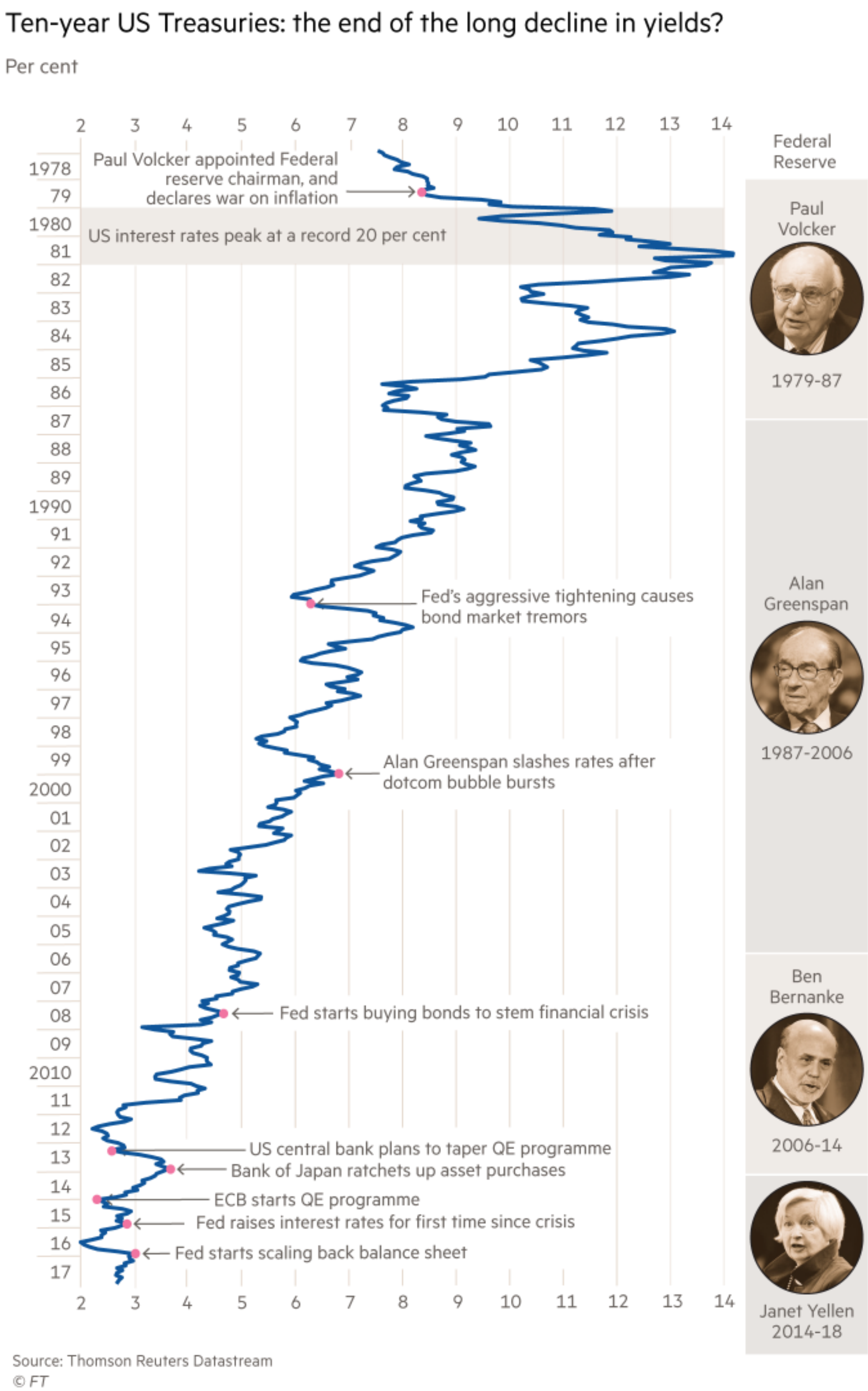
A Case Study of Historical Bond Yields

Sometime a picture can relay information more clearly than a long-winded description. This chart called "Ten-year US Treasuries: the end of the long decline in yields?" came to us from the *Financial Times* of London. Avenue's conclusion is ten-year US rates can easily trade in the 3-4% range and not cause too much disruption. A move to the 5-6% range would be disruptive, but a move of this magnitude would be enough to trigger a recession and therefore an adjustment to lower interest rates.



This time line of ten-year US Treasury yields is a great way to visually measure the magnitude of today's concerns of rising interest rates.