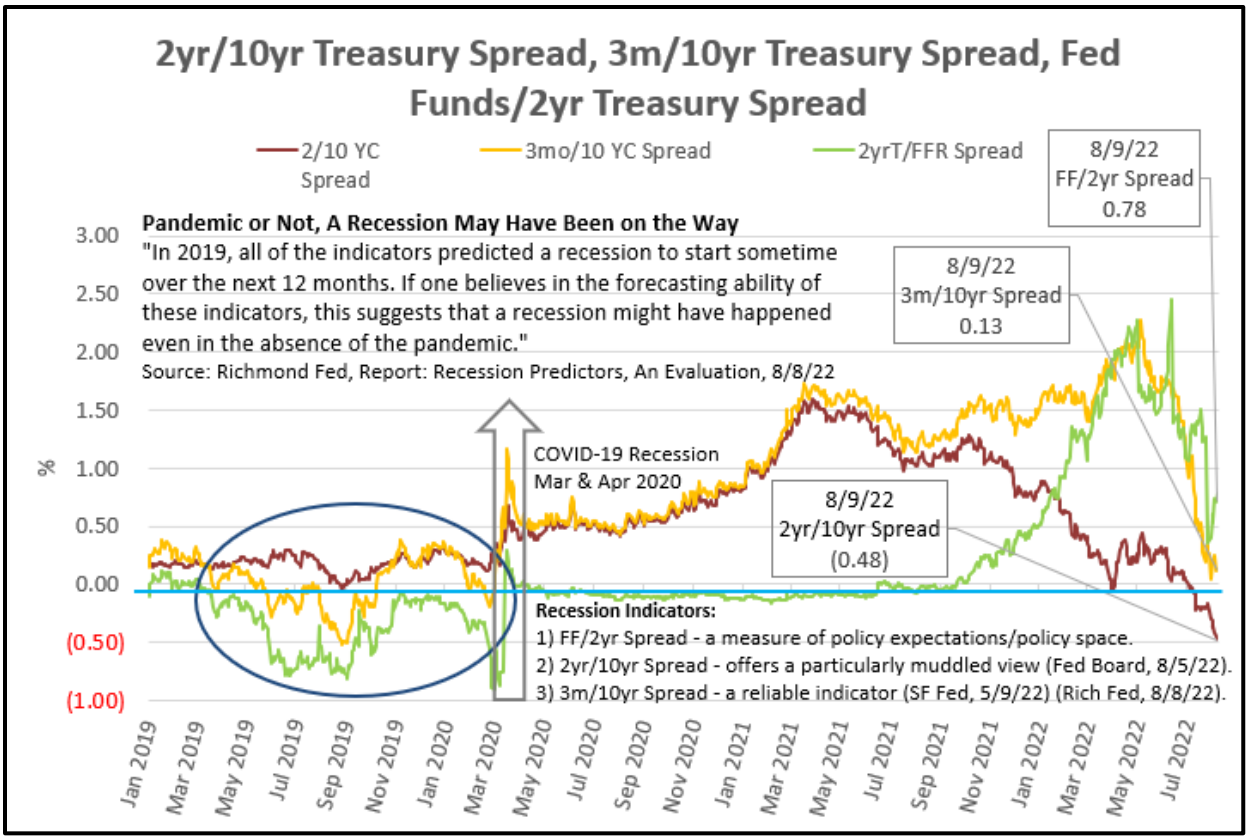
2yr/10yr Treasury Spread, 3m/10yr Treasury Spread, Fed Funds/2yr Treasury Spread
2/10 YC Spread
3mo/10 YC Spread
2yrT/FFR Spread
8/9/22 FF/2yr Spread 0.78
Pandemic or Not, A Recession May Have Been on the Way
"In 2019, all of the indicators predicted a recession to start sometime over the next 12 months. If one believes in the forecasting ability of these indicators, this suggests that a recession might have happened even in the absence of the pandemic."
Source: Richmond Fed, Report: Recession Predictors, An Evaluation, 8/8/22
8/9/22 3m/10yr Spread 0.13
COVID-19 Recession Mar & Apr 2020
8/9/22 2yr/10yr Spread (0.48)
Recession Indicators:
1) FF/2yr Spread - a measure of policy expectations/policy space.
2) 2yr/10yr Spread - offers a particularly muddled view (Fed Board, 8/5/22).
3) 3m/10yr Spread - a reliable indicator (SF Fed, 5/9/22) (Rich Fed, 8/8/22).
%
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
Jul 2022