

# Glossary

Here we explain the main terms from the CIO View

Alexis Tsipras is Greece's elected Prime Minister since January 26th, 2015.

Arbitrage describes the practice of exploiting a price differential between two (or more) markets.

The Barclays Aggregate U.S. Bond Index aims to measure the performance of the U.S. Investment Grade bond market.

The Barclays High Yield Index captures the performance of high-yield debt securities.

The Bank for International Settlements (BIS) is the international organization of central banks.

The Bank of England (BoE) is the central bank of England.

The Bank of Japan (BOJ) is the central bank of Japan.

Brain drain refers to the flight of a country's more educated workers abroad, usually for economic reasons.

A bubble is an artificially highly valued market that may be about to burst.

Bunds is a commonly used term for bonds issued by the German federal government with a maturity of 10 years.

Capacity utilization refers to the share of an economy's productive capacity that is in use.

Clientelism refers to the use of economic incentives by politicians to influence parts of their electorate.

Cloud computing encompasses technologies and services that offer the dynamic and flexible use of a third party's IT infrastructure.

The CNX Nifty Index is a market-capitalization-weighted index that tracks India's 50 most important listed companies.

Consumer discretionary is a sector of the economy that sells non-essential goods and services.

Consumer staples is a sector of the economy that sells essential goods and services.

The credit market is the market for corporate bonds.

The Dallas Fed International House Price Index Database for Germany is a price index compiled by the Dallas Fed which includes German real estate.

The DAX tracks the performance of the 30 major German companies trading on the Frankfurt Stock Exchange.

Devaluation is the forced reduction of the value of a currency against others.

The ECB's Emergency Liquidity Assistance (ELA) is a measure whereby a national central bank of the Eurosystem grants central-bank money to a solvent financial institution that is experiencing temporary liquidity problems.

Emerging markets (EM) are those economies which are not yet fully developed in terms of market efficiency, liquidity, and other factors.

The euro (EUR) is the official currency of the Eurozone.

The European Central Bank (ECB) is the central bank for the euro. It administers the monetary policy of the Eurozone, which consists of 19 European Union member states.

The U.S. Federal Reserve Board (Fed) is the board of governors of the Federal Reserve; it implements U.S. monetary policy.

Fundamentals are data giving information about the general well-being of companies, securities or currencies and serving for the subsequent valuation of these as an investment opportunity.

Gearing is a measure of an investor's or a firm's borrowing to capital owned.

Grexit is the term used to describe a Greek exit from the Eurozone, either deliberately or accidentally.

Gross domestic product (GDP) is the value of all goods and services produced by a country's economy.

H-shares are shares of mainland Chinese companies listed on Hong Kong or other non-mainland exchanges.

The Hang Seng China Enterprises Index (HSCEI) includes the largest and most liquid H-shares traded in Hong Kong.

High-yield (HY) describes bonds which are sub-investment grade.