

## TREASURY YIELD RAISED DURING SIX WEEK PERIOD



Treasury's 10-year yield is at the highest it has been within the past three months. This takes place during a time when the economy has actually added an increasing number of jobs for the month of January than were expected. This has caused much concern and doubts against the Federal Reserve and the pledge it made to keep the interest rates low until 2014. The Yields on the 30-year bonds has risen to highest when the unemployment rate managed to drop, causing less concern that the debt crisis in Europe would prevent some of the recovery from taking place in the United States. The United States has been in recover mode since about 2009 but the recovery will take quite some time and seems to be happening at a slow yet nearly steady pace. In the meantime, however, 10-year notes have increased the most within three months. The head of Treasury trading in New York for the Bank of Nova Scotia, Charles Comiskey, has said, "If you are getting this type of data and you're keeping the fed funds rate at zero, you are looking at much higher inflation." Comiskey also said, "A falling unemployment rate would make you believe a 3.11 percent bond is extremely expensive. The economy is showing signs of decent improvement, and you are clearly seeing better jobs numbers." The Labor Department announced that employees have managed to add 243,000 jobs for the month of January alone, with an increase of 203,000 new positions during the month of December in 2011. The majority of economists had estimated that employers would have increased positions by 140,000 jobs which meant the actual amount was much higher than the expectations of the many economists. The jobless rate has fallen to 8.3 percent, which is the lowest it has been since 2008-2009. The Federal Reserve Chairman, Ben S. Bernanke, said that the central bank has made some consideration on more asset purchases as a way of boosting growth after having extended the pledge, stating that interest rates would continue to be low until 2014. The principal at BTG Pactual, an investment firm located in New York, John Fath, has said, "You're going to need to see more of these numbers." Fath also says, "These employment numbers have been consistently OK." In the meantime, Bernanke has said that they central bank will work hard to ensure that the prices continue to rise at a 2 percent rent. From November 1<sup>st</sup>, the yield on 10-year notes has varied in range, from about 1.79 percent through 2.16 percent, even while the jobless rate began to decrease, especially during the month of August, when the jobless rate was at a high of 9.1 percent.

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