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Yankee bond (US). A dollar denominated issue made by an overseas issuer to attract American investors.

yearling bond (UK). A short term security issued by a local authority or public board in the United Kingdom. The bonds most commonly have a life of just one year, hence the name, but bonds issued for periods of up to five years to maturity, are still colloquially known as yearling bonds. They are issued through banks and stockbrokers each week and a group of local authorities and public boards will participate in an issue with identical terms. When the bonds fall due for repayment they are often covered by a ROLL-OVER issue on terms which are current in the market at that time.

year's high. The highest level a share price has reached during the course of a calendar year. This figure is usually shown alongside other details of the company's shares such as the yield, current rate of dividend etc. In the early months of a new calendar year, the year's high figure covers the last calendar year plus the early months of the new year, to give a better idea of the RANGE of prices at which the stock has traded over a reasonably long period.

year's low. The lowest level a share price has reached during the course of a calendar year. *See also* YEAR'S HIGH.

Yellow Book (UK). The colloquial name for the UK Stock Exchange's publication ADMISSION OF SECURITIES TO LISTING. Called the Yellow Book because of the somewhat bright colour of its binding.

yield. The dividends or interest paid by a company on its securities expressed as a percentage of the current market price.

yield curve. The pattern of yields in a fixed interest market at a particular time. Normally yields on short dated stocks are below those on long dated ones, reflecting the relatively lower liquidity of long dated stocks, but the liquidity on, say, a 10-year stock is not vastly different from that on a 30-year stock, given the ability to sell in the market. The difference between a one-year stock and a ten- year stock is much larger because of the different nature of the market and, normally, the extra demand for the very short dated stock. A yield curve plots the yield on the *y*-axis and the time to maturity on the *x*-axis. The normal pattern is of a sharply rising curve from around three months to two years, rising thereafter at a much slower rate, thus making the yield curve much flatter.

This describes the normal pattern. Occasionally, if short term rates are exceptionally high and are expected to fall, the yield on short dated stocks will actually be higher than that on longer dated issues. The yield curve will thus show a falling pattern at the short end before flattening out later.

yield gap. The positive difference between the yield on variable rate shares and that on risk-free fixed interest securities. Economic analysis suggests that the yield on the riskier investment should be higher than that on the risk-free fixed interest stock and for many years, this was reflected in yields in the financial markets. However, in recent years the prospects of capital growth in equities have outweighed the risk in investors' minds and the normal yield gap has been reversed, with equities yielding less than fixed interest stocks, which have no prospect of real capital growth. *See also* REVERSE YIELD GAP.

yield to maturity. The yield of a security to maturity takes into account the price discount at which the stock currently stands below its redemption price or, indeed, of the premium it currently commands over the redemption price. These factors are added to the current interest yield to produce the yield to maturity or REDEMPTION YIELD.