

Macro Roundup Article

Headline: [US Treasury's \\$1tn Borrowing Drive Set To Put Banks Under Strain](#)

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Tweet: JP Morgan estimates that the US will need to borrow at least \$1.1T in short-dated Treasury bills by the end of 2023. The deluge is expected to stress markets and raise yields.

Summary: Following the resolution of [the debt ceiling] dispute — which had previously prevented the US from increasing its borrowing — the Treasury department will seek to rebuild its cash balance, which last week hit its lowest level since 2017. JPMorgan has estimated that Washington will need to borrow \$1.1tn in short-dated Treasury bills by the end of 2023, with \$850bn in net bill issuance over the next four months. A principal concern voiced by analysts was that the sheer volume of new issuance would push up yields on government debt, sucking cash out of bank deposits.

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Primary Topic: Fiscal Deficits

Topics: Banking, Fiscal Deficits, Fiscal Policy, Monetary Policy, News article, Weekly

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