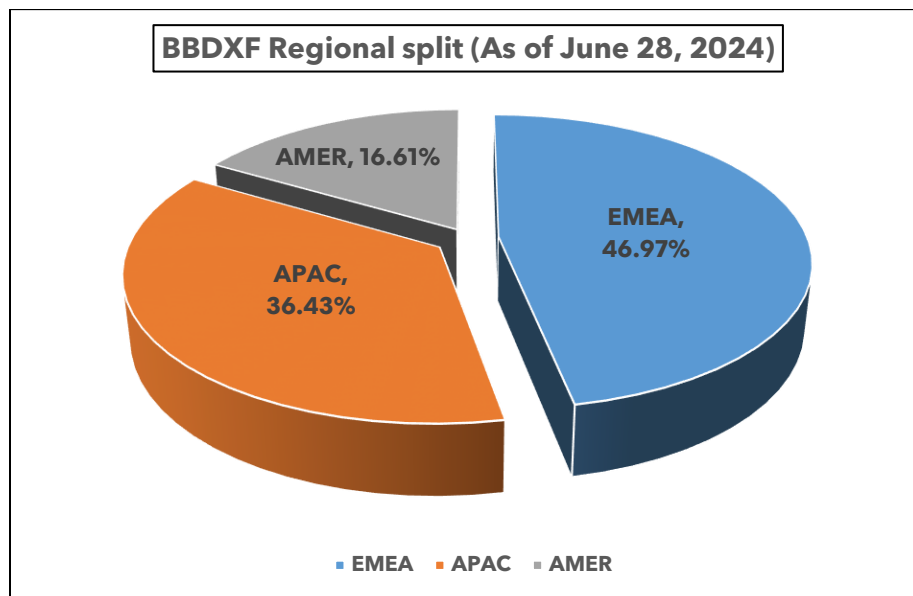
Fig. 2

\*BIS 2022

\*\* Fed Res 2024

**Regional Split** Effective after the close of June 28, 2024.

- Currencies from Asia-Pacific region constitute 36.43%, a slight decrease from 36.55% in 2023.
- This decrease was split between +0.04% gain in European currencies, which remaining the largest weight at 46.97%, and the Americas region gain of +0.09%, comprising the Canadian dollar and Mexican peso.



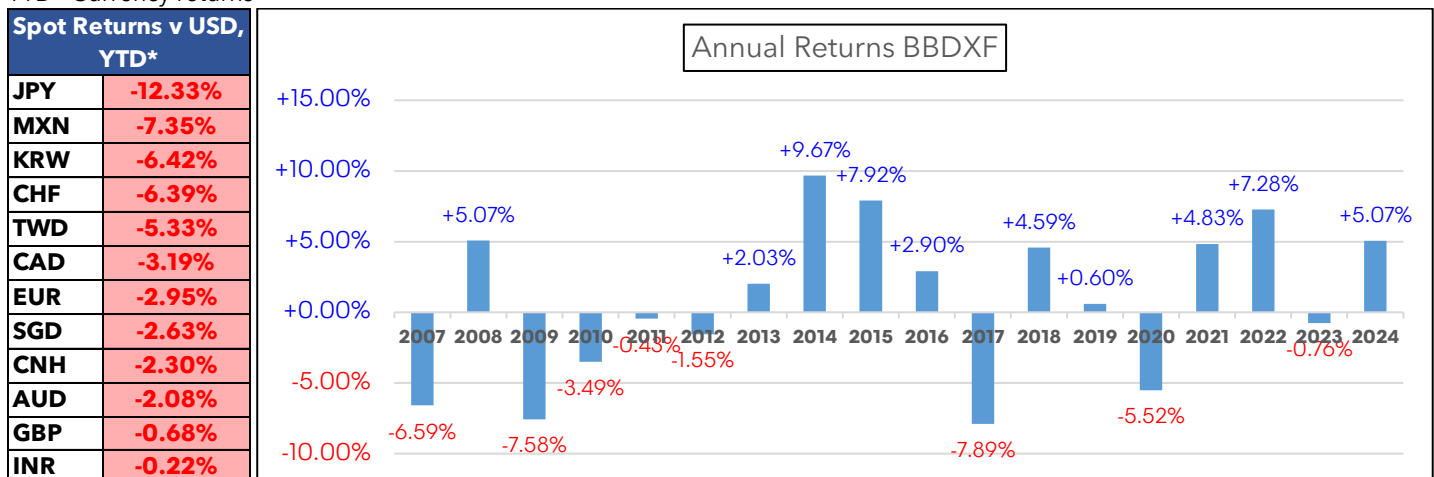
**Historical Performance** Effective after the close of June 28, 2024.

