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Markets

Yield Curve, Federal Reserve and Recession Fears Go Mainstream

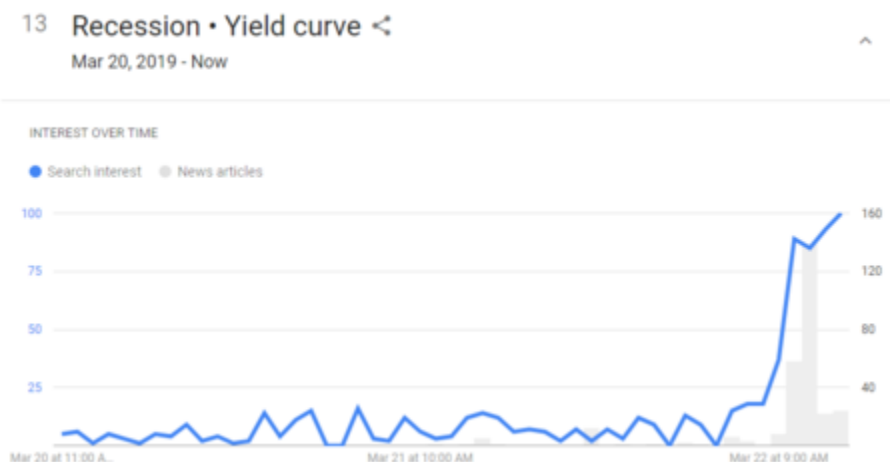
By [Vildana Hajric](#)

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- ▶ The terms spike on Google Trends Friday amid economic dread
- ▶ Treasury buying wave triggers first curve inversion since '07

Trader worries over a slowdown in global economic growth are going mainstream.

The terms “Recession” and “Yield curve” spiked on Google Trends Friday as the U.S. government bond curve -- a reliable market signal of an impending recession -- inverted for the first time since 2007. “Federal Reserve System” also surged with President Donald Trump nominating former campaign adviser Stephen Moore to be a governor of the Federal Reserve. All were trending in the top 20 real-time search list as of 2 p.m. in New York.



American stocks were set for their worst day in two months and bonds climbed after a slew of economic data reignited global growth fears. The preliminary overall U.S. Manufacturing Purchasing Managers' Index slowed to a 21-month low and Europe's outlook was thrown into fresh doubt after reports showed weakness across France and Germany. Earlier in the day, data showed that activity in Japan's manufacturing contracted for a second straight month.

Yield Curve Inversion

U.S. Treasury yield curve inverted for the first time since 2007



“There’s growth concerns coming from everywhere -- from Germany to the U.S.,” said Benjamin Lau, chief investment officer of Irvine, California-based Apriem Advisors, which manages around \$740 million. “It tells us that the economy is weaker, decelerating faster than what people would have thought six or nine months ago when we hit the market top and the market started rolling over.”

Searches for “yield curve inversion” also spiked in early December, when volatile financial markets slumped over...what else? Global growth concerns.