Figure 5.1
Consumer Price Index
Figure 5.2
Consumer Price Index: Log Scale
Figure 5.3
CPI Based Inflation Rates

Inflation: Year over Year Increase in CPI
Figure 5.4
Two Short-term Interest Rates

Short Term Interest Rates: Fed Funds and 3-Month Treasuries
Figure 5.5
Interest Rates and Inflation

Interest Rate on 1-year Treasury Bills and Rate of Inflation (CPI)
Figure 5.6
Real Rate of Interest

Real Rate of Return for 1-year Treasuries purchased in the last month of the year
Nominal interest rate minus the inflation (CPI)
Figure 5.7
Interest Rates on 2 Treasury Securities
Figure 5.8
Term Structure of Interest Rates: The Yield Curve

Term Structure of Interest Rates

November 2000
Before the Fed lowered the Fed Funds rate

Average 1966-1999

Nov 2006

June 2005

May 2004
Before the Fed starting increasing the Fed Fund Rate

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Real Returns on One- and Two-Year Treasuries by Horizon

Annualized Rates of Return from Bond Market Investments

One Year Horizon, One-year Bond

One Year Horizon, Two-year Bond

Two Year Horizon, Two One-year Bonds

Two Year Horizon, Two-Year Bond
Figure 5.10
TIPS Yield Curves

TIPS Real Yield Curves (November of Indicated Year)
Yield as a Function Time to Maturity of 10-Year Treasury Inflation Protected Bonds