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## The Yield Curve as a Predictor of U.S. Recessions

Current Issues in Economics and Finance, Vol. 2, No. 7, June 1996

6 Pages

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## **Abstract**

The yield curve repetitions specifically, the spread between the interest rates on the ten-year Treasury note and the three-month Treasury bill is a valuable forecasting tool. It is simple to use and significantly outperforms other financial and macroeconomic indicators in predicting recessions two to six quarters ahead.

Keywords: term structure, business cycle

JEL Classification: C53, E37

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