

Glossary - Y [ChartSchool]



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Yield Curve

A plot of treasury yields across the various maturities at a specific point in time. At the front (left) of the yield curve are T-Bills with maturities of 12, 26 and 52 weeks. In the middle are Treasury Notes with maturities of 2, 5 and 10 years. At the end (right) of the yield curve are Treasury Bonds with maturities of 20 and 30 years. In a normal yield curve, yields rise as the maturities increase. If the yield on shorter maturities is higher than that of longer maturities, then an inverted yield curve exists. An inverted yield curve is a sign of tight money and is bearish for stocks.