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The Yield spread as an indicator of

**Your Financial Prosperity**

# The Yield Spread

**is the most successful forecasting indicator of business growth and expansion, or stagnation, recession or depression, .....period.**

and therefore it

## has a direct affect on your income.

The Yield Spread – the difference between long term and short term interest rates.
**( long term 10 year Treasury Notes vs. short term 3 month Treasury Bills )**

According to the Federal Reserve, the history of the yield spread has shown that;

When the difference between long term interest rates and short term interest rates is greater than 1.21%, business is in a period of growth and expansion.
The larger, more Positive, ( greater than 1.21%), is this yield spread, the higher the level of future economic activity.

When the difference between long term and short term interest rates is less than 1.21%, there will be a recession or worse in approximately one year.
The closer the difference, the deeper will be the stagnation, recession or depression.

( On April 5th of 2022 the short term 3 month T-Bill was at .688% and the long term 10 year T-Note was at 2.556%, a spread of 1.87%, still a positive yield spread.
*The yield spread appears to be quickly closing at this time. Watch it closely*. )

**Please click on the link below to the**
US Treasury daily yield curve rates
http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield

**Scroll down to the data matrix, and decide for yourselves.**

**You now have the knowledge and tools available for you to predict the future of business Expansion and Contraction.**

Yield - the income produced by a financial investment usually shown as a percentage of cost.

Yield Spread – the difference between long term and short term interest rates.
(3 month Treasury Bills vs. 10 year treasury notes)

Yield curve - The yield spread plotted on a graph at a particular point in time.

Inverted yield spread - When short term interest rates are within 1.21% or less of long term interest rates indicating a recession or depression is imminent in approximately one year.

Steep yield spread - When the spread between lower short term interest rates and higher long term interest rates is significantly positive, indicating an era of economic growth and expansion.