

## Low Yields: A Global Perspective

September 9, 2014

As you know, US Treasury rates are low by historic standards, but comparing current developed global yields shows that the US treasury rates are not outliers. The US ten year treasury rate is at 2.5%. Notably, other ten year rates are lower. The German ten year rate is at 0.99%, the French ten year bond is at 1.35%, and Japan continues their well-documented low with a current rate of 0.53%. Though Greece and Portugal sport higher ten year rates at 5.49% and 3.14% respectively, these feature unique currency and credit risks. International treasury rates are important watch posts that reflect anchors and/or springs within global investment opportunities.

Year-to-date US treasury yields have been anchored by international treasury yields, which in turn have been anchored by slow or negative growth in major pockets abroad. The US ten year was around 3% at the beginning of the year, when almost all investment pundits were calling for upward rates for the coming year. Domestic stocks moved higher throughout 2014 while European growth fears emerged and stunted the planned move to higher US treasury rates. Doubtless, US treasury rates will remain influenced by global events, so it is important to be thoughtful of the many scenarios that may or may not play out for a global strategic investor.

At New Frontier we do not forecast. We process current information with statistical methods and use patented rebalancing and optimization that includes testing and processing thousands of scenarios. The result is portfolios exposed to global growth that are durable by design to weather current and future risks.

*This note was posted as an entry on New Frontier's investment blog on September 9, 2015. Read this entry and other posts at: [newfrontieradvisors.com/blog](http://newfrontieradvisors.com/blog).*