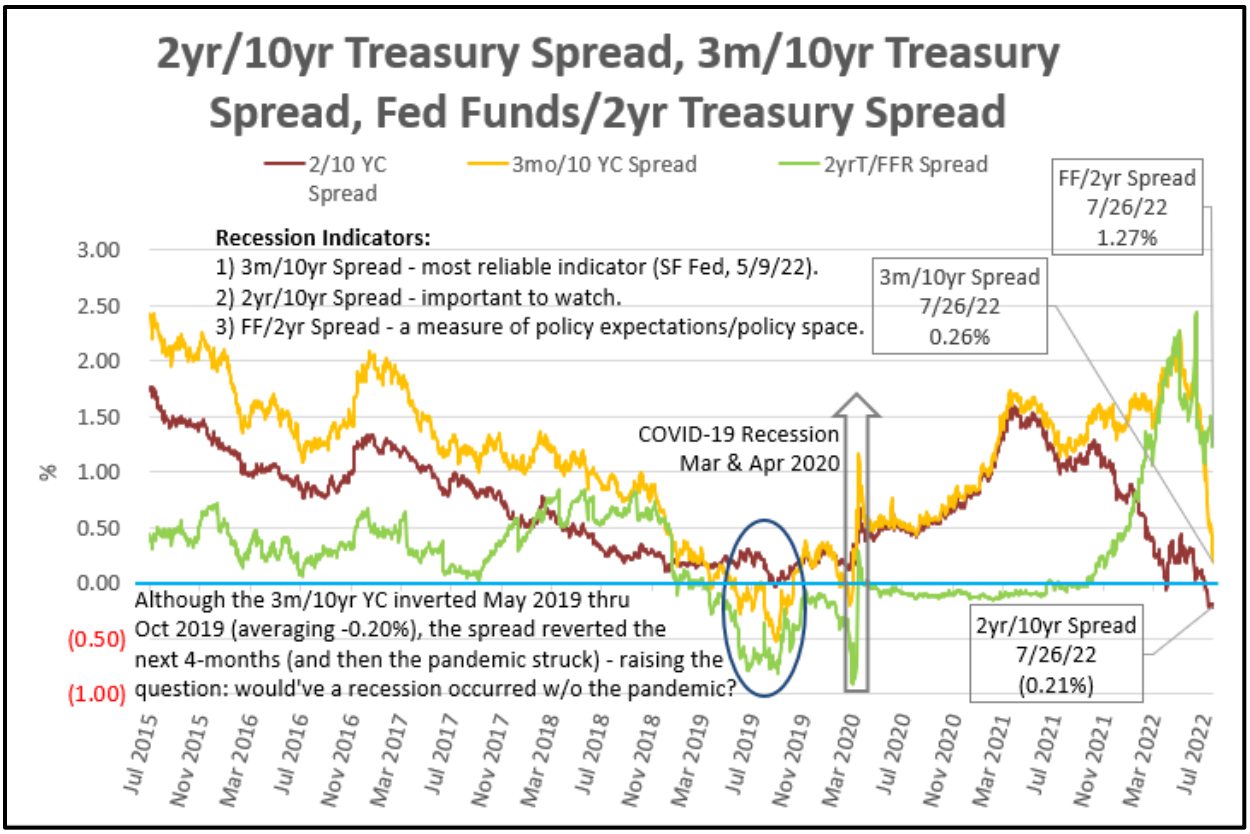
2yr/10yr Treasury Spread, 3m/10yr Treasury Spread, Fed Funds/2yr Treasury Spread
2/10 YC Spread
3mo/10 YC Spread
2yrT/FFR Spread
Recession Indicators:
1) 3m/10yr Spread - most reliable indicator (SF Fed, 5/9/22).
2) 2yr/10yr Spread - important to watch.
3) FF/2yr Spread - a measure of policy expectations/policy space.
FF/2yr Spread 7/26/22 1.27%
3m/10yr Spread 7/26/22 0.26%
COVID-19 Recession Mar & Apr 2020
2yr/10yr Spread 7/26/22 (0.21%)
Although the 3m/10yr YC inverted May 2019 thru Oct 2019 (averaging -0.20%), the spread reverted the next 4-months (and then the pandemic struck) - raising the question: would've a recession occurred w/o the pandemic?
%
3.00
2.50
2.00
1.50
1.00
0.50
0.00
(0.50)
(1.00)
Jul 2015
Nov 2015
Mar 2016
Jul 2016
Nov 2016
Mar 2017
Jul 2017
Nov 2017
Mar 2018
Jul 2018
Nov 2018
Mar 2019
Jul 2019
Nov 2019
Mar 2020
Jul 2020
Nov 2020
Mar 2021
Jul 2021
Nov 2021
Mar 2022
Jul 2022