

## Macro Roundup Article

**Headline:** [Who Has Been Buying U.S. Treasury Debt?](#)

**Article Link:** <https://theovershoot.co/p/who-has-been-buying-us-treasury-debt>

Author(s)	Matt Klein
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**Tweet:** [.@M\\_C\\_Klein argues that hedge funds have replaced the Federal Reserve as the marginal buyer of Treasuries as interest rates have risen.](#)

**Summary:** Net purchases of marketable securities by “households and nonprofits” have soared, more than offsetting sales and redemptions by money market funds, the Federal Reserve, and banks. In practice, much of this buying likely reflected purchases by hedge funds. The U.S. Treasury borrowed about as much in 2022Q2-2023Q1 (\$1.02 trillion) as it did in 2018 (\$1.13 trillion) and 2019 (\$1.06 trillion). The sources of financing have changed dramatically as bond prices plunged. Compared to 2019 or the first years of the pandemic, the newest crop of buyers most closely resembles those who stepped up in 2018, when rising interest rates encouraged relative value hedge funds and securities dealers to fill in for the Federal Reserve as it ran down its bond portfolio.

**Primary Topic:** Fiscal Deficits

**Topics:** Fiscal Deficits, Fiscal Policy, Op-Ed/Blog Post

**Permalink:** [https://www.edwardconard.com/macro-roundup/m\\_c\\_klein-argues-that-hedge-funds-have-replaced-the-federal-reserve-as-the-marginal-buyer-of-treasuries-as-interest-rates-have-risen?view=detail](https://www.edwardconard.com/macro-roundup/m_c_klein-argues-that-hedge-funds-have-replaced-the-federal-reserve-as-the-marginal-buyer-of-treasuries-as-interest-rates-have-risen?view=detail)

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