

Macro Roundup Article

Headline: [10 Facts About the US Treasury Market: Monitoring Demand For US Government Debt](#)

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Tweet: [Torsten Slok @apolloglobal](#) argues that investors should watch for a rise in the term premium driven by “Trillion-dollar deficits as far as the eye can see.” He notes that mean auction size will increase by 27% across the yield curve in 2024.

Summary: Government debt levels are going to rise from 100% to 200% of GDP. Deficits are projected to be more than \$1 trillion every year for the next 10 years. \$9 trillion of government debt will mature over the coming 12 months. Since the Fed started raising rates households, pension, and insurance have been buying more Treasuries. China has lowered its holdings of Treasuries from \$1.2 trillion in 2015 to \$800 billion today. The weighted average maturity of debt outstanding is currently 6 years. A rising share of debt outstanding is T-bills, currently 22%. Treasury auction sizes will in 2024 increase on average 27% across the yield curve. Debt servicing costs are currently 12% of total government outlays. Interest payments have doubled from \$1 billion per day before the pandemic to almost \$2 billion per day in 2023.

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