

## Treasurys rise as investors eye safety of bonds

By STEPHEN BERNARD (AP)

NEW YORK — Treasury prices rose Monday as investors sold off stocks and sought the safety of government debt amid concerns about the timing of an economic recovery.

"With pressure from the equity market, you get a presumed flight to quality," said John Lekas, owner of Leader Capital Corp. in Portland, Ore. Lekas said Treasury prices are likely to continue to rise over the next two months as stocks fall and investors clamor for safer investments.

In afternoon trading, the 10-year note rose 14/32 to 101 28/32 and its yield fell to 3.40 percent from 3.45 percent late Friday.

Renewed questions about a potential economic recovery had investors selling off riskier stocks and buying Treasurys. Major indexes were all down at least 1 percent as U.S. markets followed Chinese and other overseas stocks lower.

Stocks had been soaring during a six-month rally amid signs that economic turmoil was lessening. Now, however, investors are looking for signs of actual economic growth and not just slowing declines to support rising stock prices. If none can be found, analysts say a sell-off could occur. That would likely help support bond prices and push yields lower.

The price of 30-year bonds rose 11/32 to 105 11/32, while its yield fell to 4.19 percent from 4.20 percent.

In other trading, the two-year note rose 2/32 to 100. Its yield fell to 0.99 percent from 1.02 percent.

The five-year note rose 9/32 to 99 29/32, while its yield fell to 2.39 percent from 2.45 percent.

The price of seven-year notes rose 12/32 to 99 25/32. Its yield dropped to 3.04 percent from 3.09 percent.

The yield on the three-month T-bill rose to 0.14 percent from 0.13 percent. The government auctioned off \$30 billion in three-month bills on Monday, and received strong demand for the short-term debt.

The cost of borrowing between banks fell. The British Bankers' Association said the rate on three-month loans in dollars — the London Interbank Offered Rate, or Libor — was unchanged at 0.35 percent.

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