

## Asset Price Monitor

### Local Equity Markets

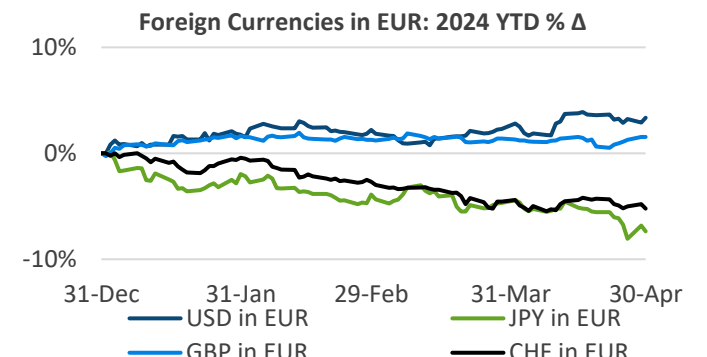
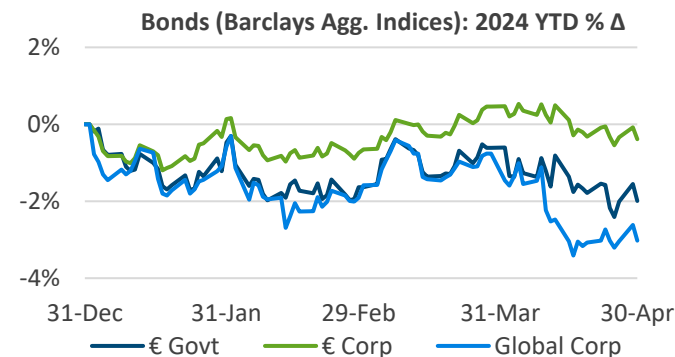
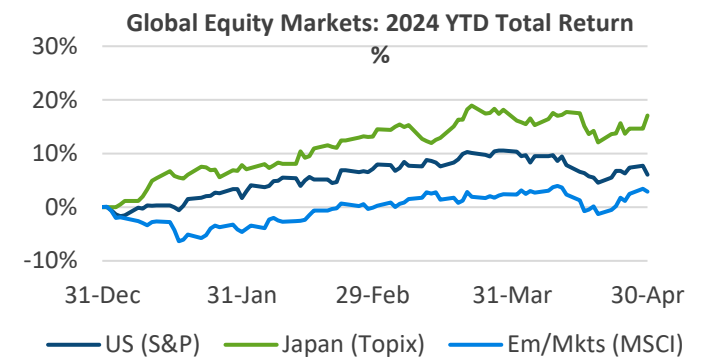
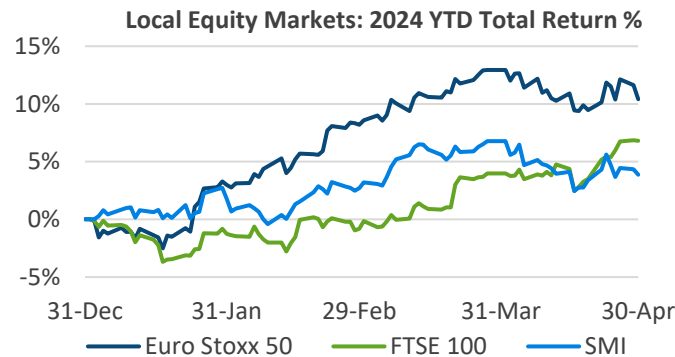
- The performance of major global equity markets was mixed in April, as mixed macroeconomic data and geopolitical risks weighed on sentiment.
- The Euro Stoxx 50 index was down 2.2% in April, returning 10.4% year-to-date.
- The FTSE 100 index gained 2.7% in April, as higher commodity and energy prices supported the index.

### Global Equity Markets

- The S&P 500 ended the month down 4.1%, and the Topix index lost 0.9%.
- The MSCI Emerging Markets index gained 0.5%.

### Bond/FX Markets

- The European government and corporate bond indices both declined, losing 1.4% and 0.8%, respectively.
- The Euro had a mixed performance in April, gaining 2.8% against the Japanese Yen. Meanwhile, the Euro lost 1.0% against the US Dollar.



