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Stocks Could Be Sandbagged by Rising Treasury Yields

By [Teresa Rivas](#) [Follow](#) Aug. 15, 2023 11:19 am ET

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Treasury yields are rising again, yet another headwind for the stock market that's struggled to make headway this month.

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"That's why rising Treasury yields are a problem for stocks, because investors will rotate out of riskier equities and into less-risky bonds because the additional return in stocks isn't worth the volatility," argues Essaye, who believes that while the current environment makes the historical 4% risk premium unlikely, a "fair" number for 2023 is

"definitely higher than 1%!"