
[Download](#)

Keep in mind

The main purpose of these documents is to provide quarterly information on financial markets. Opinions and possible errors are the sole responsibility of the author and their contents do not compromise the Board of Directors of *Banco de la República* (the Central Bank of Colombia, *Banrep*).

AUTHORS AND/OR EDITORS

[Botero-Ramírez, Óscar David Mateus-Gamboa, Julián Camilo Ruiz-Cardozo, Cristhian Hernando](#)

Publication Date:
Monday, 24 of July 2023

Recent analyses in the U.S. suggest that the cycle of increases in its benchmark interest rate was accompanied by the inversion of its yield curve and an increase in the probability of recession. The yield curve is understood to be inverted when long-term (10-year) bond rates are lower than short-term (2-year) rates. This behavior has been documented, and its predictive power to anticipate economic slowdown or recession events has been studied.

