

A Global Snapshot Of Government Bond Yields

2- & 10-Year Government Bond Yields (As of 3/2/20)

Country	2-Year		10-Year	
	Yield	YTD Change (Basis Points)	Yield	YTD Change (Basis Points)
Australia	0.50%	-42	0.83%	-54
Canada	1.15%	-55	1.10%	-60
France	-0.77%	-15	-0.31%	-42
Germany	-0.84%	-21	-0.63%	-44
Italy	-0.05%	2	1.13%	-28
Japan	-0.26%	-13	-0.14%	-11
Switzerland	-0.96%	-14	-0.89%	-35
United Kingdom	0.25%	-26	0.40%	-41
United States	0.90%	-67	1.16%	-75

Source: Bloomberg. Past performance is no guarantee of future results.

This chart is for illustrative purposes only and not indicative of any actual investment.

View from the Observation Deck

1. Today's blog post shows the yields on a couple of benchmark government bond maturities from key countries/economies around the globe.
2. Investors need to be cognizant of the fact that interest rates are still at extremely low levels despite the fact that the current economic expansion, the longest in history, has lasted from July 2009 to date.
3. The yield on the U.S. 10-year Treasury-note closed at 1.16% on 3/2/20, 493 basis points below its historical average yield of 6.09% since 1/5/62, according to Bloomberg.
4. As indicated in the table above, many countries have negative-yielding sovereign debt trading in the market.
5. The volume of negative-yielding debt currently exceeds \$14 trillion worldwide, according to Bloomberg.
6. Yields could trend lower due to the spreading of the coronavirus (COVID-19). The Federal Reserve initiated a 50 basis point rate cut today (3/3/20) to help mitigate any economic fallout from the virus.
7. With volatility on the rise, particularly in the equities markets, a climate of low interest rates and relatively low inflation likely suits bond investors just fine.

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