

## Macro Roundup Article

**Headline:** [Who Benefits from Higher Yields?](#)

**Article Link:** <https://apolloacademy.com/who-benefits-from-higher-yields/>

Author(s)	Torsten Sløk
Publication	Apollo
Publication Date	August 24, 2023

**Tweet:** [Torsten Sløk @apolloglobal](#) notes higher interest payments aren't flowing back into the American economy as foreigners and the Fed own 50% of Treasuries.

**Summary:** When interest rates increase, holders of fixed income get a higher cash flow. The problem is that the Fed and foreigners own 50% of Treasuries outstanding, and foreigners own 28% of [investment grade and high-yield corporate] credit outstanding, so a lot of the additional cash flow created by higher US yields is not boosting US GDP growth. The bottom line is that higher interest rates are a net negative for the US economy.

**Related Articles:** [Why the Era of Historically Low Interest Rates Could Be Over and Rising Rates Slowing Growth Through Higher Debt Servicing Costs and Interest Rates Hit 16-Year Record](#)

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post, Weekly

**Permalink:** <https://www.edwardconard.com/macro-roundup/torsten-slok-apolloglobal-higher-interest-payments-arent-flowing-back-into-the-american-economy-as-foreigners-and-the-fed-own-50-of-treasuries?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2023/08/Foreigners-and-the-Fed-own-50-of-US-Treasuries-outstanding.png>