

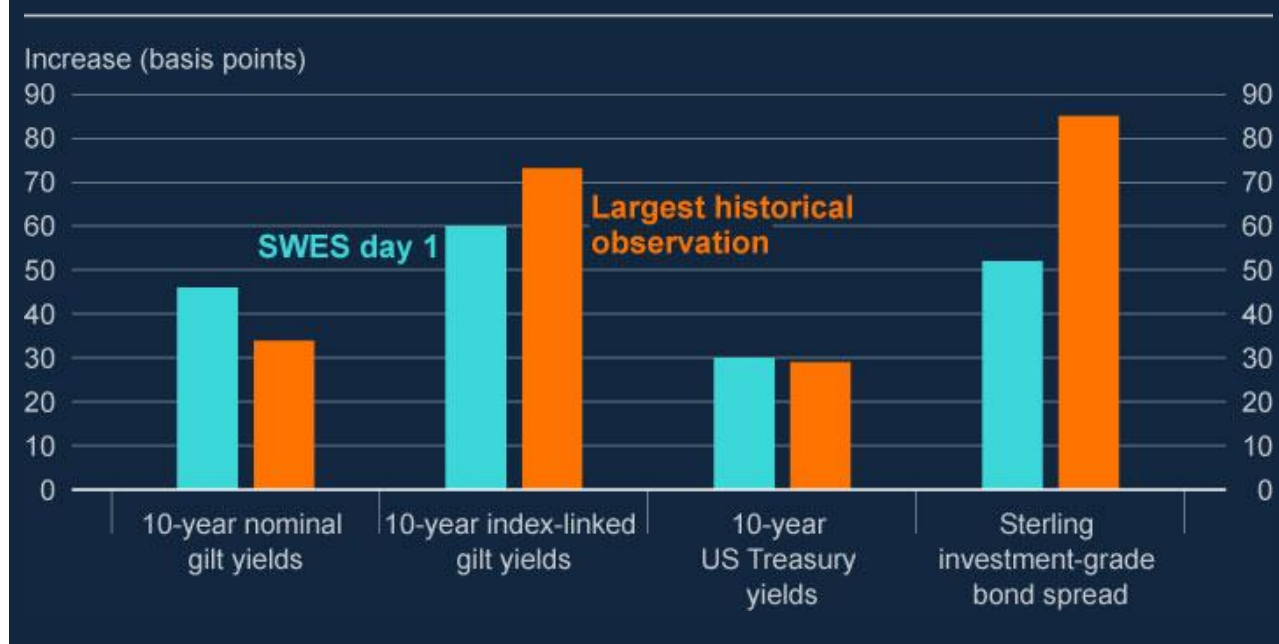
Annex – Further details of SWES scenario

Table A: Comparison of shock severity					
	SWES scenario	'Dash for cash'	LDI event	Largest historical observation	ACS 2022 ^(a)
10-year nominal gilt yields	115 basis points	50 basis points	133 basis points	133 basis points	95 basis points
10-year index-linked gilt yields	150 basis points	79 basis points	170 basis points	170 basis points	N/A
10-year US Treasury yields	75 basis points	20 basis points	35 basis points	76 basis points	90 basis points
Sterling investment-grade corporate bond spread	130 basis points	132 basis points	14 basis points	132 basis points	60 basis points
Equities (global)	-15%	-25%	-7%	-27%	-21%

Source: Bank of England

(a) ACS 2022 refers to the scenario used in the Bank of England's stress test of the UK banking system. Further details, including the results, can be found [here](#).

Chart A: Day 1 moves of selected SWES variables compared to the largest historical observations^(a)



Sources: Bank of England, Bloomberg Finance L.P, Board of Governors of the Federal Reserve System (US) and Bank calculations.

(a) The gilt yield, US Treasury yield, corporate bond, and equity back data start from 1 January 2000. Repo rate back data start from 1 July 2016. The back data for all gilt yields includes September 2022, when yields peaked unusually sharply.

Chart B: Evolution of 10-year gilt yields (left) and gilt repo rates (right) over the 10-day horizon encompassed in the price paths, compared to the dash for cash and LDI episodes^(a)



Sources: Bank of England and Bank calculations.

