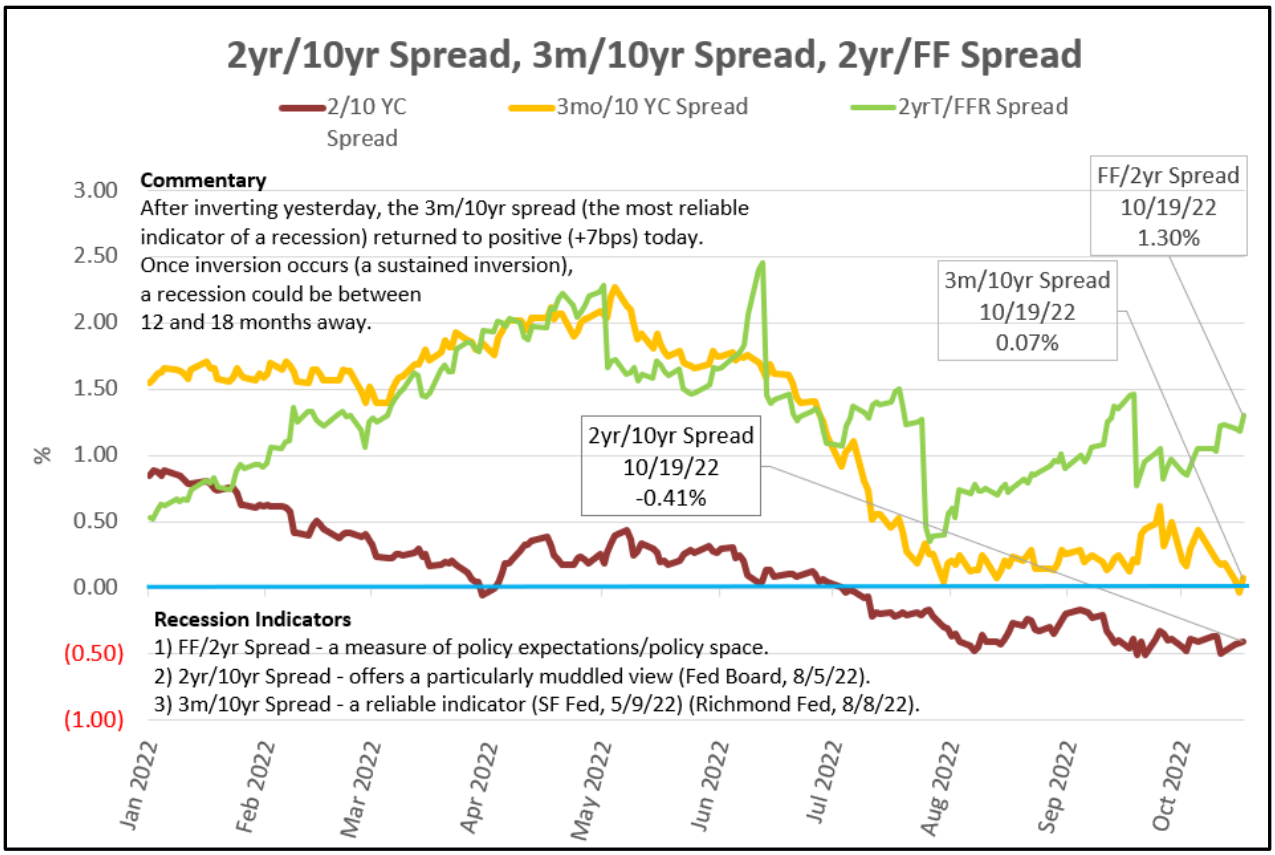
2yr/10yr Spread, 3m/10yr Spread, 2yr/FF Spread
2/10 YC Spread
3mo/10 YC Spread
2yrT/FFR Spread
Commentary
After inverting yesterday, the 3m/10yr spread (the most reliable indicator of a recession) returned to positive (+7bps) today.
Once inversion occurs (a sustained inversion), a recession could be between 12 and 18 months away.
FF/2yr Spread 10/19/22 1.30%
3m/10yr Spread 10/19/22 0.07%
2yr/10yr Spread 10/19/22 -0.41%
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) (Richmond Fed, 8/8/22).
%
3.00
2.50
2.00
1.50
1.00
0.50
0.00
(0.50)
(1.00)
Jan 2022
Feb 2022
Mar 2022
Apr 2022
May 2022
Jun 2022
Jul 2022
Aug 2022
Sep 2022
Oct 2022