

Bloomberg Short-Term Bank Yield Index

Update on BSBY 1M Tenor

April 14, 2022

BSBY 1M Tenor Year-to-Date Performance

As interest rates have risen steadily over the course of this year, the BSBY index team has observed that the BSBY 1M tenor has lagged in its overall performance.

The BSBY index team has identified the primary issue, which is the 'Days-to-Maturity' (**DTM**) range for the 1M rate being 6 to 45 days. Given the rising interest rate environment, significant activity at the front-end of the curve transacting at lower yields is driving down the performance of the BSBY 1M tenor, especially within 30 days of Federal Reserve interest rate increases.

Accordingly, the BSBY index team is performing internal analysis to determine what changes might remediate this underperformance, including an adjustment which narrows the BSBY 1M DTM range.

Once this analysis is complete, it will be shared with the internal governance and oversight regime for BSBY. Any proposed changes will be announced to users whose input will be solicited prior to any changes going into effect.

If BSBY users have any questions or comments, or wish to provide views on the above prior to the formal user consultation, please contact the Bloomberg Help Desk (<Help><Help>), or email indexhelp@bloomberg.net.

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