

Macro Roundup Article

Headline: [Long Live the Dollar](#)

Article Link: <https://fedguy.com/long-live-the-dollar/>

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Tweet: Foreigners have been the dominant net buyers of long-dated Treasuries over the 14 months ending April 2024, purchasing \$700B, over 80% of total net issuance. @Fedguy12 warns that this would make a dollar devaluation "particularly dangerous."

Summary: Foreigners have been the dominant net buyers of long-dated Treasuries over the past year by purchasing almost as much as the entire net issuance. Foreigners purchased a net \$700b in longer-dated Treasuries over the 14 months ending April 2024. That is only modestly below the \$860b in total net issuance of longer-dated Treasuries. Foreign purchasers of longer-dated Treasuries have largely been from the non-official sector while net purchases from the official sector appeared to move with the dollar. While granular data is not available, foreign non-official entities include hedge funds, pension funds, insurance funds, and banks. Their purchases could be motivated by historically high U.S. interest rates, or in part a currency speculation.

Related Articles: Who Buys Treasuries When the Fed Reduces its Holdings and Liquidity Deteriorating in Treasury Markets and In 2023 Foreign Demand for Long Term Treasuries Exceed Net Issuances

Primary Topic: Fiscal Deficits

Topics: Database, Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Op-Ed/Blog Post, Weekly

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