	Total Returns as of April 30, 2024											
	Euro Stoxx 50	FTSE 100	SMI	US (S&P)	Japan (Topix)	Em/Mkts (MSCI)	€ Govt	€ Corp	CHF in EUR	USD in EUR	JPY in EUR	GBP in EUR
1 Month	-2.2%	2.7%	-2.7%	-4.1%	-0.9%	0.5%	-1.4%	-0.8%	-0.7%	1.0%	-2.8%	0.1%
3 Month	7.2%	8.2%	2.1%	4.3%	8.6%	7.9%	-1.5%	-0.5%	-4.8%	1.6%	-5.5%	-0.1%
1 Year	16.9%	7.7%	1.6%	22.7%	36.4%	10.3%	2.6%	5.2%	0.6%	3.2%	-10.7%	2.7%
YTD	10.4%	6.8%	3.9%	6.0%	17.1%	2.9%	-2.0%	-0.4%	-5.2%	3.4%	-7.4%	1.5%

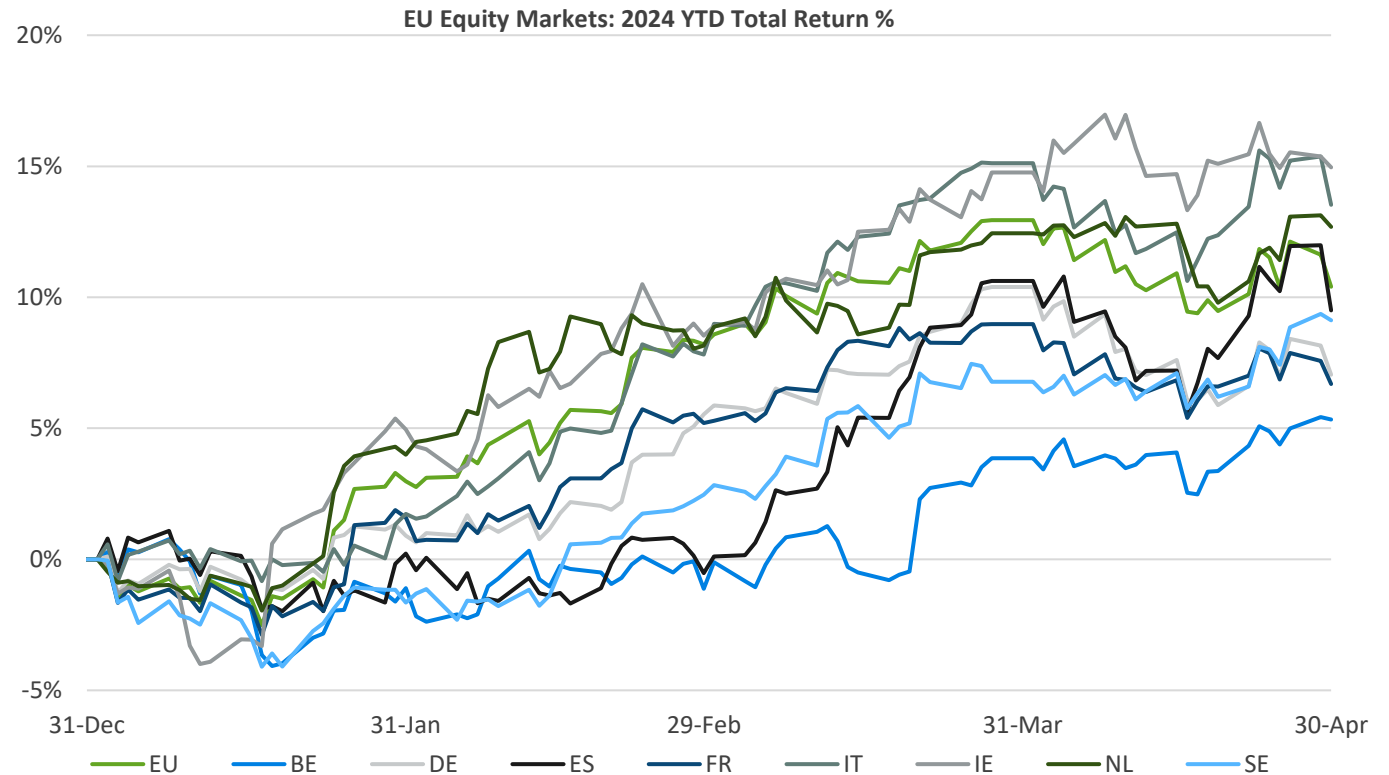
## Milliman Financial Risk Management

EuroZone Market Monitor – 30 April 2024

Data sources: Bloomberg; Barclays; EuroStat; EIOPA; ONS; Milliman FRM

### Eurozone Equity

- The major European equity markets saw mixed performances in April.
- The Swedish equity market saw the largest gains in the month, up 2.2%.
- The German equity market saw the largest losses in the region over the month, down 3.0%.
- The Belgian equity market was the laggard performer in the region over the year, gaining 5.3% year-to-date.
- The Irish equity market was the best performing market over the year, having returned 15.0%.



