

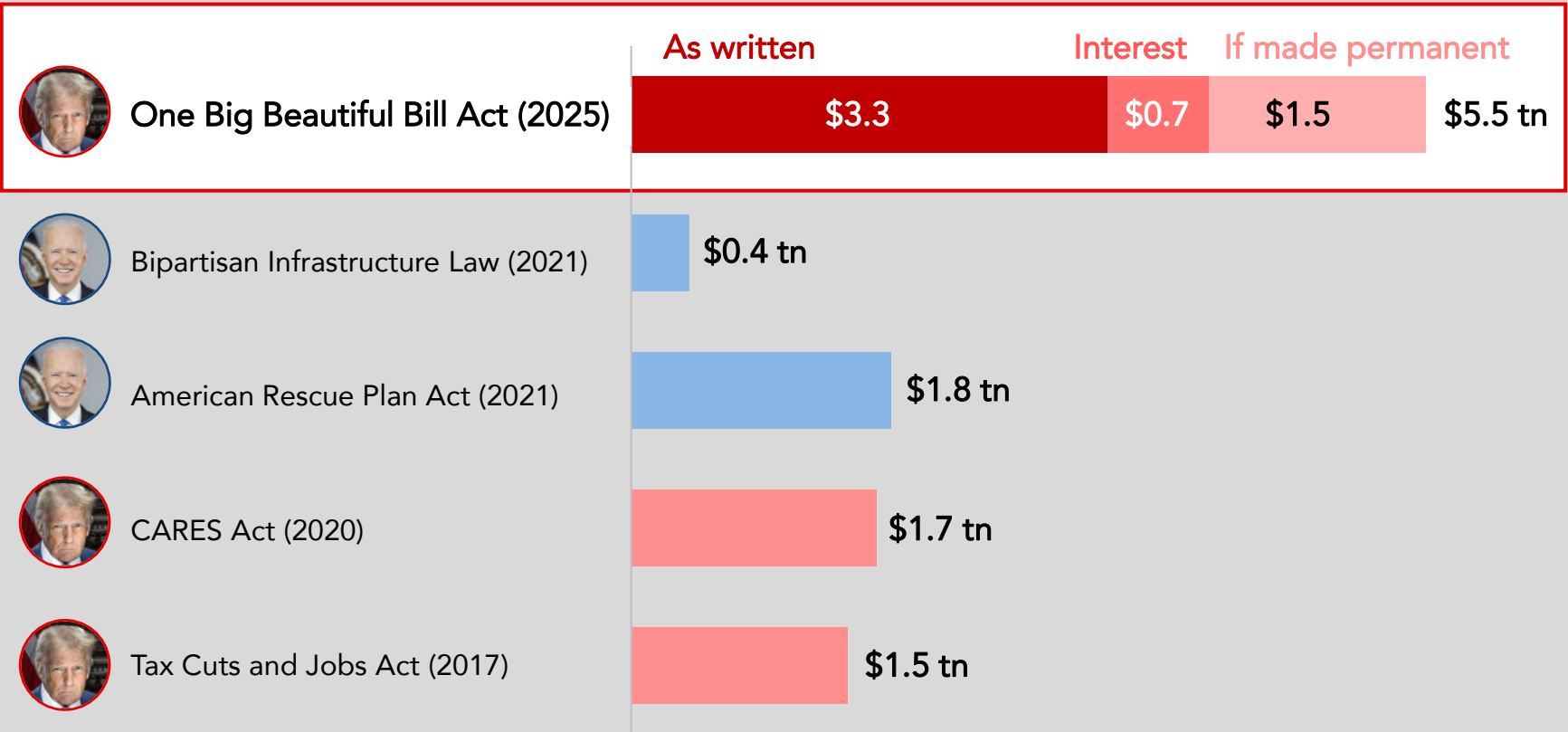
Chart of the Day



Largest US Peacetime Fiscal Expansion in Decades

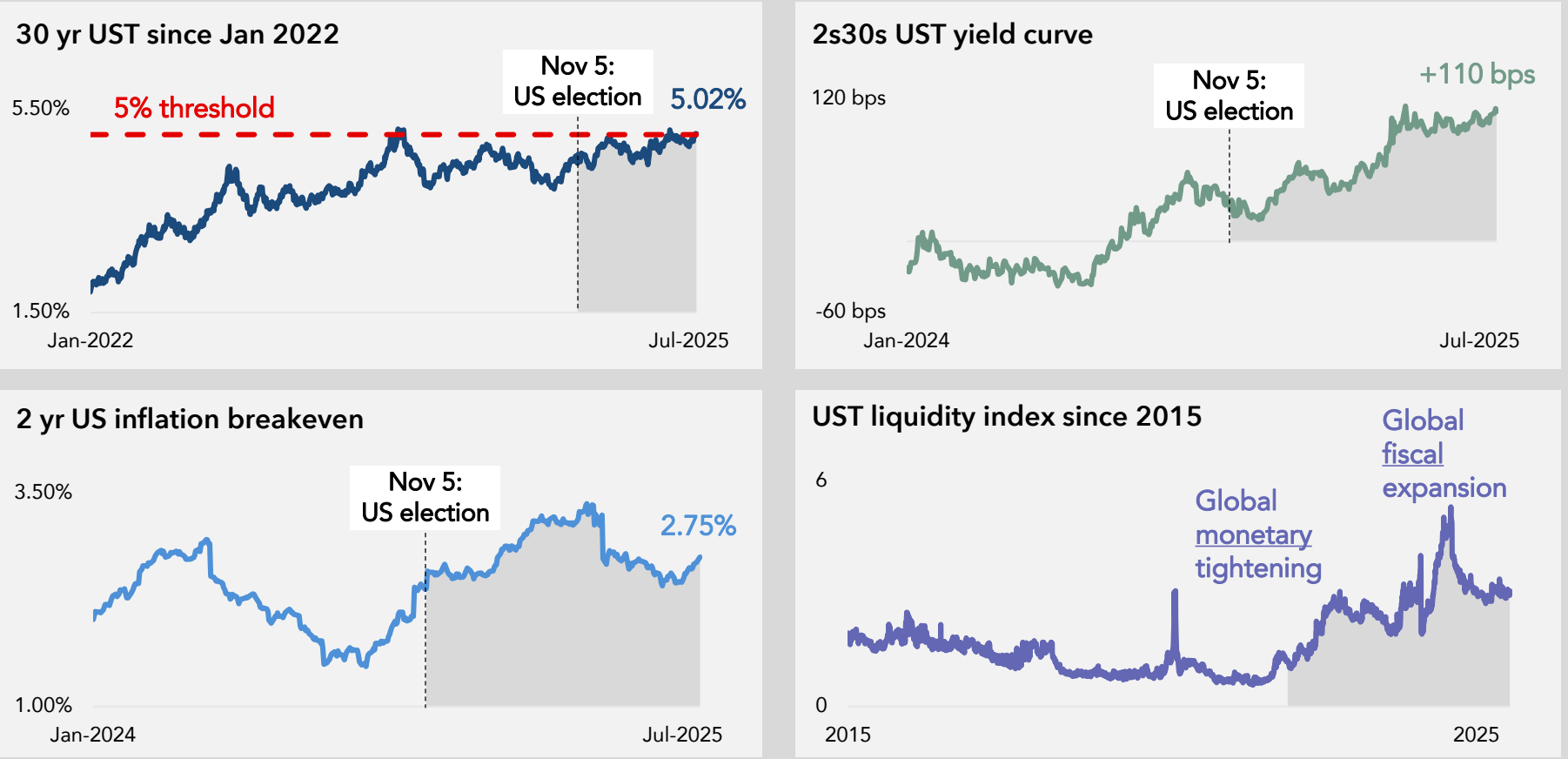
According to the Congressional Budget Office (CBO) which scores US legislation, the OBBBA will add \$4 trillion to US deficits over the next 10 years, one of the largest US deficit expansions on record. There are several provisions within the bill - no tax on tips, tax deductible auto payments and \$6k deduction for seniors - that are set to expire in 2028. However, if extended again as many expect, the true cost of the OBBBA will be over \$5.5 trillion.

10 year deficit impact of domestic policy bills, USD tn



Rates Markets Sensitive to US Fiscal Expansion, Fed Independence & Inflation Risk

US rates markets have become more sensitive to US fiscal expansion, trade policy, concerns about Fed independence and related inflation.



Source: (1) Center for a Responsible Federal Budget. The Budget Lab. Note: OBBBA \$5.5tn total if made permanent includes interest. (2-5) Bloomberg. Data as of July 17, 2025.

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“Macro stability isn’t everything, but without it, you have nothing.”