

Macro Roundup Article

Headline: [Yield Curve Inversion Reaches New Extremes](#)

Article

Link: <https://www.wsj.com/articles/yield-curve-inversion-reaches-new-extremes-11669687278>

Author(s)	Sam Goldfarb
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Tweet: Last week, the yield on the 10-year US Treasury note dropped to 0.78 percentage point below the 2-year yield, the largest negative gap since late 1981. Many investors and analysts see reasons to think that the current yield curve may presage waning inflation. @wsj

Summary: Yields on longer-term US Treasuries have fallen further below those on short-term bonds than at any time in decades, a sign that investors think the Federal Reserve is close to winning its inflation battle regardless of the cost to economic activity. Last week, the yield on the 10-year US Treasury note dropped to 0.78 percentage points below that of the two-year yield, the largest negative gap since late 1981, at the start of a recession that pushed the unemployment rate even higher than it would later reach in the 2008 financial crisis.

Primary Topic: Inflation

Topics: Financial Markets, Inflation, Monetary Policy

Permalink: <https://www.edwardconard.com/macro-roundup/last-week-the-yield-on-the-10-year-us-treasury-note-dropped-to-0-78-percentage-point-below-the-2-year-yield-the-largest-negative-gap-since-late-1981-many-investors-and-analysts-see-reasons-to-think?view=detail>

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