- The BBDXF has returned 5.07% year to date.
- Year to date, the Japanese Yen (JPY) underperformed the most against the U.S. Dollar (USD) at -12.33%.

**Annual Returns BBDXF (by Month)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Return
2007	+1.22%	-0.86%	-0.72%	-1.37%	+0.61%	-0.27%	-1.18%	+0.18%	-3.45%	-1.75%	+0.16%	+0.71%	-6.59%
2008	-1.76%	-2.02%	-1.90%	+0.70%	+0.08%	-0.38%	+0.56%	+4.81%	+2.66%	+6.88%	+1.23%	-5.32%	+5.07%
2009	+4.37%	+2.72%	-3.03%	-1.72%	-6.75%	+0.96%	-2.47%	-0.02%	-1.91%	-0.70%	-2.12%	+3.34%	-7.58%
2010	+1.19%	+0.60%	+0.26%	+0.44%	+4.60%	-0.86%	-4.75%	+1.42%	-4.91%	-1.98%	+3.94%	-3.00%	-3.49%
2011	-0.97%	-1.15%	-1.00%	-3.93%	+1.58%	-0.37%	-1.48%	+0.82%	+6.03%	-3.23%	+1.99%	+1.67%	-0.43%
2012	-1.92%	-0.22%	+0.53%	-0.55%	+4.57%	-1.88%	+0.40%	-1.18%	-1.47%	+0.14%	+0.29%	-0.10%	-1.55%
2013	-0.06%	+2.64%	+0.48%	-1.09%	+2.61%	+0.22%	-1.38%	+0.72%	-2.50%	-0.13%	+0.82%	-0.21%	+2.03%
2014	+0.98%	-1.56%	-0.14%	-0.79%	+0.27%	-0.81%	+1.74%	+0.76%	+3.81%	+0.89%	+2.22%	+2.04%	+9.67%
2015	+2.92%	+0.39%	+2.45%	-3.00%	+2.21%	-1.07%	+2.15%	-0.20%	+0.48%	-0.21%	+2.30%	-0.60%	+7.92%
2016	+1.50%	-1.79%	-3.80%	-1.92%	+3.47%	-1.19%	-0.40%	+0.72%	-0.46%	+2.28%	+3.71%	+1.05%	+2.90%
2017	-2.62%	+0.55%	-1.06%	-0.62%	-1.40%	-1.12%	-2.53%	+0.06%	+0.66%	+1.72%	-1.36%	-0.38%	-7.89%
2018	-3.51%	+1.45%	-0.59%	+2.06%	+2.07%	+1.09%	-0.25%	+0.87%	+0.26%	+1.97%	+0.04%	-0.81%	+4.59%
2019	-1.15%	+0.93%	+0.90%	+0.31%	+0.57%	-1.41%	+2.02%	+0.70%	+0.37%	-1.87%	+1.23%	-1.90%	+0.60%
2020	+1.01%	+1.13%	+2.63%	-0.38%	-0.88%	-0.77%	-3.49%	-1.44%	+1.41%	-0.26%	-2.28%	-2.15%	-5.52%
2021	+0.81%	+0.46%	+1.72%	-1.72%	-1.23%	+2.12%	-0.16%	+0.51%	+1.56%	-0.38%	+1.73%	-0.59%	+4.83%
2022	+0.88%	-0.22%	+1.21%	+4.37%	-1.36%	+2.79%	+0.59%	+2.44%	+3.34%	-0.09%	-4.85%	-1.71%	+7.28%
2023	-1.68%	+2.84%	-1.78%	-0.13%	+1.82%	-0.75%	-1.06%	+1.93%	+2.23%	+0.85%	-2.82%	-2.01%	-0.76%
2024	+2.22%	+0.66%	+0.33%	+1.73%	-1.05%	+1.09%							+5.07%

YTD\* Currency returns



\*Year to date as of, June 28, 2024

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