

Chart of the Day

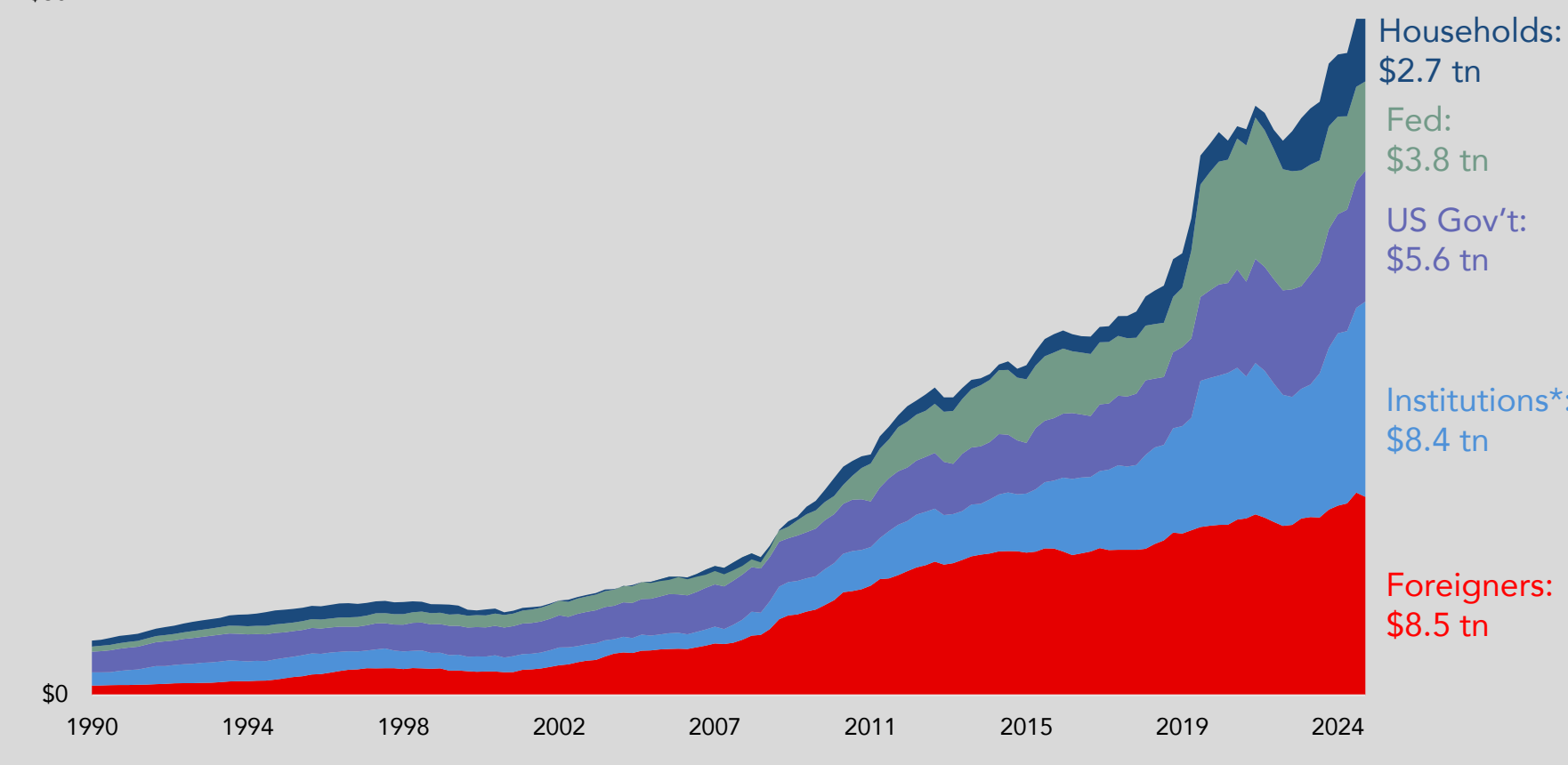
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Ownership of \$30 Trillion UST Market

71% of the US Treasury market is held domestically, with much of domestic and foreign ownership held by the private sector.

