

Asset Price Monitor

Local Equity Markets

- Global equity markets had a mixed performance in March as the uncertainty surrounding US trade policy and tariffs weighed on risk assets and the global growth outlook.
- The Euro Stoxx 50 ended the month down 3.8%.
- The FTSE 100 lost 2.0%.

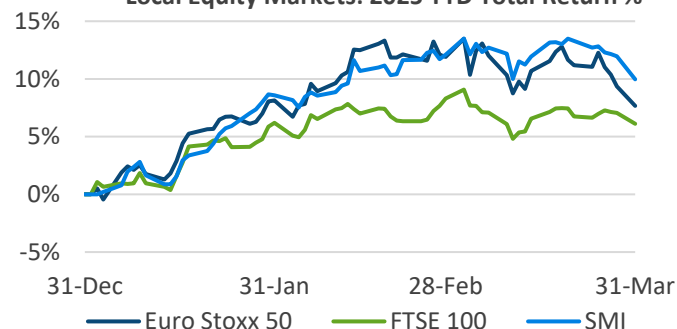
Global Equity Markets

- The S&P 500 was the underperformer, falling by 5.6%.
- In contrast, the Topix index was up 0.2% and the MSCI Emerging Markets index gained 0.7%.

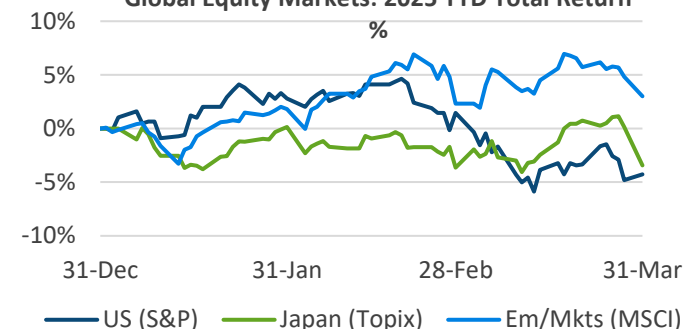
Bond/FX Markets

- Both the European government and corporate bond indices fell, down by 1.7% and 1.0%, respectively.
- The Euro had a strong performance in March, gaining 4.0% against the US Dollar, 3.6% against the Japanese Yen, and 1.5% against the British Pound.

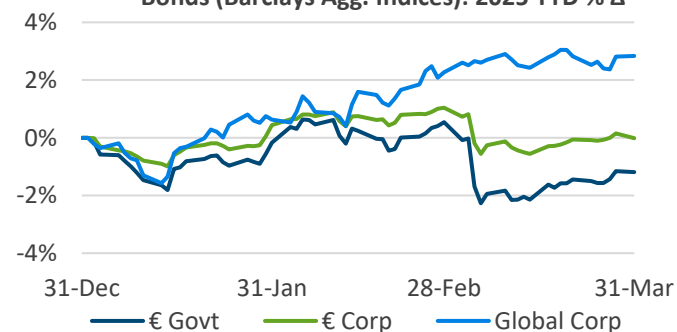
Local Equity Markets: 2025 YTD Total Return %



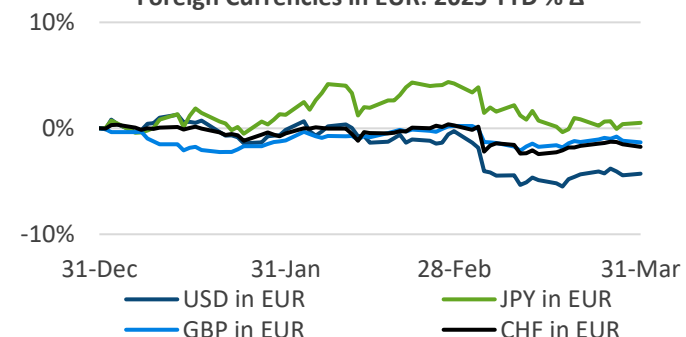
Global Equity Markets: 2025 YTD Total Return %



