

Macro Roundup Article

Headline: [The Treasury Market's Big Recession Trade Is Gathering Momentum](#)

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Summary: The bond market is zeroing in on a US recession next year, with traders betting that the longer-term trajectory for interest rates will be down even as the Federal Reserve is still busy raising its policy rate. Long-dated Treasury yields are already below the Fed's overnight benchmark range -- currently 3.75% to 4% -- and there's still an extra percentage point of central bank increases priced in for the coming months. Demand for Treasuries with longer tenors this week dragged the rate on 10-year and 30-year securities below the lower bound of the Fed's overnight range. With front-end rates holding relatively steady, that's seen an intensification of the most pronounced yield curve inversion in four decades -- a widely watched indicator of potential economic pain to come.

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