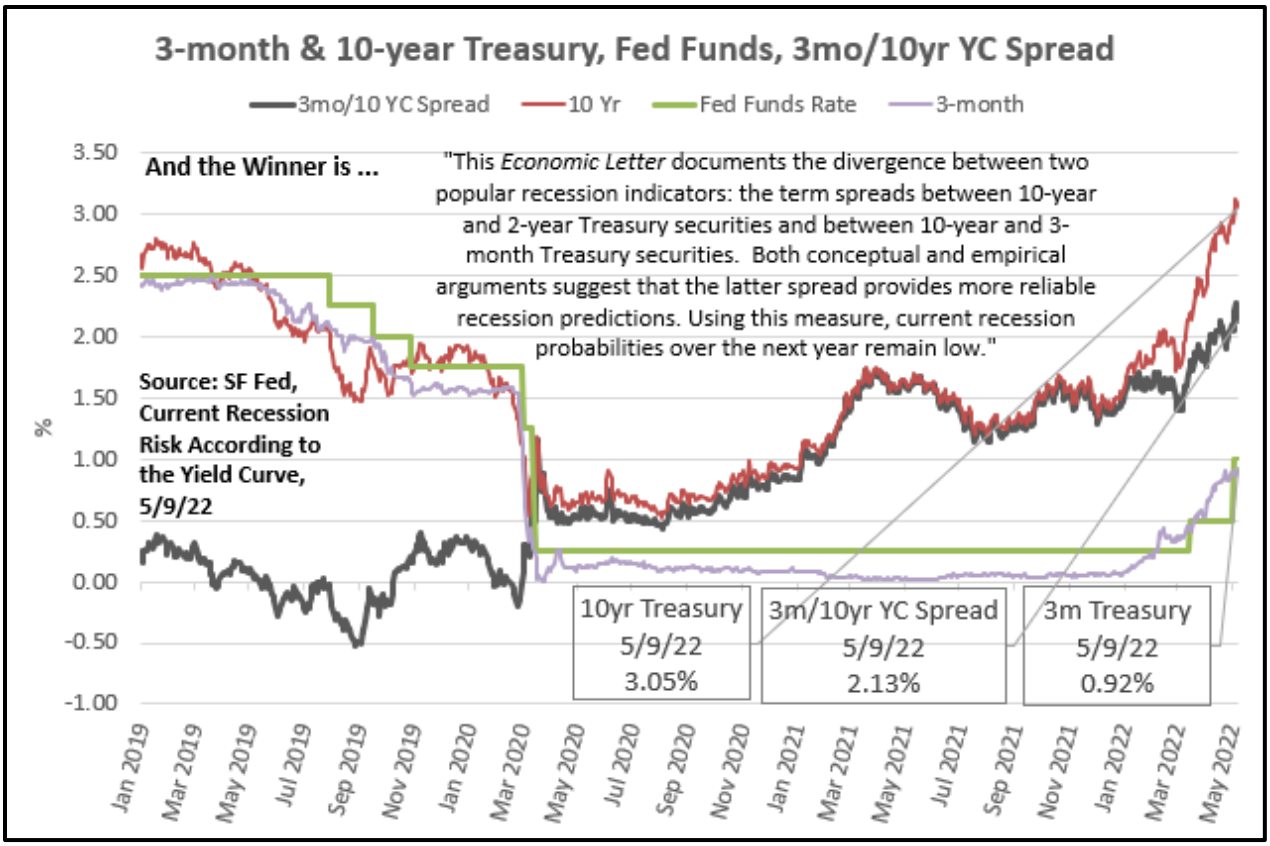
3-month & 10-year Treasury, Fed Funds, 3mo/10yr YC Spread
3mo/10 YC Spread
10 Yr
Fed Funds Rate
3-month
And the Winner is ...
"This Economic Letter documents the divergence between two popular recession indicators: the term spreads between 10-year and 2-year Treasury securities and between 10-year and 3-month Treasury securities. Both conceptual and empirical arguments suggest that the latter spread provides more reliable recession predictions. Using this measure, current recession probabilities over the next year remain low."
Source: SF Fed, Current Recession Risk According to the Yield Curve, 5/9/22
10yr Treasury 5/9/22 3.05%
3m/10yr YC Spread 5/9/22 2.13%
3m Treasury 5/9/22 0.92%
%
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
-0.50
-1.00
Jan 2019
Mar 2019
May 2019
Jul 2019
Sep 2019
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
Sep 2020
Nov 2020
Jan 2021
Mar 2021
May 2021
Jul 2021
Sep 2021
Nov 2021
Jan 2022
Mar 2022
May 2022