Bonds (Barclays Agg. Indices): 2025 YTD % Δ



Foreign Currencies in EUR: 2025 YTD % Δ



Total Returns as of March 31, 2025

	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	-3.8%	-2.0%	-1.9%	-5.6%	0.2%	0.7%	-1.7%	-1.0%	-2.0%	-4.0%	-3.6%	-1.5%
3 Month	7.7%	6.1%	10.0%	-4.3%	-3.4%	3.0%	-1.2%	0.0%	-1.7%	-4.3%	0.5%	-1.3%
1 Year	6.6%	11.9%	10.8%	8.3%	-1.5%	8.6%	1.4%	4.2%	1.8%	-0.2%	0.8%	2.1%
YTD	7.7%	6.1%	10.0%	-4.3%	-3.4%	3.0%	-1.2%	0.0%	-1.7%	-4.3%	0.5%	-1.3%

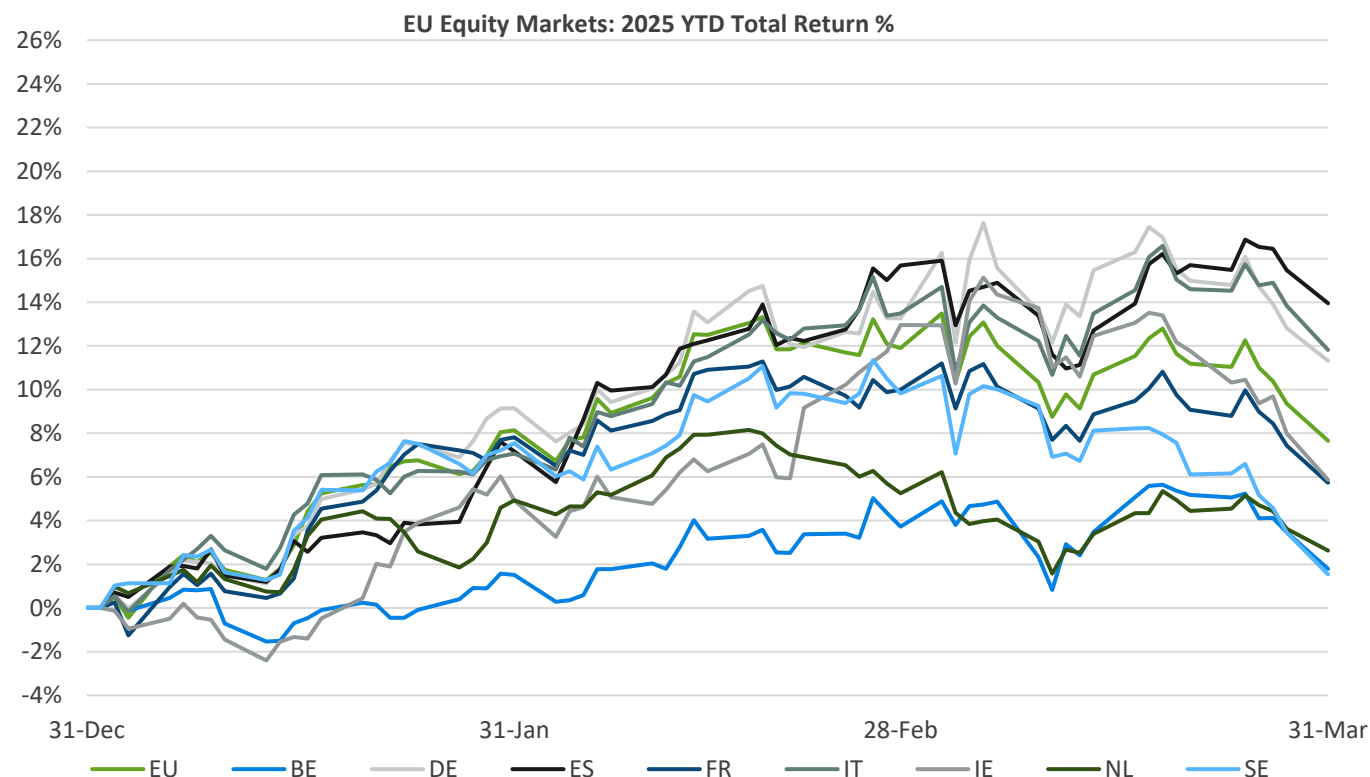
Milliman Financial Risk Management

EuroZone Market Monitor – 31 March 2025

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

Eurozone Equity

- Major European equity markets were down in March.
- The Spanish and Italian equity markets saw the smallest losses for the month, both down 1.5%.
- The Spanish equity index remained the best performer year-to-date, having returned 14.0% during Q1 2025.
- The Swedish equity market was the worst performing equity market in the region in March, down 7.5%. The Index is also the laggard performer year-to-date having gained 1.5% in the first quarter.

