BONDS

10-year Treasury yield rises amid inflation fears

PUBLISHED TUE, MAY 11 2021•3:42 AM EDT UPDATED TUE, MAY 11 2021•3:02 PM EDT

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U.S. Treasury yields rose on Tuesday as investors continued to pore over any signs of rising inflation.

The yield on the benchmark 10-year Treasury note rose 2 basis points to 1.62% The yield on the 30-year Treasury bond added 3 basis points to 2.35%. Rates on notes with shorter maturities were anchored in place.

Yields move inversely to prices.

TREASURYS

TICKER	COMPANY	YIELD	CHANGE	%CHANGE
US3M	U.S. 3 Month Treasury	0.015	0.00	0.00
US1Y	U.S. 1 Year Treasury	0.048	0.00	0.00
US2Y	U.S. 2 Year Treasury	0.151	-0.002	0.00
US5Y	U.S. 5 Year Treasury	0.823	-0.006	0.00
US10Y	U.S. 10 Year Treasury	1.644	0.004	0.00
US30Y	U.S. 30 Year Treasury	2.364	0.009	0.00

Inflation remained front and center on Wall Street as fears the Federal Reserve may be

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Specifically, economists are worried about shortages on the supply side of the U.S. economy: A lack of commodities, labor and other inputs to produce the totality of all the goods and services demanded by other businesses and American consumers.

The Labor Department's April jobs report released on Friday initially relieved some investors of their Fed fears with a far-weaker-than-expected 266,000 payrolls added. The kneejerk reaction on Wall Street assumed that the economy added far fewer jobs because employers didn't want to hire workers in the numbers expected.

However, inflation fears later crept in as more traders began to see the low payrolls number as a supply-side issue. In other words: Working-age Americans did not want to return to the labor force. In theory, that could force employers to entice would-be workers with higher wages and eat into corporate profits.

"If supply disruptions persist and demand remains firm, the Fed might need to tighten monetary policy faster than expected," Evercore ISI strategist Dennis DeBusschere wrote Tuesday. "That theory seems to be driving market volatility higher and Tech stocks lower. Former NY Fed President Bill Dudley suggested yesterday that a peak Federal funds rate of 4.5% is possible."

The Labor Department's latest report of its Job Openings and Labor Turnover Survey showed record high levels of job openings in the U.S., potentially adding fuel to the supply-side concerns.

Meanwhile, Federal Reserve Governor Lael Brainard is due to make a speech on monetary policy and the U.S. economic outlook at the Society for Advancing Business Writing and Editing Conference at 12 p.m. ET.

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