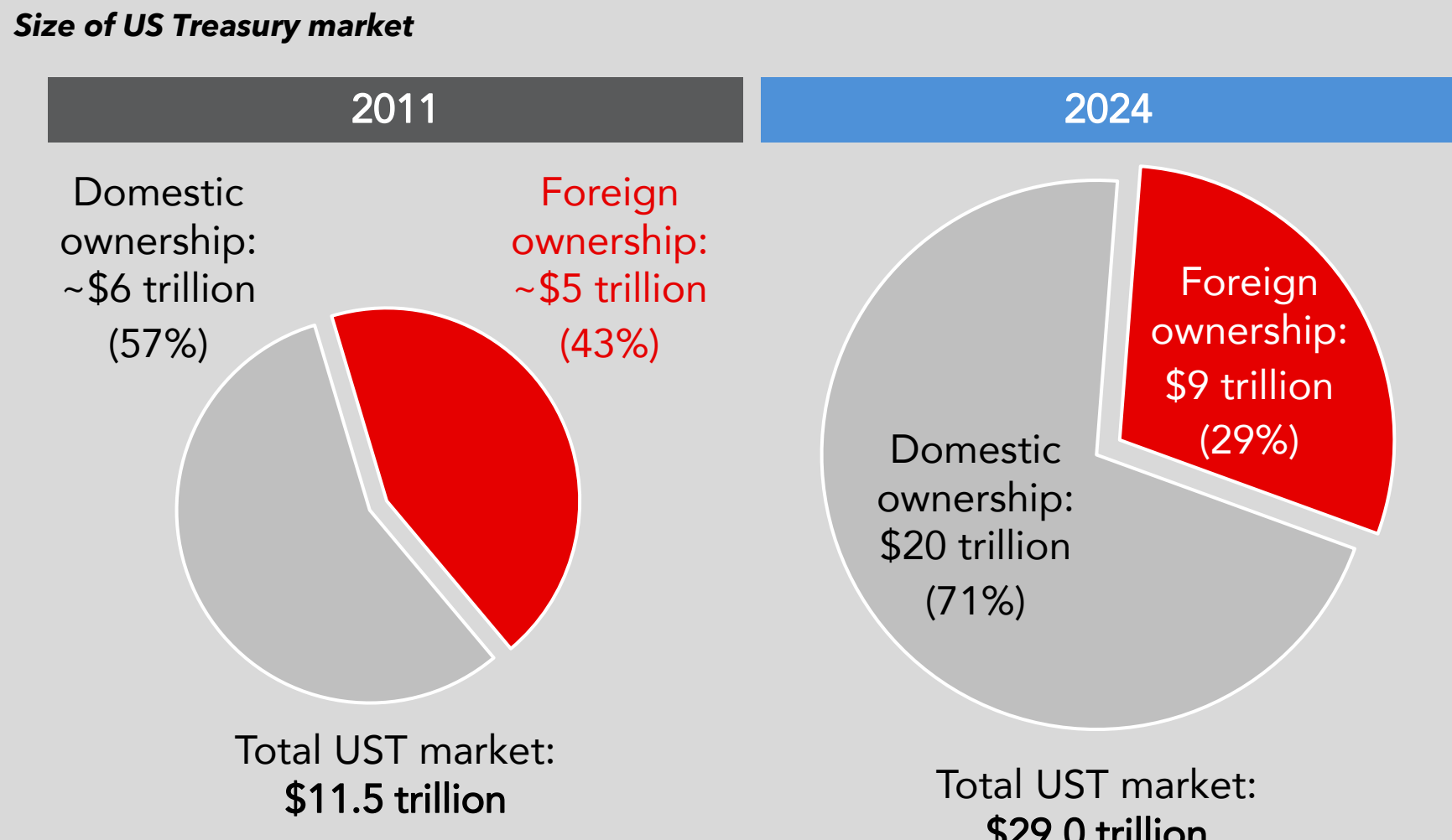
Holders of US Treasury securities, USD tn



Domestic & Foreign Ownership of US Treasuries

With China and EM growth (and annual surpluses) peaking around 2014, foreign central banks' ownership share of US Treasuries has been on a multi-year decline.