**Equity Returns as of April 30, 2024**

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	-2.2%	1.4%	-3.0%	-1.0%	-2.1%	-1.4%	0.2%	0.2%	2.2%
3 Month	7.2%	6.5%	6.1%	9.3%	5.0%	11.6%	9.5%	8.4%	10.9%
QTD	-2.2%	1.4%	-3.0%	-1.0%	-2.1%	-1.4%	0.2%	0.2%	2.2%
YTD	10.4%	5.3%	7.0%	9.5%	6.7%	13.5%	15.0%	12.7%	9.1%

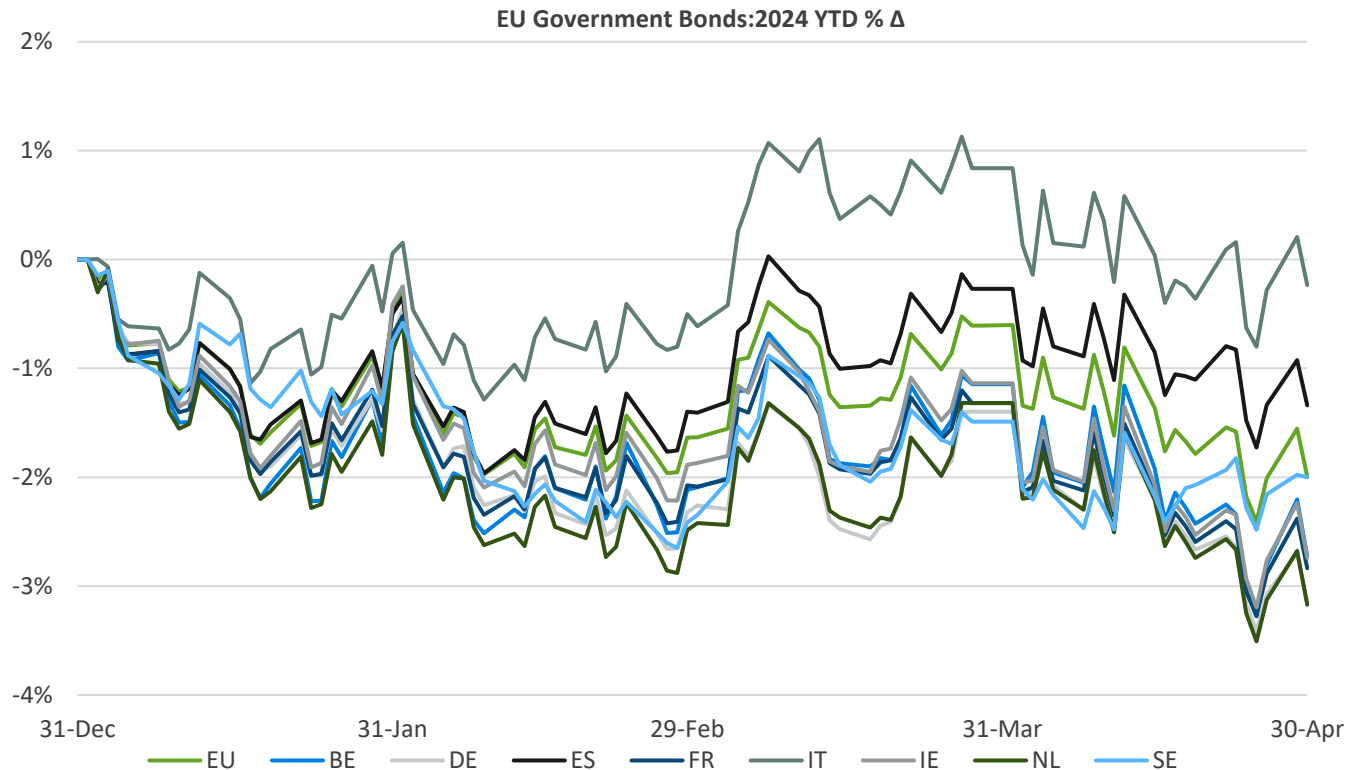
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EuroZone Market Monitor – 30 April 2024

