Probability of US Recession Predicted by Treasury Spread*

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

May 2019 = 0.003123

Twelve Months Ahead (month averages)

May 2020 = 29.6229%

*Parameters estimated using data from January 1959 to December 2009, recession probabilities predicted using data through May 2019. The parameter estimates are $\alpha=-0.5333$, $\beta=-0.6330$. Updated 04-Jun-2019