

New Junk Bond Record, But Risks Remain



The quest for higher yields is going to end badly for some investors. There is new evidence that some investors are ignoring risks in exchange for quenching their thirst for income.

The latest is junk bonds. Yesterday, the yield of the Barclays US High Yield Index fell to a new record low of 4.96%. It broke the 5% level for the first time in its entire 30-year history on Tuesday. Barron's noted that prior to this past January, the index's yield had never fallen below 6%.

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