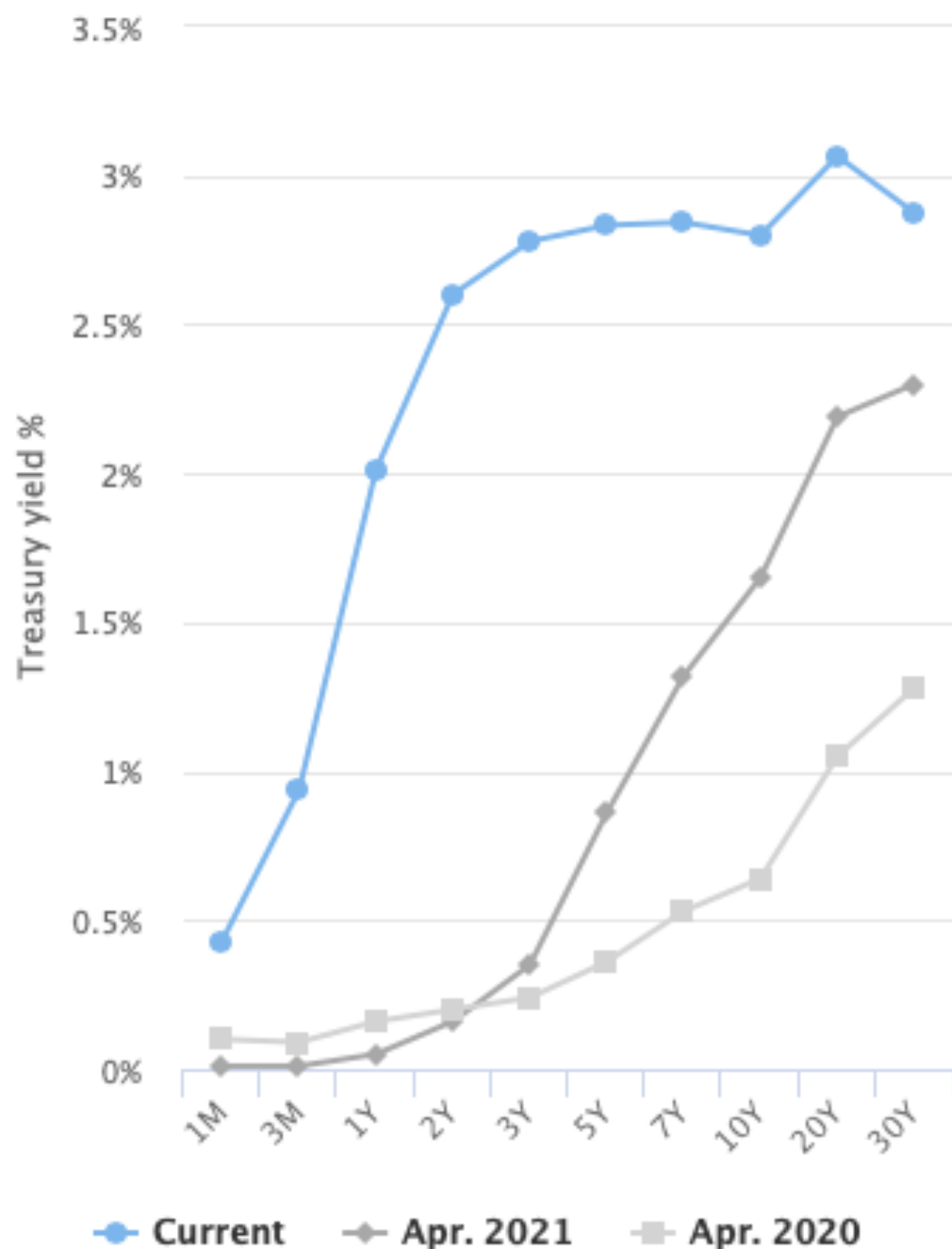
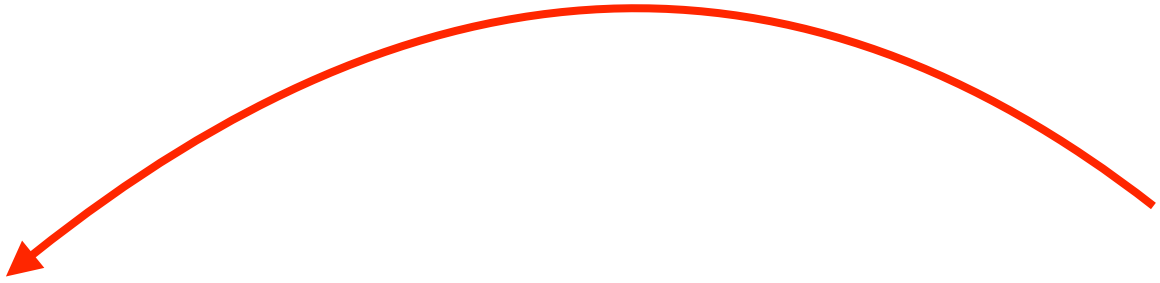


