Treasury Yield Curve Analytics for Monthly Funding Reviews

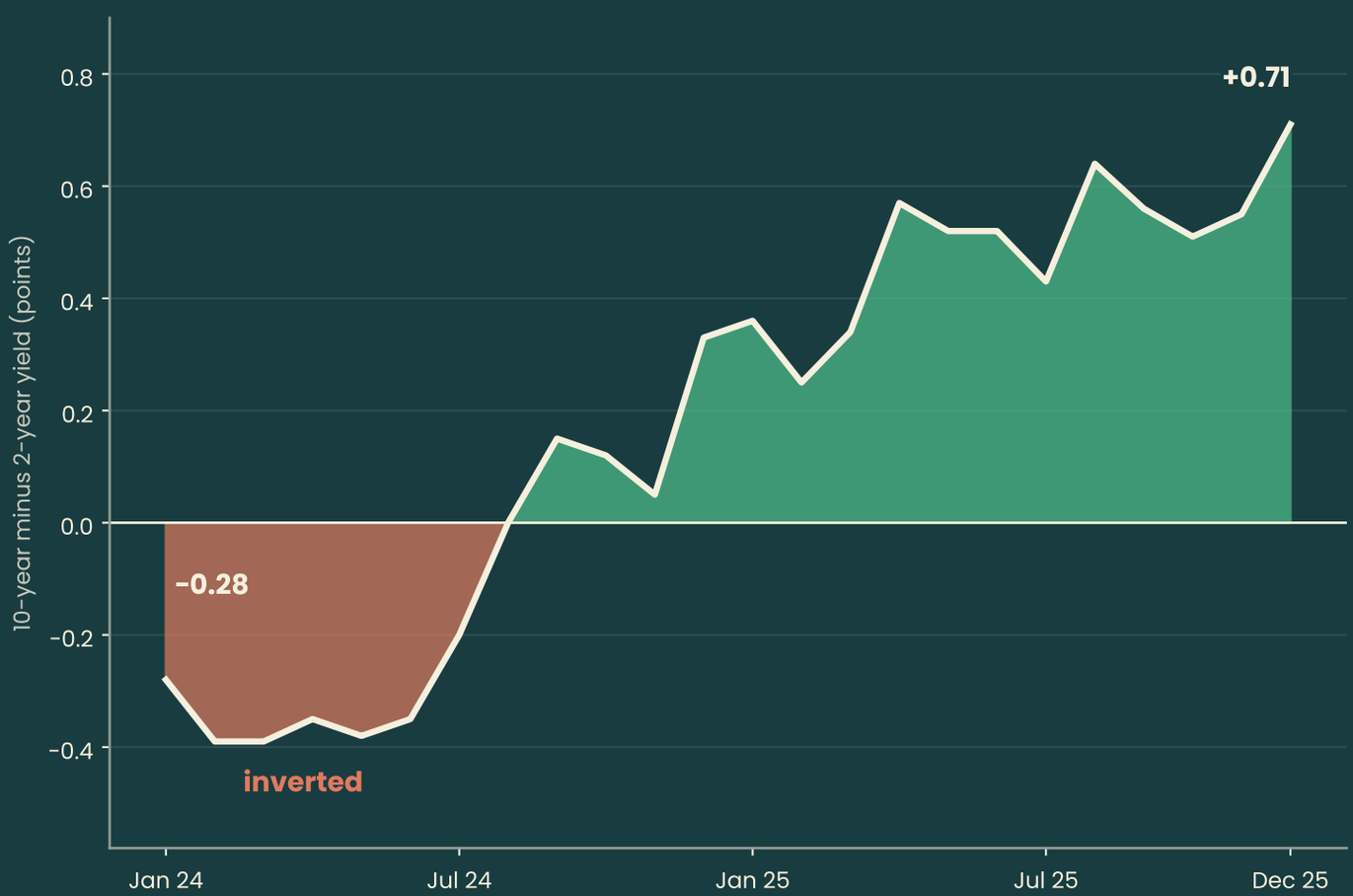
166 days

of 499 daily observations in 2024–25 had the 10-year Treasury yield below the 2-year yield: one trading day in three.

