

Current inflation-adjusted yield on the 10-year U.S. Treasury bond

Data as of August 2, 2020

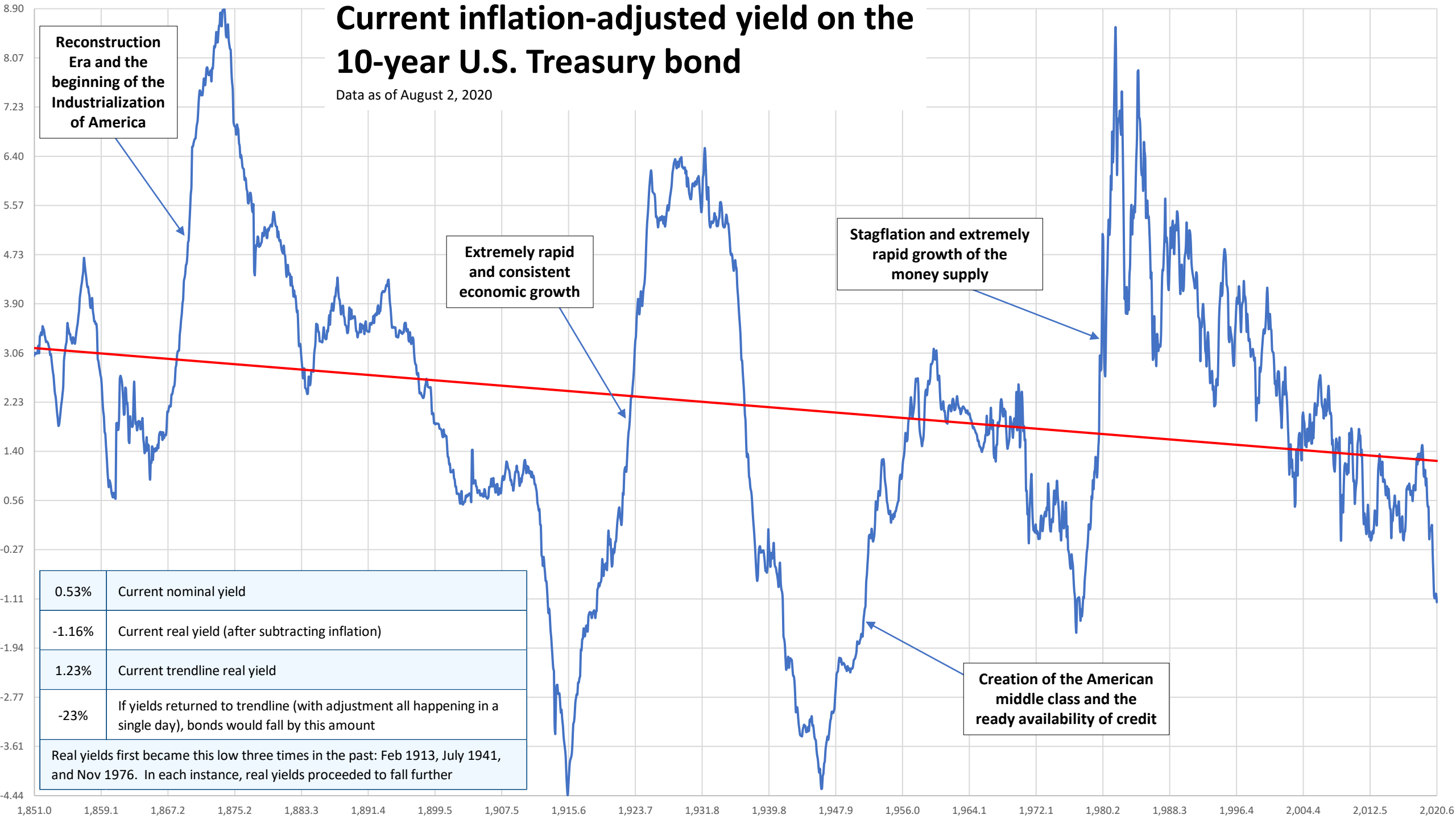
Reconstruction Era and the beginning of the Industrialization of America

Extremely rapid and consistent economic growth

Stagflation and extremely rapid growth of the money supply

Creation of the American middle class and the ready availability of credit

0.53%	Current nominal yield
-1.16%	Current real yield (after subtracting inflation)
1.23%	Current trendline real yield
-23%	If yields returned to trendline (with adjustment all happening in a single day), bonds would fall by this amount
Real yields first became this low three times in the past: Feb 1913, July 1941, and Nov 1976. In each instance, real yields proceeded to fall further	



Important Disclosures

- All statistics are reported after inflation has been subtracted out. As a consequence, yields are-over-and-above inflation.
- Data, statistics, and the graphic are shown for the time period starting on 12/31/1850 and ending on August 2, 2020.
- **Only** closing, **month-end** values are used for both the yield on 10-year U.S. Treasury bonds and for the Consumer Price Index.
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- Statistics based on data provided by Global Financial Data, San Juan Capistrano, CA 92675 at www.gfdinaeon.com and are current as of the market close on August 2, 2020. Results rely only on month-end yields on the 10-year U.S. Treasury bond adjusted for the All Urban Consumers Not Seasonally Adjusted Consumer Price Index as provided by the U.S. Department of Labor.
- The inflation rate that is used to adjust the yield on the 10-year U.S. Treasury bond (from a nominal yield to a real yield) is the Consumer Price Index measured over a 10-year time window that starts exactly 5 years in the past and ends exactly 5 years in the future. As a result, the inflation-adjustment is 50% backward-looking and 50% forward-looking.
- The current yield on the 10-year U.S. Treasury bond is calculated as the midpoint between the *“USA 10-year Bond Constant Maturity Yield”* and the *“CBOE 10-year US Government Bond Yield Index”*.
- Ideas and concepts are for illustrative purposes only.
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