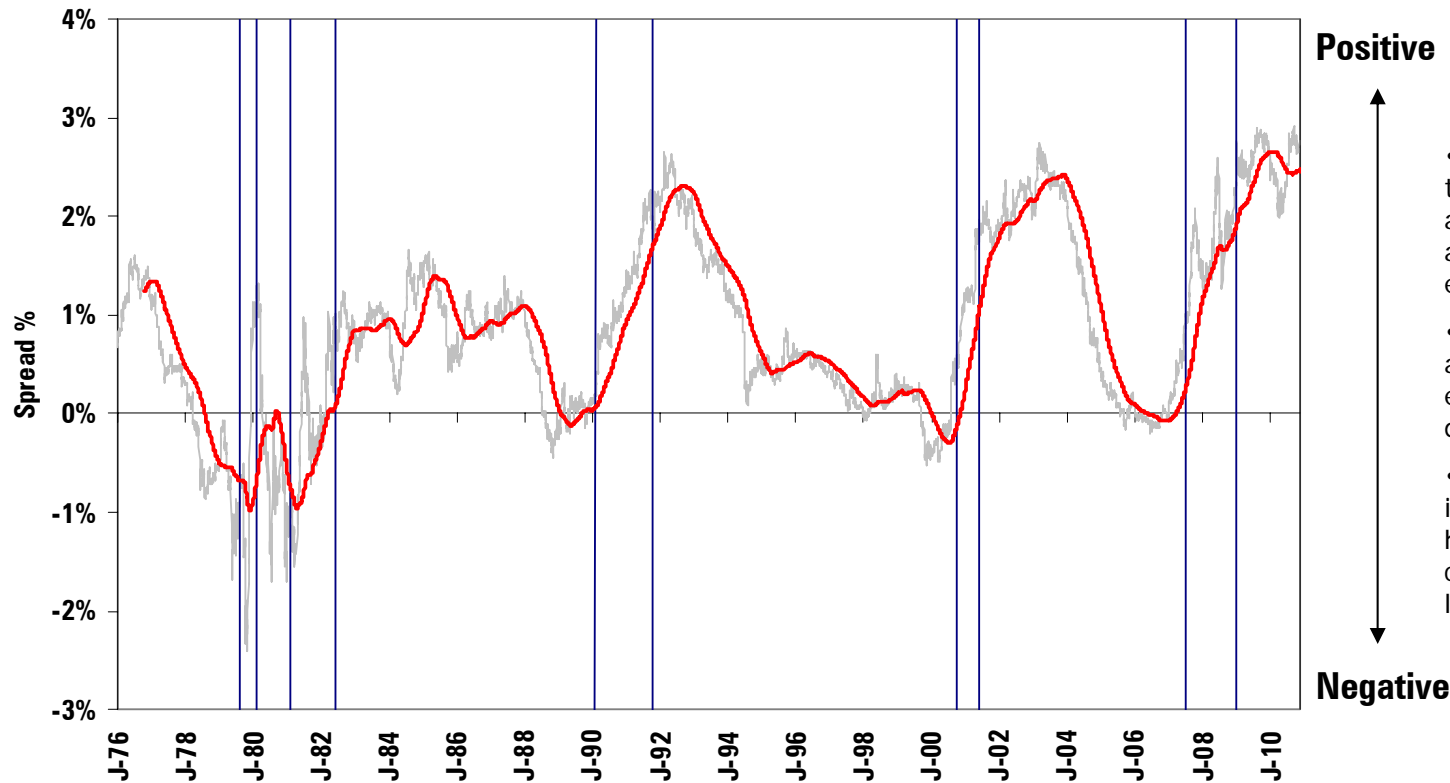


Taking Stock Part III: Credit Markets Price in Continued Economic Growth

U.S. Treasury Yield Spread
10-Year Yield % - 2 Year Yield %



- Positive**
- The difference between the U.S. Treasury 10-Year and 2-Year yield is seen as an indicator of economic expectations.
 - The spread has declined and turned negative prior to each recession since 1976 depicted in the chart.
 - The current spread indicates that the market has priced in virtually no chance of an impending lapse into recession.
- Negative**

*The blue lines represent the beginning and end of economic recessions. The grey line is the daily spread, while the red line is a 200-day moving average.