33.3%	7 of 24	110 bp	+5.1 bp
of trading days inverted	month-ends inverted	steepening from the February 2024 low to December 2025	average steepening per month

EXHIBIT 1

Month-end spread, January 2024 to December 2025



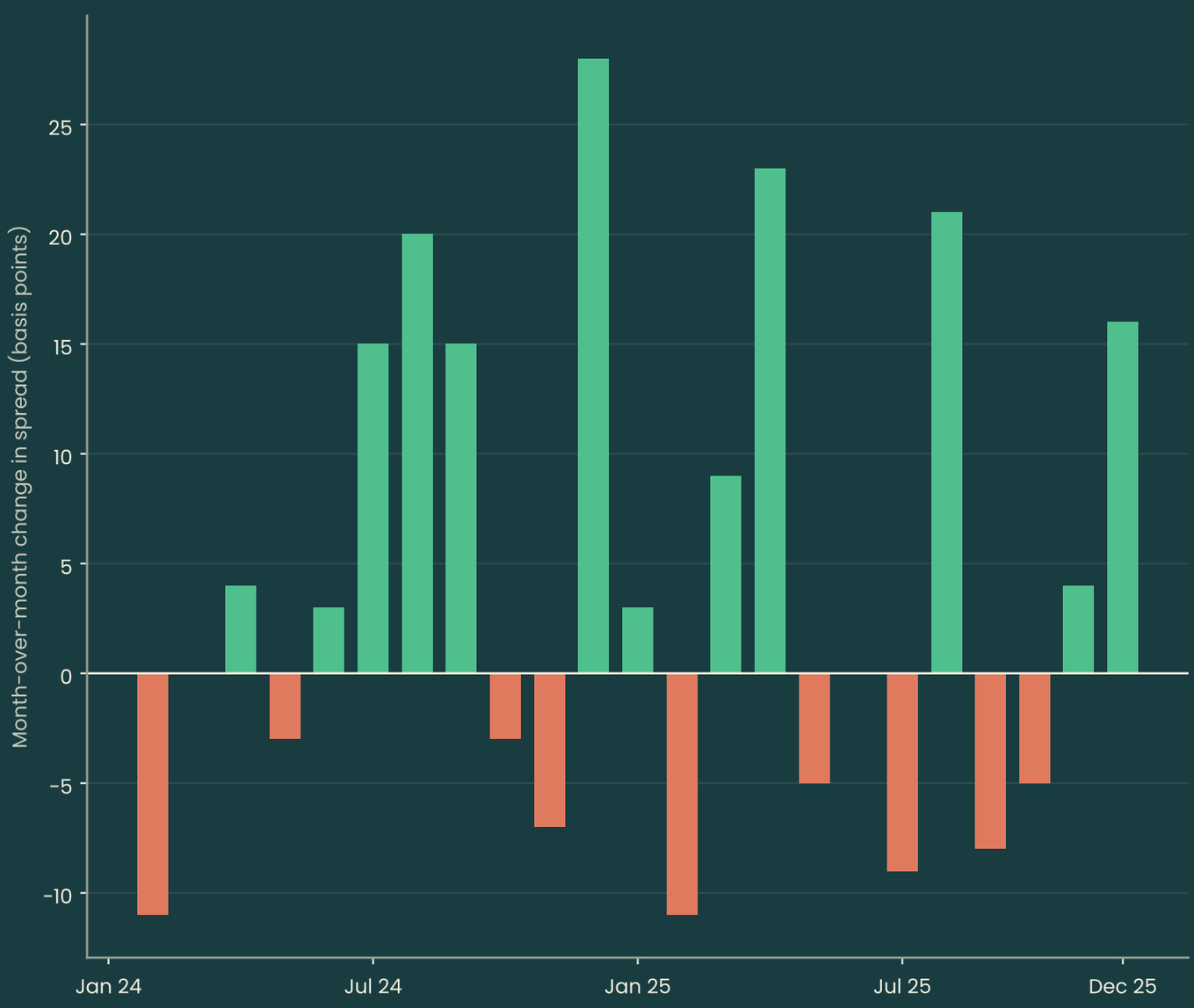
Seven month-ends below zero and one at zero, then a steady climb. Daily inversions are counted separately in Exhibit 3.

What the analysis shows

- The curve was inverted on 166 of 499 trading days (33.3%). Month-end readings were negative only from January to July 2024, but the daily series also has negative days after that, including early September 2024.
- Month-end readings tell a similar but coarser story: 7 of 24 were negative (29.2%), and August 2024 closed at exactly zero.
- From its month-end low of -0.39 in February and March 2024 the spread rose to +0.71 by December 2025, a 110 basis point steepening, or about 5.1 basis points a month on a fitted trend.
- Half-year averages moved from -0.36 in H1 2024 to +0.57 in H2 2025; every half-year was steeper than the one before.
- The largest single-month moves were +28 bp in December 2024 and +23 bp in April 2025; no month reversed the trend by more than 11 bp.

