

The Stock Market Enters the Danger Zone

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But excuses there were, starting with bond yields. The [10-year Treasury](#) [↗](#) yield rose to 4.22% from 4.08% this past week, and from a 2024 low of about 3.62% hit on Sept. 16.

The rise is likely a reflection of the fact the Federal Reserve will cut interest rates fewer times than investors had thought after September's Federal Open Market Committee meeting, a result of [inflation being above its target](#) and a job market that has grown [faster than expected](#).

Also, Donald Trump's chances of winning the presidential election have risen in the past few months, according to RealClearPolitics. His policies include fiscal spending and tariffs, both of which create inflation and throw cold water on the idea that the Fed will cut rates many times. While the economy could continue to grow, tariffs, for their part, not only lift prices, they destroy demand.