# Does the Yield Curve Predict Recessions?

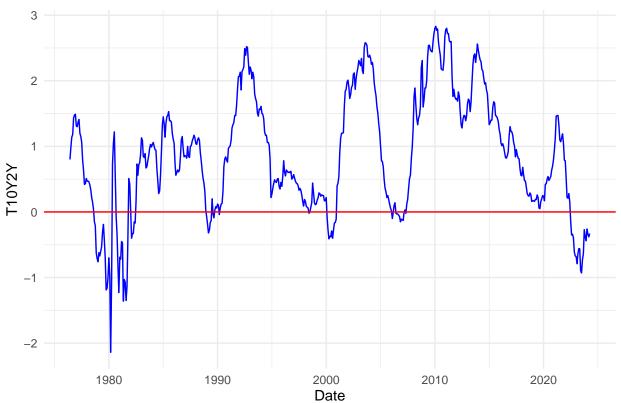
#### Jonathan Ramani Krishnamachari

2024-06-18

#### Plotting T10Y2Y

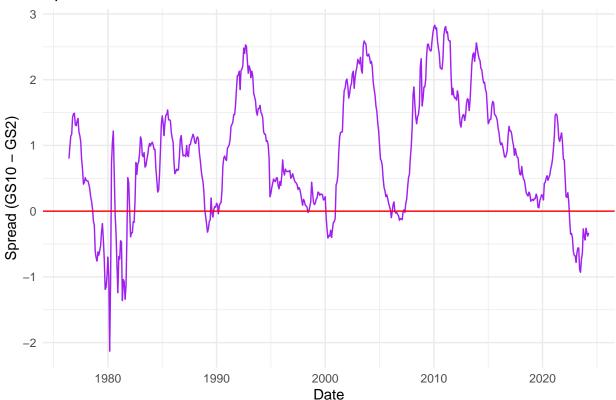
```
economic_data %>%
ggplot(aes(x = date)) +
geom_line(aes(y = T10Y2Y), color = "blue", linetype = "solid") +
geom_hline(yintercept = 0, color = "red", linetype = "solid") +
labs(title = "T10Y2Y with Horizontal Line at 0",
      y = "T10Y2Y",
      x = "Date") +
theme_minimal()
```

## T10Y2Y with Horizontal Line at 0

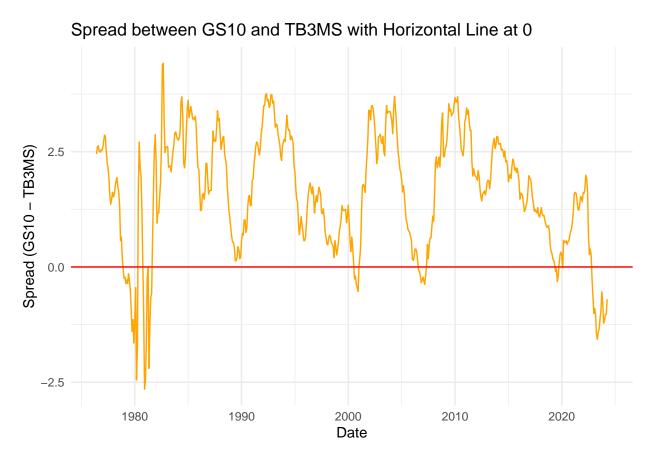


Plotting Spread between GS10 and GS2  $\,$ 

### Spread between GS10 and GS2 with Horizontal Line at 0



Plotting Spread between GS10 and TB3MS  $\,$ 



Lag the spread for spread  $10y_2y$  and spread  $10_3m$ , frequency is 1 month, and add it to the dataset "economic\_data"