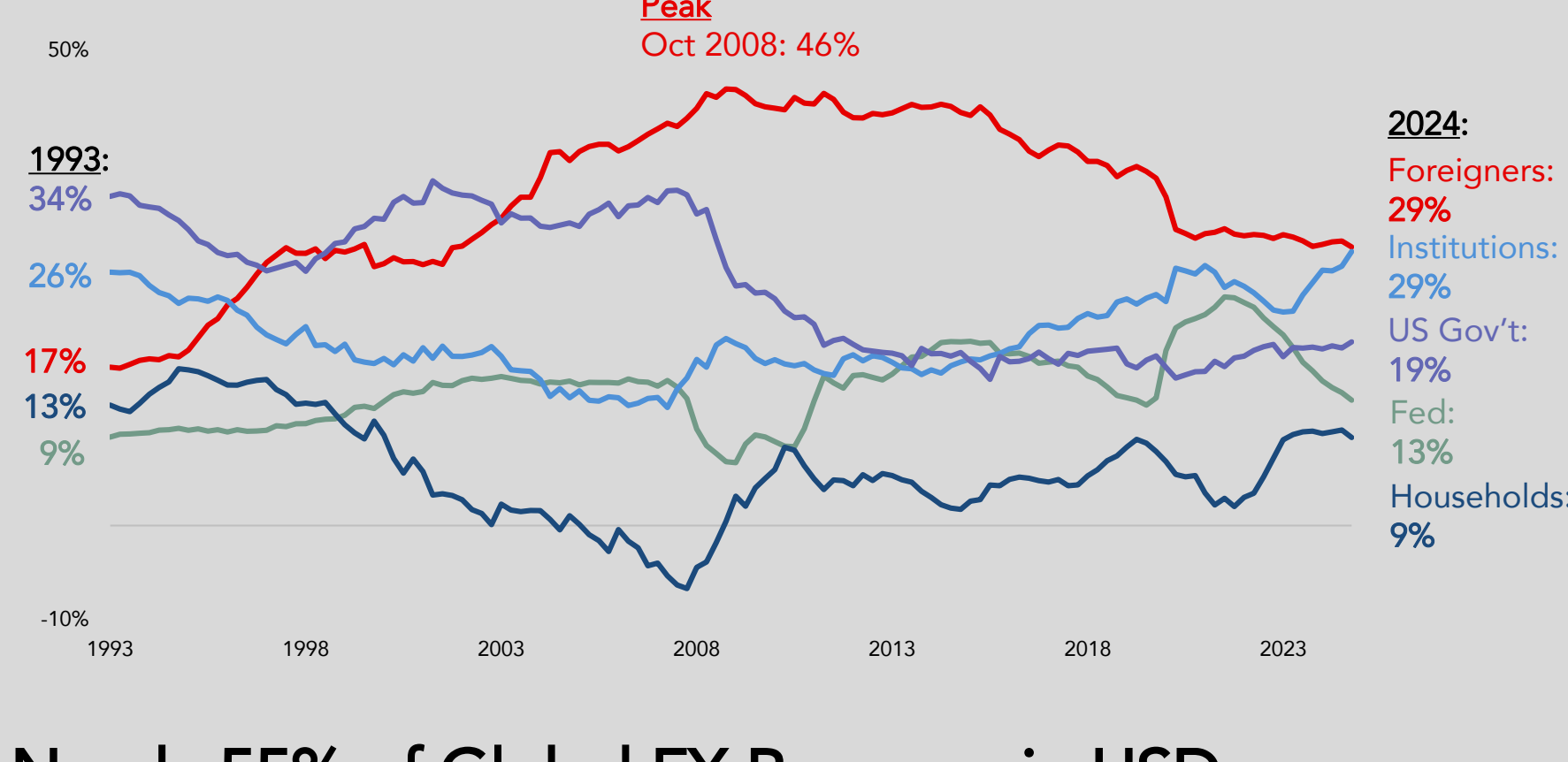
Size of US Treasury market



Domestic & Foreign Ownership of USTs

While foreign central bank purchases of US Treasuries have increased on an absolute basis over the last decade, their relative share of today's \$30 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.

