



Treasury Bond Yields Drop To Historic Lows - Fixed Income Update

Treasury bond yields traded at record low levels, driven by global investors seeking safe haven assets. All Treasury maturities yielded well below 2% at the end of February, lower than the Fed's inflation target of 2%. The dramatic drop in yields brought the 10-year Treasury bond yield to 1.13 % at the end of February, the lowest yield for the 10-year Treasury on record.

An insatiable demand for global bonds brought yields lower across all bond sectors, elevating positive returns for bonds in nearly every sector thus far this year.

The Federal Reserve reduced the Fed Funds rate, a key monetary tool rate, following a rare emergency meeting. The rate reduction was made with hopes of stemming market uncertainty and shoring up liquidity for extended periods of volatility. The announcement triggered a drop in bond yields across various bond sectors.

Sources: U.S. Treasury