

The Treasury Market Just Had Its Worst Quarter Since 1980

By [Alexandra Scaggs](#) April 1, 2021 1:56 pm ET

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The Treasury market just posted its worst quarterly performance in more than 40 years, with investors betting on a strong U.S. economic recovery from Covid-19.

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In theory, the selloff in Treasuries should have left markets that trade at a yield premium to Treasuries, such as corporate debt, in a better position, from investors seeking out inflation-adjusted yield. Yet higher-rated and safer corporate bonds posted losses for the quarter as well, because of their high levels of duration or sensitivity to Treasury yields. The ICE BofA U.S. Corporate Bond Index lost 5% for the quarter, its worst performance since the third quarter of 2008, during the financial crisis—and other than that, its worst since 1981.