EXHIBIT 2

Month-over-month change



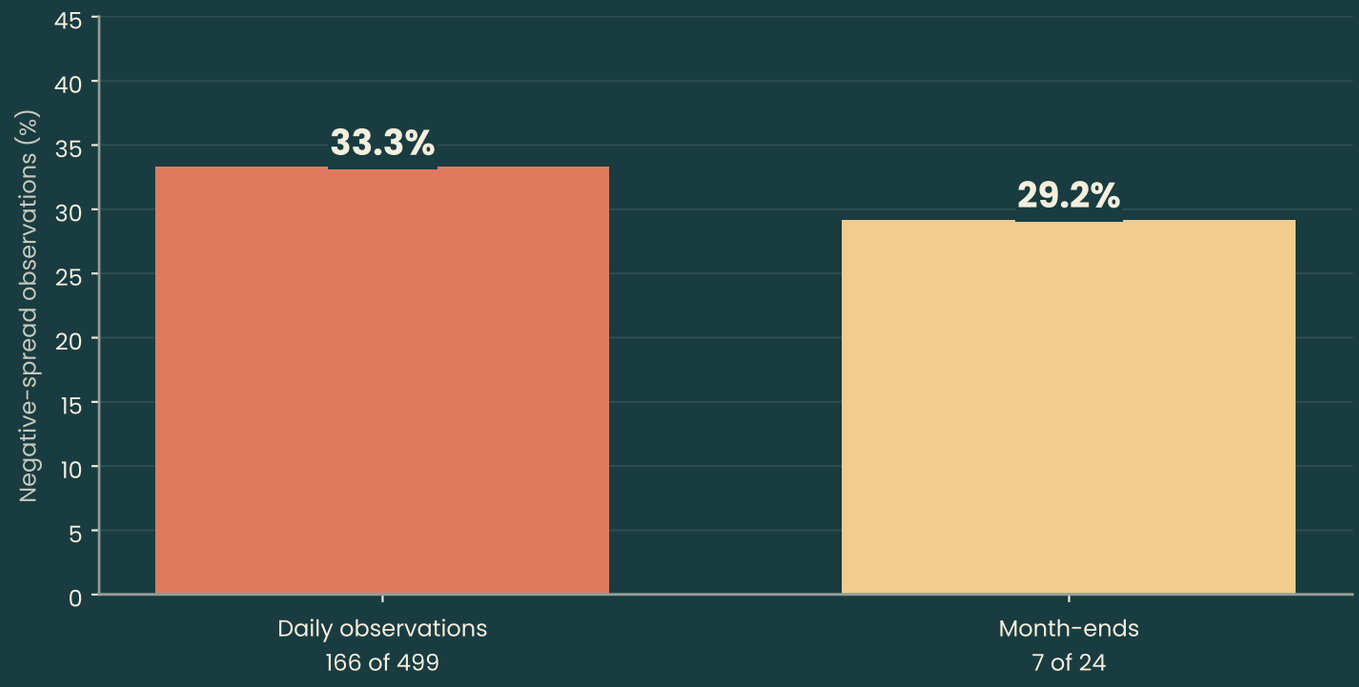
Most months steepened. Reversals were small and short.

