

Macro Roundup Article

Headline: [China's Rising Holdings of U.S. Agency Bonds](#)

Article Link: <https://www.cfr.org/blog/chinas-rising-holdings-us-agency-bonds>

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Tweet: .@Brad_Setser suggests that, while China is running down its Treasury portfolio, it is adding to its holdings from government-sponsored agencies.

Summary: China is on track to buy around \$75 billion of Agencies—likely accounting for nearly all central bank demand for Agencies and for about half of all foreign demand for Agencies. In some deep sense, the relationship between China, the housing Agencies (U.S. policy banks, in effect), and the Federal Reserve has come full circle. In late 2008 and 2009, China sold Agencies and the Fed stepped in and bought them. Then in 2022, the Fed stopped buying Agencies and now is letting its portfolio run down—and China is buying many of them. A small irony of financial history.

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Primary Topic: Trade (not deficits)

Topics: Factoid, GDP, Op-Ed/Blog Post, Sell-by Date, Trade (not deficits)

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