Investor Jim Rogers joined Bill Gross, who runs the world’s biggest bond fund, in warning that a rout that sent Treasuries to their biggest loss last month in almost a year probably isn’t over.

The list of bond bears is growing after Goldman Sachs Group Inc. and Wells Capital Management Inc. also voiced concern. While unemployment rose in January, Labor Department revisions showed job gains at the end of last year were higher than previously reported, increasing speculation the Federal Reserve will curtail its debt purchases this year. The Standard & Poor’s 500 Index rallied this month to approach a record.

“Everybody wants to be in equities,” said Hans Goetti, Singapore-based chief investment officer for Asia at Finaport Investment Intelligence, which manages the equivalent of $1.54 billion. “People are moving out of Treasuries.”

U.S. debt has handed investors a 0.9 percent loss this year as of yesterday, according to Bank of America Merrill Lynch indexes. It fell 1 percent in January, the steepest monthly loss since March.

The benchmark 10-year yield climbed two basis points, or 0.02 percentage point, to 1.98 percent at 6:40 a.m. in New York, according to Bloomberg Bond Trader prices. The yield dropped to a record 1.38 percent in July, raising concern bonds don’t offer enough value.

Ten-year rates will increase to 2.25 percent by year-end, according to a Bloomberg survey of financial companies. That means an investor who bought today would suffer a 0.5 percent loss, data compiled by Bloomberg show.

‘Short More’

“I’m short long-term government bonds,” betting the securities will fall, Rogers, the author of the book “Street Smarts,” said yesterday on Bloomberg Radio. “I plan to short more. That bull market, that’s a bubble.”

U.S. inflation may pick up in 2014 to 2016, Pimco’s Gross said this month on Bloomberg Radio. Faster inflation “will create an upper drift in long-term yields,” he said.

Rogers said he has been short bonds two or three times in the last few years. A short position is a bet an asset will decline. Gross reiterated his earlier warnings about costs in the economy.
The difference between yields on 10-year notes and similar-maturity Treasury Inflation Protected Securities, a gauge of trader expectations for consumer prices over the life of the debt, was 2.55 percent today. The figure compares to the average over the past decade of 2.19 percent and the current inflation rate of 1.7 percent.

Share Gains

The S&P 500 gained 6 percent this year. It is within 5 percent of its record high reached in October 2007.

Japanese sovereign bonds have returned 0.2 percent in 2013, the Bank of America data show. The two-year yield fell two basis points to 0.025 percent, the lowest for that maturity since September 2002.

“At best, bond yields will move sideways in the next several years but it would not be surprising if yields trend higher,” James W. Paulsen, chief investment strategist at Wells Capital in Minneapolis, wrote in a report yesterday. “While bonds have provided very competitive returns relative to the stock market since 1980, this era has probably ended.”

The Fed said Jan. 30 it is committed to buying about $85 billion of government and mortgage securities a month as long as the jobless rate stays above 6.5 percent and inflation is below 2.5 percent. Unemployment rose to 7.9 percent in January and consumer-price gains remain below the central bank’s target. The U.S. economy contracted 0.1 percent in the fourth quarter.

Labor Market

The Labor Department also revised its jobs figures for November and December higher. Revisions added 127,000 jobs to the tally in the last two months of 2012.

Fed Bank of Kansas City President Esther George voted against the central bank’s decision, saying it risks increasing inflation expectations. Minutes of the Fed’s Dec. 11-12 meeting showed members divided between a mid- or end-of-year finish to bond purchases.

Gary Cohn, president of Goldman Sachs Group Inc., said demand for debt may fade.

“Am I concerned that we could be in a bond bubble sometime in the future? Yes, I’m concerned,” he said this week in a Bloomberg Television interview in Hong Kong. “At some point, it’s not going to be the best market to be invested in.”

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