



## Enhancement of Turkey Government Curve Fitting for FTSE Fixed Income Indexes

FTSE Russell has enhanced the fitting methodology for the Turkish government yield curve to improve the consistency of the fitted curve. Effective as of August 27, 2020, the enhancement will impact analytics that are calculated using the Turkish government yield curve, including Option Adjusted Spread (OAS) and Effective Duration (EffDur) for bonds denominated in Turkish Lira (TRY). No impact to Yield and Effective Convexity is projected.

The impact of this change to the FTSE Emerging Markets Government Bond Index (EMGBI), FTSE Central and Eastern Europe, Middle East, and Africa Government Bond Index (CEEMEAGBI), and the FTSE Turkish Government Bond Index (TRGBI) analytics is shown in Figure 1.

Figure 1. Impact to FTSE Fixed Income Indexes Analytics

	Option Adjusted Spread (bps)			Effective Duration (Years)		
	Before	After	ABS Diff	Before	After	ABS Diff
EMGBI	-1.166	-0.785	0.441	6.081	6.081	0.000
CEEMEAGBI	-0.955	0.930	2.188	5.382	5.382	0.001
TRGBI	-23.606	7.392	35.981	2.413	2.42	0.007

Source: FTSE Russell. Data as of August 7, 2020.

For more information regarding the FTSE Russell fixed income index calculation methodology, please see the FTSE Fixed Income Index Guide.

Please contact us at [fi.index@ftserussell.com](mailto:fi.index@ftserussell.com) with any comments or questions.

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