

Macro Roundup Article

Headline: [How To Tell If The US Treasury Is Having Trouble Borrowing In The Bond Market](#)

Article Link: <https://www.brookings.edu/articles/how-to-tell-if-the-us-treasury-is-having-trouble-borrowing-in-the-bond-market/>

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Tweet: Citing bids for newly issued Treasuries in the secondary market, @davidmwessel notes market depth is under its historical mean, suggesting the market has grown more illiquid since the pandemic.

Summary: Wall Street analysts have several ways to gauge the health of the secondary market. A widely cited one is market depth—the quantity of Treasury securities that market participants are willing to buy or sell at particular prices. As the chart illustrates, J.P. Morgan’s market-depth measure (which reflects the size of bids and offers in the market for U.S. Treasuries at various maturities between 8:30 a.m., when economic data is often released, and 10:30 a.m., when European markets close) plunged in March 2020. It has risen in the past couple of years, but remains significantly below pre-COVID levels in part because of uncertainty about Fed policy and regulatory impediments that have kept intermediaries from growing as fast as the growth in the size of the Treasury market.

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Primary Topic: Financial Markets

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

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