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### Eurozone Government Bonds

- All major European government bond indices had a negative performance in April.
- The Dutch government bond index saw the largest monthly decrease, down 1.9% in April.
- The Swedish government bond index saw the smallest monthly decrease, down 0.5%.
- The Italian government bond index has outperformed all the other major European government bond indices for the year so far, losing only 0.2% over the year.
- Both the German and Dutch government bond indices are the worst performers in the region year-to-date, both having lost 3.2%.



### Bond Returns as of April 30, 2024

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	-1.4%	-1.6%	-1.8%	-1.1%	-1.5%	-1.1%	-1.6%	-1.9%	-0.5%
3 Month	-1.5%	-2.0%	-2.5%	-0.8%	-2.2%	-0.3%	-2.3%	-2.3%	-1.3%
QTD	-1.4%	-1.6%	-1.8%	-1.1%	-1.5%	-1.1%	-1.6%	-1.9%	-0.5%
YTD	-2.0%	-2.7%	-3.2%	-1.3%	-2.8%	-0.2%	-2.7%	-3.2%	-2.0%

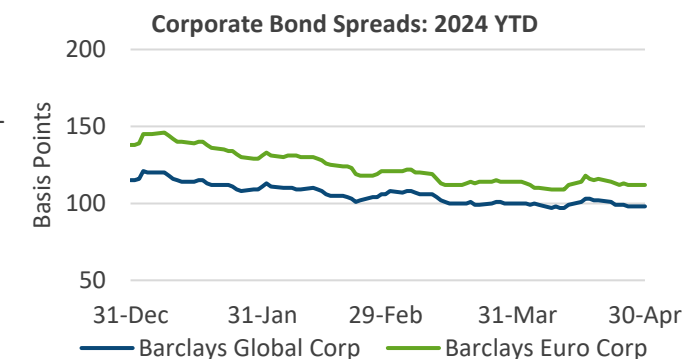
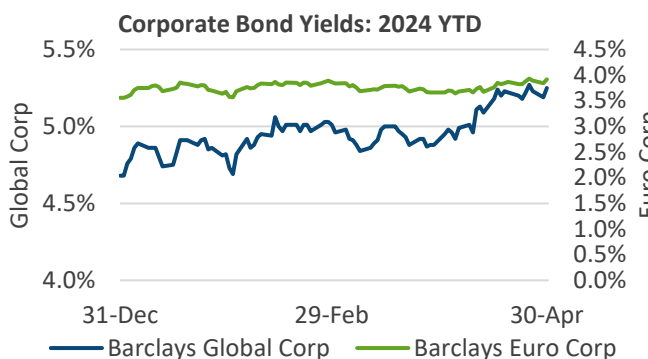
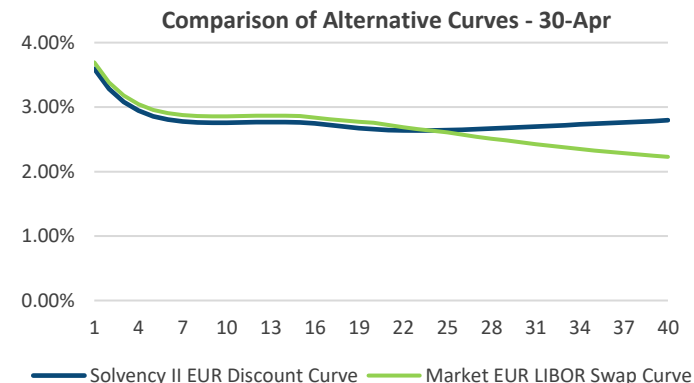
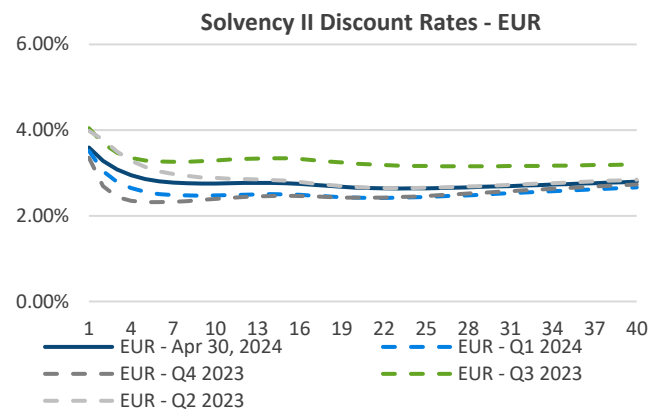
### Liability Valuation Monitor