Federal Reserve Bank of St. Louis, FRED · T10Y2Y, 2024–25

Inside the numbers

EXHIBIT 3

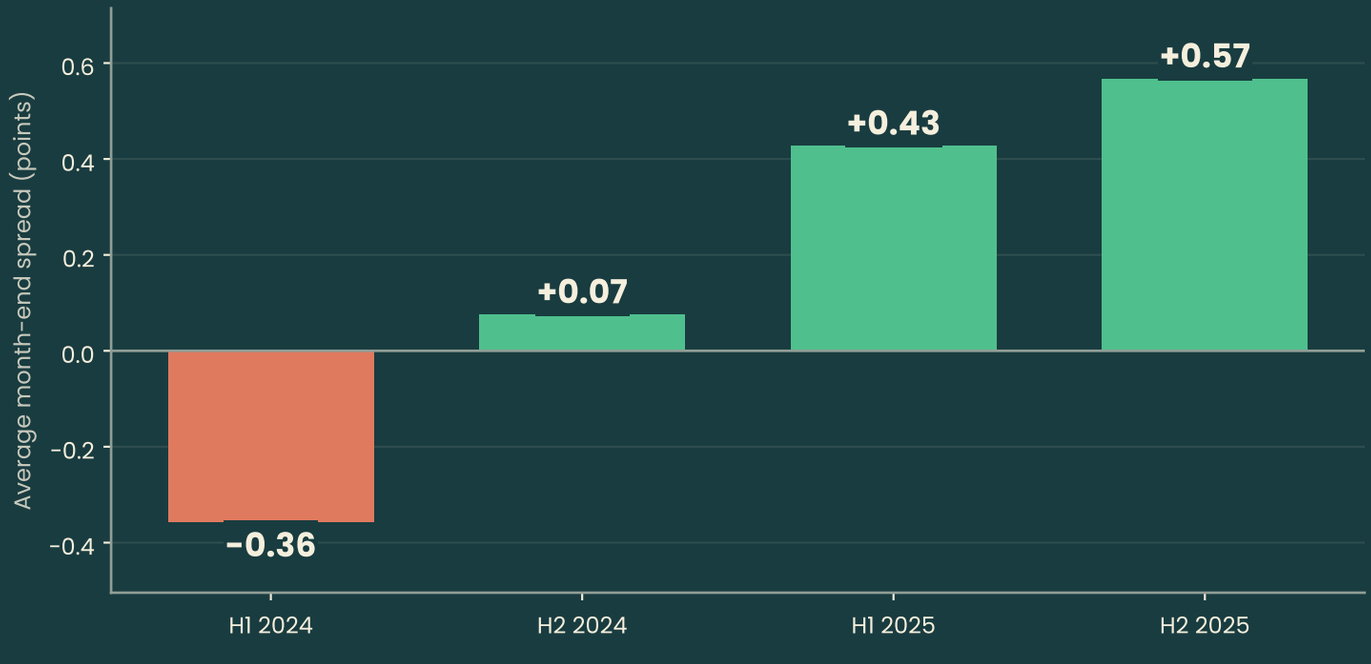
Two ways to count inversion



The daily count is the more complete measure; month-ends slightly understate it.

EXHIBIT 4

Average spread by half-year

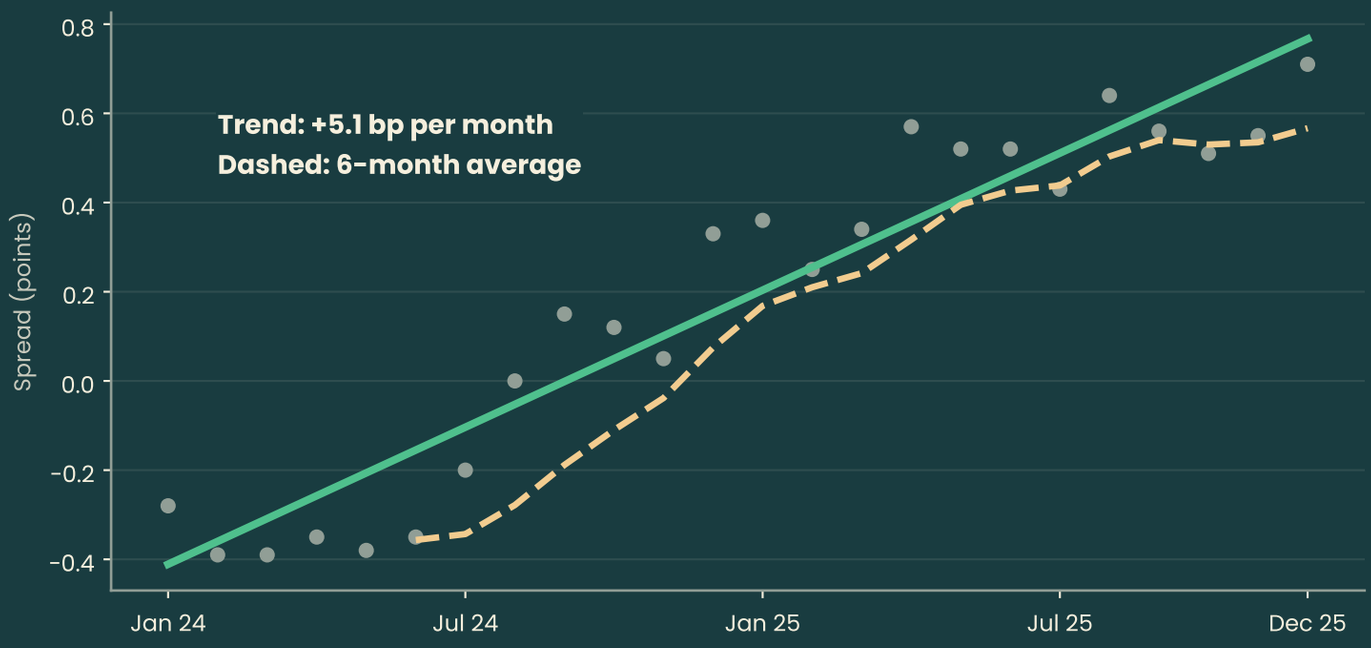


A clean step up each half-year, from inverted to more than half a point positive.

