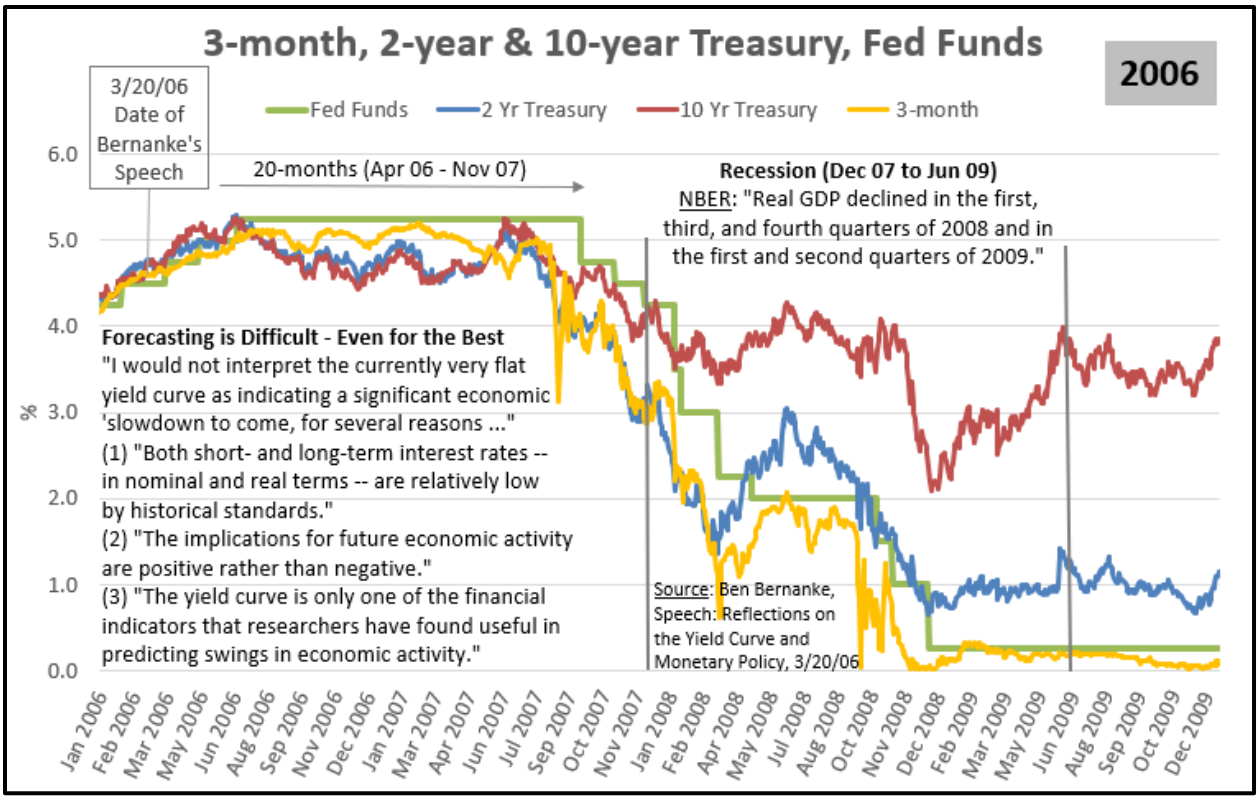
3-month, 2-year & 10-year Treasury, Fed Funds
2006
3/20/06 Date of Bernanke's Speech
Fed Funds
2 Yr Treasury
10 Yr Treasury
3-month
20-months (Apr 06 - Nov 07)
Recession (Dec 07 to Jun 09)
NBER: "Real GDP declined in the first, third, and fourth quarters of 2008 and in the first and second quarters of 2009."
Forecasting is Difficult - Even for the Best
"I would not interpret the currently very flat yield curve as indicating a significant economic 'slowdown to come, for several reasons ..."
(1) "Both short- and long-term interest rates -- in nominal and real terms -- are relatively low by historical standards."
(2) "The implications for future economic activity are positive rather than negative."
(3) "The yield curve is only one of the financial indicators that researchers have found useful in predicting swings in economic activity."
Source: Ben Bernanke, Speech: Reflections on the Yield Curve and Monetary Policy, 3/20/06
%
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Jan 2006
Feb 2006
Mar 2006
May 2006
Jun 2006
Aug 2006
Sep 2006
Nov 2006
Dec 2006
Jan 2007
Mar 2007
Apr 2007
Jun 2007
Jul 2007
Sep 2007
Oct 2007
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Nov 2008
Dec 2008
Feb 2009
Mar 2009
May 2009
Jun 2009
Aug 2009
Sep 2009
Oct 2009
Dec 2009