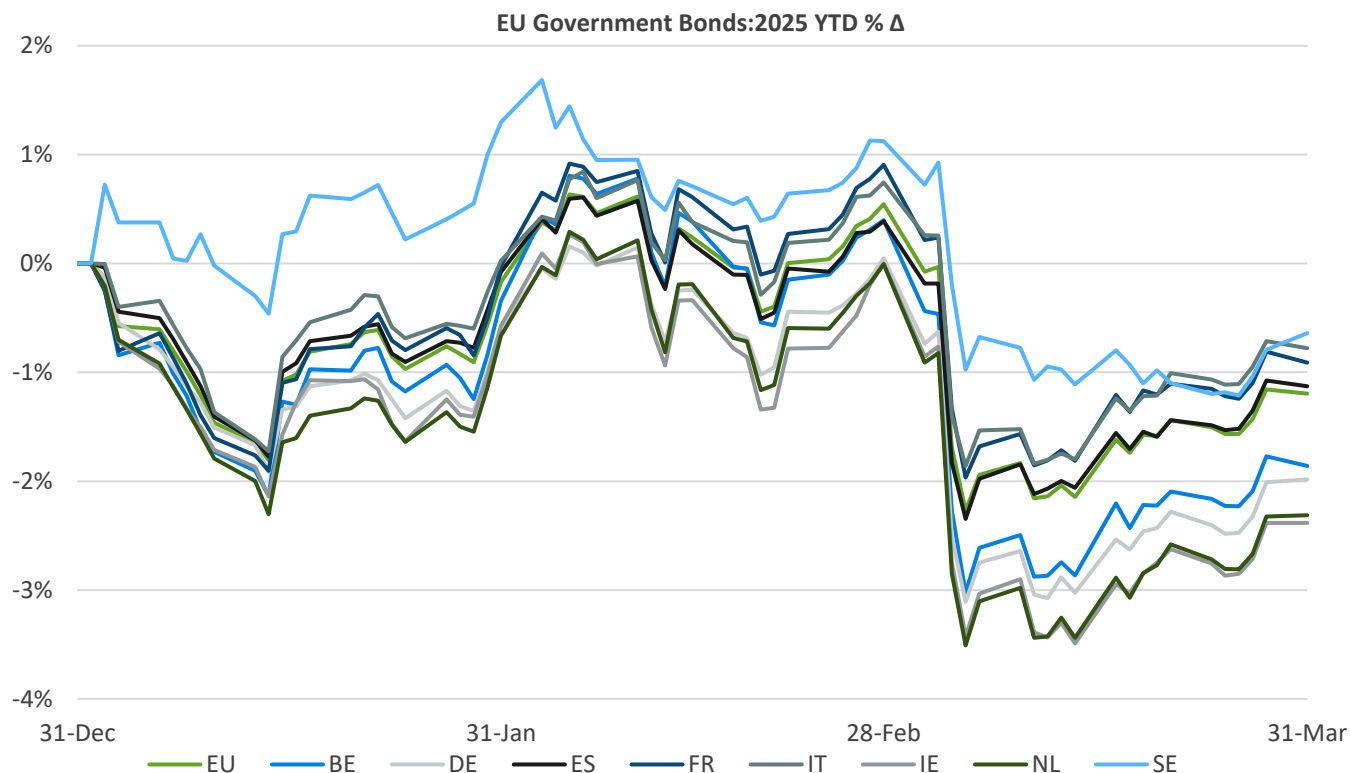


Equity Returns as of March 31, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	-3.8%	-1.9%	-1.7%	-1.5%	-3.9%	-1.5%	-6.3%	-2.5%	-7.5%
3 Month	7.7%	1.8%	11.3%	14.0%	5.7%	11.8%	5.9%	2.6%	1.5%
QTD	7.7%	1.8%	11.3%	14.0%	5.7%	11.8%	5.9%	2.6%	1.5%
YTD	7.7%	1.8%	11.3%	14.0%	5.7%	11.8%	5.9%	2.6%	1.5%

Eurozone Government Bonds

- All major European government bond indices were down in March
- The Spanish and Italian government bond indices saw the smallest losses for the month, both down 1.5%.
- The Irish government bond index fell the most, losing 2.4% over both the month and the quarter, making it the worst performing government bond index year-to-date
- The Swedish government bond index remained the outperformer year-to-date, having only lost 0.6%.



