



Yield Curve and Predicted GDP Growth

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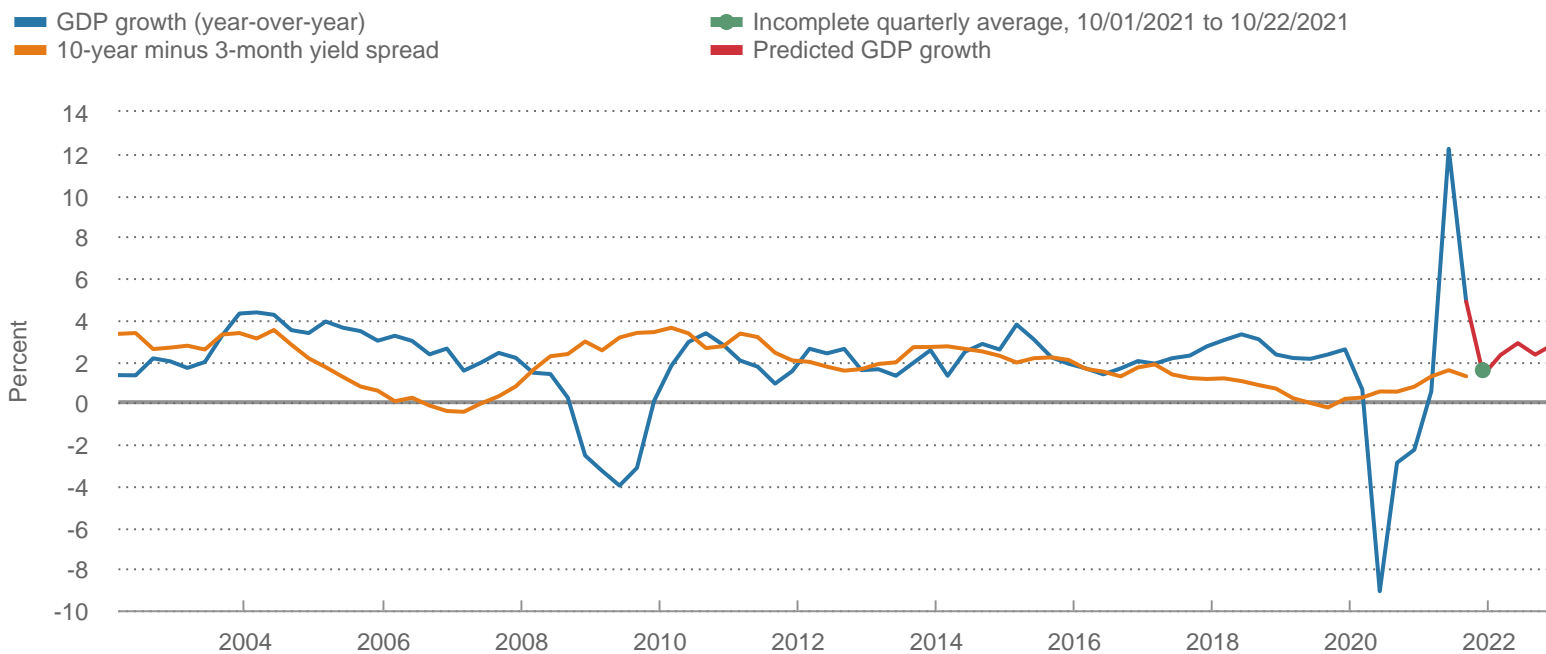
- **Background:** The yield curve—which measures the spread between the yields on short- and long-term maturity bonds—is often used to predict recessions.
- **Description:** We use past values of the slope of the yield curve and GDP growth to provide predictions of future GDP growth and the probability that the economy will fall into a recession over the next year.

Percent change from previous month

	October	September	August
3-month Treasury bill rate (percent)	0.06	0.03	0.05
10-year Treasury bond rate (percent)	1.65	1.37	1.31
Yield curve slope (basis points)	159	134	126
Prediction for GDP growth (percent)	2.8	2.0	2.0
Probability of recession in 1 year (percent)	5.5	7.7	8.4

Yield-Curve-Predicted GDP Growth Probability of Recession Calculated from the Yield Curve

Yield-Curve-Predicted GDP Growth



Source: Bureau of Economic Analysis, Federal Reserve Board, Federal Reserve Bank of Cleveland, Haver Analytics

Update Schedule

Last updated

October 28, 2021

Covering September 25, 2021 - October 22, 2021

Next update

November 24, 2021