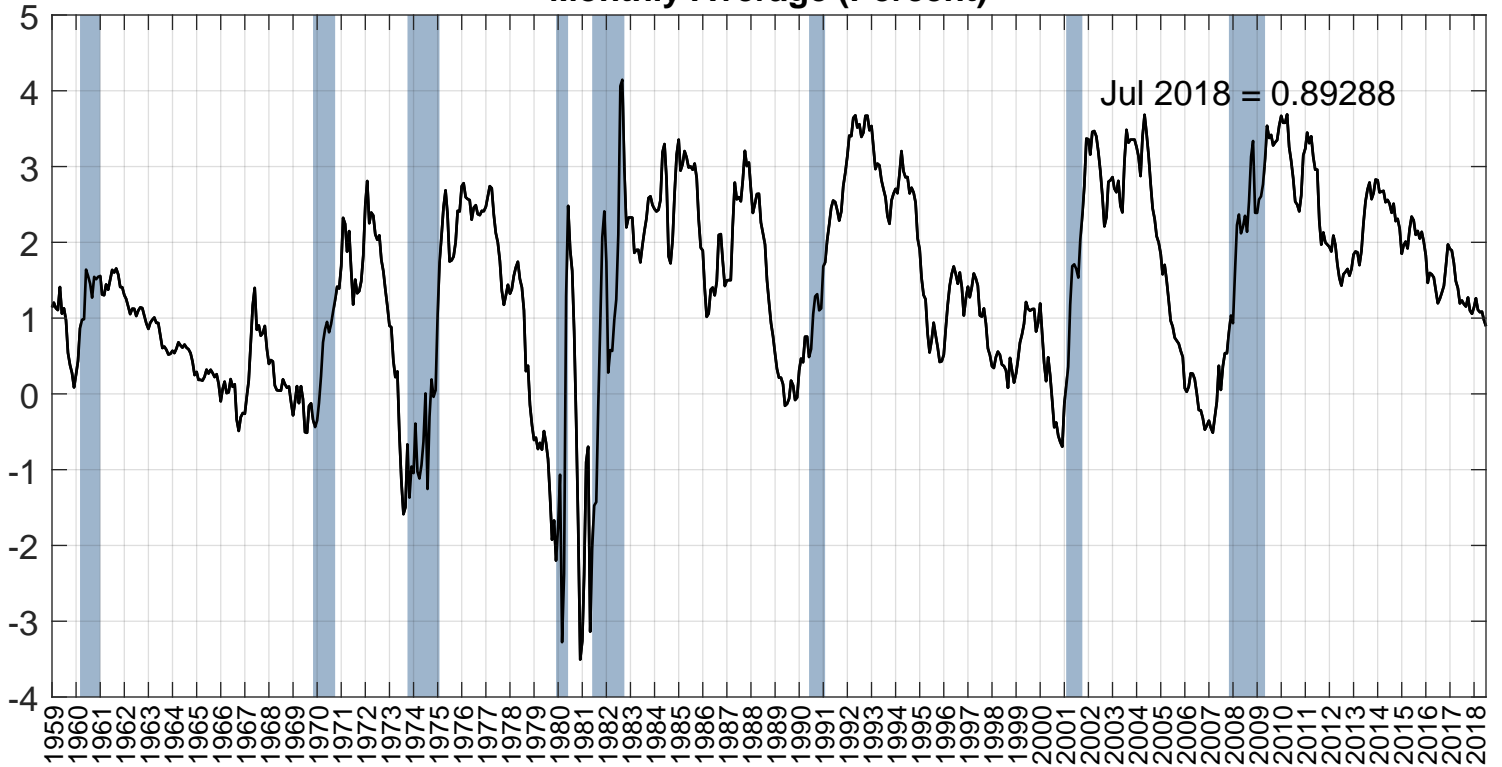
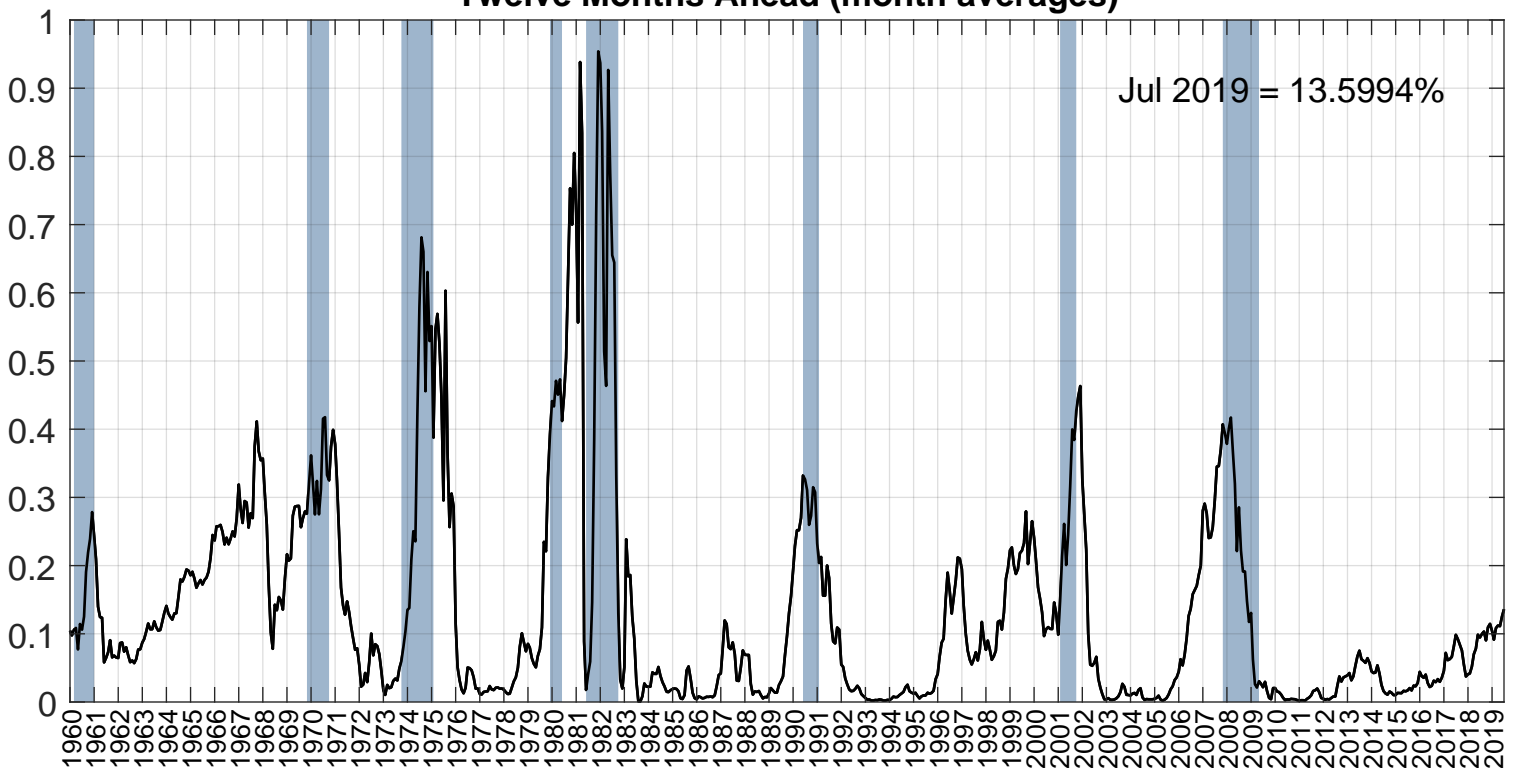


## Treasury Spread: 10 yr bond rate-3 month bill rate Monthly Average (Percent)



## 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 Jul 2018. The parameter estimates are  $\alpha=-0.5333$ ,  $\beta=-0.6330$ .