Bond Returns as of March 31, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	-1.7%	-2.2%	-2.0%	-1.5%	-1.8%	-1.5%	-2.4%	-2.3%	-1.7%
3 Month	-1.2%	-1.9%	-2.0%	-1.1%	-0.9%	-0.8%	-2.4%	-2.3%	-0.6%
QTD	-1.2%	-1.9%	-2.0%	-1.1%	-0.9%	-0.8%	-2.4%	-2.3%	-0.6%
YTD	-1.2%	-1.9%	-2.0%	-1.1%	-0.9%	-0.8%	-2.4%	-2.3%	-0.6%

Liability Valuation Monitor

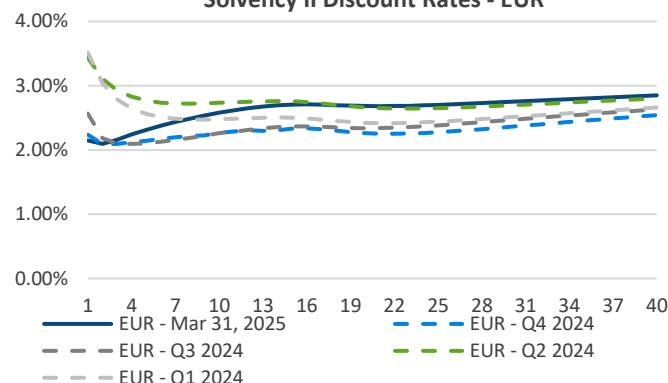
Risk Free Rates

- EUR risk-free rates rose at all terms in March, with the increases more pronounced at the medium and longer tenors.
- The 10 and 20-year rates rose by 34 and 38 basis points, respectively.

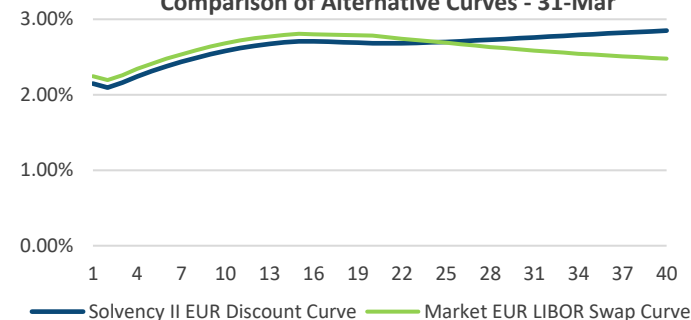
Corporate Bonds

- Global and European corporate bond yields increased by 10 and 25 basis points, respectively.
- Both Global and European corporate bond spreads widened by 7 basis points.
- The increase in risk-free rates, combined with the widening in European corporate bond spreads, resulted in losses for the European corporate bond index.

