

## Macro Roundup Article

**Headline:** [The Bond Market's Message](#)

**Article Link:** <https://www.wsj.com/articles/the-bond-markets-message-federal-reserve-inflation-monetary-policy-53557ae5?mod=e2two>

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**Tweet:** Noting the federal government has grown 43% over the past four years, Kevin Warsh forecasts higher Treasury yields until the business cycle turns.

**Summary:** The U.S. is courting trouble. The federal government is 43% larger than it was four years ago, and its reach is expanding mightily. More than a third of the surge in investment spending can be traced to government subsidies, credits, and handouts. The coming supply of Treasury securities required to fund U.S. government deficits will likely be substantially larger than official estimates. And purchasers of Treasury debt will demand higher yields, at least until something breaks in the economy. Related: [Maxing Out and 23% Increase in Treasury Auction Sizes in 2024](#) and [The Real Stakes of the Debt-Ceiling Fight](#)

**Primary Topic:** Fiscal Deficits

**Topics:** Factoid, Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Op-Ed/Blog Post

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