

# Some Government Bonds Yield Less Than Half Of What They Did In 2010

## 10-Year Government Bond Yields

Country	4/13/15	12/31/14	4/13/10
United States	1.93%	2.17%	3.82%
Canada	1.35%	1.78%	3.68%
Germany	0.16%	0.54%	3.14%
United Kingdom	1.59%	1.75%	4.01%
Japan	0.32%	0.31%	1.37%
Australia	2.34%	2.73%	5.76%
Brazil	4.25%	4.10%	4.78%
China	3.63%	3.59%	3.49%
India	7.80%	7.86%	8.03%
South Korea	2.10%	2.62%	4.94%

Source: Bloomberg

### View from the Observation Deck

1. With the exception of the three BRIC-member countries (Brazil, China and India) featured in the chart, yields on 10-Year government bonds issued by many of the world's largest nations have declined substantially in the last five years.
2. One of the things that has contributed to the decline in government bond yields is the drop in inflation rates throughout much of the globe, in our opinion.
3. Consumer prices in the U.S. declined from an average rate of 3.1% in 2011 to 1.6% in 2014, according to the International Monetary Fund (IMF). It estimates that consumer prices in the U.S. will average 0.1% and 1.5%, respectively, in 2015 and 2016.
4. Consumer prices in the Euro Area declined from an average rate of 2.7% in 2011 to 0.4% in 2014, according to the IMF. It estimates that consumer prices in the Euro Area will average 0.1% and 1.0%, respectively, in 2015 and 2016.
5. While also down from 2011 levels, consumer prices in Brazil and India remain at elevated levels, in our opinion. The IMF sees consumer prices in Brazil and India rising by an average of 7.8% and 6.1%, respectively, in 2015.

*This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur.*

