

Why the U.S. ten year treasury yield matters

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The ten year treasury yield in the United States is such an important benchmark to follow because it really sets that expectation of what is your risk-free rate. All things being equal, it is one of the safer securities available to investors, not only in the United States but around the world. So therefore if that risk-free rate starts to increase, it will change the valuation on equities, on other bonds relative to what investors seemingly can get for zero risk and therefore, it is the benchmark for which a lot of investors use to value other securities available in the marketplace.

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