

5.21.25

Thursday, May 22, 2025 8:59 AM

#### Key Data

- The bond auction wasn't that bad, the tail and performance wasn't anything crazier than what you have witnessed, the problem was it was a high yield coming into it & nobody showed up still
- Tantrum mode is back but it should be short lived. Unless there is a black swan I am prepared to move between 5400 & 6000. if it moves beyond that in a short frame then something is developing and right now global bond yields are just starting to hit

#### Plays

- CRVV - The frogger is there if your patience/fomo ratio is perfect. Just wait for the final decay & pop tomorrow or Friday hard to tell
- UNH - More bad news with investigation, good one to FLIP

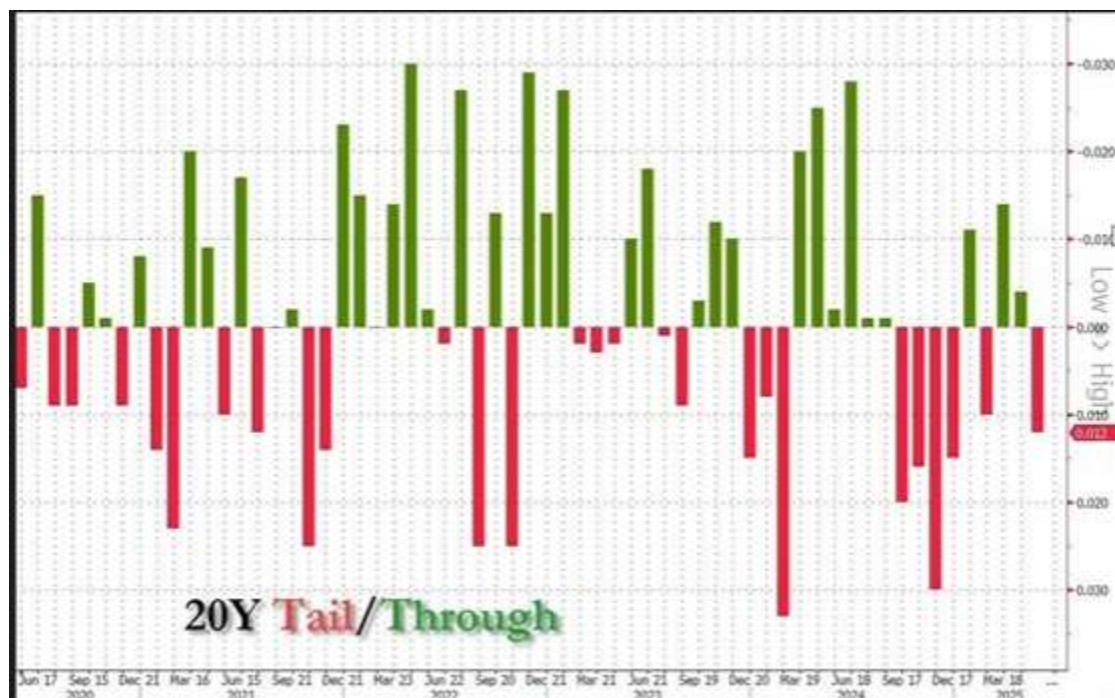


Figure 2: Deficit projections with JCT score of tax provisions and DB assumptions for spending increases and tariff revenue

	2025	2026	2027	2028
CBO baseline Jan 2025 (no TCJA extension) (\$bn)	-1827	-1707	-1743	-1918
JCT score of Ways & Means TCJA extension + additional cuts	-86	-481	-590	-575
DB Tariff revenue (\$bn)	170	249	252	254
DB defense / border spending increase	-50	-150	-100	0
<b>DB deficit forecast (\$bn)</b>	<b>-1793</b>	<b>-2089</b>	<b>-2181</b>	<b>-2239</b>
<b>DB nominal GDP (\$bn)</b>	<b>30486</b>	<b>31670</b>	<b>33107</b>	<b>34597</b>
<b>DB deficit % of GDP</b>	<b>-5.9</b>	<b>-6.6</b>	<b>-6.6</b>	<b>-6.5</b>

Source: JCT, Penn Wharton Tariff Model, Deutsche Bank