

# A Global Snapshot Of Government Bond Yields

## 2- & 10-Year Government Bond Yields

Country	2-Year		10-Year	
	Yield	12-Month Change (Basis Points)	Yield	12-Month Change (Basis Points)
Australia	2.76%	272	3.55%	195
Canada	3.04%	272	3.18%	171
China	2.24%	-37	2.80%	-33
France	0.48%	113	1.80%	163
Germany	0.64%	132	1.29%	149
Italy	1.12%	148	3.28%	237
Japan	-0.08%	6	0.24%	17
Switzerland	0.15%	96	0.96%	115
United Kingdom	1.72%	164	2.21%	141
United States	2.73%	257	2.97%	141

Source: Bloomberg. As of the close on 6/7/22. **Past performance is no guarantee of future results.**

### 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. While bond yields are up from their historic lows, in many instances, they remain depressed.
3. The yield on the U.S. 10-year Treasury Note (T-note) stood at 2.97% on 6/7/22, 246 basis points (bps) higher than its all-time closing low of 0.51% on 8/4/20 (not in table), but 99 basis points below its 3.96% average yield for the 30-year period ended 6/7/22 (not in table), according to Bloomberg.
4. The yield spread between the U.S. 2-year T-note and the 10-year T-note was 24 basis points on 6/7/22, well below its 30-year average spread of 114 basis points as of 6/7/22, according to Bloomberg.
5. As of 6/7/22, the federal funds target rate (upper bound) stood at 1.00%. The Federal Reserve ("Fed") has signaled that it intends to raise this benchmark lending rate by 50 bps on June 15th and another 50 bps on July 27th, pushing it up to 2.00%.
6. Loretta Mester, Cleveland Federal Reserve Bank President, commented that she could see herself voting for another 50 bps increase at the September 21st meeting if there is not compelling evidence that inflation has peaked, according to Reuters.
7. With the rise in government bond yields throughout much of the globe over the past year, the amount of negative-yielding debt has declined significantly, as measured by the Bloomberg Global Aggregate Negative Yielding Debt Index. The total value stood at \$2.41 trillion on 6/7/22, down from \$13.07 trillion a year ago.
8. We will continue to monitor the situation to see if high inflation plus any tapering the Fed does to its balance sheet of assets is enough to push bond yields higher in the months ahead.

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

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