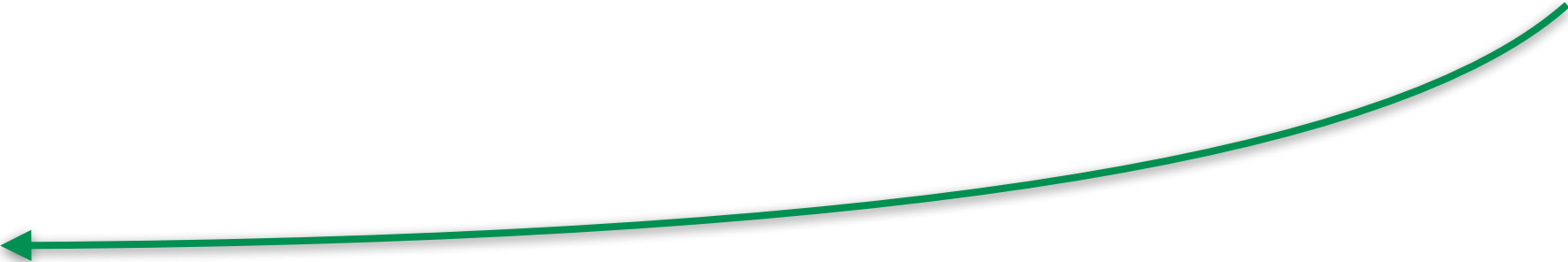
The Yield Curve Plots yield on Government
Bills, Notes and Bonds

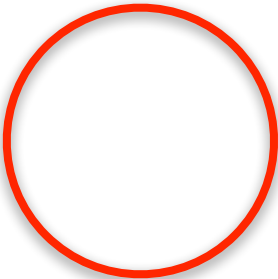
Treasury Yield Curve

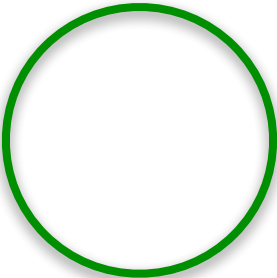


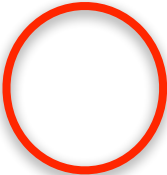
This plot shows a “normal” yield curve because yields are higher for longer-term debt (20 years: 3%)

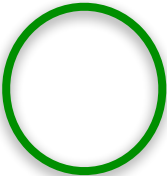












than for shorter-term debt
(1Month: 0.5%)

The difference in yields is the spread:

S







a



[REDACTED]

[REDACTED]























