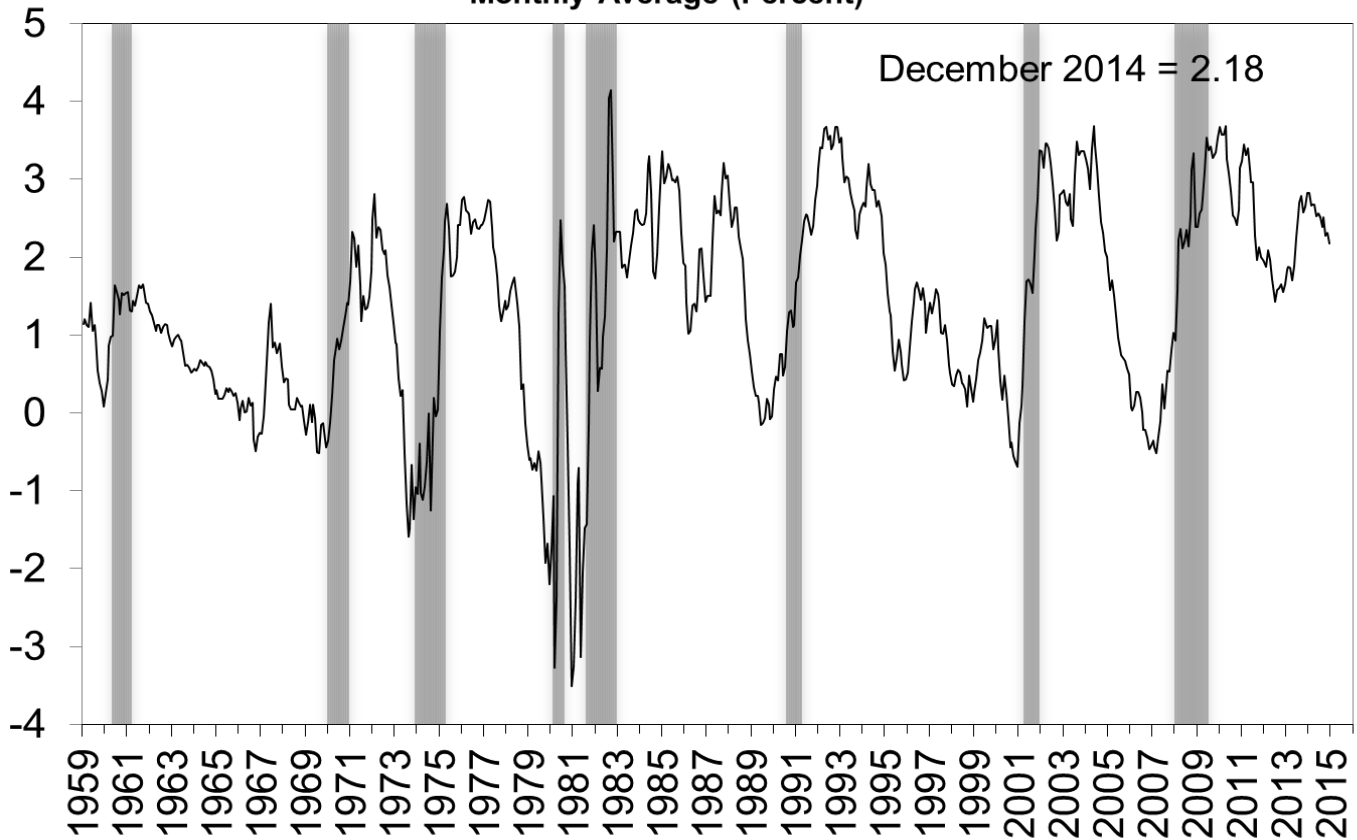


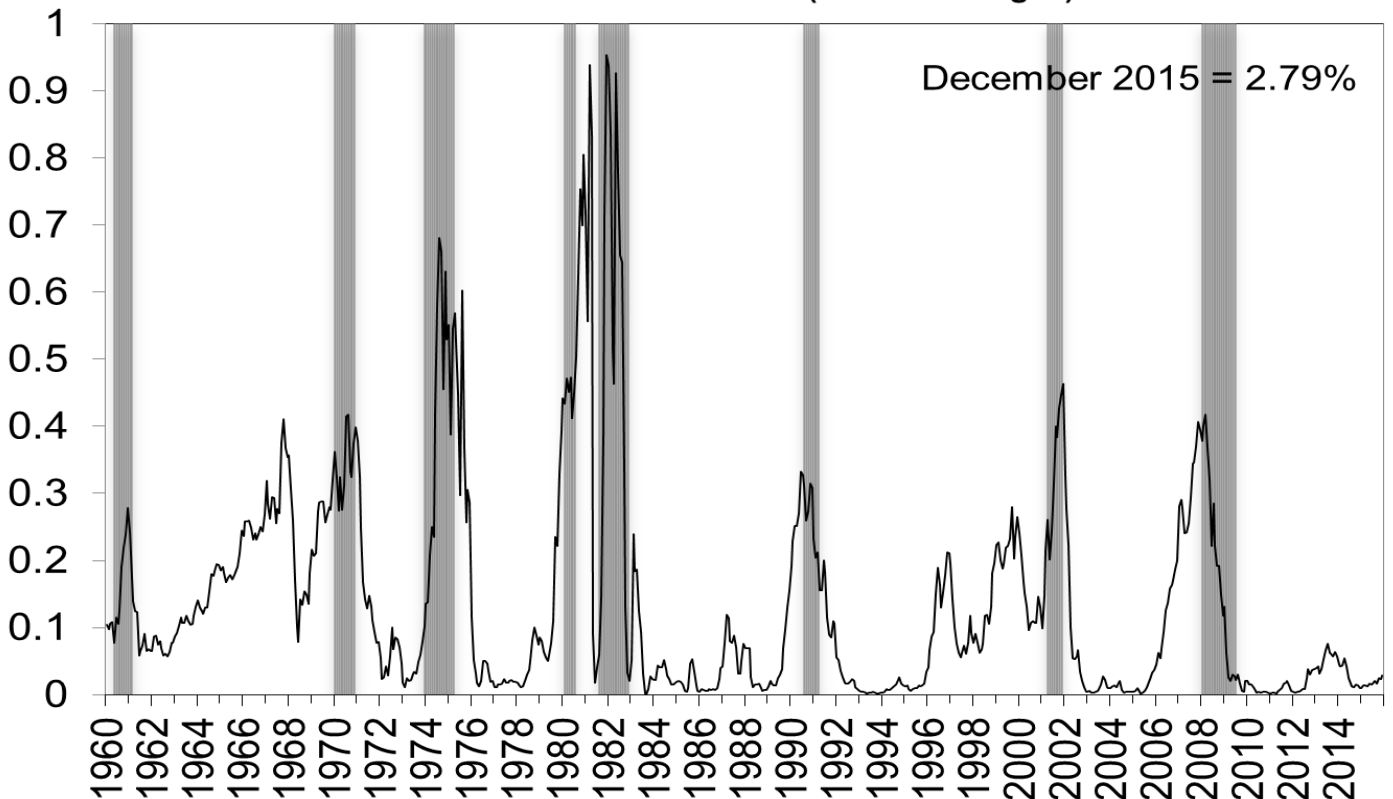
# Treasury Spread: 10 yr bond rate-3 month bill rate

Monthly Average (Percent)



# Probability of US Recession Predicted by Treasury Spread\*

Twelve Months Ahead (month averages)



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