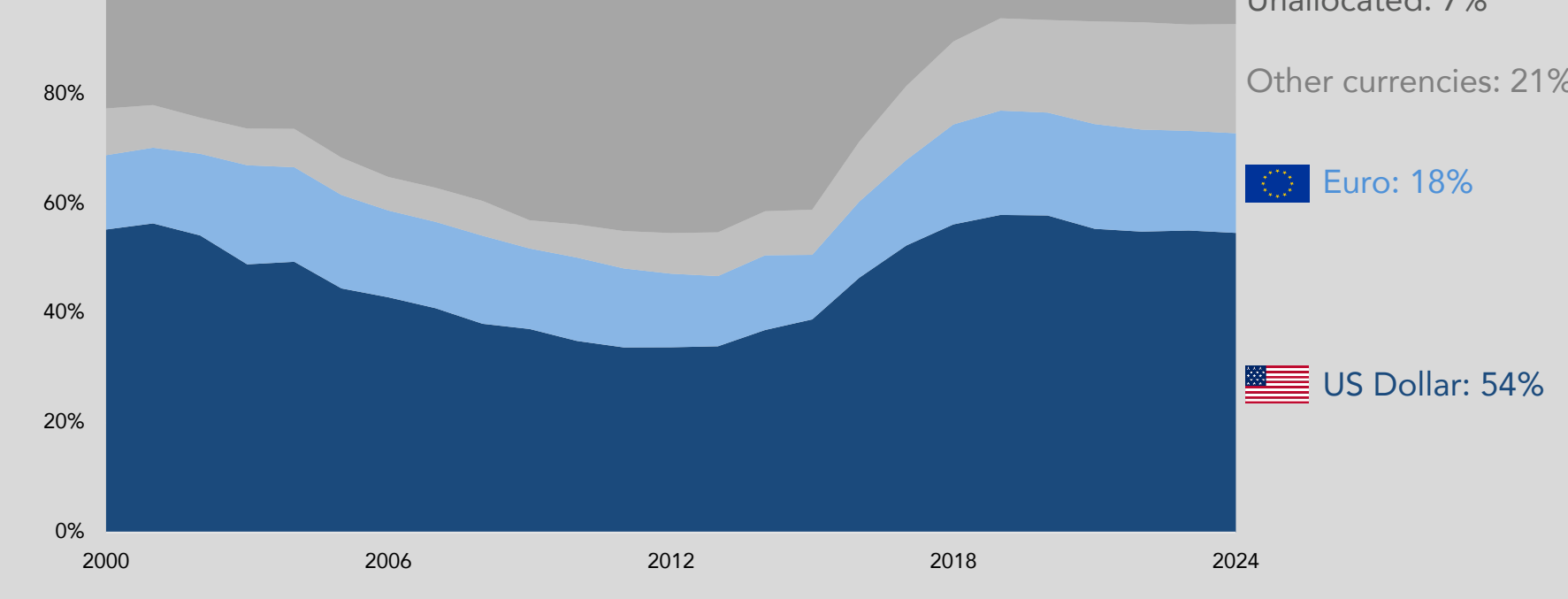
Holdings of Treasuries as a % of total Treasury debt outstanding



Nearly 55% of Global FX Reserves in USD

While multi-currency settlement has become more common in selected markets, Central Bank FX reserves invested in US Dollars have held steady in the 50-60% range in recent years.