9



























S

















F





3













V











U



V





W









3

























3



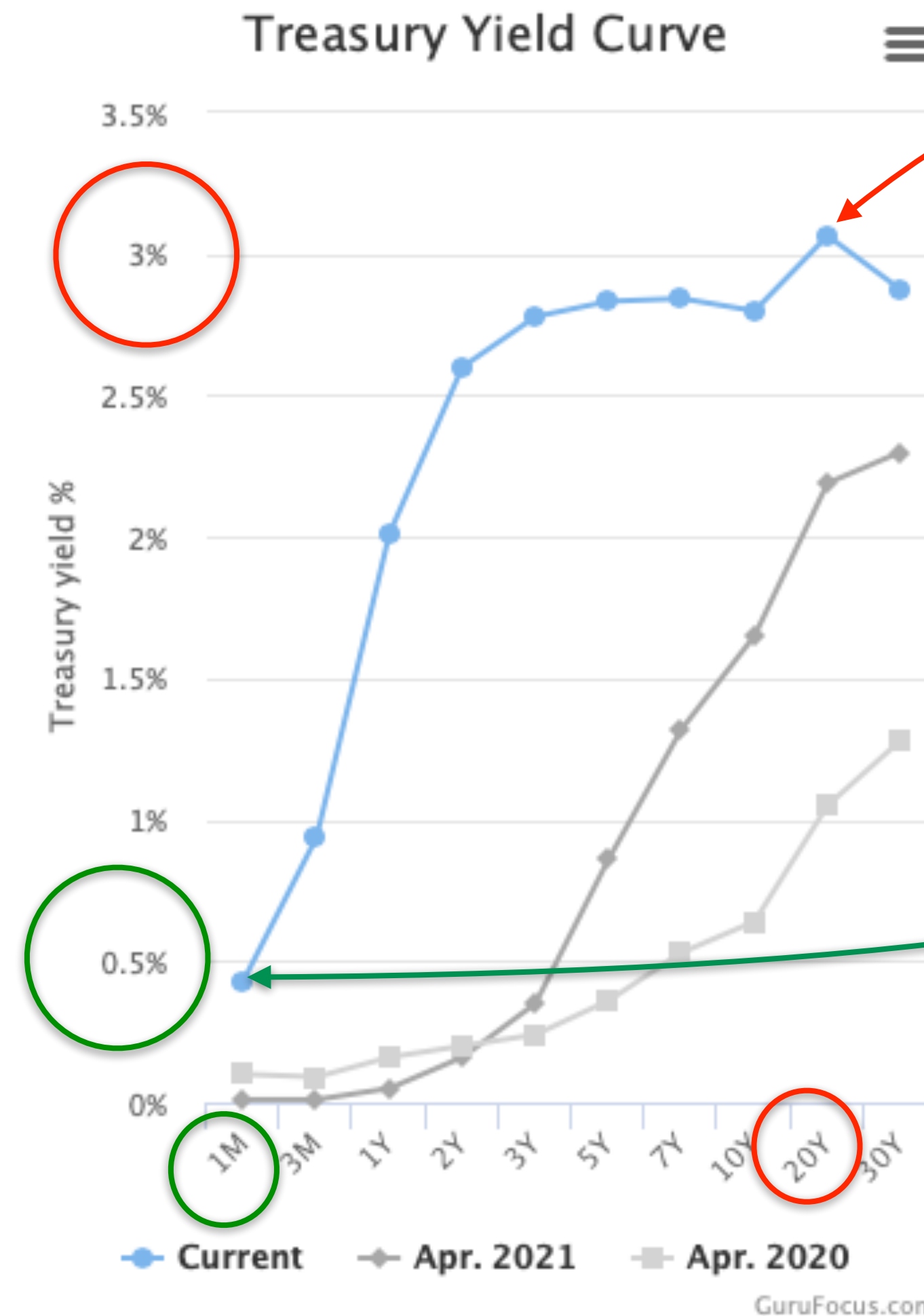
$$\text{Spread} = \text{Yield for Long Term} - \text{Yield for Short Term}$$

The Yield Curve Plots yield on Government Bills, Notes and Bonds

The difference in yields is the **spread**:

