Yield Curve Inv

Intuitively, because there are expectations of inflation and greater uncertainty over the path for policy rates baked into longer-term rates, longer rates should normally be higher than short rates to compensate holders of long bonds.

When short rates exceed longer rates, the bond market may be signaling that monetary policy is too tight and is leading to a slowdown in the economy.

To put it simply, a faster QT cycle indicates a more aggressive policy tightening and an increasing risk of slowing economic growth leading to a recession, which lea