#### Risk Free Rates

- EUR risk-free rates increased in April.
- The 5-year EUR risk-free rate increased by 30 basis points, whilst the 10-year rate increased by 28 basis points.

#### Corporate Bonds

- Both Global and European corporate bond yields increased in April, the former by 37 basis points and the latter by 26 basis points.
- Both Global and European credit spreads tightened by 2 basis points.
- The increase in risk-free rates, partially offset by the tightening in corporate bond spreads, resulted in losses for the European corporate bond index.



	Change in Solvency II Discount (bps)						Change in Corporate Bond Yields (bps)		Change in Corporate Bond Spreads (bps)	
	1Y	Y5	Y10	Y20	Y30	Y40	Global Corp	Euro Corp	Global Corp	Euro Corp
Since Q1 2024	8	30	28	23	18	13	37	26	-2	-2
Since Q4 2023	24	54	36	24	13	6	57	36	-17	-26
Since Q3 2023	-45	-44	-53	-56	-47	-40	-41	-61	-37	-41
Since Q2 2023	-39	-29	-13	-1	-2	-5	-3	-52	-41	-51

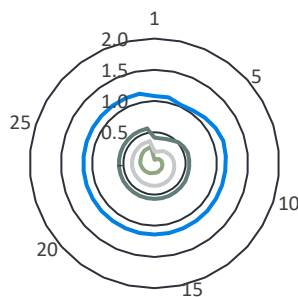
Solvency II Monitor - Spreads

Fundamental Spreads

- The fundamental spread data shown is for the end of March.
- There were no material changes since the last report.

Fundamental Spreads %

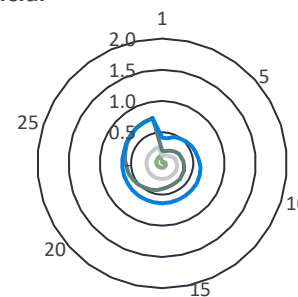
EUR: Financial



— AAA — AA — A — BBB

EUR Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.06	0.10	0.13	0.19	0.27
AA	0.19	0.26	0.33	0.36	0.36
A	0.41	0.51	0.56	0.57	0.57
BBB	1.08	1.09	1.14	1.14	1.14
EUR Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.04	0.10	0.19	0.27
AA	0.04	0.07	0.11	0.18	0.26
A	0.05	0.11	0.17	0.29	0.40
BBB	0.11	0.19	0.28	0.41	0.52

EUR: Non-Financial



— AAA — AA — A — BBB

EUR Non-Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.01	0.02	0.06	0.08	0.12
AA	0.13	0.17	0.25	0.25	0.26
A	0.20	0.28	0.37	0.51	0.74
BBB	0.41	0.52	0.63	0.64	0.74
EUR Non-Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.01	0.04	0.08	0.12
AA	0.00	0.04	0.09	0.17	0.26
A	0.04	0.15	0.27	0.51	0.74
BBB	0.10	0.21	0.33	0.55	0.74

The **Solvency II risk-free discount rates** are based on applying the Smith-Wilson Extrapolation to LIBOR swap rates sourced from Bloomberg (current curve is for 30/04/24) and applying the Credit Risk Adjustment as defined in the Technical Specs. For the official published curves please refer to the [EIOPA](#) website.

The **Credit Risk Adjustment** is a component of the risk-free discount curve defined by EIOPA. It is calculated from actual experience in the 'LIBOR-OIS' spread (3 months for EUR), and is bounded between 0.10 and 0.35. We show actual LIBOR-OIS spread levels and the defined CRA, for EUR.

