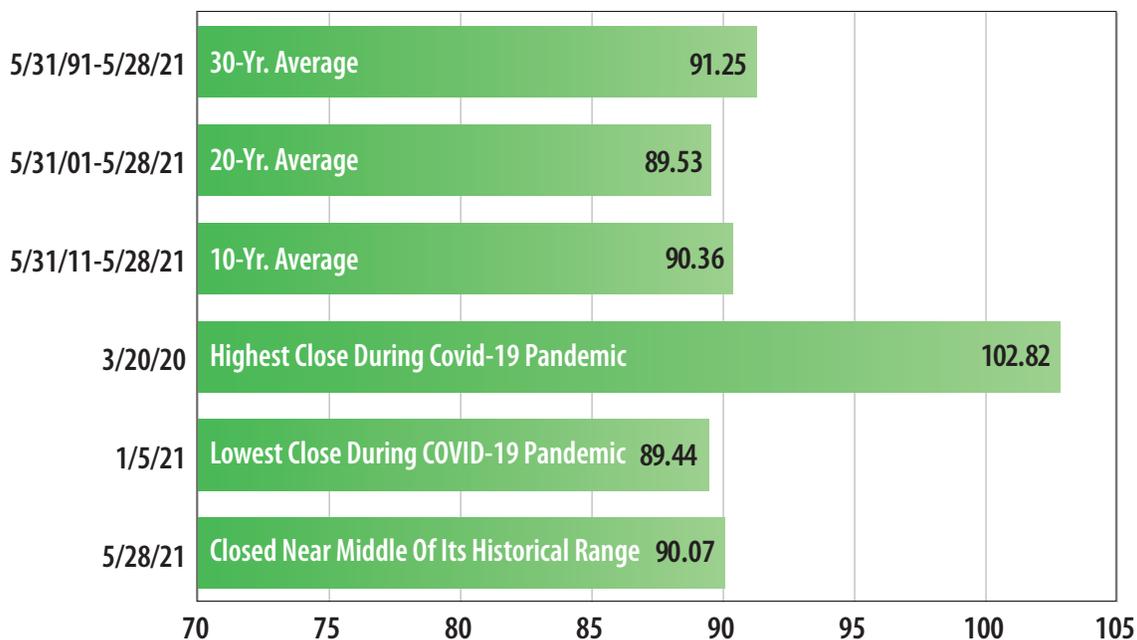


A Snapshot Of The U.S. Dollar

U.S. Dollar Index (Key Days & Averages)



Source: Bloomberg. Prices as of 5:30PM CST on 5/28/21.

View from the Observation Deck

1. We get asked from time to time what our take is on the U.S. dollar and where we think it may be headed next.
2. The dollar is still regarded as the world's primary reserve currency. Its relative strength over time can be influenced by such things as central bank monetary policy, geopolitics and trade.
3. U.S. investors with exposure to foreign securities, commodities and the stocks of U.S. multinational companies are particularly vulnerable to fluctuations in the U.S. dollar.
4. Predicting the direction of the dollar, or any currency, can be a daunting task, even for professionals who specialize in it. One thing we can provide is some context.
5. As indicated in the chart above, as of 5/28/21, the 10-, 20- and 30-year averages for the U.S. Dollar Index registered readings from 89.53 to 91.25, which is a relatively tight range over a span of 30 years. The average of the three averages is 90.38, just above where it was trading on 5/28/21 (90.07).
6. To add some additional context, over the past 30 years, the index peaked at a reading of 120.90 on 7/5/01, while hitting a period-low of 71.33 on 4/22/08, according to Bloomberg.
7. While it is tough to predict the next move in the U.S. dollar, Reuters reported that currency speculators increased their bets against the U.S. dollar last week as short positions reached a 10 week high.
8. The International Monetary Fund's most recent survey of official foreign exchange reserves found that the share of U.S. dollar reserves held by central banks declined to 59% in Q4'20, its lowest level in 25 years, according to the *Financial Times*. For comparative purposes, it stood at 71% in 1999 when the euro was launched.

This chart is for illustrative purposes only and not indicative of any actual investment. Investors cannot invest directly in an index. The U.S. Dollar Index (DXY) indicates the general international value of the dollar relative to a basket of major world currencies.

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