

## FOREIGN EXCHANGE

# THE BLOOMBERG DOLLAR SPOT INDEX

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. It has a dynamically updated composition and represents a diverse set of currencies that are important from trade and liquidity perspectives. It provides a better measure of the U.S. dollar compared to other indices that do not update their composition and comprise of a handful of currencies with concentrated weights.

### A Better 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 index also has total return and inverse return counterparts that represent fully collateralized positions that are long and short the index.

# Bloomberg

# BLOOMBERG CURRENCY INDEXES

## A BETTER MEASURE OF THE U.S. DOLLAR

The Bloomberg Dollar Spot Index differs in many respects from the widely used ICE U.S. Dollar Index.

### 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 ICE U.S. Dollar Index, 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.

## Composition of the Bloomberg Dollar Spot Index (BBDXY) Versus the Ice U.S. Dollar Index

As of 12/31/15 rebalance

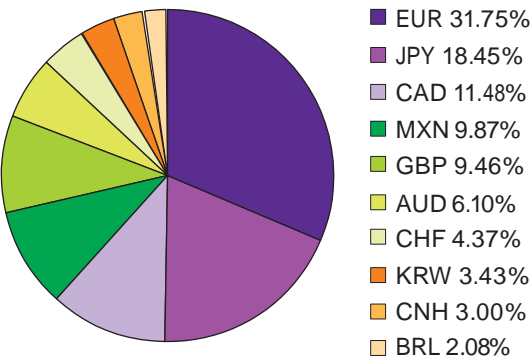
	INDEX WEIGHTS		GLOBAL RANKINGS	
	BBDXY	DXY	LIQUIDITY	TRADING
EUR	31.75%	57.60%	1	2
JPY	18.45%	13.60%	2	5
CAD	11.48%	9.10%	6	3
MXN	9.87%	0.00%	7	4
GBP	9.46%	11.90%	3	7
AUD	6.10%	0.00%	4	17
CHF	4.37%	3.60%	5	11
KRW	3.43%	0.00%	16	6
CNH	3.00%	0.00%	8	1
BRL	2.08%	0.00%	18	9

### More Dynamic

Unlike the ICE U.S. Dollar Index'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.

## BBDXY Currency Weights Distribution

As of 12/31/15 rebalance



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