**EIOPA fundamental spreads** show the credit spread corresponding to the risk of default or downgrading of an asset. This is shown here across financial and non-financial assets, credit quality steps 0-3 and durations of 1-30 years. The data is provided by EIOPA and as of 31/03/24. **Fundamental spread** = maximum (probability of default + cost of downgrade; 35% of long-term average spread). In the tables we show the **'before floor'** measure = probability of default + cost of downgrade.

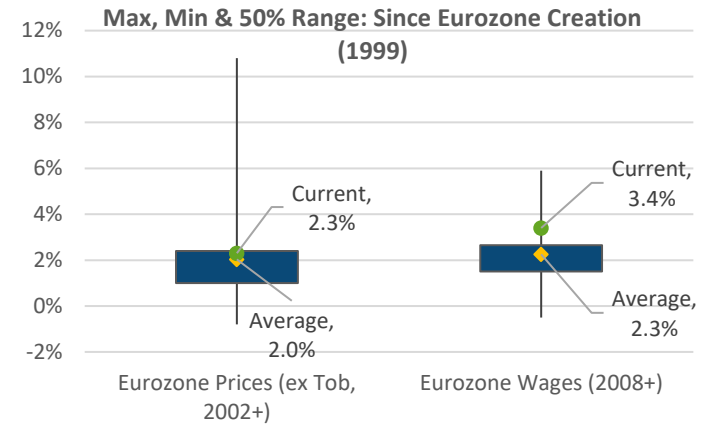
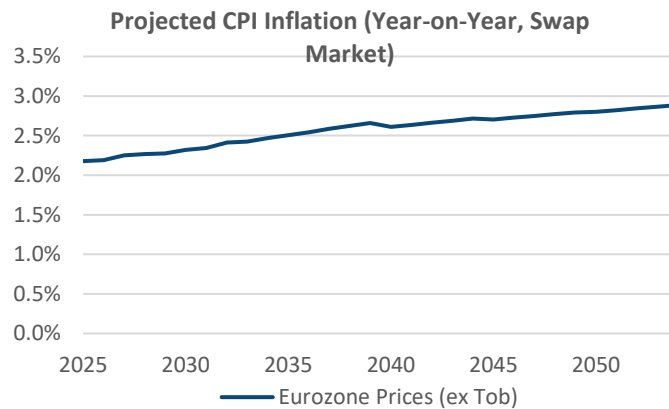
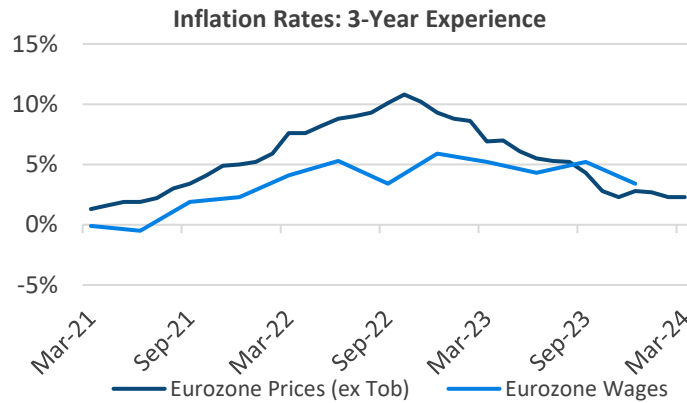
## Milliman Financial Risk Management

EuroZone Market Monitor – 30 April 2024

Data sources: Bloomberg; Barclays; EuroStat; EIOPA; ONS; Milliman FRM

### Inflation Monitor

- Eurozone price inflation remained unchanged in March after the previous months figure was revised lower by 20 basis points to 2.3%.
- Eurozone Q1 2024 GDP grew by 0.4%, an increase of 30 basis points from the previous quarter.
- There were no updates to the wage inflation figures this month.
- The Eurozone projected CPI curve was relatively unchanged in comparison to the previous month.



