

Markets

Bond Market Sees Once Easy Yield-Curve Bets Upended by Fed Path

- Investors profited from wagers yield curve would invert
- Doubts build on whether the trade has largely run its course

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The shape of the curve is among the most widely watched financial-market barometers because it reflects bondholders' views of where interest rates and the economy are headed. When the curve inverts, with long yields dropping below short ones, it signals expectations of a slowdown that will drive rates lower in the future.