

A Global Snapshot Of Government Bond Yields

2- & 10-Year Government Bond Yields (As of 10/12/20)

Country	2-Year		10-Year	
	Yield	YTD Change (Basis Points)	Yield	YTD Change (Basis Points)
Australia	0.14%	-78	0.84%	-53
Canada	0.26%	-143	0.62%	-107
China	2.82%	20	3.17%	4
France	-0.70%	-8	-0.29%	-40
Germany	-0.74%	-11	-0.55%	-36
Italy	-0.35%	-28	0.68%	-73
Japan	-0.15%	-1	0.02%	5
Switzerland	-0.86%	-4	-0.55%	-2
United Kingdom	-0.04%	-55	0.27%	-54
United States	0.15%	-142	0.77%	-114

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. As indicated in the table above, government bond yields have fallen notably year-to-date in a number of countries.
3. Due largely to the economic fallout from the COVID-19 pandemic, the yields on the 2- and 10-year U.S. Treasury-notes (T-notes) are down over 100 basis points year-to-date. Government bond yields in Canada have essentially mirrored the decline in U.S. yields.
4. The yield on the U.S. 10-year T-note closed at 0.77% on 10/12/20, 526 basis points below its historical average yield of 6.03% since 1/5/62, according to Bloomberg.
5. Federal Reserve Chairman Jerome Powell has indicated that the Federal Reserve is prepared to keep short-term interest rates low for the next three years if need be to reach its unemployment and inflation targets.
6. As indicated in the table above, many countries still have negative-yielding sovereign debt trading in the market.
7. As of 7/27/20, the total amount of negative-yielding debt was nearly \$15 trillion worldwide, according to Bloomberg.

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