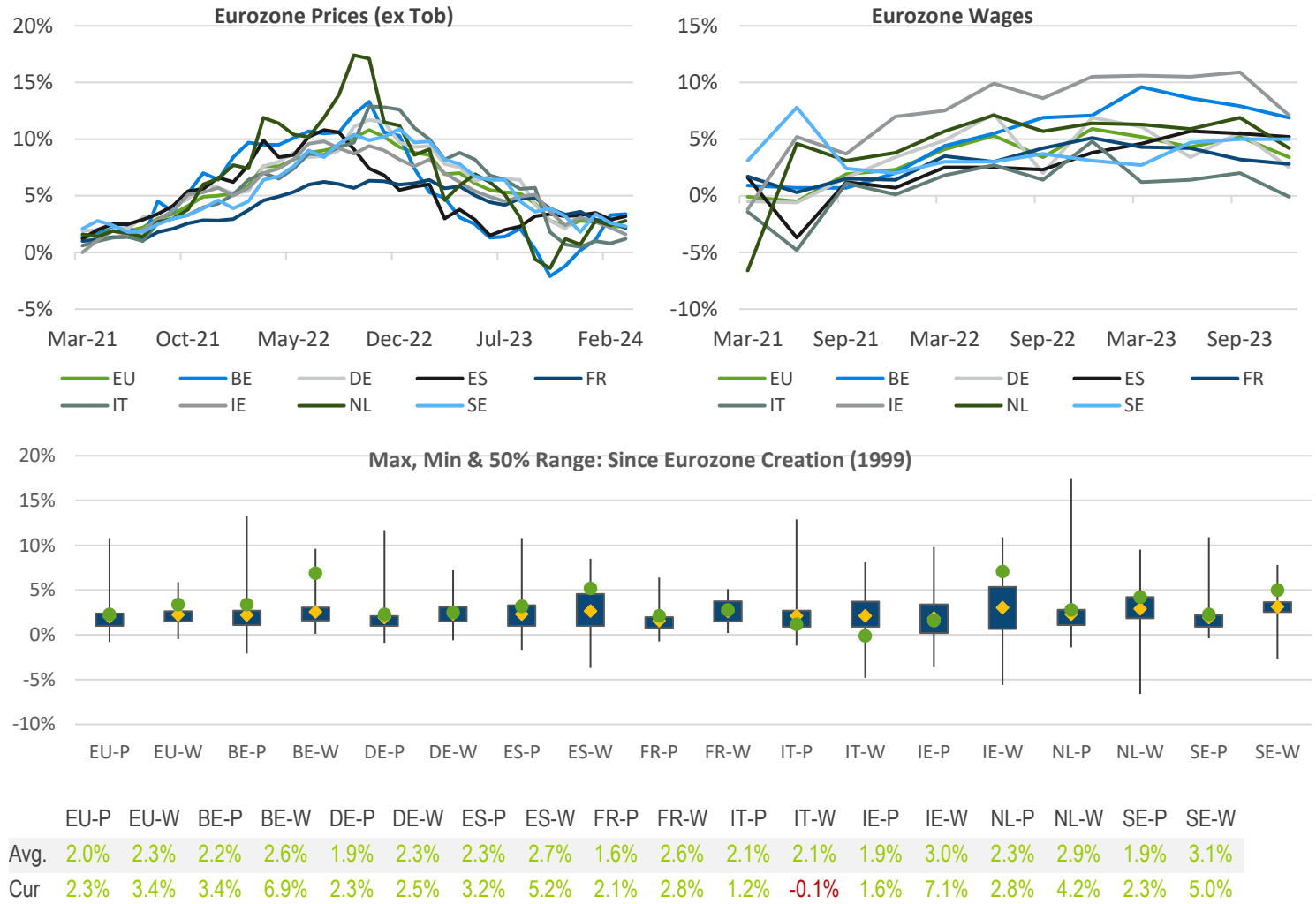
## Milliman Financial Risk Management

EuroZone Market Monitor – 30 April 2024

Data sources: Bloomberg; Barclays; EuroStat; EIOPA; ONS; Milliman FRM

### Inflation Monitor

- Changes in price inflation were mixed for the major European economies in March.
- The largest increase in price inflation in March was seen in Italy and the Netherlands, with price inflation increasing by 40 basis points to 1.2% and 2.8%, respectively.
- The French and Irish price inflation decreased the most, both falling by 60 basis points to 2.1% and 1.6%, respectively.
- Italy had the lowest price inflation reading in the region at 1.2%.
- Belgium had the highest reading in the region at 3.4%.



