

Macro Roundup Article

Headline: [Dealer of Second to Last Resort](#)

Article Link: <https://fedguy.com/dealer-of-second-to-last-resort/>

| | |
|------------------|-----------------|
| Author(s) | Joseph Wang |
| Publication | Fed Guy Blog |
| Publication Date | August 08, 2023 |

Tweet: Treasury's new buyback program will allow the Treasury to "add and remove duration into the market," an ability previously only held by the Fed. @FedGuy12

Summary: Treasury plans to issue a bit more debt at each auction with the understanding a portion of the proceeds would be used to purchase old debt. In effect, the composition of Treasuries outstanding would be tilted towards the more liquid new issues. The program could one day be deployed to influence monetary conditions. For example, Treasury could effectively ease financial conditions by issuing short dated debt to purchase longer dated debt. There is no indication of this today, but treasuries and the central banks do not always have the same goal, and conflicts between the two are common in history.

Related Articles: nan

Primary Topic: Banking

Topics: Banking, Monetary Policy, Op-Ed/Blog Post, Weekly

Permalink: <https://www.edwardconard.com/macro-roundup/treasurys-new-buyback-program-will-allow-the-treasury-to-add-and-remove-duration-into-the-market-an-ability-previously-only-held-by-the-fed-fedguy12?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/08/New-Treasury-Program.png>