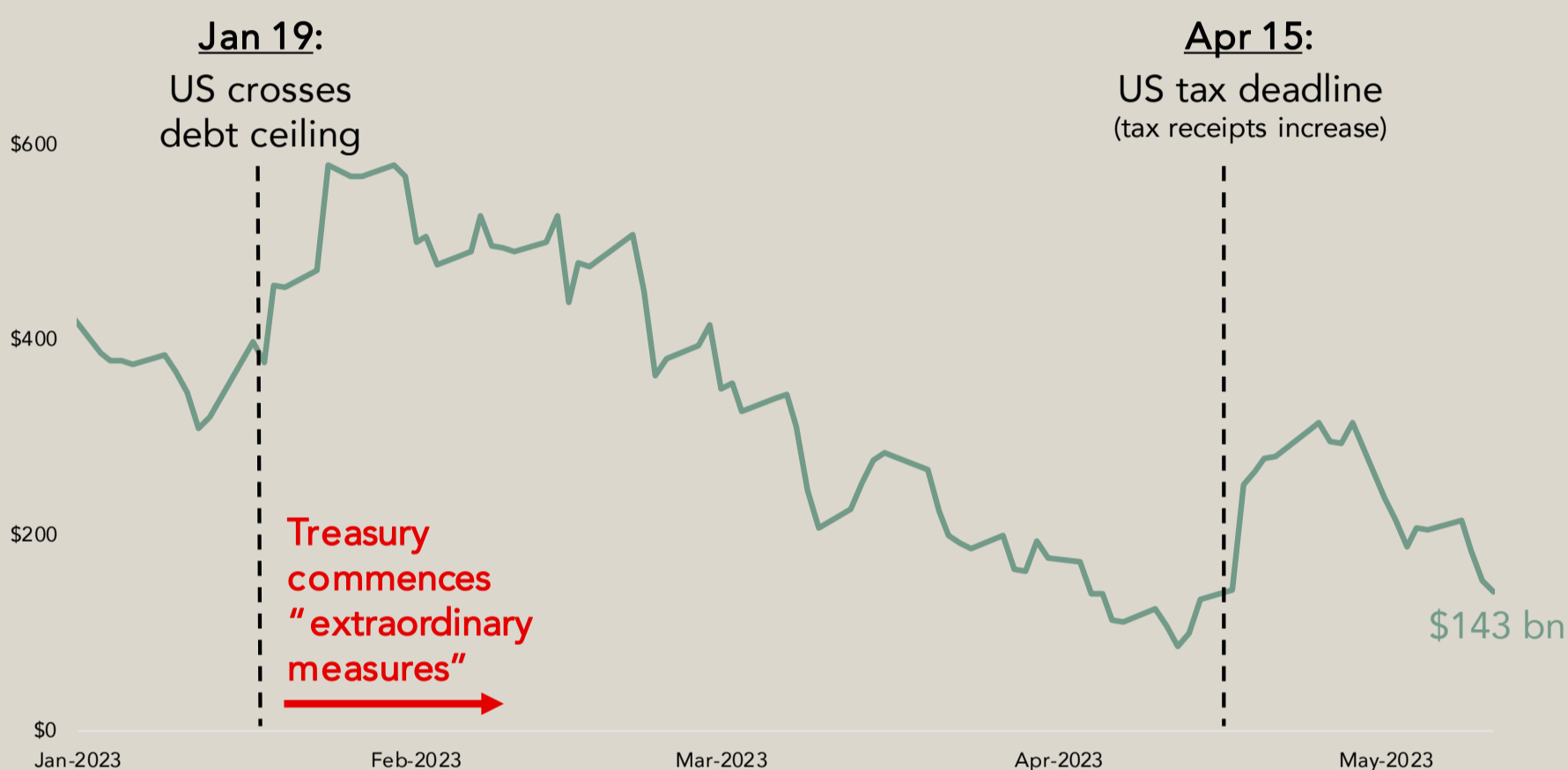


Chart of the Day

The US Treasury had approximately \$500 bn in cash on-hand at the time it hit the \$31.4 tn statutory debt ceiling limit on Jan 19, 2023. Since the US Government spends more money than it receives in taxes, Secretary Yellen was forced to employ “extraordinary measures” to increase Treasury account balances until the debt ceiling can be lifted. With disappointing tax receipts in April, US Treasury cash balances are depleting rapidly, which led Secretary Yellen to identify June 1 as the “X-date” for US debt ceiling negotiations. An additional jump in tax receipts is expected on June 15.

US treasury cash balance at the Federal Reserve, USD bn



"Extraordinary Measures"

- Suspend sales of State & Local Gov Treasury securities
- Suspend new investments in the Civil Service Retirement and Disability Fund (CSRDF)
- Suspend new investments in the Postal Service Retiree Health Benefits Fund (PRHBF)
- Suspend reinvestment of the Gov Securities Investment fund (GSIF)
- Suspend reinvestment of the Exchange Stabilization Fund (ESF)

Source: (1) Bloomberg. Data as of May 12, 2023.

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"Macro stability isn't everything, but without it, you have nothing."