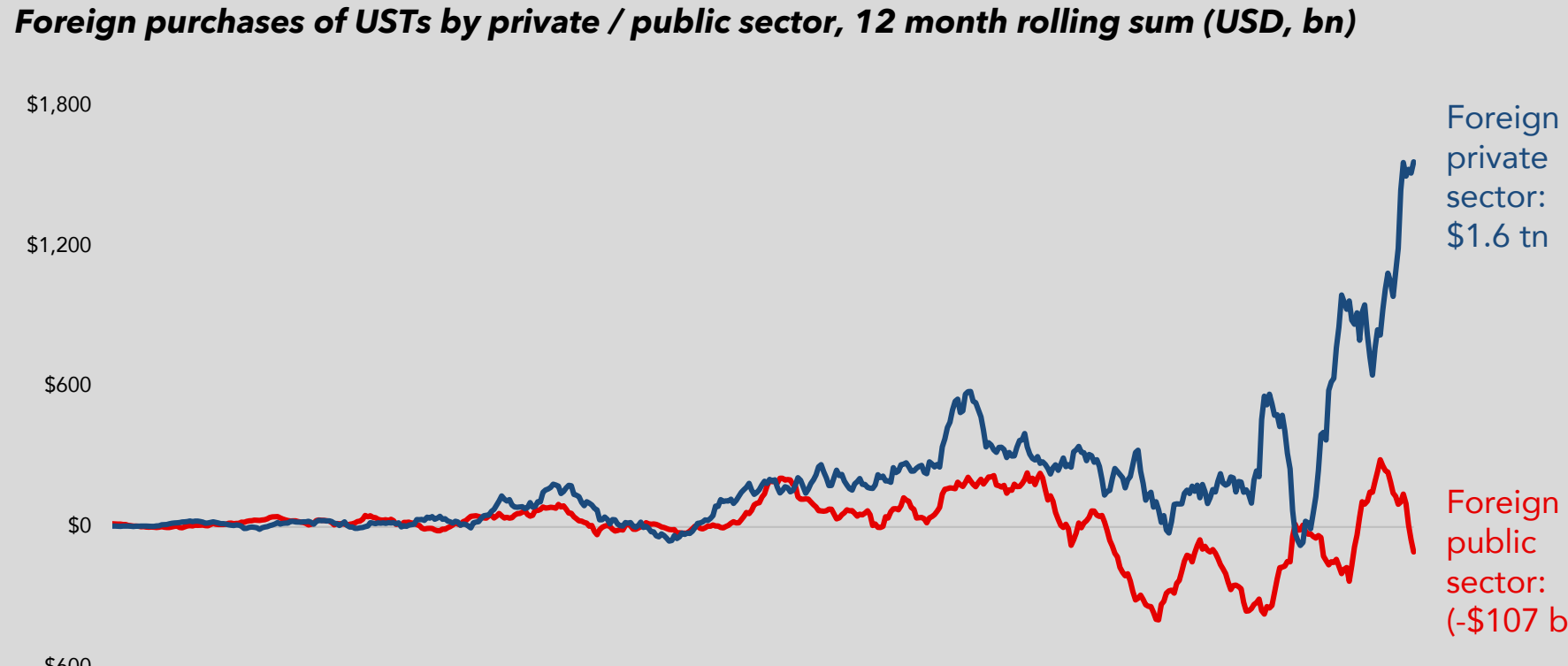
Reserves in different currencies



Overseas Demand More Recently From Private Sector

While foreign purchases of US Treasuries are net positive, "official" or public foreign purchases have actually been negative since 2021 and have been offset by overseas demand from the private sector.

