Probability of US Recession Predicted by Treasury Spread

Treasury Spread: 10 yr bond rate-3 month bill rate
Monthly Average (Percent)

Oct 2020 = 0.68859

Probability of US Recession Predicted by Treasury Spread*
Twelve Months Ahead (month averages)

Oct 2021 = 16.6229%

*Parameters estimated using data from January 1959 to December 2009, recession probabilities predicted using data through Oct 2020. The parameter estimates are \( \alpha = 0.5333 \), \( \beta = 0.6330 \).

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