Term Premia Watch

– Insights on yield curve drivers –

10 January 2026

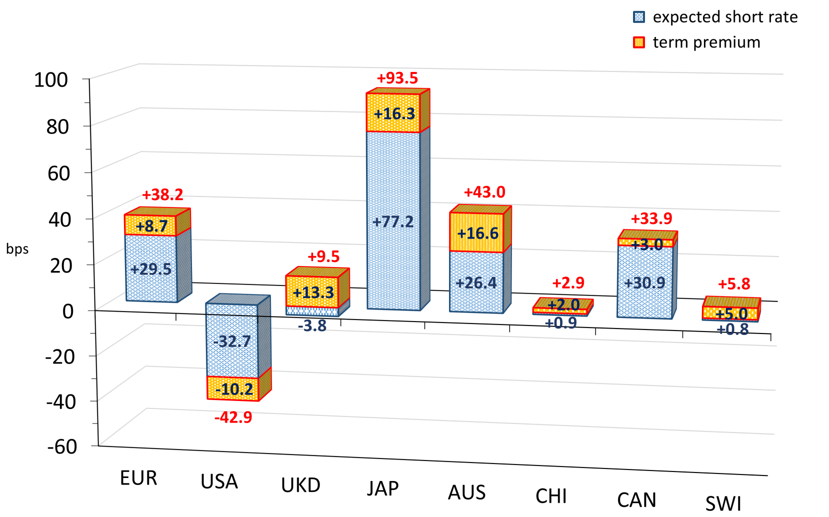
TAKEAWAY

2025 marked a clear divergence across global bond markets

GLOBAL YIELD DIVERGENCE

- In 2025, global 10Y yields diverged: +90 bps in Japan, +40 bps in Eurozone, Canada, Australia, <10 bps in UK, China, Switzerland, and −40 bps in the US
- 10Y term premia mostly rose (+2 to +17 bps) except in the US (−10 bps); expected short rates moved notably in Japan (+77 bps), Eurozone, Canada, Australia (∼+30 bps), US (−33 bps)
- Argedion year-end 10Y term premium estimates: negative in Switzerland (−56 bps), China and Japan (∼–10 bps); low in Eurozone (12 bps); 30—40 bps in UK, Canada, US; ∼60 bps in Australia

Annual Changes in 10Y Yield (Dec 2025 vs. Dec 2024)



Source: Argedion estimates

OBSERVATIONS

- Diverging yield, expectation, and term premium dynamics reflect misalignment across global monetary policy paths
- Argedion sees rising term premia in Japan and China, stability in the Eurozone and Switzerland, and declines elsewhere over the next month

Argedion – Quantitative Research