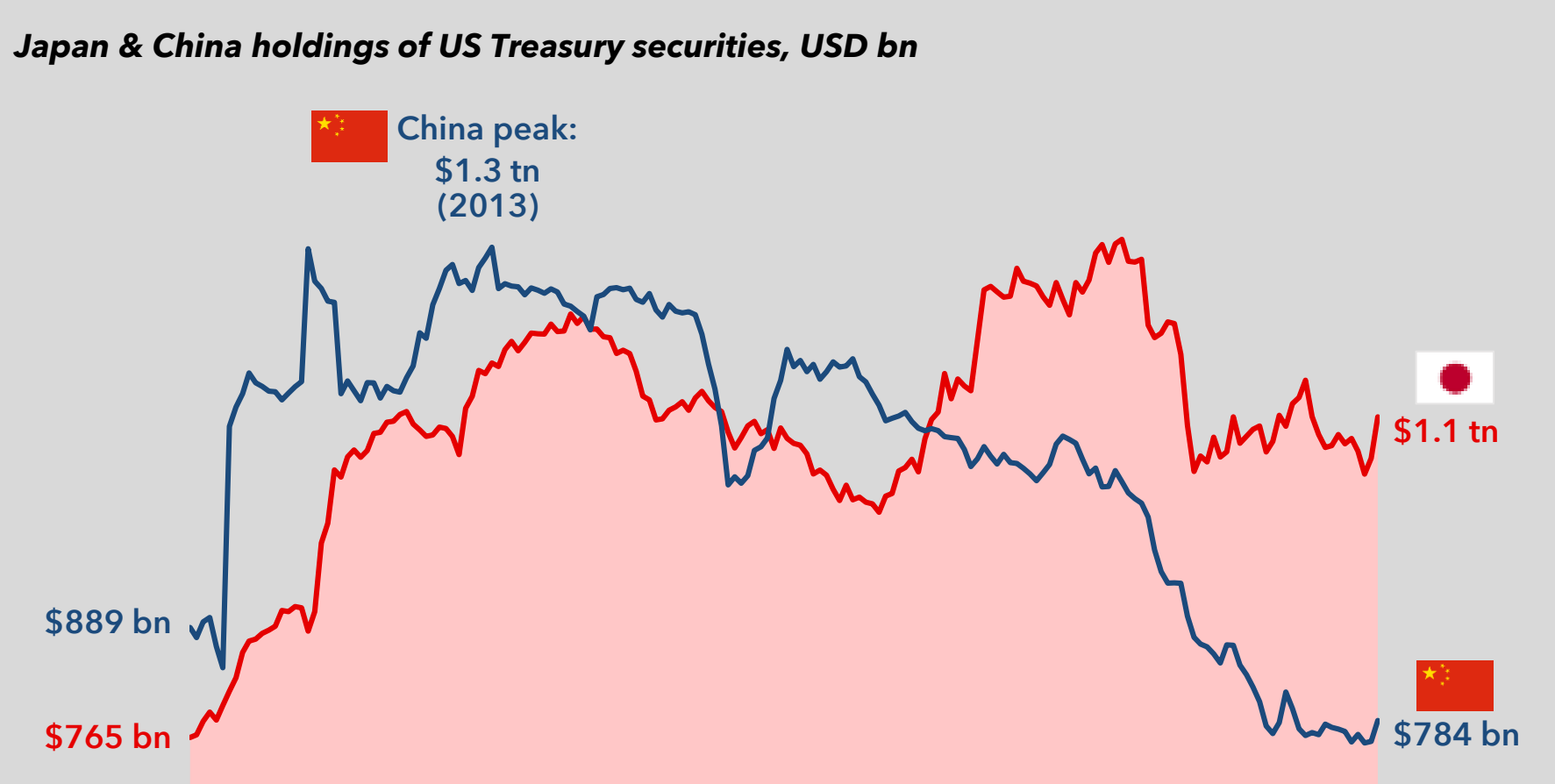
Foreign purchases of USTs by private / public sector, 12 month rolling sum (USD, bn)



