

Macro Roundup Article

Headline: [10s and Fed Expectations](#)

Article Link: <https://www.apolloacademy.com/10s-and-fed-expectations/>

Author(s)	Torsten Sløk
Publication	Apollo
Publication Date	July 09, 2024

Tweet: Noting a gap between 10-year yields and market expectations of Fed cuts, Torsten Sløk wonders if increased demand for capital from structural drivers and the US fiscal outlook are putting upward pressure on yields.

Summary: In rates markets, there is a tug-of-war between a slowing economy arguing for lower rates versus the structural forces putting upside pressures on inflation and rates (i.e., deglobalization, energy transition, more restrictions on immigration, more defense spending, and significant fiscal challenges). So far, 10s have been moving around one-to-one with Fed expectations, But in recent weeks, a gap has opened up, suggesting that other factors, perhaps including the fiscal outlook, are beginning to play a role for long rates.

Related Articles: In Search of Safe Havens: The Trust Deficit and Risk-free Investments! and The Fed and the Secular Decline in Interest Rates and Markets Think Inflation Will Be Too High For The Next 20 Years

Primary Topic: Financial Markets

Topics: Financial Markets, GDP, Op-Ed/Blog Post

Permalink: <https://www.edwardconard.com/macro-roundup/noting-a-gap-between-10-year-yields-and-market-expectations-of-fed-cuts-torsten-slok-wonders-if-increased-demand-for-capital-from-structural-drivers-and-the-us-fiscal-outlook-are-putting-upward-pressure?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/07/22267-10s-and-fed-expectations-featured-thumbnail-image.png>