

## MARKET SIGNALS | MEGATRENDS

# The great bond rout: yields hit multi-decade highs from Washington to Tokyo

US 10-year near 5.2%, Japan's 10-year above 3% — the cost of money is being repriced everywhere

By **Manasee Kurlekar** | September 26, 2026

### THE GREAT BOND ROUT

## Borrowing costs hit a generation high

Years since each rate was last this high

US 10-year Treasury

5.18% · highest since 2007

19 yrs

US 30-year Treasury

~5.5% · highest since 2004

22 yrs

Japan 10-year JGB

~3.08% · highest since 1996

30 yrs

Bank of Japan policy rate

1.25% · highest since 1995

31 yrs

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Data as of 25 Sep 2026 · Sources: Yahoo Finance, NordFX, Trading Economics, CNBC

The current bond yields and rate hikes mark decades-high borrowing costs, driven by Fed and BOJ hikes, \$100 oil and heavy AI-linked debt issuance. The world's borrowing costs are breaking records not seen in a generation!

the US 10-year actually closed Friday at **5.18%**, the *highest since the global financial crisis*. The 30-year is around 5.5%, *a level last seen in 2004*. Japan's 10-year yield touched roughly 3.08% this week, *the highest since 1996*, and Australian yields are pressing against a *15-year peak*.

The drivers stack up: a Federal Reserve that has just delivered its first hike in three years (markets see roughly a two-in-three chance of another in October), oil stuck above \$100, and a flood of corporate debt as tech giants borrow to fund AI build-outs. Hyperscaler bond sales have more than doubled this year to over \$200 billion, competing directly with governments for capital.

In Tokyo, the BOJ lifted its policy rate to 1.25% on 18 September, the highest since 1995, in a 7-2 split vote. A former board member now expects hikes roughly every quarter, taking rates to 2% by around mid-2027.

**The era of free money isn't just over; it's being actively reversed.**

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Read online: <https://worldbusinesswatch.com/market-signals/12/174/the-great-bond-rout-yields-hit-multi-decade-highs-from-washington-to-tokyo.html>

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