

Macro Roundup Article

Headline: [The Deteriorating US Fiscal Situation](#)

Article Link: <https://www.apolloacademy.com/the-deteriorating-us-fiscal-situation/>

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Tweet: Torsten Sløk notes that the first signs of fiscal stress will likely be large gaps between average and “tail” bids in Treasury auctions, lower bid-to-cover ratios, or softer demand from interest-rate-sensitive buyers.

Summary: Where would the first signs of US fiscal stress appear in markets? 1) Tailing Treasury auctions, lower bid-to-cover ratios, or softer demand from interest rate-sensitive buyers. 2) Rating agencies issuing opinions about the deteriorating US fiscal situation. 3) The term premium trending higher. Related: The Long Term Budget Outlook: 2024 to 2054 and Olivier Blanchard on Debt Explosions and From Riches to Rags: Causes of Fiscal Deterioration Since 2001

Primary Topic: Fiscal Deficits

Topics: Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Government Spending, Op-Ed/Blog Post

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