

# The Stock Market Has a Real Problem—a Real Yield Problem

By [Nicholas Jasinski](#) [Follow](#) Aug. 18, 2023 6:59 pm ET



Housing starts and other economic data are strong, which could prompt the Fed to raise interest rates higher or hold them at restrictive levels for longer.

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With yields rising, stocks have real competition from bonds in a way they haven't for a decade and a half. The yield on the 10-year U.S. Treasury note hit 4.25%, up 0.3 points since the start of August and near its highest since 2007. That's a nice payout, especially with stocks appearing pricey. It's a big

reason the Dow Jones Industrial Average DJIA +0.07% ▲ fell 2.2%, the S&P 500 SPX -0.01% ▼ lost 2.1%, and the Nasdaq Composite COMP -0.20% ▼ dropped 2.6% this past week.