

## Macro Roundup Article

**Headline:** [Setser On Foreign Demand For Treasuries](#)

**Article Link:** [https://twitter.com/Brad\\_Setser/status/1722257390035521983](https://twitter.com/Brad_Setser/status/1722257390035521983)

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**Tweet:** [@Brad\\_Setser finds that aggregate foreign demand for US bonds is in line with or above the post-crisis mean, but forecasts, "the bulk of new note issuance will need to be absorbed domestically \(and obviously the Fed is adding to net supply\)"](#)

**Summary:** There is a lot of interest in foreign demand for US Treasuries (and US bonds generally) these days, given the scale of forthcoming issuance. And in aggregate foreign demand for US bonds has actually been pretty strong, in line or above the post-global crisis norm. The higher frequency data from the Fed (and now the Treasury) based on the valuation-adjusted monthly survey data tells the same story -- solid overall demand, with a modest shift toward Agencies in the last 12ms. Treasury demand appears to be coming largely from private investors -- which makes sense given that reserve growth has been weak and Treasuries offer an absolute yield pickup. China on net has sold Treasuries in the last 12ms of data even adjusting for Belgium/Euroclear. Foreign demand for long-term Agencies has been quite strong -- and China was a net buyer there over the last 12ms of data. Related: Just One More and Preferred Habitats and Timing in the World's Safe Asset and Resilience Redux in the US Treasury Market

**Primary Topic:** Financial Markets

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

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