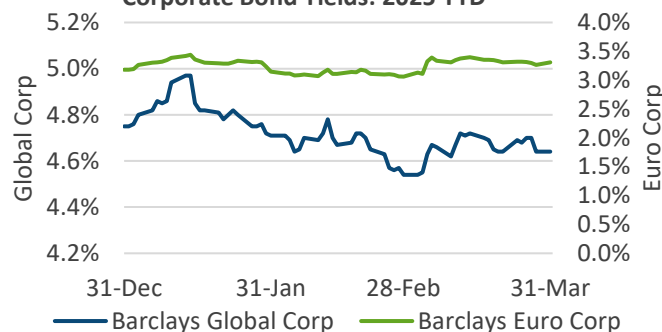
Solvency II Discount Rates - EUR



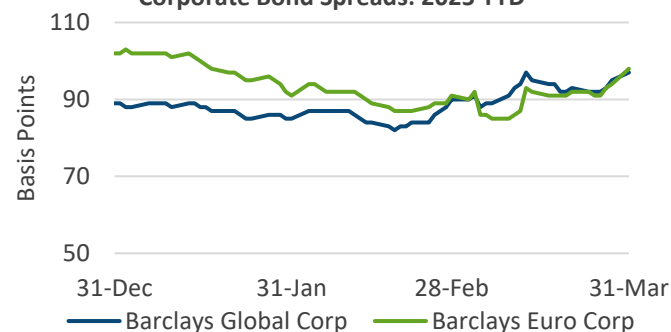
Comparison of Alternative Curves - 31-Mar



Corporate Bond Yields: 2025 YTD



Corporate Bond Spreads: 2025 YTD



	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 Q4 2024	-9	17	31	42	39	31	-11	13	8	-4
Since Q3 2024	-42	21	32	34	28	22	31	9	-3	-19
Since Q2 2024	-129	-46	-15	2	5	5	-40	-52	-7	-22
Since Q1 2024	-137	-25	10	26	24	19	-24	-35	-3	-16

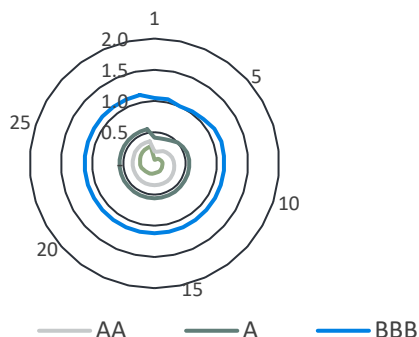
Solvency II Monitor - Spreads

Fundamental Spreads

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

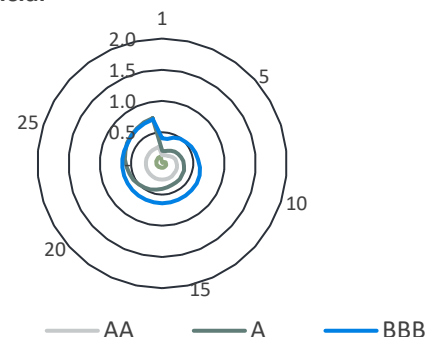
Fundamental Spreads %

EUR: Financial



EUR Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.06	0.10	0.13	0.19	0.28
AA	0.19	0.26	0.33	0.35	0.36
A	0.41	0.50	0.56	0.56	0.56
BBB	1.05	1.06	1.12	1.12	1.12
EUR Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.04	0.10	0.19	0.28
AA	0.04	0.07	0.11	0.18	0.25
A	0.05	0.11	0.17	0.29	0.39
BBB	0.11	0.19	0.27	0.41	0.51

EUR: Non-Financial



EUR Non-Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.01	0.02	0.07	0.08	0.11
AA	0.13	0.17	0.25	0.26	0.27
A	0.20	0.28	0.37	0.50	0.74
BBB	0.40	0.51	0.63	0.64	0.72
EUR Non-Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.01	0.04	0.08	0.11
AA	0.00	0.04	0.09	0.17	0.27
A	0.04	0.15	0.27	0.50	0.74
BBB	0.10	0.21	0.32	0.53	0.72