Japan Supplants China as #1 Overseas UST Buyer

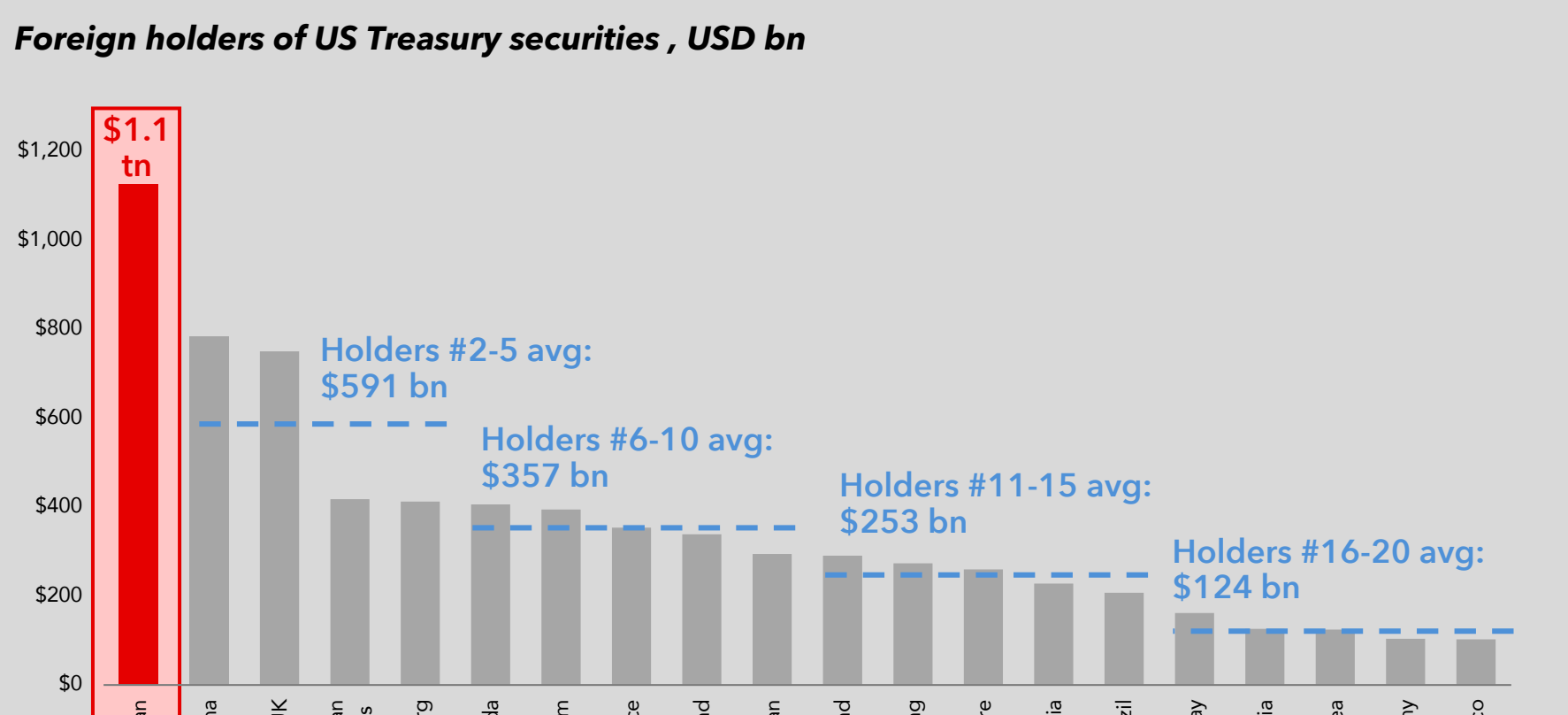
Over the last decade, Japan has solidified its position ahead of China as the #1 overseas buyer of US Treasuries.

Japan & China holdings of US Treasury securities, USD bn



Japan is #1 Overseas Buyer of US Treasuries

Foreign holders of US Treasury securities, USD bn



Source: (1-3) Federal Reserve. Data through Q4 2024. Financial Accounts of the United States, L210 Treasury Securities. Gov't includes Federal, State & local governments, retirement funds and gov't sponsored enterprises. Total represents total marketable US Treasury debt. (4) IMF COFER. Data through Q4 2024. (5) Bloomberg. US Treasury. MUFG US Macro Strategy. UST purchases include bonds and notes. Data through February 2025. (6-7) US Department of the Treasury. Data is latest available - February 2025. Reuters "China slips away from Treasuries but sticks with dollar bonds".

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