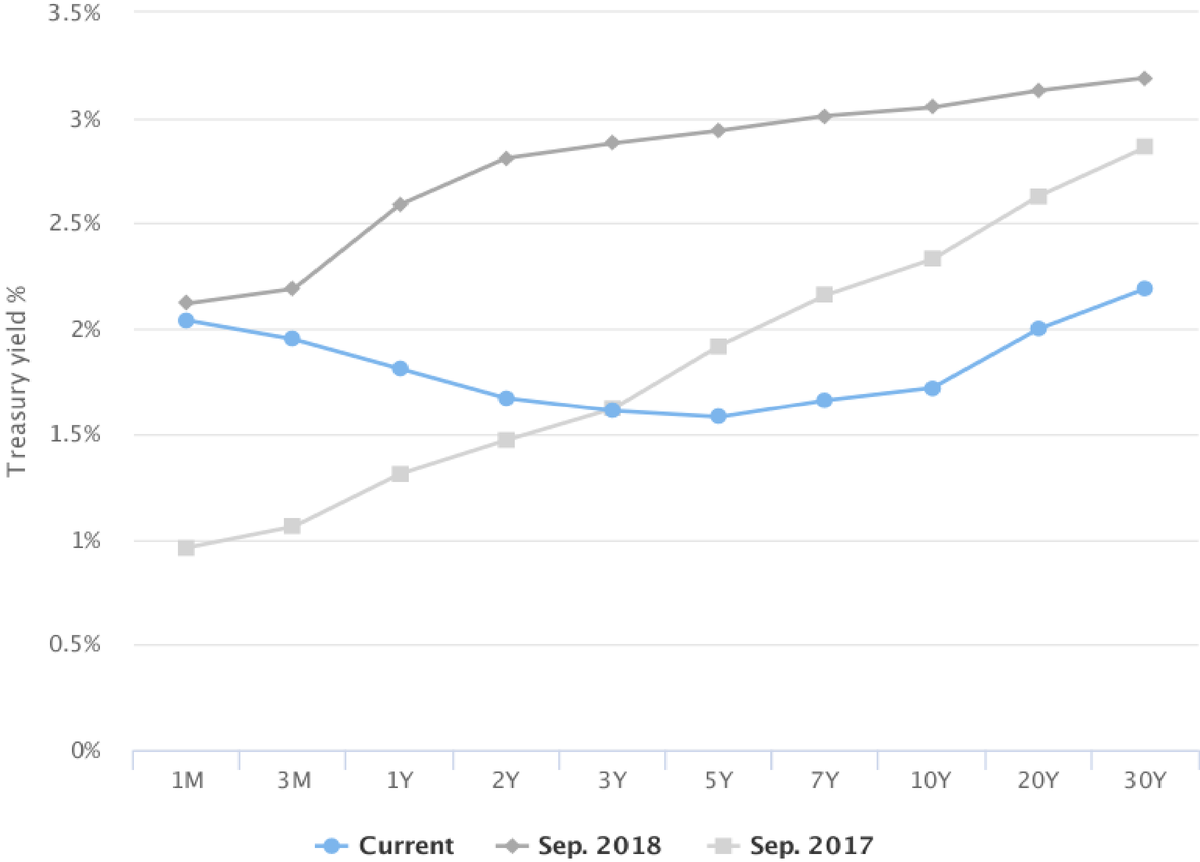
- Yields are normally higher on fixed-income securities with longer maturity dates. Higher yields on longer-term securities are a result of maturity risk premium because changes in the value of longer-term securities are more unpredictable with market interest rates potentially more unsettled over a longer time horizon. However, yields on longer-term securities could be trending down when market interest rates are set to get lower for a foreseeable future to accommodate ongoing weak economic activities. Irrespective of their reinvestment rate risk, shorter-term securities appear to offer higher returns than longer-term securities during such times.

- The shape of the yield curve changes in accordance with the state of the economy. The normal or up-sloped yield curve may persist when the economy is growing and conversely, the inverted or down-sloped yield curve is likely to press on when the economy is in a recession. One underlying reason such a relationship exists between the yield curve and economic performance relates to how a higher or lower level of long-term capital investments may help stimulate or rein in the economy. By issuing longer-term securities with lower-yield offerings, businesses and governments alike can acquire needed investment capital at affordable costs to jump start a weak economy.

As of 09/10/2019	
1-month yield	**2.04%**
1-year yield	1.81%
2-year yield	1.67%
10-year yield	1.72%
30-year yield	2.19%



Treasury Yield Curve
3.5%
3%
2.5%
2%
1.5%
1%
0.5%
0%
Treasury yield %
1M
3M
1Y
2Y
3Y
5Y
7Y
10Y
20Y
30Y
Current
Sep. 2018
Sep. 2017
GuruFocus.com

Historical 10Y-2Y Spread on Treasury Yield
4%
3%
2%
1%
0.05%
0%
−1%
−2%
−3%
An inverted yield curve has predicted the past 7 recessions
1980
1985
1990
1995
2000
2005
2010
2015
10Y-2Y Spread on Treasury Yield
GuruFocus.com