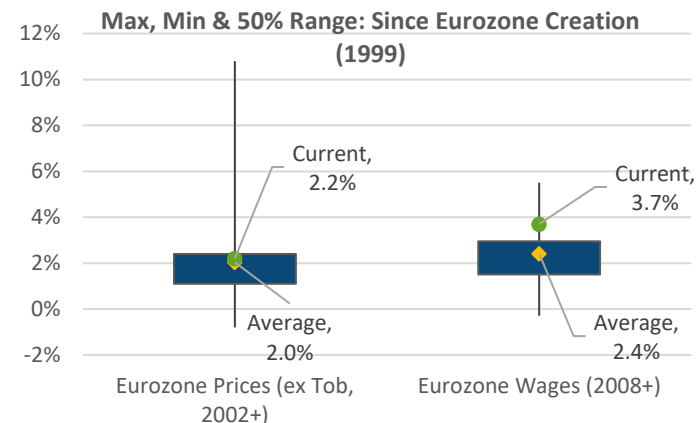
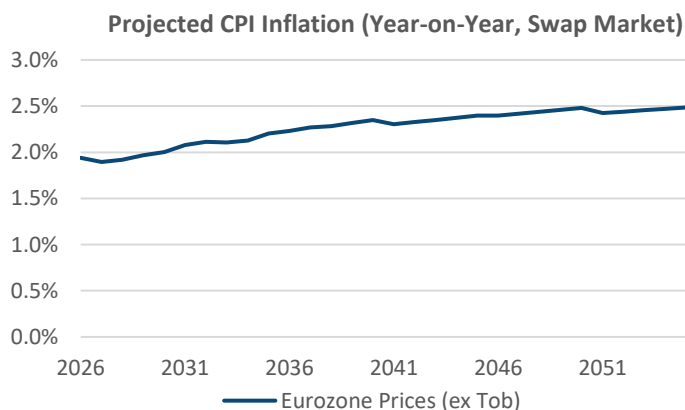
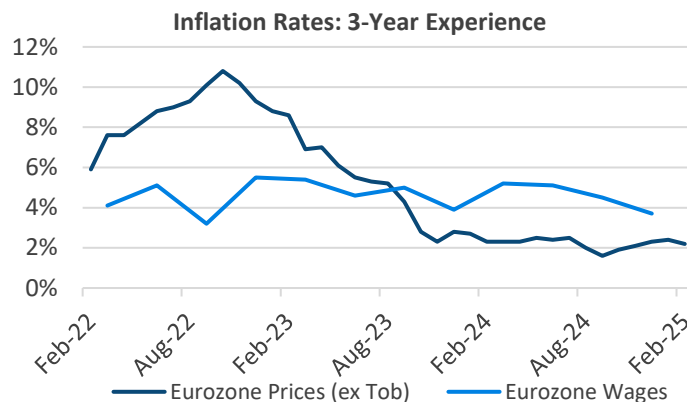
The **Solvency II risk-free discount rates** are based on applying the Smith-Wilson Extrapolation to LIBOR swap rates sourced from Bloomberg (current curve is for 31/03/25) and applying the Credit Risk Adjustment as defined in the Technical Specs. For the official published curves please refer to the [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 28/02/25. **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.

Inflation Monitor

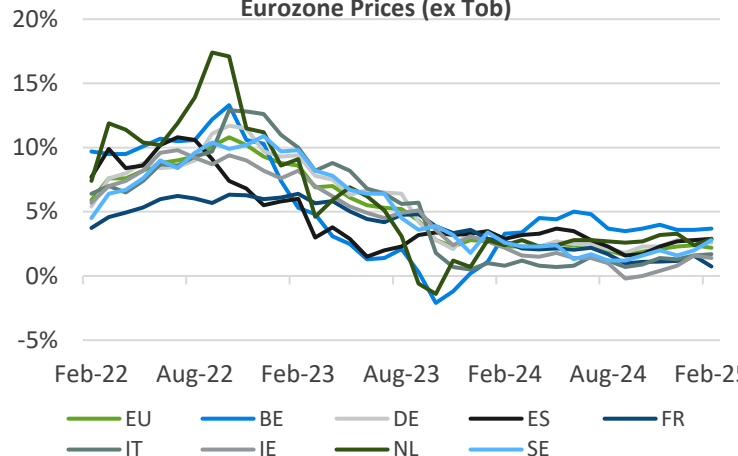
- Eurozone price inflation decreased by 20 basis points to 2.2% in February.
- The Eurozone projected CPI curve increased at the 1-year point, but the rest of the curve was relatively unchanged from the previous month.
- Eurozone Q4 2024 wage inflation fell by 80 basis points to 3.7% after the previous quarter's figure was revised lower by 10 basis points.



