Dow Jones down 200 points after US treasury note yields decline

The Dow Jones falls as Treasury note yields drop and the US-China trade war continues.
The Dow Jones is plummeting after 10-year US Treasury note yields fell to their lowest levels in almost two years. The decline of the 10-year Treasury note yield is usually a sign of concern about the US economy.

Is an inverted yield curve a bad sign for the US economy?

The 10-year Treasury note yield is likely falling because of fears about the long-term stability of the US economy. The 10-year Treasury note yield is at 2.243%, while the three-month Treasury bill yield is at 2.36%. As a result, there is a larger inverted yield curve, in which short-term bill yields rise higher than long-term note yields. According to US Federal Reserve data, an inverted yield curve has often been a precursor to a recession for the past 60 years.

Campbell Harvey, finance professor at Duke University, believes that investors should be cautious when the yield curve inverts.

‘When the yield curve inverts, it’s not the time to borrow money to take a vacation to Orlando, [Florida]. It is the time to save, to build a cushion,’ said Harvey.

Dow Jones down as US-China trade impasse continues

Investors are choosing short-term safe haven assets like US Treasury bills possibly because of the continuing US-China trade war. The escalation continued with reports from Chinese media about the nation’s plans to impose tariffs on $60 billion worth of US products.

Your capital is at risk. CFDs can result in losses that exceed your initial deposit. Please ensure you fully understand the risks involved.
George Bauk, chief executive officer (CEO), of Northern Minerals, noted that China could be weaponising its rare earth minerals as a negotiation tool with the US.

‘China, as the dominant producer of rare earths, has shown in the past that it can use rare earths as a bargaining chip when it comes to multilateral negotiations,’ said Bauk.

Investors will be monitoring US Treasury notes and the US-China trade conflict to see if the Dow Jones can withstand this latest volatility.

This information has been prepared by IG, a trading name of IG Markets Limited. In addition to the disclaimer below, the material on this page does not contain a record of our trading prices, or an offer of, or solicitation for, a transaction in any financial instrument. IG accepts no responsibility for any use that may be made of these comments and for any consequences that result. No representation or warranty is given as to the accuracy or completeness of this information. Consequently any person acting on it does so entirely at their own risk. Any research provided does not have regard to the specific investment objectives, financial situation and needs of any specific person who may receive it. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and as such is considered to be a marketing communication. Although we are not specifically constrained from dealing ahead of our recommendations we do not seek to take advantage of them before they are provided to our clients.
**Take a position on indices**

Deal on the world’s major stock indices today.

- Trade the lowest Wall Street spreads on the market
- 1-point spread on the FTSE 100 and Germany 30
- The only provider to offer 24-hour pricing

**Find out more**

---

**Related articles**

- Markets contemplating recession risk
- Trader’s Thoughts - Bond markets flash warnings of slower global growth
- Oil prices slide as US-China trade war heats up
- Is Brexit to blame for the automotive industry’s woes?
- Trader’s thoughts - trade jitters and possible US government shut-down hastens selling

---

**Live prices on most popular markets**

<table>
<thead>
<tr>
<th></th>
<th>Forex</th>
<th>Shares</th>
<th>Indices</th>
<th>Bid</th>
<th>Offer</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP/USD</td>
<td></td>
<td></td>
<td></td>
<td>1.26353</td>
<td>1.26373</td>
<td>20:30:38</td>
</tr>
<tr>
<td>EUR/GBP</td>
<td></td>
<td></td>
<td></td>
<td>0.88402</td>
<td>0.88422</td>
<td></td>
</tr>
</tbody>
</table>

*Your capital is at risk. CFDs can result in losses that exceed your initial deposit. Please ensure you fully understand the risks involved.*
### USD/CAD

<table>
<thead>
<tr>
<th></th>
<th>1.35203</th>
<th>1.35216</th>
<th>20:30:37</th>
</tr>
</thead>
</table>

### USD/JPY

<table>
<thead>
<tr>
<th></th>
<th>108.390</th>
<th>108.397</th>
<th>20:30:37</th>
</tr>
</thead>
</table>

See more [forex live prices](#)

Prices above are subject to our [website terms and agreements](#). All share prices are delayed by at least 20 minutes. Prices are indicative only.

---

**You might be interested in...**

### How much does trading cost?
Find out what charges your trades could incur with our transparent fee structure.

### Find out about IG
Discover why so many clients choose us, and what makes us a world-leading provider of CFDs.

### Plan your trading
Stay on top of upcoming market-moving events with our customisable economic calendar.

---

**Markets**

Share Trading
Share CFDs
Forex
Indices
Commodities

---

Your capital is at risk. CFDs can result in losses that exceed your initial deposit. Please ensure you fully understand the risks involved.
## Trading platforms
- Web platform
- Trading apps
- Advanced platforms
- Demo account

## Analysis
- News and analysis
- Economic calendar

## About
- Corporate accounts
- Premium services
- Marketing partnership
- Charges and margins
- IG Community
- Refer a friend
- Professional trading

## Contact us
New client: 1800 601 799
Clients: 1800 601 734
Tweet us: @IGClientHelp

Follow us online:

CFDs are a leveraged product and can result in losses that exceed deposits. You do not own or have any interest in the underlying asset. Please consider the Margin Trading Product Disclosure Statement (PDS) before starting to trade.

Your capital is at risk. CFDs can result in losses that exceed your initial deposit. Please ensure you fully understand the risks involved.
The value of shares and ETPs bought through an IG share trading account can fall as well as rise, which could mean getting back less than you originally put in.

Please ensure you fully understand the risks and take care to manage your exposure.

IG does not issues advice, recommendations or opinion in relation to acquiring, holding or disposing of our products. IG is not a financial advisor and all services are provided on an execution only basis.

This website is owned and operated by IG Markets Limited. ABN 84 099 019 851, AFSL 220440. Derivatives issuer licence in New Zealand, FSP No. 18923

The information on this site is not directed at residents of the United States or any particular country outside Australia or New Zealand and is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.

© 2003 - 2019 IG Group | Careers