

Macro Roundup Article

Headline: [Yellen Rejects Roubini Claim of 'Manipulation' in Treasuries](#)

Article Link: <https://www.bloomberg.com/news/articles/2024-07-26/yellen-rejects-roubini-claim-of-manipulation-in-treasuries?sref=U3dOGIDF>

Author(s)	Christopher Condon
Publication	Bloomberg
Publication Date	July 29, 2024

Tweet: Yellen rejected the @SteveMiran @Nouriel argument that Treasury's issuance policies are purposefully easing financial conditions to offset the Fed's rate hikes, "There is no such strategy."

Summary: A senior Treasury official criticized the Roubini paper on several levels, including factual mistakes about the volume of Treasury bill issuance over the last year. The number provided in the paper is based not on actual issuance but on outdated predictions from the Treasury Borrowing Advisory Committee (TBAC) — an outside panel of market participants that counsels the Treasury. It also left out the second quarter of this calendar year, when tax revenue allowed the Treasury to pay down bills by about \$300 billion. Miran, in an emailed response to questions, said the TBAC estimates are appropriate because those are the ones that get “priced into forward-looking markets.” He said the reason for leaving out the second quarter was because that’s when the Treasury has a surge of revenues due to tax due dates, and bill issuance naturally contracts. Miran said he and Roubini didn’t claim the Treasury was being activist in its issuance in that quarter.

Related Articles: ATI: Activist Treasury Issuance and the Tug-of-War Over Monetary Policy and Resilience Redux in the US Treasury Market and How To Tell If The US Treasury Is Having Trouble Borrowing In The Bond Market

Primary Topic: Financial Markets

Topics: Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, News article, Politics

Permalink: <https://www.edwardconard.com/macro-roundup/yellen-rejected-the-steve-miran-nouriel-argument-that-treasurys-issuance-policies-are-purposefully-easing-financial-conditions-to-offset-the-feds-rate-hikes-there-is-no-such-thing-as-free-money/view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/07/22574-yellen-rejects-roubini-claim-of-manipulation-in-treasuries-featured-thumbnail-image.png>