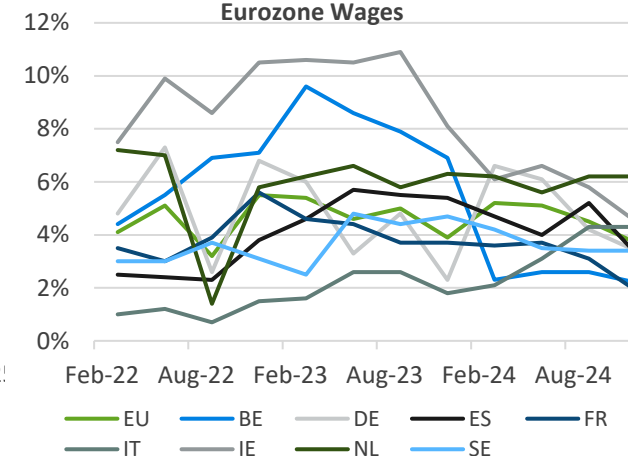
Inflation Monitor

- Movements in price inflation were mixed for major European economies in February.
- France's price inflation dropped the most, falling by 80 basis points to 0.7%, which was also the lowest reading in the region.
- Sweden saw the largest increase in price inflation in February, rising by 80 basis points to 2.8%.
- Belgium continued to post the highest reading in the region at 3.7%.
- Q4 2024 wage inflation rates generally declined for the major European economies, except for Italy, Sweden and the Netherlands which were all unchanged, after the previous quarter's figures were revised to match 4.3%, 3.4% and 6.2%, respectively. The latter was also the highest reading in the region.
- Spain saw the largest decline in Q4 2024 wage inflation, decreasing by 190 basis points to 3.3%, after the previous quarter was revised higher by 20 basis points.
- France posted the lowest reading of the region for Q4 2024 wage inflation at 1.9%.

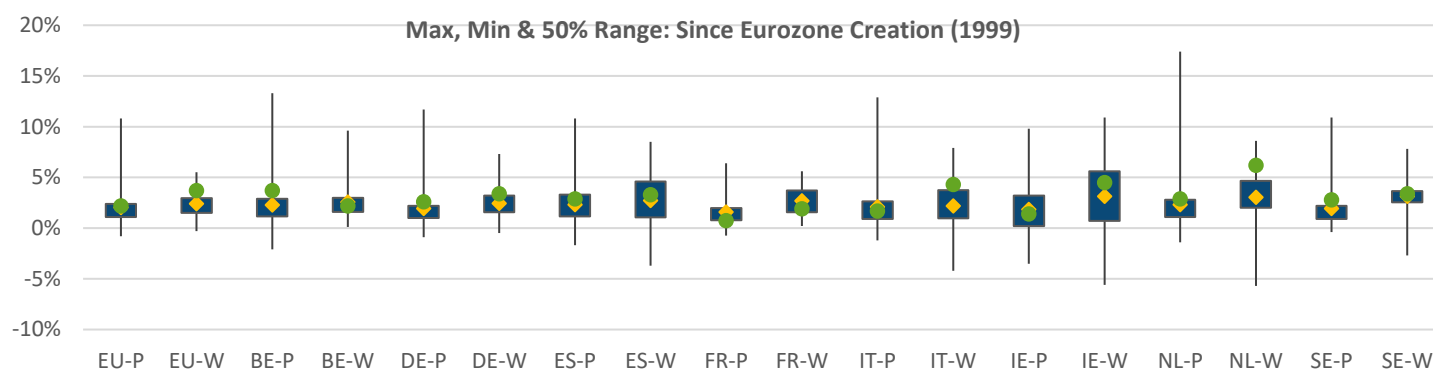
Eurozone Prices (ex Tob)



Eurozone Wages



Max, Min & 50% Range: Since Eurozone Creation (1999)



	EU-P	EU-W	BE-P	BE-W	DE-P	DE-W	ES-P	ES-W	FR-P	FR-W	IT-P	IT-W	IE-P	IE-W	NL-P	NL-W	SE-P	SE-W
Avg.	2.0%	2.4%	2.3%	2.6%	2.0%	2.5%	2.3%	2.7%	1.6%	2.7%	2.1%	2.2%	1.9%	3.1%	2.3%	3.1%	1.9%	3.2%
Cur	2.2%	3.7%	3.7%	2.2%	2.6%	3.4%	2.9%	3.3%	0.7%	1.9%	1.7%	4.3%	1.4%	4.5%	2.9%	6.2%	2.8%	3.4%

