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## Bonds Could Make a Comeback as a Hedge Against a Recession.

Nearly half of investors believe that the U.S. will enter a recession in 2023, according to a Bloomberg survey conducted in April 2022, with another 15% predicting that it could happen this year. In anticipation of an upcoming recession, the S&P 500 index fell 16% so far this year - its worst start since 1970 - and many believe it will fall further.

Unfortunately, there aren't many good places for investors to park their capital. Cash isn't very attractive with 8% inflation, rising mortgage rates are hurting real estate, and alternative investments like gold and crypto are in the red. While bonds are suffering from rising interest rates, their yield could make them the lesser of the evils.

Let's look at what's driving the risk of a recession and why bonds might offer a safe haven.

Continue reading.

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