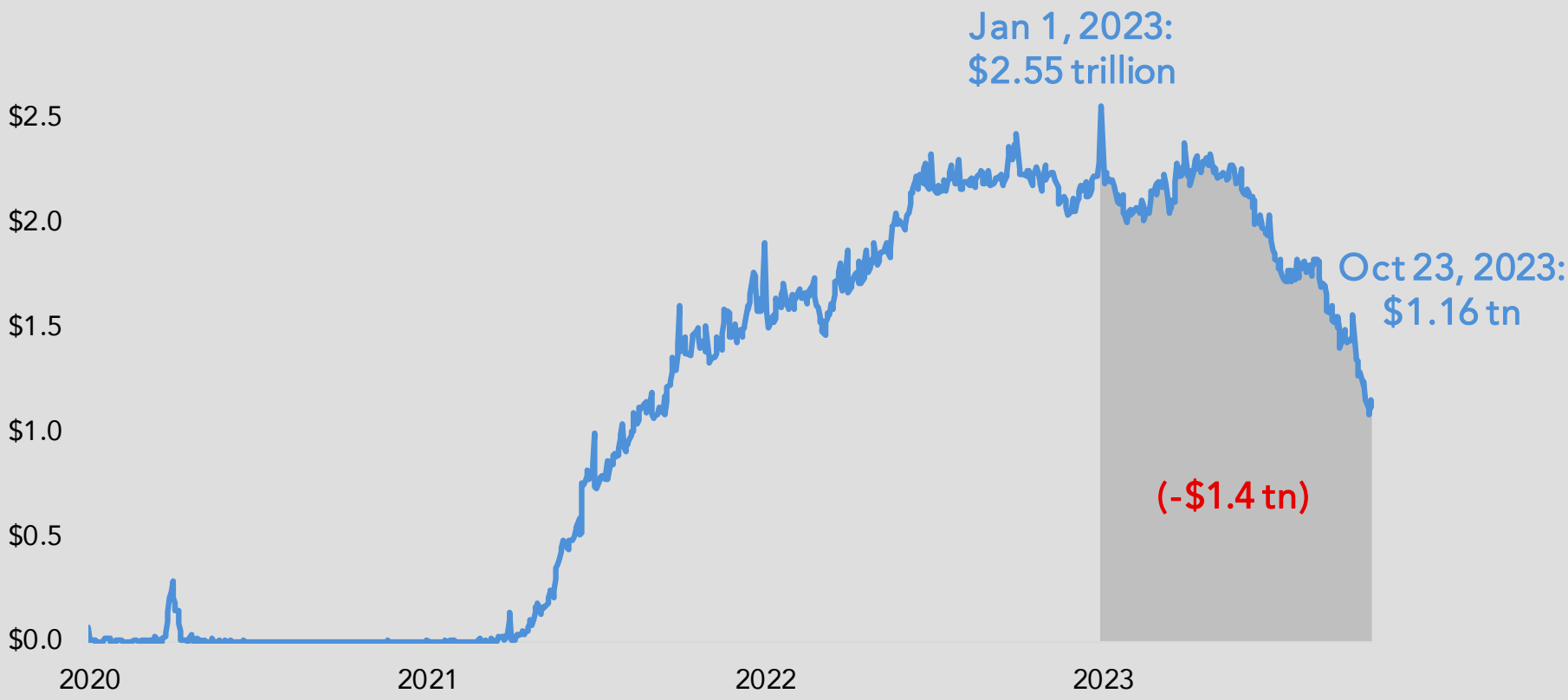


Chart of the Day



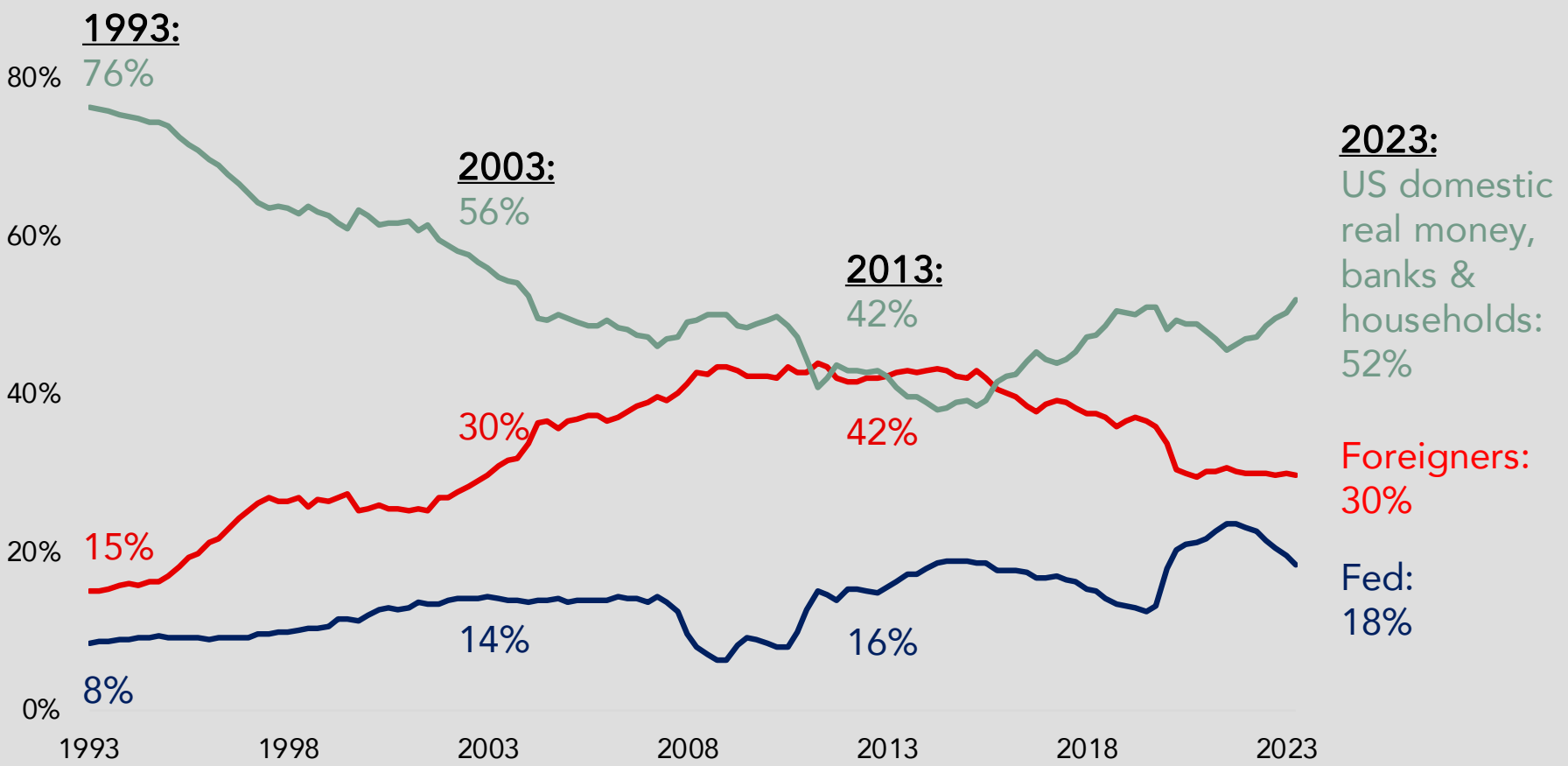
Earlier this year, US Money Market Funds had nearly \$2 trillion of their \$5 trillion in funds parked in the Fed's Reverse Repo (RRP) facility. Fed RRP balances have since declined in lock-step with the \$1.3 trillion of US Treasury issuance since the debt ceiling was resolved on June 1. To lure private investors and MMFs, Treasury has faced higher interest costs which, in turn, exacerbate US deficits.

NY Fed reverse repo accepted bids, USD tn



While foreign central bank purchases of US Treasuries have increased on an absolute basis over the last decade, their relative share of today's \$25 trillion UST market has declined sharply since peak China and EM growth in 2014. Investment fund purchases of USTs (pension funds, insurance funds, money market funds) have increased notably since the Fed tightening cycle began in March 2022.

Holdings of Treasuries as a % of total Treasury debt outstanding



Source: (1-2) Bloomberg. Data as of October 23, 2023. Federal Reserve. Data as of October 7, 2023. Financial Accounts of the United States, L.210 Treasury Securities.

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