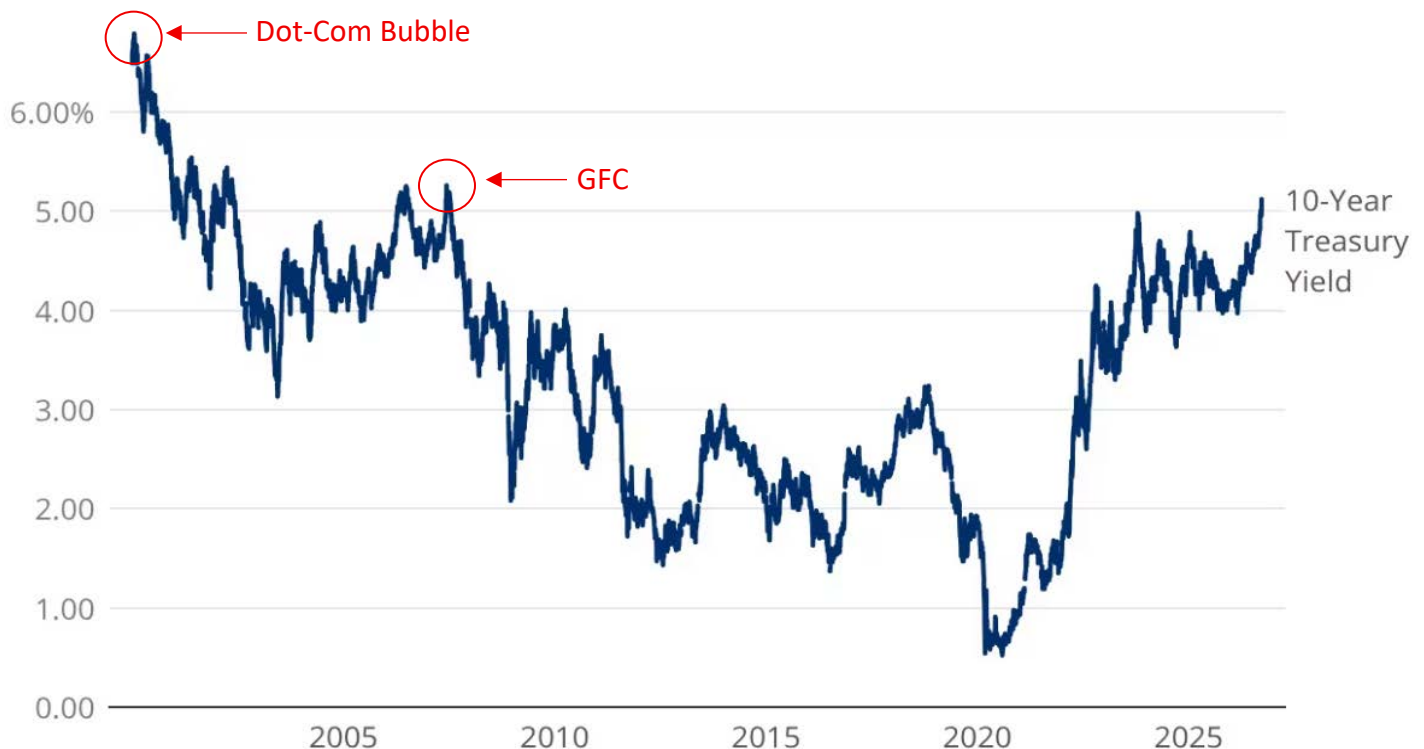


Yields Turn Back the Clock

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10-year Treasury yield, January 1, 2000-September 23, 2026

MARKET YIELD ON U.S. TREASURY SECURITIES AT 10-YEAR CONSTANT MATURITY, QUOTED ON AN INVESTMENT BASIS



In October, the 10-year Treasury yield climbed above 5.30%, reaching levels not seen since 2002.¹ This puts yields above those seen during the Global Financial Crisis (GFC) and near levels reached during the Dot-Com Bubble, two periods associated with some of the most notable market sell-offs in recent history. Yet today's economic backdrop is quite different. While equity markets have generally performed well this year, recent volatility has raised questions about what is driving Treasury yields higher.

Interest rates have risen faster than many expected, driven by ongoing inflation concerns, uncertainty about the Federal Reserve's next moves, and growing government debt. Unlike the GFC, when investors sought the safety of Treasury bonds and pushed yields lower, today's higher rates reflect a different set of economic challenges. That said, we think it is important to put today's rate environment into perspective. The near-zero interest rates we saw in 2020 were unusual, not the norm. While the speed of the recent move has created volatility, investors should not necessarily expect rates to return to the ultra-low levels we became accustomed to following the pandemic. Instead, higher interest rates may simply be part of a return to a more historically normal rate environment.

Economic Definitions

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization

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¹ https://www.chase.com/personal/investments/learning-and-insights/article/10-year-treasury-yield-why-is-it-so-important?utm_source=chatgpt.com