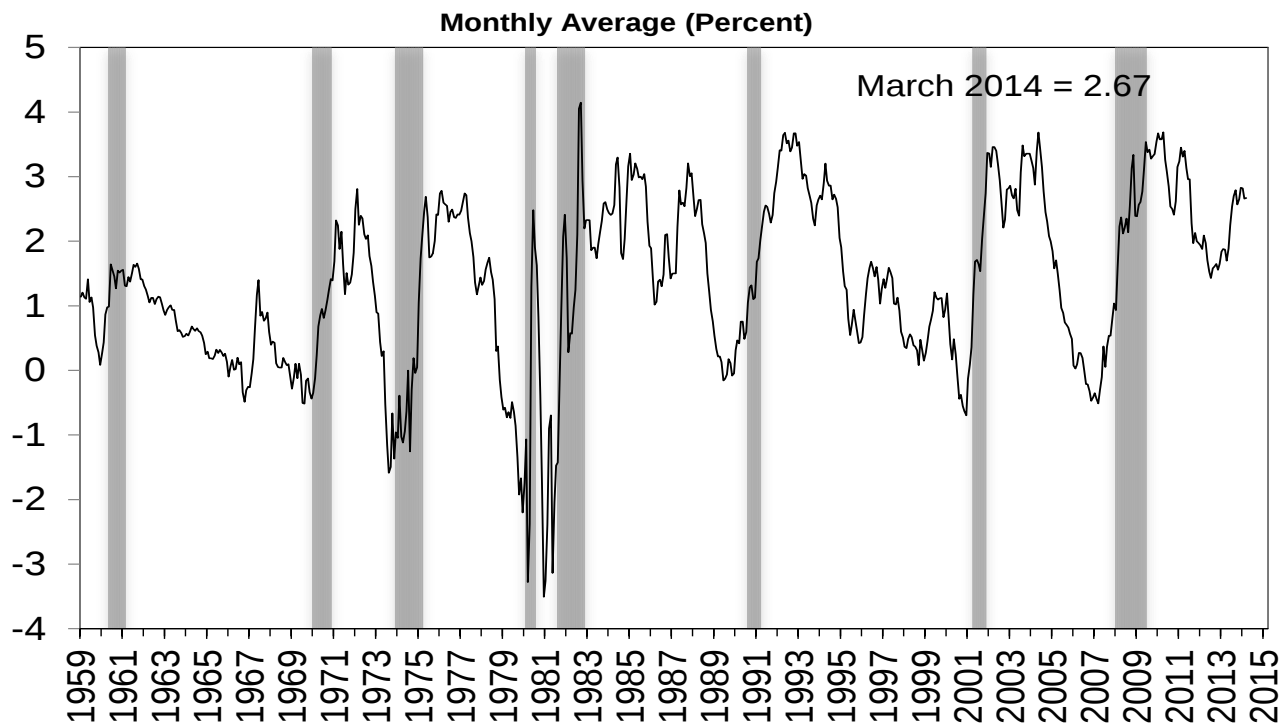
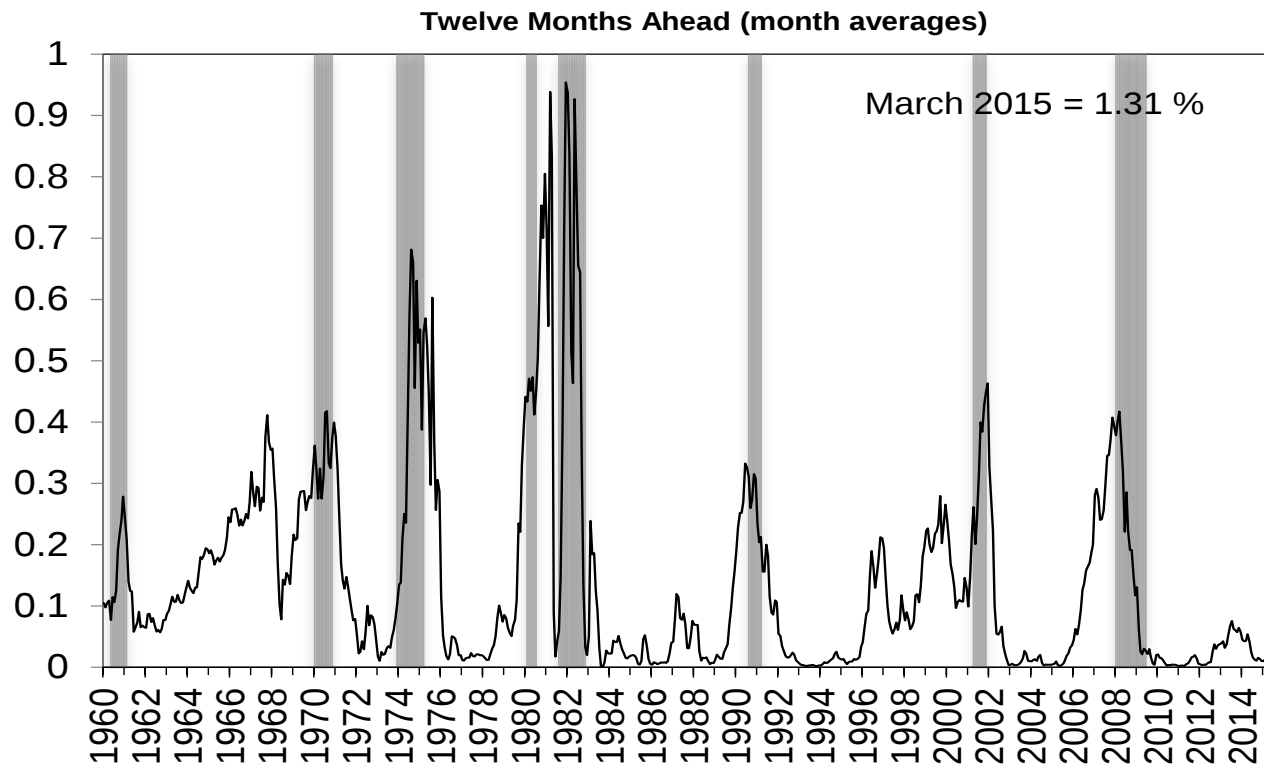


## Treasury Spread: 10 yr bond rate-3 month bill rate



## Probability of US Recession Predicted by Treasury Spread\*



\* Parameters estimated using data from January 1959 to December 2009, recession probabilities predicted using data through March 2014. The parameter estimates are  $\alpha = -0.5333$ ,  $\beta = -0.6330$ .

Updated April 2, 2014