Spread = Yield for **Long** Term - Yield for **Short** Term

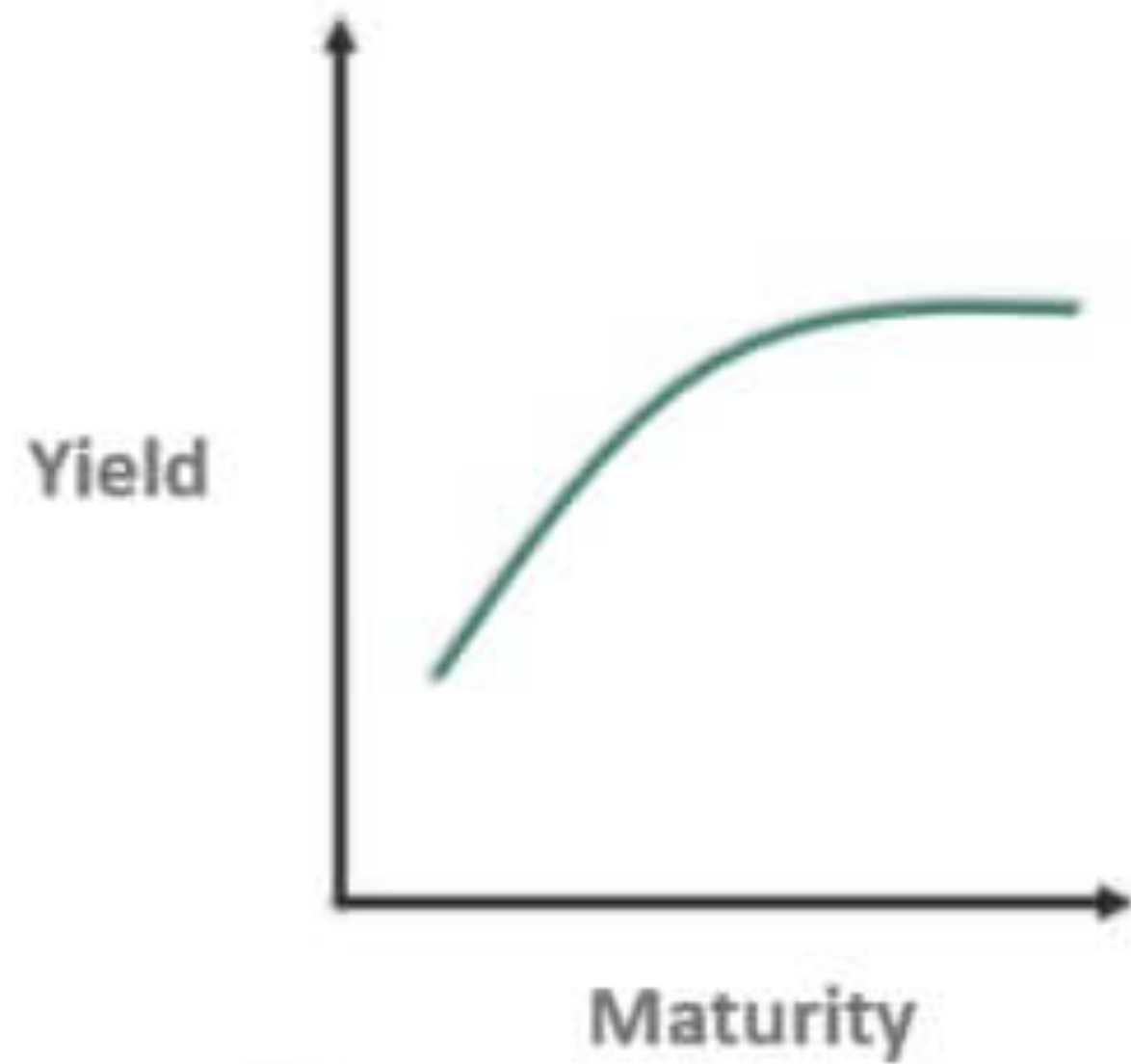
For a **normal** yield curve, we get a **positive** spread