Milliman Financial Risk Management

EuroZone Market Monitor – 31 March 2025

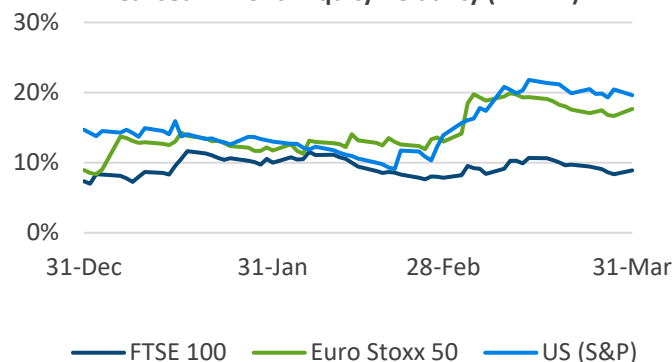
Data sources: Bloomberg; Barclays; EuroStat; EIOPA; ONS; Milliman FRM

Volatility and Hedging Cost Monitor

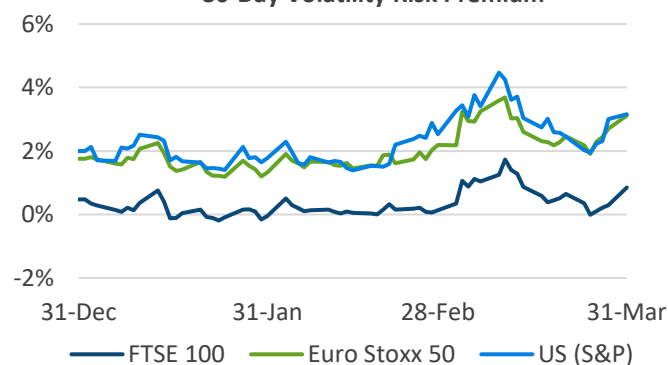
- Realised volatilities on major indices increased in March.
- The FTSE 100 ended the month with a realised volatility of 8.9%. The same measure stood at 17.6% and 19.6% on the Euro Stoxx 50 and the S&P 500, respectively.
- Volatility risk premiums on major indices increased. The FTSE 100 had a volatility risk premium of 0.8% at month-end. The volatility risk premium on the Euro Stoxx 50 was 3.1%, and 3.2% on the S&P 500.

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

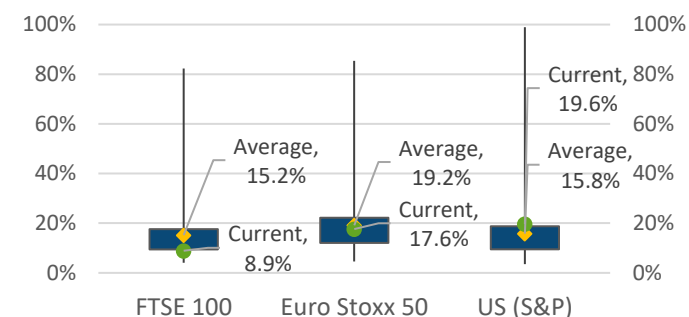
Realised 1-Month Equity Volatility (EWMA)



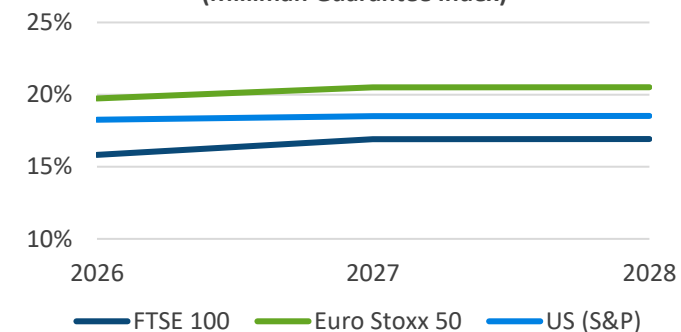
30-Day Volatility Risk Premium



Max, Min and 50% Range: Last 25 Years



Expected Volatility (Milliman Guarantee Index)





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Creating transformational improvement in the retirement savings industry.

Milliman Financial Risk Management LLC / Milliman Financial Strategies Ltd. is a global leader in financial risk management to the retirement savings industry. Milliman FRM provides investment advisory, hedging, and consulting services on approximately \$176.1 billion USD in global assets (31 December 2021).

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

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