

Macro Roundup Article

Headline: [Demand for Treasuries](#)

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Author(s)	Torsten Sløk
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Tweet: Noting American households have been the largest buyer of US Treasuries during the hiking cycle; Torsten Sløk @apolloglobal argues that deficits of 5% means the market "will soon begin to focus on who will be buyers of US government debt."

Summary: As the Fed has been raising rates, US households have been big buyers of US Treasuries. The appetite for Treasuries from foreigners has been more limited because of higher hedging costs. Foreigners have instead increased their holdings of equities by \$3 trillion during the pandemic. With a 5% budget deficit combined with QT and the Treasury's need to replenish cash in the Treasury General Account, markets will soon begin to focus on who will be buyers of US government debt.

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