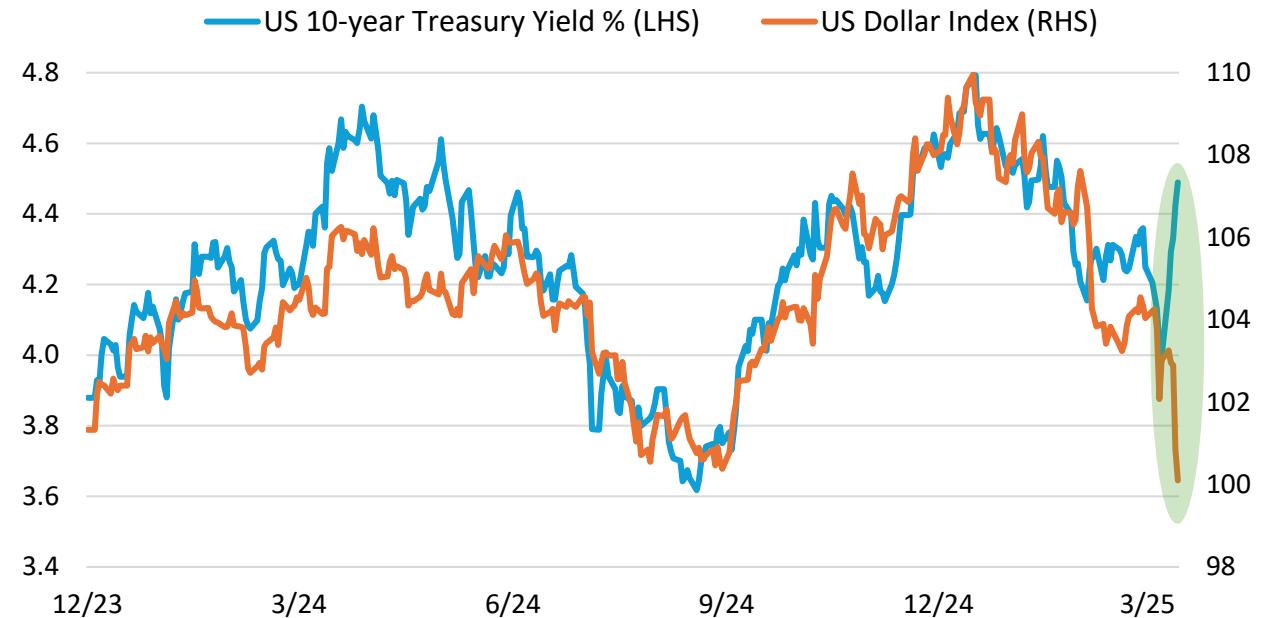


Calamos Global Investment Team: Chart of the Week

April 17, 2025

- Historically, there has been a tight correlation between the US 10-year Treasury yield and the US Dollar Index, but that relationship has broken down in recent weeks.
- Many explanations have been offered for the rise in Treasury yields, from selling by China to hedge-fund trade unwinds, but we suggest a combination of fundamentals and an evolving global trade and geopolitical landscape are the primary culprits.
- Meanwhile, the US dollar is no longer acting as the safe-haven asset it historically has been during periods of market stress. Again, we point toward a combination of fundamentals and an evolving global trade and geopolitical landscape as the primary culprits.
- As the global trade and geopolitical landscape evolves over the medium term, so too will the global financial system, which will likely result in a “Great Global Rebalancing” as historical relationships (like US Treasury yields and the US dollar) change.

Correlation breakdown: 10-Year Treasury yield and US dollar diverge



Past performance is no guarantee of future results. Data through April 11, 2025. Source: Bloomberg. The US Dollar Index measures the value of the US dollar relative to a basket of foreign currencies, including Euro Area, Canada, Japan, United Kingdom, Switzerland, Australia, and Sweden. Indexes are unmanaged, do not include fees or expenses and are not available for direct investment.

As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

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Calamos Advisors LLC | 2020 Calamos Court | Naperville, IL 60563-2787
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