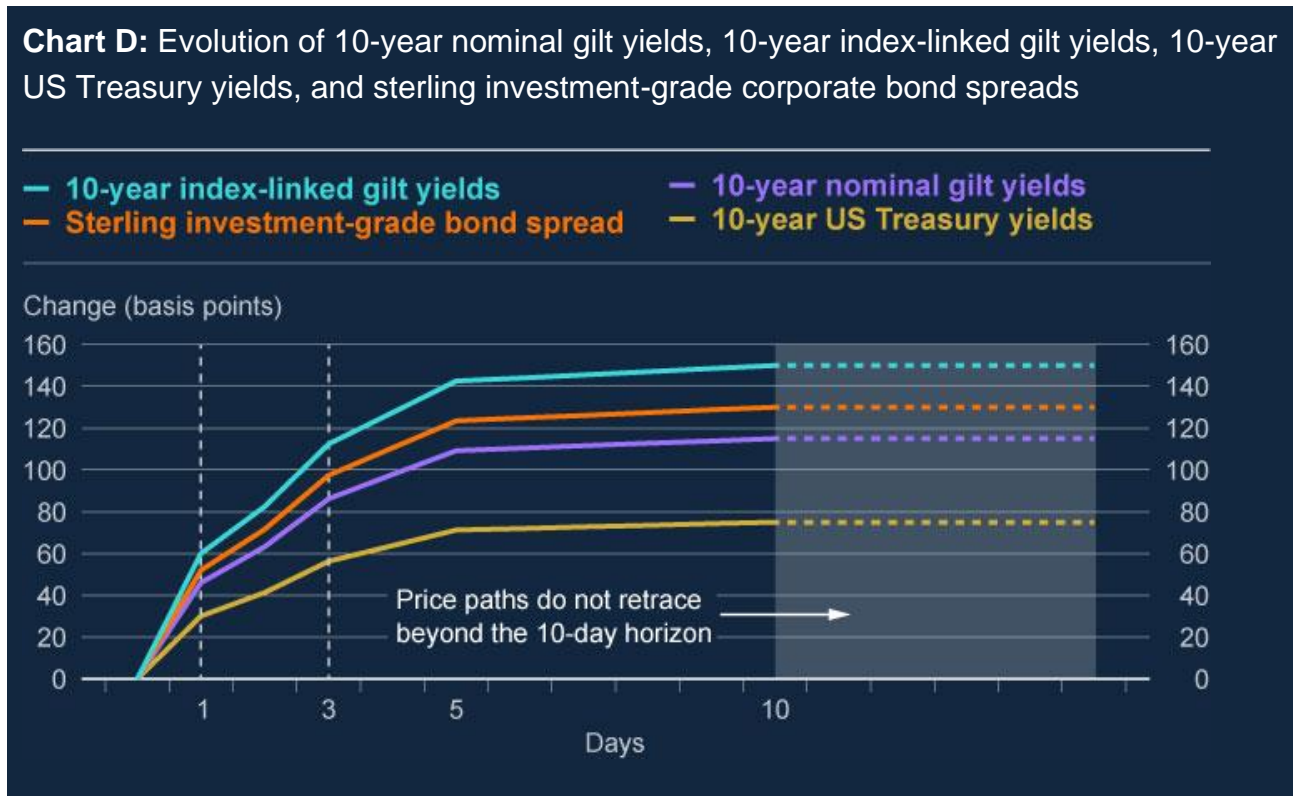
(a) For comparison we have charted daily moves relative to 10 days before 19 March 2020 and 27 September 2022 for the dash for cash and LDI series respectively.

Chart C: Evolution of 10-year US Treasury yields (left) and sterling investment-grade corporate bond spreads (right) over the 10-day horizon encompassed in the price paths, compared to the dash for cash and LDI episodes^(a)



Sources: Bloomberg Finance L.P, Board of Governors of the Federal Reserve System (US) and Bank calculations.

(a) For comparison we have charted daily moves relative to 10 days before 19 March 2020 and 27 September 2022 for the dash for cash and LDI series respectively.



Sources: Bank of England, Bloomberg Finance L.P, Board of Governors of the Federal Reserve System (US) and Bank calculations.