**Milliman Financial Risk Management**

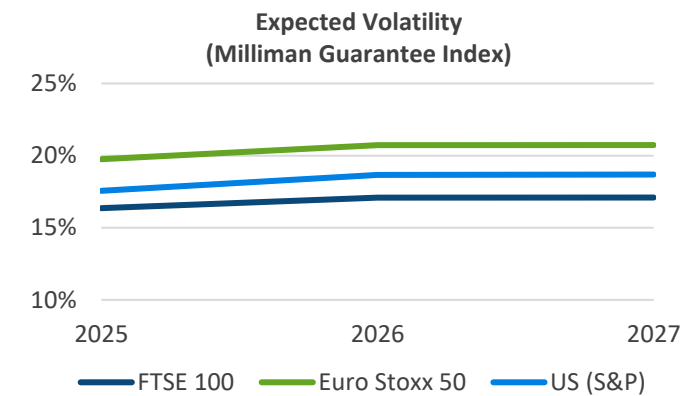
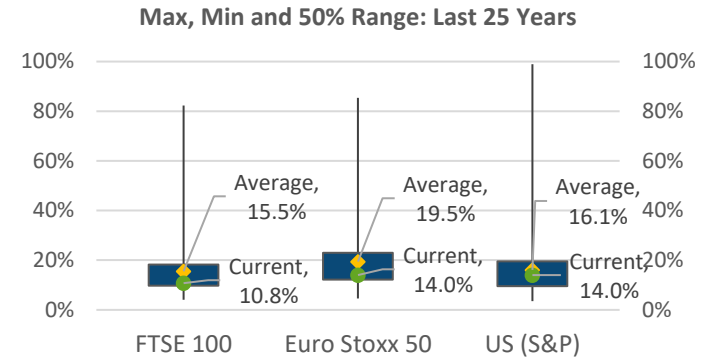
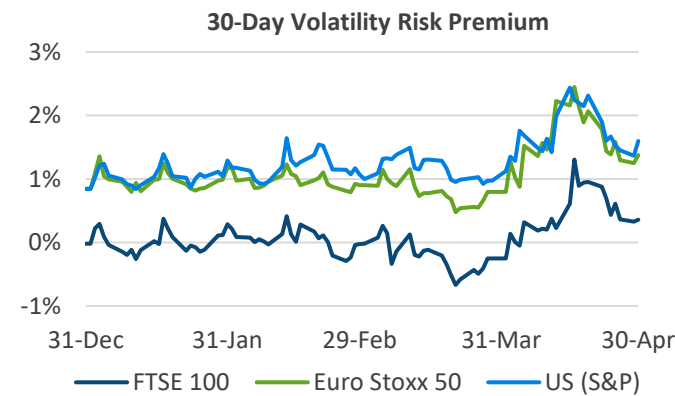
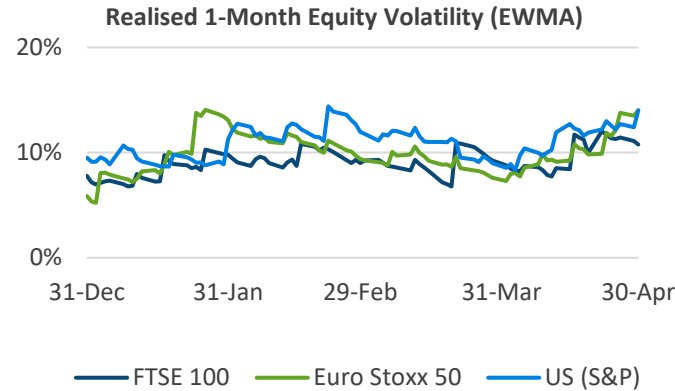
EuroZone Market Monitor – 30 April 2024

Data sources: Bloomberg; Barclays; EuroStat; EIOPA; ONS; Milliman FRM

**Volatility and Hedging Cost Monitor**

- Realised volatilities increased in April for the major global equity markets, though remaining well below historical long-term averages.
- The FTSE 100 ended the month with a realised volatility of 10.8%. The same measure stood at 14.0% on the Euro Stoxx 50 and the S&P 500, respectively.
- Volatility risk premiums on major indices increased in April. The FTSE 100 had a volatility risk premium of 0.4% at month-end. The volatility risk premium on the Euro Stoxx 50 and the S&P 500 were at 1.4% and 1.6%, respectively.

*Please contact Milliman for more information on the basis and methodology used for these results.*



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Established in 1998, the practice includes professionals operating from four trading platforms around the world (Chicago, London, Amsterdam and Sydney).

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