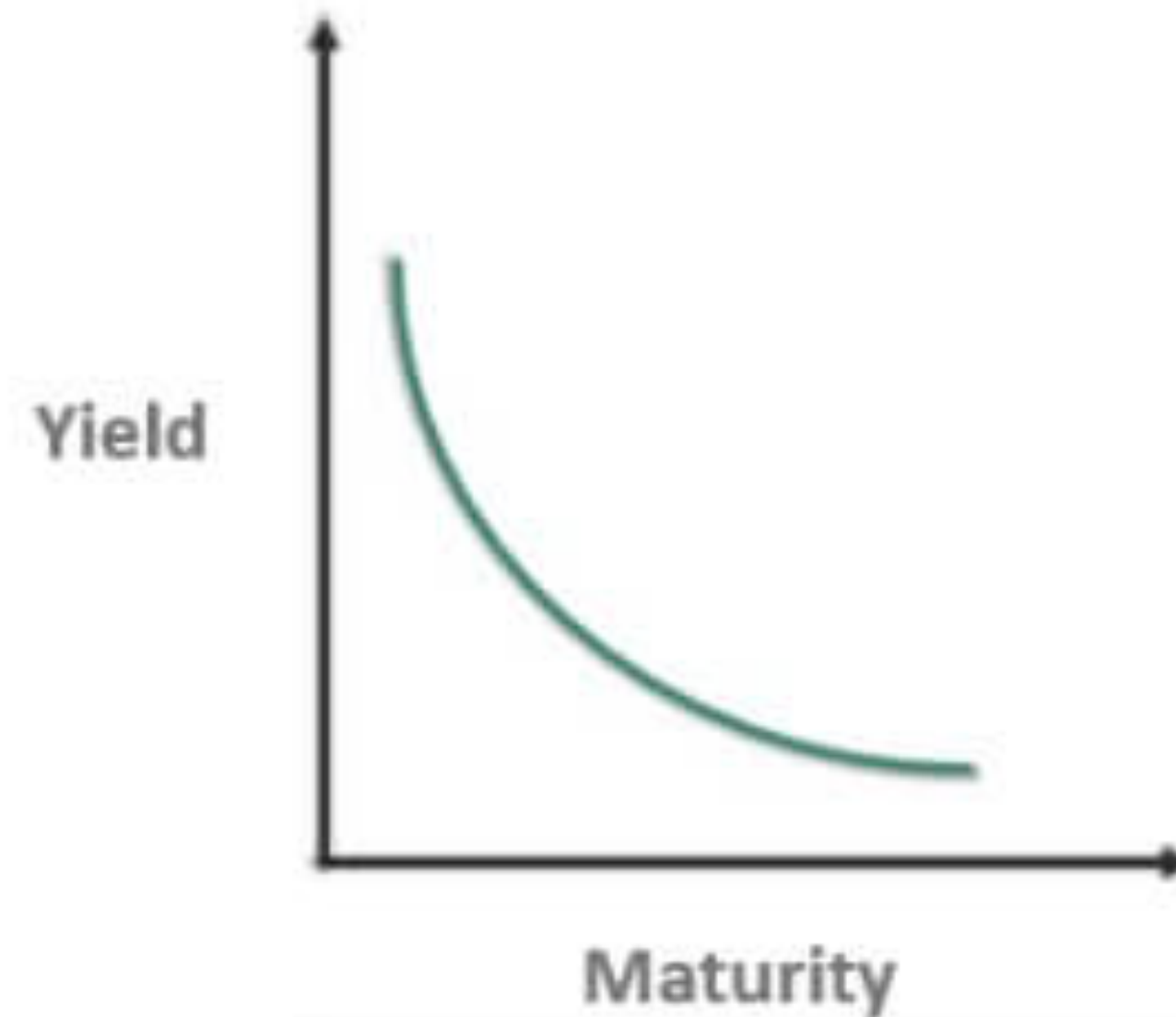
This plot shows a "**normal**" yield curve because yields are **higher** for **longer**-term debt (20 years: 3%)

than for **shorter**-term debt (1Month: 0.5%)

Inverted Yield Curve



Normal Yield Curve



Inverted Yield Curve