

## Macro Roundup Article

**Headline:** [Who Benefits from Higher Yields?](#)

**Article Link:** <https://apolloacademy.com/who-benefits-from-higher-yields/>

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**Summary:** When interest rates increase, holders of fixed income get a higher cash flow. The problem is that the Fed and foreigners own 50% of Treasuries outstanding, and foreigners own 28% of [investment grade and high-yield corporate] credit outstanding, so a lot of the additional cash flow created by higher US yields is not boosting US GDP growth. The bottom line is that higher interest rates are a net negative for the US economy. Related: [Why the Era of Historically Low Interest Rates Could Be Over and Rising Rates Slowing Growth Through Higher Debt Servicing Costs and Interest Rates Hit 16-Year Record](#)

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post, Weekly

**Permalink:** <https://www.edwardconard.com/macro-roundup/torsten-slok-apolloglobal-higher-interest-payments-arent-flowing-back-into-the-american-economy-as-foreigners-and-the-fed-own-50-of-treasuries?view=detail>

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