What changes the answer

EXHIBIT 5

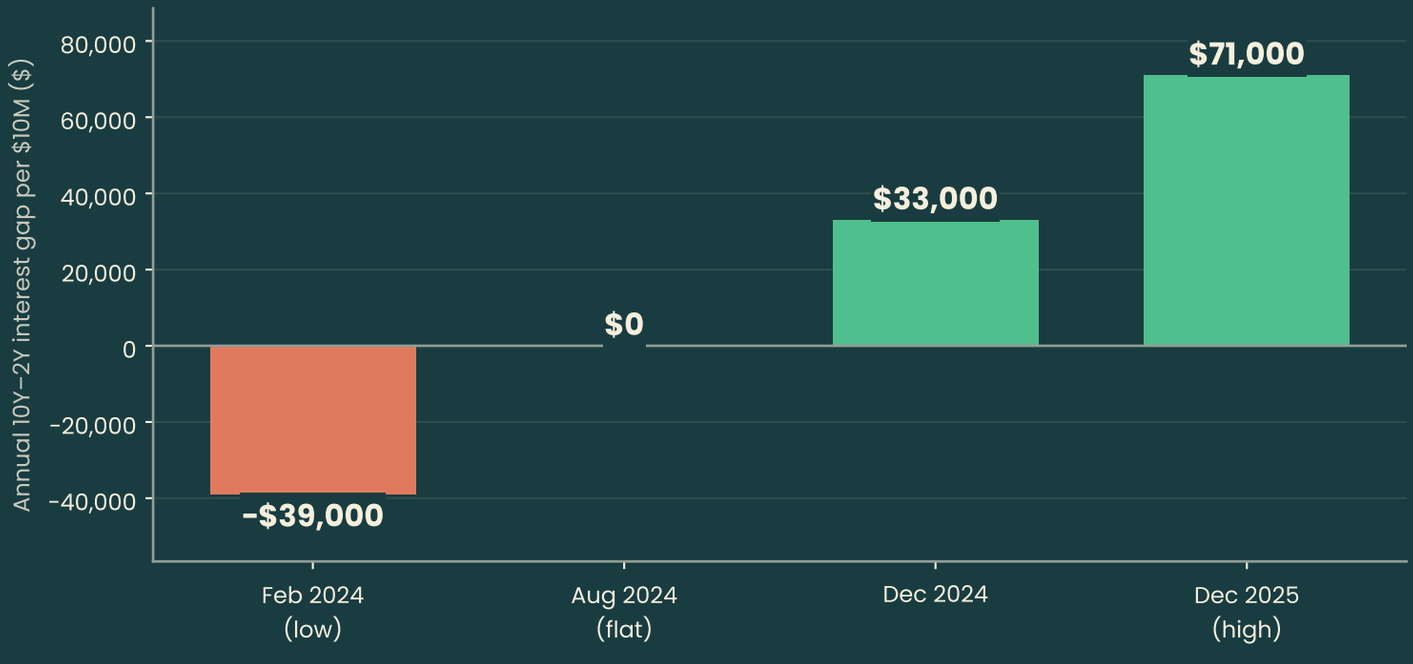
Trend and six-month average



The fitted line and the smoothed series agree on a steady re-steepening.

EXHIBIT 6

What the spread means per $10M



The annual interest difference between 10-year and 2-year Treasury yields on $10M of principal, at four month-ends. Illustrative: issuer spreads are not included.

How it was built and how far it goes

RECOMMENDED USE

- Quote the daily frequency (33.3%) beside the month-end chart; month-ends alone miss part of the inverted period.
- Describe 2024–25 as a re-steepening of about 110 bp, not a single state.
- Refresh both measures each month so the board sees the path as well as the latest point.

METHOD

- FRED series T10Y2Y: 10-year minus 2-year constant-maturity Treasury yield.
- Month-end is the last reported value in each month; the daily count uses all 499 non-missing observations in 2024–25.
- Trend is an ordinary least-squares line through the 24 month-end values.

LIMITS

- Only month-end values are charted; within-month swings appear in the daily count alone.
- Treasury yields are a market backdrop, not the organisation's borrowing cost.
- Two calendar years; nothing here forecasts the curve.

NUMBERS RECONCILED

Quantity	Value	How it was checked
Inverted days	166 of 499	project evidence file
Daily share	33.3%	166 ÷ 499
Month-ends below zero	7 of 24	count of negative values
January 2024	-0.28	first month-end value
December 2025	+0.71	last month-end value
Low to high	110 bp	0.71 - (-0.39)